



**PRESS RELEASE**  
**For immediate publication**

**Financial Results for the 1999 Fiscal Year**

**NET EARNINGS UP 73 % AND CASH FLOW UP 100 %**

*(Saint-Léonard, June 9, 1999)* Saputo Group Inc. announced today its financial results for the year ended March 31, 1999.

Saputo Group Inc. achieved excellent financial performance during the 1999 fiscal year. Sales more than doubled and net earnings rose 73% over the previous fiscal year. This performance is the result of the efficient integration of Stella Foods Inc., acquired in December 1997 and renamed Saputo Cheese USA on December 1, 1998, and the purchase of Avonmore Cheese Inc. and Waterford Food Products Inc. in May 1998.

**Revenues up 134 %**

Saputo's revenues for the year ended March 31, 1999 totalled \$1.9 billion, an increase of 134 % over the \$817 million in revenues posted for the 1998 fiscal year. A full year's operation of Saputo Cheese USA Inc., compared with sixteen weeks in fiscal 1998, was the principal source of this increase, as well as various acquisitions completed in fiscal 1999.

**EBITDA up 100 %**

Earnings before interest, taxes, depreciation and amortization (EBITDA) reached \$191.1 million in the 1999 fiscal year, an increase of 100 % over the \$95.4 million recorded for the 1998 fiscal year.

Year-end net earnings totalled \$79.1 million or \$1.63 per share (\$1.59 diluted), a 73% increase over the \$45.7 million posted in the 1998 fiscal year. This increase in net earnings reflects not only the full contribution (52 weeks) of Saputo Cheese USA Inc. but also the efficiency of the ongoing integration process of our American activities during fiscal 1999.

Net cash flow generated by operations before changes in non-cash operating working capital items amounted to \$128.3 million (\$2.64 per share), compared to \$64 million (\$1.72 per share), in the last fiscal year. This represents an increase of \$64.3 million.

### **Quarterly Results**

Net earnings reported by the Company for each of the first three quarters were \$15.9 million, \$18.4 million and \$19.9 million. In view of the fact that the allocation of the purchase price of Stella Holdings Inc. between the different assets and liabilities was completed during the fourth quarter and as a result of certain financial transactions and corporate reorganizations, the provisions for depreciation and income taxes expense were revised at the end of the year. Accordingly, had these adjustments been included in the quarterly results, the net earnings would have been \$16.7 million for the first quarter, \$19.6 million for the second quarter, \$21.6 million for the third quarter and \$21.2 million for the fourth quarter of fiscal 1999.

### **Dividend**

The Saputo board of directors today declared a dividend of \$ 0.06 per common share, payable on July 9, 1999 to shareholders of record on June 25, 1999. This dividend relates to the fourth quarter of the current fiscal year beginning January 1, 1999 and ended March 31, 1999.

### **About Saputo**

Saputo Group Inc. is a North American manufacturer of quality cheeses renowned across Canada and the United States. Mozzarella is predominant in the Company's production, with its expertise extending to the manufacturing of other specialty cheeses such as Parmesan, Ricotta, Blue and Swiss. From its dairy processing operations, Saputo also derive value-added products such as lactose and whey protein, which it markets throughout the world. The Company's leading brands are Saputo, Stella, Frigo and Dragone. In Canada, Saputo also operates its distribution network, through which the Group markets a broad assortment of non-dairy products to complement its cheese offerings. Saputo currently employs more than 3,000 people and operates thirteen distribution centres and nine plants in Canada as well as nineteen plants in the United States. The Company's shares are listed on the Montreal and Toronto stock exchanges under the symbol SAP.

## FINANCIAL HIGHLIGHTS

(in millions de dollars,  
except per share amounts)

For the twelve-month period  
ended March 31

	1999	1998	Change in %
<b>Revenues</b>			
Canada	\$521.1	\$454.9	14.6%
United-States	<u>\$1,394.5</u>	<u>\$362.3</u>	<u>284.9%</u>
	<u>\$1,915.6</u>	<u>\$817.2</u>	<u>134.4%</u>
<b>Earnings before interest, income taxes, depreciation and amortization</b>			
Canada	\$77.7	\$71.1	9.3%
United-States	<u>\$113.4</u>	<u>\$24.3</u>	<u>366.7%</u>
	<u>\$191.1</u>	<u>\$95.4</u>	<u>100.3%</u>
Depreciation and amortization	\$34.9	\$15.7	
Interests	\$33.9	\$8.9	
Income taxes	<u>\$43.2</u>	<u>\$25.1</u>	
<b>Net earnings</b>	<u>\$79.1</u>	<u>\$45.7</u>	73.1%
<b>Cash flow generated by operations, before changes in non-cash operating working capital items</b>	<u>\$128.3</u>	<u>\$64.0</u>	<u>100.0%</u>
<b>PER SHARE</b>			
<b>Earnings per share</b>			
Basic (1)	\$1.63	\$1.23	
Diluted (2)	\$1.59	\$0.93	
<b>Cash flow generated by operations, before changes in non-cash operating working capital items</b>	<u>\$2.64</u>	<u>\$1.72</u>	<u>53.5%</u>
<b>BALANCE SHEET ITEMS</b>			
<b>Working capital</b>	<u>\$98.5</u>	<u>\$115.9</u>	
<b>Long-term debt, including current portion</b>	<u>\$377.8</u>	<u>\$361.3</u>	
<b>Shareholders' equity</b>	<u>\$449.9</u>	<u>\$369.9</u>	21.6%

- (1) Basic earnings per share have been calculated using the weighted average number of common shares outstanding during each fiscal year.
- (2) Fully diluted earnings per share have been calculated using 49,798,325 common shares (49,336,919 in 1998), being 48,630,998 common shares currently outstanding (48,567,260 in 1998) and 1,167,327 common shares that may be issued following the exercise of options granted under the Company's share option plan (769,659 in 1998).

Information: Lynda Leith  
Investor Relations  
(514) 328-3381