



**FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2000**

**NET EARNINGS UP 32.2% AND CASH FLOW UP 36.5%**

*(Saint-Léonard, February 22, 2000)* - Saputo Group Inc. today released its corporate financial results for the quarter ended December 31, 1999.

**Net earnings up 32.2%**

Earnings before interest, income taxes, depreciation and amortization (EBITDA) reached \$65.6 million in the third quarter ended December 31, 1999 an increase of 29.9% over the \$50.5 million in the corresponding quarter of fiscal 1999. Despite the negative impact of the decrease in cheese sales prices on the American market, the quarter ended December 31, 1999, saw a major increase in earnings compared with the same period last year.

Net earnings amounted to \$26.3 million or \$0.51 per share (\$0.50 diluted), a 32.2% improvement over the \$19.9 million (\$0.41 per share), in the third quarter of fiscal 1999. All divisions of the Company contributed substantially to the growth in earnings.

Saputo's revenues in the third quarter of fiscal 2000 totalled \$497.4 million. This 4.8% drop compared to \$522.6 million for the same period of fiscal 1999 is mainly due to the lower selling price of cheese in the United States.

**Cash flow up 36.5%**

Net cash flow generated by operations before changes in non-cash operating working capital items was \$126.3 million (\$2.55 per share) for the nine months ended December 31, 1999, 36.5% higher than the \$92.5 million (\$1.90 per share) for the corresponding nine months of the previous fiscal year.

### **Dividend**

The board of directors of Saputo Group Inc. today declared a dividend of \$0.06 per common share, payable March 24, 2000 to shareholders of record on March 10, 2000. This dividend is for the third quarter, which began on October 1, 1999 and ended December 31, 1999.

### **About Saputo**

Saputo Group Inc. is a North American manufacturer of quality cheeses and other food products 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 manufactures 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. Through its Culinar subsidiary, Saputo also manufactures snack cakes, cookies, fine breads and soups, under recognised brand names such as Vachon, Viau-McCormicks, Grissol and Loney's.

Saputo employs close to 5,000 people. It operates nine plants in Canada and seventeen plants in the United States for its cheeses and related milk products, five plants in Canada to manufacture other food products, as well as a network of nineteen distribution centres in Canada. The Company's shares are listed on The Toronto Stock Exchange under the symbol SAP.

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# FINANCIAL HIGHLIGHTS

(In millions of dollars, except per share amounts)

	For the quarters ended December 31, 1999			For the nine-month periods ended December 31, 1999		
	1999 \$	1998 \$	Change	1999 \$	1998 \$	Change
<b>Revenues</b>						
<i>Dairy Processing Division</i>						
Canada	135.8	133.5	1.7%	400.5	379.0	5.7%
United States	296.4	389.1	(23.8%)	927.6	1031.5	(10.1%)
	432.2	522.6	(17.3%)	1328.1	1410.5	(5.8%)
Pastry, Cookie, Bread and Soup Division	65.2	-	-	79.3	-	-
	497.4	522.6	(4.8%)	1407.4	1410.5	(0.2%)
<b>Earnings before interest, taxes, depreciation and amortization</b>						
<i>Dairy Processing Division</i>						
Canada	20.0	18.1	10.5%	58.4	54.1	7.9%
United States	36.7	32.4	13.3%	102.5	86.5	18.5%
	56.7	50.5	12.3%	160.9	140.6	14.4%
Pastry, Cookie, Bread and Soup Division	8.9	-	-	10.4	-	-
	65.6	50.5	29.9%	171.3	140.6	21.8%
Depreciation and amortization of fixed assets	10.8	8.9		27.6	23.8	
Interest	10.7	8.4		26.7	24.9	
Income taxes	14.7	11.5		38.8	32.7	
<b>Earnings before amortization of goodwill</b>	29.4	21.7	35.5%	78.2	59.2	32.1%
<b>Amortization of goodwill</b>	3.1	1.8		7.1	5.0	
<b>Net earnings</b>	26.3	19.9	32.2%	71.1	54.2	31.2%
<b>Net inflow of cash related to the operations before changes in non-cash operating working capital items</b>				126.3	92.5	36.5%
<b>PER SHARE</b>						
<b>Earnings before amortization of goodwill</b>						
Basic	0.58	0.45	28.9%	1.58	1.22	29.5%
Fully diluted	0.56			1.50		
<b>Net Earnings</b>						
Basic	0.51	0.41	24.4%	1.43	1.12	27.7%
Fully diluted	0.50			1.36		
<b>Net inflow of cash related to the operations before changes in non-cash operating working capital items</b>						
Basic				2.55	1.90	34.2%
Fully diluted				2.42		
<b>BALANCE SHEET ITEMS</b>				As at December 31		
				1999	1998	
Working capital				146.4	117.3	
Bank indebtedness				13.9	43.5	
Current portion of long-term debt				60.0	51.0	
Long-term debt				471.5	355.7	
Total debt				545.4	450.2	
Shareholders' equity				601.2	431.2	
Debt/capital ratio				0.48	0.51	