



Financial Results for the first quarter of fiscal 2000

NET EARNINGS UP 32.7% AND CASH FLOW UP 10%

(Saint-Léonard, August 3, 1999) Saputo Group Inc. announced today its financial results for the first quarter ended June 30, 1999.

Sales increased by 2.2% and net earnings rose 32.7% over the previous fiscal year. This performance is the results from the successful integration of the U.S. acquisitions.

Saputo's revenues for the first quarter ended June 30, 1999 totalled \$414.9 million, compared to \$406.1 million in revenues posted for the same quarter in fiscal 1999. This increase comes mainly from our Canadian operations, including a rise in revenues emanating from the acquisition of Riverside Cheese and Butter Inc. and Bari Cheese Ltd., purchased in September 1998, as well as from an increase in sales by our international division.

EBITDA up 15.9%

Earnings before interest, income taxes, depreciation and amortization (EBITDA) reached \$50.2 million in the first quarter of fiscal 1999, an increase of 15.9% over the \$43.3 million recorded for the first quarter of the last fiscal year.

First quarter net earnings totalled \$21.1 million or \$0.43 per share (\$0.42 diluted), a 32.7% increase over the \$15.9 million or \$0.33 per share, posted in the same period last year. This increase in net earnings reflects the success of the ongoing integration process of our American activities, which are expected to contribute even more substantially to the financial results of Saputo Group Inc. in the upcoming quarters.

Net cash flow generated by operations before changes in non-cash operating working capital items amounted to \$34.1 million (\$0.70 per share), compared to \$31 million (\$0.64 per share), in the same quarter of the last fiscal year.

Dividend

The Saputo board of directors today declared a dividend of \$ 0.06 per common share, payable on September 3, 1999 to shareholders of record on August 20, 1999. This dividend relates to the first quarter of the current fiscal year, beginning April 1, 1999 and ended June 30, 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 close to 3,000 people and operates fourteen distribution centres and nine plants in Canada as well as seventeen 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 of dollars,
except per share amounts)

For the three-month period
ended June 30

	1999	1998	Change in %
Revenues			
Canada	\$130.6	\$122.1	7.0%
United-States	<u>\$284.3</u>	<u>\$284.0</u>	
	<u>\$414.9</u>	<u>\$406.1</u>	2.2%
Earnings before interest, income taxes, depreciation and amortization			
Canada	\$19.8	\$18.3	8.2%
United-States	<u>\$30.4</u>	<u>\$25.0</u>	21.6%
	<u>\$50.2</u>	<u>\$43.3</u>	15.9%
Depreciation and amortization	\$9.8	\$8.7	
Interests	\$7.9	\$8.7	
Income taxes	<u>\$11.4</u>	<u>\$10.0</u>	
Net earnings	<u>\$21.1</u>	<u>\$15.9</u>	32.7%
Cash flow generated by operations, before changes in non-cash operating working capital items	\$34.1	\$31.0	10.0%
PER SHARE			
Earnings per share			
Basic	\$0.43	\$0.33	
Diluted	\$0.42		
Cash flow generated by operations, before changes in non-cash operating working capital items	\$0.70	\$0.64	9.4%
BALANCE SHEET ITEMS			
Working capital	\$104.3	\$128.7	
Long-term debt, excluding current portion	\$305.6	\$370.2	
Shareholders' equity	\$463.9	\$391.5	

Information:

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