

**FINANCIAL RESULTS FOR FISCAL 2017 SECOND QUARTER
ENDED SEPTEMBER 30, 2016**

Net earnings at \$191.8 million, up 29.1% for the quarter
Adjusted net earnings at \$191.8 million, up 28.1% for the quarter

(Montréal, November 3, 2016) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for the second quarter of fiscal 2017, which ended on September 30, 2016. All amounts in this news release are in Canadian dollars, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

- Net earnings totalled \$191.8 million, an increase of \$43.2 million or 29.1%.
- Adjusted net earnings¹ totalled \$191.8 million, an increase of \$42.1 million or 28.1%.
- Earnings before interest, income taxes, depreciation, amortization, gain on disposal of a business, acquisition and restructuring costs (adjusted EBITDA¹) amounted to \$340.6 million, an increase of \$58.9 million or 20.9%.
- Revenues for the quarter amounted to \$2.845 billion, an increase of \$53.2 million or 1.9%.
- Adjusted earnings per share¹ (basic and diluted) were \$0.49 and \$0.48, respectively for the quarter as compared to \$0.38 (basic and diluted) for the corresponding quarter last fiscal year, an increase of 28.9% and 26.3% respectively.

(in millions of Canadian (CDN) dollars, except per share amounts)

(unaudited)	For the three-month periods ended September 30		For the six-month periods ended September 30	
	2016	2015	2016	2015
Revenues	2,845.3	2,792.1	5,476.7	5,356.5
Adjusted EBITDA ¹	340.6	281.7	658.8	540.6
Net earnings	191.8	148.6	368.5	285.0
Adjusted net earnings ¹	191.8	149.7	368.5	286.7
Earnings per share				
Basic	0.49	0.38	0.94	0.73
Diluted	0.48	0.37	0.92	0.72
Adjusted earnings per share ¹				
Basic	0.49	0.38	0.94	0.73
Diluted	0.48	0.38	0.92	0.72

- In the Canada Sector, revenues and adjusted EBITDA increased due to higher sales volumes and a favourable product mix.
- In the USA Sector, higher sales volumes positively impacted revenues. Favourable market factors² of approximately \$20 million and higher sales volumes increased adjusted EBITDA, as compared to the same quarter last fiscal year.
- In the International Sector, revenues decreased due to lower sales volumes in the export market. Both revenues and adjusted EBITDA were positively impacted by higher selling prices in the domestic market.
- The fluctuation of the Canadian dollar versus foreign currencies during the quarter had a negative impact on revenues of approximately \$56 million, as compared to the same quarter last fiscal year, mainly due to the weakening of the Argentine peso. This fluctuation positively impacted adjusted EBITDA by approximately \$3 million, as compared to the same quarter last fiscal year.
- The Board of Directors approved a dividend of \$0.15 per share payable on December 16, 2016 to common shareholders of record on December 6, 2016.

¹ Adjusted EBITDA, adjusted net earnings and adjusted earnings per share (basic and diluted) are non-IFRS measures. Refer to “Measurement of Results not in Accordance with International Financial Reporting Standards” included in the Management’s Discussion and Analysis for the second quarter of fiscal 2017 for the definition of these terms.

² Market factors include the average block market per pound of cheese and its effect on the absorption of fixed costs and on the realization of inventories, the effect of the relationship between the average block market per pound of cheese and the cost of milk as raw material, the market pricing impact related to sales of dairy ingredients, as well as the impact of the average butter market price related to dairy food product sales.

Additional Information

For more information on the second quarter results of fiscal 2017, reference is made to the condensed interim consolidated financial statements, the notes thereto and to the Management's Discussion and Analysis for the second quarter of fiscal 2017. These documents can be obtained on SEDAR at www.sedar.com and in the "Investors and Media" section of the Company's website, at www.saputo.com.

Conference Call

A conference call to discuss the fiscal 2017 second quarter results will be held on Thursday, November 3, 2016 at 2:30 p.m. Eastern Daylight Time. To participate in the conference call, dial 1-800-897-5813. To ensure your participation, please dial in approximately five minutes before the call.

To listen to this call on the Web, please enter www.gowebcasting.com/8124 in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, November 10, 2016. To access the replay, dial 1-800-558-5253, ID number 21820214. A webcast will also be archived on www.saputo.com, in the "Investors and Media" section, under News Releases.

About Saputo

Saputo produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. Saputo is one of the top ten dairy processors in the world, the largest cheese manufacturer and the leading fluid milk and cream processor in Canada, the third largest dairy processor in Argentina, and the fourth largest in Australia. In the US, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. Our products are sold in several countries under well-known brand names such as *Saputo*, *Alexis de Portneuf*, *Armstrong*, *COON*, *Cracker Barrel**, *Dairyland*, *DairyStar*, *Friendship Dairies*, *Frigo Cheese Heads*, *La Paulina*, *Milk2Go/Lait's Go*, *Neilson*, *Nutrilait*, *Scotsburn**, *Stella*, *Sungold*, *Treasure Cave* and *Woolwich Dairy*. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP".

*Trademark used under licence.

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Media Inquiries

1-514-328-3141 / 1-866-648-5902

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of securities laws. These statements are based, among other things, on Saputo's assumptions, expectations, estimates, objectives, plans and intentions as of the date hereof regarding projected revenues and expenses, the economic, industry, competitive and regulatory environments in which the Company operates or which could affect its activities, its ability to attract and retain customers and consumers, as well as the availability and cost of milk and other raw materials and energy supplies, its operating costs and the pricing of its finished products on the various markets in which it carries on business.

These forward-looking statements include, among others, statements with respect to the Company's short and medium term objectives, outlook, business projects and strategies to achieve those objectives, as well as statements with respect to the Company's beliefs, plans, objectives and expectations. The words "may", "should", "will", "would", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "continue", "propose" or "target", or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from the conclusion, forecast or projection stated in such forward-looking statements. As a result, the Company cannot guarantee that any forward-looking statements will materialize. Assumptions, expectations and estimates made in the preparation of forward-looking statements and risks that could cause actual results to differ materially from current expectations are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the "Risks and Uncertainties" section of the Management's Discussion and Analysis included in the Company's 2016 Annual Report.

Forward-looking statements are based on Management's current estimates, expectations and assumptions, which Management believes are reasonable as of the date hereof, and, accordingly, are subject to changes after such date. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date.

Except as required under applicable securities legislation, Saputo does not undertake to update or revise these forward-looking statements, whether written or verbal, that may be made from time to time by itself or on its behalf, whether as a result of new information, future events or otherwise.

OPERATING RESULTS

Consolidated revenues for the quarter ended September 30, 2016 totalled \$2.845 billion, an increase of approximately \$53 million or 1.9%, as compared to \$2.792 billion for the corresponding quarter last fiscal year. The increase is mainly due to higher sales volumes and higher selling prices related to the increase of the cost of milk as raw material in the Canada Sector and the International Sector. The inclusion of revenues from the companies forming Woolwich Dairy (Woolwich Acquisition) acquired in October 2015, positively affected revenues. The fluctuation of the average block market¹ per pound of cheese and the average butter market² price per pound increased revenues by approximately \$16 million, as compared to the same quarter last fiscal year. This increase was partially offset by lower international selling prices of cheese and dairy ingredients, as compared to the corresponding quarter last fiscal year. Moreover, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately \$56 million.

For the six-month period ended September 30, 2016, revenues totalled \$5.477 billion, an increase of approximately \$121 million or 2.3% in comparison to \$5.356 billion for the same period last fiscal year. The increase is mainly due to higher sales volumes and higher selling prices related to the increase of the cost of milk as raw material in the Canada Sector and the International Sector. Additionally, the inclusion of revenues from the Woolwich Acquisition positively affected revenues. A lower average block market per pound of cheese, partially offset by higher average butter market price, decreased revenues by approximately \$43 million. Lower international selling prices of cheese and dairy ingredients, as compared to the corresponding period last fiscal year, negatively affected revenues. Finally, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately \$37 million.

¹ "Average block market" is the average daily price of a 40 pound block of cheddar traded on the Chicago Mercantile Exchange (CME), used as the base price for cheese.

² "Average butter market" is the average daily price for Grade AA Butter traded on the CME, used as the base price for butter.

Consolidated adjusted EBITDA for the second quarter of fiscal 2017 totalled \$340.6 million, an increase of \$58.9 million or 20.9% in comparison to \$281.7 million for the same quarter last fiscal year. The increase is due to higher sales volumes, favorable market factors in the US which increased adjusted EBITDA by approximately \$20 million, lower warehousing and logistical costs, as well as lower ingredients costs. The inclusion of the Woolwich Acquisition positively impacted adjusted EBITDA. This increase was partially offset by higher administrative expenses, as well as lower international selling prices of cheese and dairy ingredients without a similar decline of the cost of milk as raw material. As a result of decreases in certain market selling prices, inventory was written down by approximately \$1 million. Also, the fluctuation of the Canadian dollar versus foreign currencies had a favourable impact on adjusted EBITDA of approximately \$3 million, as compared to the same quarter last fiscal year.

For the six-month period ended September 30, 2016, adjusted EBITDA totalled \$658.8 million, an increase of \$118.2 million or 21.9%, as compared to \$540.6 million for the corresponding period last fiscal year. The increase is due to higher sales volumes, favorable market factors in the US which increased adjusted EBITDA by approximately \$9 million, lower warehousing and logistical costs, lower ingredients costs, as well as operational efficiencies. Additionally, the inclusion of the Woolwich Acquisition positively impacted adjusted EBITDA. The increase was partially offset by lower international selling prices of cheese and dairy ingredients without a similar decline of the cost of milk as raw material, as well as higher administrative expenses. As a result of the decrease in international market selling prices, inventory was written down by approximately \$2 million, as compared to approximately \$13 million for the same period last fiscal year. Finally, the fluctuation of the Canadian dollar versus foreign currencies had a favourable impact on adjusted EBITDA of approximately \$14 million, as compared to the same period last fiscal year.

OTHER CONSOLIDATED RESULT ITEMS

Depreciation and amortization for the second quarter of fiscal 2017 totalled \$50.2 million, an increase of \$1.9 million, in comparison to \$48.3 million for the same quarter last fiscal year. For the six-month period ended September 30, 2016, depreciation and amortization expense amounted to \$99.5 million, an increase of \$5.8 million, as compared to \$93.7 million for the corresponding period last fiscal year. These increases are mainly attributed to the fluctuation of the Canadian dollar versus foreign currencies, as well as additions to property, plant and equipment, increasing the depreciable base.

In fiscal 2016, **acquisition costs** amounted to \$1.6 million and \$2.4 million, respectively, for the three and six-month periods ended September 30, 2015 (none in the current fiscal year).

Net interest expense for the three-month period ended September 30, 2016 decreased by \$8.8 million in comparison to the same quarter last fiscal year. For the six-month period ended September 30, 2016, net interest expense decreased by \$12.8 million compared to the corresponding period last fiscal year. These decreases are mainly attributed to a lower level of long-term debt and lower bank loans denominated in Argentine peso which bear high interest rates.

Income taxes for the second quarter of fiscal 2017 totalled \$88.3 million, reflecting an effective tax rate of 31.5% compared to 30.1% for the same quarter last fiscal year. Income taxes for the six-month period ended September 30, 2016 totalled \$167.8 million, reflecting an income tax rate of 31.3% in comparison to 30.3% for the same period last fiscal year. The income tax rate varies and could increase or decrease based on the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates used for tax assets and liabilities by the Company and its affiliates.

Net earnings totalled \$191.8 million for the quarter ended September 30, 2016, compared to \$148.6 million for the same quarter last fiscal year. For the six-month period ended September 30, 2016, net earnings totalled \$368.5 million, as compared to \$285.0 million for the same period last fiscal year.

Adjusted net earnings totalled \$191.8 million for the quarter ended September 30, 2016, compared to \$149.7 million for the same quarter last fiscal year. For the six-month period ended September 30, 2016 adjusted net earnings totalled \$368.5 million, as compared to \$286.7 million for the same period last fiscal year.

SELECTED QUARTERLY FINANCIAL INFORMATION

(in millions of CDN dollars, except per share amounts)

Fiscal years	2017		2016				2015	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	2,845.3	2,631.4	2,734.0	2,901.0	2,792.1	2,564.4	2,513.8	2,821.8
Adjusted EBITDA ¹	340.6	318.2	313.1	320.4	281.7	258.9	232.0	278.7
Net earnings	191.8	176.7	141.2	175.2	148.6	136.4	157.4	154.6
Gain on disposal of a business ²	–	–	–	–	–	–	(25.9)	–
Acquisition costs ²	–	–	0.5	0.2	1.1	0.6	0.5	–
Restructuring costs ²	–	–	23.1	–	–	–	(4.7)	–
Adjusted net earnings ¹	191.8	176.7	164.8	175.4	149.7	137.0	127.3	154.6
Attributable to:								
Shareholders of Saputo Inc.	190.9	176.5	165.0	174.7	149.0	137.9	126.3	152.6
Non-controlling interest	0.9	0.2	(0.2)	0.7	0.7	(0.9)	1.0	2.0
	191.8	176.7	164.8	175.4	149.7	137.0	127.3	154.6
Earnings per share								
Basic	0.49	0.45	0.36	0.44	0.38	0.35	0.40	0.39
Diluted	0.48	0.44	0.36	0.44	0.37	0.34	0.39	0.38
Adjusted earnings per share ¹								
Basic	0.49	0.45	0.42	0.45	0.38	0.35	0.32	0.39
Diluted	0.48	0.44	0.41	0.44	0.38	0.34	0.32	0.38

¹ Adjusted EBITDA, adjusted net earnings and adjusted earnings per share (basic and diluted) are non-IFRS measures. Refer to the section "Measurement of Results not in Accordance with International Financial Reporting Standards" included in the Management's Discussion and Analysis for the second quarter of fiscal 2017 for the definition of these terms.

² Net of income taxes.

Consolidated selected factors positively (negatively) affecting adjusted EBITDA

(in millions of CDN dollars)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Market factors ^{1, 2}	20	(11)	9	(4)	(37)	3
Inventory write-down	(1)	(1)	(5)	–	–	(13)
Foreign currency exchange ^{1, 3}	3	11	15	29	27	15

¹ As compared to the same quarter of the last fiscal year.

² Market factors include the average block market per pound of cheese and its effect on the absorption of fixed costs and on the realization of inventories, the effect of the relationship between the average block market per pound of cheese and the cost of milk as raw material, the market pricing impact related to sales of dairy ingredients, as well as the impact of the average butter market price related to dairy food product sales.

³ Foreign currency exchange includes effect on adjusted EBITDA of conversion of US dollars, Australian dollars and Argentine pesos to Canadian dollars.

INFORMATION BY SECTOR

Canada Sector

(in millions of CDN dollars)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	1,029.0	979.1	932.8	992.7	958.5	917.5
Adjusted EBITDA ¹	119.8	112.3	108.5	107.5	99.4	98.1

¹ Adjusted EBITDA is a non-IFRS measure. Refer to the section "Measurement of Results not in Accordance with International Financial Reporting Standards" included in the Management's Discussion and Analysis for the second quarter of fiscal 2017 for the definition of this term.

The Canada Sector consists of the Dairy Division (Canada).

USA Sector

(in millions of CDN dollars)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	1,491.6	1,348.5	1,449.3	1,574.9	1,459.2	1,303.3
Adjusted EBITDA ¹	196.1	187.5	191.0	190.1	172.7	171.7

¹ Adjusted EBITDA is a non-IFRS measure. Refer to the section "Measurement of Results not in Accordance with International Financial Reporting Standards" included in the Management's Discussion and Analysis for the second quarter of fiscal 2017 for the definition of this term.

Selected factors positively (negatively) affecting adjusted EBITDA

(in millions of CDN dollars)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Market factors ^{1, 2}	20	(11)	9	(4)	(37)	3
US currency exchange ¹	–	8	15	25	27	15

¹ As compared to same quarter of previous fiscal year.

² Market factors include the average block market per pound of cheese and its effect on the absorption of fixed costs and on the realization of inventories, the effect on the relationship between the average block market per pound of cheese and the cost of milk as raw material, the market pricing impact related to sales of dairy ingredients, as well as the impact of the average butter market price related to dairy food product sales.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Average block market per pound of cheese	1.689	1.412	1.479	1.582	1.679	1.642
Closing block price per pound of cheese ¹	1.533	1.660	1.460	1.508	1.670	1.620
Average butter market price per pound	2.149	2.125	2.055	2.562	2.243	1.877
Closing butter market price per pound ²	1.898	2.350	1.955	2.080	2.510	1.918
Average whey market price per pound ³	0.299	0.241	0.247	0.226	0.309	0.430
Spread ⁴	0.119	0.125	0.128	0.152	0.120	0.078
US average exchange rate to Canadian dollar ⁵	1.305	1.288	1.371	1.333	1.309	1.229

¹ Closing block price is the price of a 40 pound block of cheddar traded on the Chicago Mercantile Exchange (CME) on the last business day of each quarter.

² Closing butter market price is the price for Grade AA Butter traded on the CME, on the last business day of each quarter.

³ Average whey market price is based on Dairy Market News published information.

⁴ Spread is the average block market per pound of cheese less the result of the average cost per hundredweight of Class III and/or Class 4b milk price divided by 10.

⁵ Based on Bank of Canada published information.

The USA Sector consists of the Cheese Division (USA) and the Dairy Foods Division (USA).

International Sector

(in millions of CDN dollars)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	324.7	303.8	351.9	333.4	374.4	343.6
Adjusted EBITDA ¹	24.7	18.4	13.6	22.8	9.6	(10.9)

¹ Adjusted EBITDA is a non-IFRS measure. Refer to the section "Measurement of Results not in Accordance with International Financial Reporting Standards" included in the Management's Discussion and Analysis for the second quarter of fiscal 2017 for the definition of this term.

Selected factors positively (negatively) affecting adjusted EBITDA

(in millions of CDN dollars)

Fiscal years	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	(1)	(1)	(5)	–	–	(13)
Foreign currency exchange ¹	1	3	–	4	–	–

¹ As compared to same quarter of previous fiscal year.

The International Sector consists of the Dairy Division (Argentina), the Dairy Division (Australia) and the Dairy Ingredients Division. The Dairy Ingredients Division includes national and export ingredients sales from the North American divisions, as well as cheese exports from these same divisions.

OUTLOOK

In Canada, the competitive market which existed in fiscal 2016 is anticipated to continue in fiscal 2017 and remains a Company challenge. Additionally, dairy ingredient markets have declined since the last half of fiscal 2015 and are expected to remain low throughout the third quarter of fiscal 2017. In order to mitigate downward margin pressures, stagnant growth and competitive market conditions, the Company will continue to focus on reviewing overall activities to improve its operational efficiency. As such, the Company completed the closure of its Sydney (Nova Scotia) plant in June 2016 and its Princeville (Quebec) plant in August 2016 and will close its Ottawa (Ontario) plant in December 2017, as previously announced. The Division continues to leverage its operational flexibility to enhance profitability, in addition to maintaining cost control.

In the Cheese Division (USA), depressed selling prices on the international dairy ingredient market are expected to put downward pressure on margins and the Company will continue to focus on increasing efficiencies, as well as controlling costs in order to mitigate their impact on adjusted EBITDA. The international dairy ingredient market prices have declined since the last half of fiscal 2015 and these prices are anticipated to remain low throughout the third quarter of fiscal 2017.

The Company completed the implementation of its business management model within the Dairy Foods Division (USA), including various measures aimed at being a low-cost producer. The Dairy Foods Division (USA) continues to focus on optimization and maximizing investment in its existing network in order to benefit from new capabilities in production, enable future growth and bring new products to market. The Company will keep investing to support production capacity, and aim to further strengthen its competitive cost position.

The Woolwich Acquisition has enabled the Company to increase its presence in the specialty cheese category in North America. The Company will also evaluate potential synergies and focus on improving and expanding product offerings to all customers.

The International Sector will continue to pursue sales volumes growth in existing markets, as well as develop additional international markets. Also, the Sector will pursue growth of cheese export sales volumes from the Cheese Division (USA) to the extent US milk pricing is competitive with world prices. The Sector will continue to evaluate overall activities to improve efficiencies and will aim to maximize its operational flexibility to mitigate fluctuations in market conditions.

International cheese and dairy ingredient markets have been depressed since the last half of fiscal 2015. Despite seeing certain increases in prices in the dairy ingredient markets during the quarter, the prices are expected to remain low throughout the third quarter of fiscal 2017. As such, we will continue to focus on increasing efficiencies and to control costs in order to mitigate their impact on adjusted EBITDA.

Innovation has always been a priority, enabling the Company to offer products that meet consumer needs. Accordingly, additional resources have been allocated to product innovation, allowing us to continue to forge and secure long-term relationships with both customers and consumers.

The Company intends to renew its normal course issuer bid expiring on November 16, 2016. The Company also intends to renew its medium term note program expiring in December 2016.

The Company continues to migrate to a new ERP system, a five-year project announced in fiscal 2015 which started in fiscal 2016 and includes planning, designing and implementing the system.

Our goal remains to continue to improve overall efficiencies in all sectors and pursue growth internally and through acquisitions.