

**SAPUTO INC. TO INCREASE ITS PRESENCE IN THE UNITED STATES
BY ACQUIRING MORNINGSTAR FOODS, LLC**

(Montreal, December 3, 2012) – Saputo Inc. (TSX: SAP) announces today that it has signed a definitive agreement to acquire Morningstar Foods, LLC (“Morningstar”), a subsidiary of Dean Foods Company. Morningstar produces a variety of dairy and non-dairy extended shelf-life (“ESL”) products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, as well as cultured products such as sour cream and cottage cheese. These products are manufactured under a wide array of private labels and owned brands, and are sold nationwide through an internal sales force and independent brokers. Morningstar serves the needs of retailers, national quick-serve restaurant chains, grocery stores, mass merchandisers and distributors across the United States. Morningstar has approximately 2,000 employees and operates 10 manufacturing facilities located in nine states.

The purchase price for the transaction is US\$1.45 billion on a debt-free basis and will be financed through a newly committed bank loan. The transaction is subject to customary conditions (including regulatory approval) and is expected to close by the end of December 2012.

For the twelve months ended September 30, 2012, Morningstar had revenues of about CDN\$1.6 billion, and earnings before interest, taxes, depreciation, and amortization (“EBITDA”) of approximately CDN\$153 million.

The transaction will be treated as an asset transaction for tax purposes pursuant to a 338(h)(10) election. After giving effect to the benefit related to that election, the net purchase price represents for Saputo Inc. a multiple of 7.9x Morningstar’s EBITDA.

Saputo Inc. (“Saputo” or “the Company”) expects the transaction to be immediately accretive to earnings. After giving effect to the acquisition, the combined business of Saputo and Morningstar for the twelve months ended September 30, 2012, on a *pro forma* basis and taking into account interest on the new bank loan, would have had approximately CDN\$8.6 billion of revenues, CDN\$1.0 billion of EBITDA, and CDN\$563 million of net earnings¹, representing CDN\$2.82 of basic earnings per share¹ (“EPS”), equivalent to an increase of 11.5% over the Saputo stand-alone basic EPS¹ of CDN\$2.53 for the twelve months ended September 30, 2012.

The combined business will have approximately 12,000 employees and 57 manufacturing facilities in five countries.

The acquisition of Morningstar will complement the activities of the Saputo Dairy Products Division (USA). Through this acquisition, Saputo will benefit from Morningstar’s national manufacturing and distribution footprint and will optimize coast-to-coast service. This transaction will expand product offering to customers in the United States and broaden the range of Saputo’s future acquisition opportunities.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press 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 tense or words and expressions of similar nature, are intended to identify forward-looking statements.

¹ Before the inclusion of impairment losses on goodwill. Refer to page 7 of the Management’s Discussion and Analysis included in the Company’s 2012 Annual Report.

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 2012 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.

About Saputo

Saputo produces, markets, and distributes a wide array of products of the utmost quality, including cheese, fluid milk, yogurt, dairy ingredients and snack-cakes. Saputo is the 12th largest dairy processor in the world, the largest in Canada, the third largest in Argentina and among the top three cheese producers in the United States. Our products are sold in more than 50 countries under well-known brand names such as *Saputo*, *Alexis de Portneuf*, *Armstrong*, *Baxter*, *Dairyland*, *Danscorella*, *Dragone*, *DuVillage 1860*, *Frigo Cheese Heads*, *Great Midwest*, *King's Choice*, *Kingsey*, *La Paulina*, *Neilson*, *Nutrilait*, *Ricrem*, *Salemville*, *Stella*, *Treasure Cave*, *hop & go*, *Rondeau* and *Vachon*. Saputo Inc. is a publicly traded company whose shares are listed on the Toronto Stock Exchange under the symbol "SAP".

- 30 -

Information

Sandy Vassiadis
Director, Corporate Communications
514-328-3347