



NEWS RELEASE

For immediate release

SAPUTO TO INCREASE ITS PRESENCE IN ATLANTIC CANADA BY ACQUIRING THE FLUID MILK ACTIVITIES OF SCOTSBURN CO-OPERATIVE SERVICES LIMITED

(Montreal, January 17, 2014) – Saputo Inc. (“**Saputo**”) (TSX: SAP) announces today it has entered into an agreement to acquire the fluid milk activities of Scotsburn Co-Operative Services Limited based in Atlantic Canada (“**Scotsburn Fluid Milk Business**”). Scotsburn is a Nova Scotia cooperative that will continue its other activities such as its frozen ice cream and frozen novelties business.

The purchase price of \$61 million, on a debt-free basis excludes about 8M\$ of working capital items and is payable in cash by drawing on available credit lines. The transaction is subject to the approval of Scotsburn co-op members and usual conditions (including approval by the Canadian Competition Bureau) and is expected to close around March 2014.

The Scotsburn Fluid Milk Business operates two fluid milk processing facilities located in Sydney, Nova Scotia, and Mount Pearl, Newfoundland and employs an aggregate of approximately 400 people in Atlantic Canada. Its operations consist of manufacturing, selling, marketing, distributing and merchandising of products such as fluid milk, cream, sour cream, ice cream mix and cottage cheese, mainly under the *Scotsburn* brand. The Scotsburn Fluid Milk Business generates annual sales of approximately \$160M and about \$8M of earnings before interest, taxes, depreciation and amortization (EBITDA).

This transaction will enable Saputo’s Dairy Division (Canada) to increase its presence in Atlantic Canada.

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 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 2013 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 dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. We are one of the top ten dairy processors 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 40 countries under well-known brand names such as *Saputo*, *Alexis de Portneuf*, *Armstrong*, *Baxter*, *Dairyland*, *Dragone*, *DuVillage 1860*, *Friendship*, *Friigo Cheese Heads*, *Great Midwest*, *King's Choice*, *Kingsey*, *La Paulina*, *Milk2Go*, *Neilson*, *Nutrilait*, *Ricrem*, *Salemville*, *Stella* and *Treasure Cave*. Saputo Inc. is a publicly traded company whose shares are listed on the Toronto Stock Exchange under the symbol "SAP".

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