

**FINANCIAL RESULTS FOR FISCAL 2018 SECOND QUARTER
ENDED SEPTEMBER 30, 2017**

**Net earnings at \$185.2 million, down 3.4%
Revenues at \$2.884 billion, up 1.4%**

(Montréal, November 2, 2017) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for the second quarter of fiscal 2018, which ended on September 30, 2017. 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 \$185.2 million, a decrease of \$6.6 million or 3.4%.
- Earnings before interest, income taxes, depreciation and amortization (EBITDA¹) amounted to \$329.5 million, a decrease of \$11.1 million or 3.3%.
- Revenues for the quarter amounted to \$2.884 billion, an increase of approximately \$39 million or 1.4%.
- Net earnings per share (basic and diluted) were \$0.48 and \$0.47, respectively for the quarter as compared to \$0.49 and \$0.48 for the corresponding quarter last fiscal year, a decrease of 2.0% and 2.1% 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	
	2017	2016	2017	2016
Revenues	2,884.2	2,845.3	5,776.3	5,476.7
EBITDA ¹	329.5	340.6	684.7	658.8
Net earnings	185.2	191.8	385.5	368.5
Net earnings per share				
Basic	0.48	0.49	1.00	0.94
Diluted	0.47	0.48	0.99	0.92

- In the Canada Sector, revenues were negatively impacted by lower sales volumes and an unfavourable product mix. EBITDA increased due to operational efficiencies through raw material optimization.
- In the USA Sector, a higher average butter market³ price per pound was partially offset by a lower average block market² per pound of cheese, as compared to the same quarter last fiscal year which increased revenues. Higher sales volumes, as well as higher international selling prices of cheese and dairy ingredients also positively impacted revenues during the quarter. EBITDA was negatively impacted by an unfavourable product mix, as well as unfavourable market factors⁴ of approximately \$6 million, as compared to the same quarter last fiscal year.
- In the International Sector, revenues and EBITDA increased due to higher international selling prices of cheese and dairy ingredients, as well as higher sales volumes in both the domestic and export markets.
- The fluctuation of the Canadian dollar versus foreign currencies during the quarter had a negative impact on revenues of approximately \$78 million, as compared to the same quarter last fiscal year. This fluctuation negatively impacted EBITDA by approximately \$8 million, as compared to the same quarter last fiscal year.
- The Board of Directors approved a dividend of \$0.16 per share payable on December 15, 2017 to common shareholders of record on December 5, 2017.
- On September 29, 2017, the Company completed the acquisition of the extended shelf-life dairy product activities of Southeast Milk, Inc. (SMI Acquisition).
- On October 26, 2017, the Company announced that it has entered into an agreement to acquire the business of Murray Goulburn Co-Operative Co. Limited (MG) (Murray Goulburn Acquisition), based in Australia. The purchase price for the transaction is CDN\$1.29 billion (AU\$1.31 billion) on a debt-free basis and will be financed through a newly committed bank loan. The transaction is expected to close in the first half of calendar year 2018.
- On November 1, 2017, the Company announced that it has entered into an agreement to acquire Betin, Inc., doing business as Montchevre (Montchevre Acquisition). The transaction is expected to close by the end of 2017.

¹ EBITDA is a non-IFRS measure. 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 2018 for the definition of this term.

² "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.

³ "Average butter market" is the average daily price for Grade AA Butter traded on the CME, used as the base price for butter.

⁴ Market factors refer to the USA Sector and 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 2018, 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 2018. These documents can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Company's website, at www.saputo.com.

Conference Call

A conference call to discuss the fiscal 2018 second quarter results will be held on Thursday, November 2, 2017 at 2:30 p.m. Eastern Daylight Time. To participate in the conference call, dial 1-800-681-1621. To ensure your participation, please dial in approximately five minutes before the call.

To listen to this call on the Web, please enter <http://www.gowebcasting.com/8978> in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, November 9, 2017. To access the replay, dial 1-800-558-5253, ID number 21860431. A webcast will also be archived on www.saputo.com, in the "Investors" section, under "Newsroom".

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, one of the top three dairy processors in Argentina, and among the top four 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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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of applicable 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 2017 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.

To the extent any forward-looking statement in this document constitutes financial outlook, within the meaning of applicable securities laws, such information is intended to provide shareholders with information regarding the Company, including its assessment of future financial plans, and may not be appropriate for other purposes. Financial outlook, as with forward-looking information generally, is based on current estimates, expectations and assumptions and is subject to inherent risks and uncertainties and other factors.

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, 2017 totalled \$2.884 billion, an increase of approximately \$39 million or 1.4%, as compared to \$2.845 billion for the corresponding quarter last fiscal year. Higher international selling prices of cheese and dairy ingredients, as well as higher selling prices related to the increase of the cost of milk as raw material in the Canada Sector and the International Sector positively impacted revenues. A higher average butter market² price per pound was partially offset by a lower average block market¹ per pound of cheese, which increased revenues by approximately \$30 million, as compared to the same quarter last fiscal year. Also, higher sales volumes increased revenues, as compared to the same quarter last fiscal year. Finally, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately \$78 million.

For the six-month period ended September 30, 2017, revenues totalled \$5.776 billion, an increase of approximately \$299 million or 5.5% in comparison to \$5.477 billion for the same period last fiscal year. A higher average block market per pound of cheese and the average butter market price per pound, increased revenues by approximately \$96 million. Higher international selling prices of cheese and dairy ingredients, as well as higher sales volumes positively impacted revenues. Additionally, higher selling prices related to the increase of the cost of milk as raw material in the Canada Sector and the International Sector increased revenues, as compared to the corresponding period last fiscal year. Finally, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately \$18 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 EBITDA for the second quarter of fiscal 2018 totalled \$329.5 million, a decrease of \$11.1 million or 3.3% in comparison to \$340.6 million for the same quarter last fiscal year. Market factors in the US negatively affected EBITDA by approximately \$6 million. Higher selling prices of cheese and dairy ingredients, as well as operational efficiencies through raw material optimization were offset by an unfavourable product mix, higher warehousing and logistical costs related to additional external storage expenses, as well as higher administrative expenses, mainly due to the Enterprise Resource Planning (ERP) initiative. Finally, the fluctuation of the Canadian dollar versus foreign currencies had an unfavourable impact on EBITDA of approximately \$8 million, as compared to the same quarter last fiscal year.

For the six-month period ended September 30, 2017, consolidated EBITDA totalled \$684.7 million, an increase of \$25.9 million or 3.9%, as compared to \$658.8 million for the corresponding period last fiscal year. The increase is mainly due to higher international selling prices of cheese and dairy ingredients. Additionally, EBITDA increased due to operational efficiencies through raw material optimization, as well as higher sales volumes. The increase was partially offset by higher administrative expenses, mainly due to the ERP initiative, as well as higher warehousing and logistical costs related to additional external storage expenses. Additionally, unfavourable market factors in the US decreased EBITDA by approximately \$3 million. Finally, the fluctuation of the Canadian dollar versus foreign currencies had a favourable impact on EBITDA of approximately \$1 million, as compared to the same period last fiscal year.

OTHER CONSOLIDATED RESULT ITEMS

Depreciation and amortization for the second quarter of fiscal 2018 totalled \$51.8 million, an increase of \$1.6 million, in comparison to \$50.2 million for the same quarter last fiscal year. This increase is mainly attributed to additions to property, plant and equipment, increasing the depreciable base, partially offset by the fluctuation of the Canadian dollar versus foreign currencies. For the six-month period ended September 30, 2017, depreciation and amortization expenses amounted to \$105.5 million, an increase of \$6.0 million, as compared to \$99.5 million for the corresponding period last fiscal year. This increase is mainly attributed to additions to property, plant and equipment, increasing the depreciable base.

Net interest expense for the three-month period ended September 30, 2017 increased by \$2.2 million in comparison to the same quarter last fiscal year. This increase is mainly attributed to higher bank loans denominated in Argentine peso which bear high interest rates and an increase of interest rates on long-term debt. For the six-month period ended September 30, 2017, net interest expenses decreased by \$0.6 million compared to the corresponding period last fiscal year. This decrease is mainly attributed to lower interest rates and a lower level of long-term debt.

Income taxes for the second quarter of fiscal 2018 totalled \$80.0 million, reflecting an effective tax rate of 30.2% compared to 31.5% for the same quarter last fiscal year. Income taxes for the six-month period ended September 30, 2017 totalled \$171.3 million, reflecting an income tax rate of 30.8% in comparison to 31.3% 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 for the second quarter of fiscal 2018 totalled \$185.2 million, a decrease of \$6.6 million or 3.4% in comparison to \$191.8 million for the same quarter last fiscal year. This decrease is due to the above-mentioned factors. For the six-month period ended September 30, 2017 net earnings totalled \$385.5 million, as compared to \$368.5 million for the same period last fiscal year. This increase is due to the above-mentioned factors.

SELECTED QUARTERLY FINANCIAL INFORMATION

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

Fiscal years	2018		2017					2016	
	Q2	Q1	Q4	Q3	Q2	Q1		Q4	Q3
Revenues	2,884.2	2,892.1	2,719.8	2,966.1	2,845.3	2,631.4	Revenues	2,734.0	2,901.0
EBITDA	329.5	355.2	284.1	346.6	340.6	318.2	EBITDA	281.6	320.1
Net earnings	185.2	200.3	165.2	197.4	191.8	176.7	Net earnings	141.2	175.2
							Adjusted EBITDA ¹	313.1	320.4
							Acquisition costs ²	0.5	0.2
							Restructuring costs ²	23.1	-
							Adjusted net earnings ¹	164.8	175.4
Net earnings per share							Net earnings per share		
Basic	0.48	0.52	0.42	0.50	0.49	0.45	Basic	0.36	0.44
Diluted	0.47	0.51	0.42	0.49	0.48	0.44	Diluted	0.36	0.44
							Adjusted net earnings per share ¹		
							Basic	0.42	0.45
							Diluted	0.41	0.44

¹ Adjusted EBITDA, adjusted net earnings and adjusted net earnings per share (basic and diluted) are non-IFRS measures. Refer to "Measurement of Results not in Accordance with International Financial Reporting Standards" included on page 7 of the Management's Discussion and Analysis, in the Company's 2017 Annual Report, for the definition of these terms.

² Net of income taxes.

Consolidated selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2018		2017				
	Q2	Q1	Q4	Q3	Q2	Q1	
Market factors ^{1, 2}	(6)	3	(10)	(3)	20	(11)	
Inventory write-down	(3)	(1)	(2)	-	(1)	(1)	
Foreign currency exchange ^{1, 3}	(8)	9	(4)	3	3	11	

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

² Market factors refer to the USA Sector and 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 EBITDA of conversion of US dollars, Australian dollars and Argentine pesos to Canadian dollars.

INFORMATION BY SECTOR

As of April 1, 2017, the Canada Sector includes national and export revenues of ingredients manufactured in Canada. The USA Sector includes national ingredient revenues, and export ingredient and cheese revenues of products manufactured in the USA. Prior to April 1, 2017, these figures were presented in the Dairy Ingredients Division as part of the International Sector. Accordingly, certain prior year's figures have been reclassified to conform to the current presentation.

Canada Sector

(in millions of CDN dollars)

Fiscal years	2018		2017				
	Q2	Q1	Q4	Q3	Q2	Q1	
Revenues	1,032.6	999.2	959.8	1,059.0	1,044.3	997.1	
EBITDA	122.9	117.0	104.1	116.9	119.8	112.3	

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

USA Sector

(in millions of CDN dollars)

Fiscal years	2018		2017			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	1,528.1	1,578.3	1,486.5	1,593.8	1,532.0	1,391.0
EBITDA	170.4	196.5	150.5	200.1	196.1	187.5

Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2018		2017			
	Q2	Q1	Q4	Q3	Q2	Q1
Market factors ^{1,2}	(6)	3	(10)	(3)	20	(11)
US currency exchange ¹	(7)	8	(7)	-	-	8

¹ As compared to same quarter of previous fiscal year.

² Market factors refer to the USA Sector and 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.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2018		2017			
	Q2	Q1	Q4	Q3	Q2	Q1
Average block market per pound of cheese	1.660	1.575	1.580	1.738	1.689	1.412
Closing block price per pound of cheese ¹	1.735	1.525	1.520	1.660	1.533	1.660
Average butter market price per pound	2.568	2.312	2.177	1.997	2.149	2.125
Closing butter market price per pound ²	2.315	2.643	2.108	2.268	1.898	2.350
Average whey market price per pound ³	0.403	0.465	0.482	0.380	0.299	0.241
Spread ⁴	0.066	0.039	0.011	0.112	0.119	0.125
US average exchange rate to Canadian dollar ⁵	1.256	1.344	1.324	1.334	1.305	1.288

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 Bloomberg 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	2018		2017			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	323.5	314.6	273.5	313.3	269.0	243.3
EBITDA	36.2	41.7	29.5	29.6	24.7	18.4

Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2018		2017			
	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	(3)	(1)	(2)	-	(1)	(1)
Foreign currency exchange ¹	(1)	1	(1)	4	1	3

¹ As compared to same quarter of previous fiscal year.

The International Sector consists of the Dairy Division (Argentina) and the Dairy Division (Australia).

OUTLOOK

In fiscal 2018, the Company intends to benefit from its global complementary platforms to face challenges in the dairy market environment. The Company benefits from a strong balance sheet and capital structure, supplemented by a high level of cash generated by operations, and low debt levels. This financial flexibility allows the Company to grow through targeted acquisitions and organically through strategic capital investments. The Company has a long-standing commitment to manufacture quality products and will remain focused on operational efficiencies. Profitability enhancement and shareholder value creation remain the cornerstones of the Company's objectives.

The implementation of the ERP system is progressing as planned. Since the beginning of the second quarter, all the activities in the International Sector are operating with the new ERP system. The implementation began in the Dairy Foods Division (USA) during the third quarter of fiscal 2018 and completion is expected over the next quarters. In the Cheese Division (USA), as was the case in other divisions, resources will be allocated relating to the ERP initiative, as the implementation is scheduled for fiscal 2019. The Dairy Division (Canada) will be the last division to implement the ERP system, which is scheduled for fiscal 2020.

In Canada, we will continue to focus on reviewing overall activities to improve operational efficiency, in order to mitigate downward margin pressures, low growth and competitive market conditions. As such, the closure of the Ottawa (Ontario) plant is scheduled in December 2017, as previously announced. During fiscal 2018, the Dairy Division (Canada) will undertake capital projects aimed at increasing efficiencies and capacity to maintain its leadership position. The Company intends to leverage the success of the rebranding effort of the *Saputo* brand and reaffirming its engagement to consumers from coast-to-coast as their preferred and trusted cheese brand through various promotions, advertising and innovative packaging.

In the Cheese Division (USA), the Company will focus on increasing operational efficiencies and controlling costs in order to mitigate the negative impact on EBITDA of the dairy commodity markets. During the upcoming quarter, the Division will begin the production of blue cheese in its newly constructed facility. This capital expenditure project will allow the Division to strengthen its position within the blue cheese category. Also, the Cheese Division (USA) will pursue growth of cheese export sales volumes to the extent US milk pricing is competitive with world prices.

We expect to be in a position to complete the Monchevre Acquisition by the end of 2017. The acquisition will enable the Cheese Division (USA) to broaden its presence in specialty cheese in the United States. Montchevre manufactures, markets and distributes goat cheese in the United States, mainly under the *Montchevre* brand.

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, meet customer demand and bring new products to market. The Sector will keep investing to support production capabilities and strengthen its competitive cost position. More specifically, the Dairy Foods Division (USA) will focus on targeted capital expenditures aimed at increasing production capacity.

The Division will focus on integrating the new SMI Acquisition and evaluating improvement opportunities.

The International Sector will continue to pursue sales volumes growth in existing markets, as well as develop additional international markets. In the remainder of fiscal 2018, the Dairy Division (Australia) will benefit from increased capacity following the completion of its cheese expansion project. The Sector will continue to evaluate overall activities to improve efficiencies and aim to maximize its operational flexibility to mitigate volatility in market conditions. While volatility in dairy markets remains, we expect a weakening in the international cheese and dairy ingredient prices. However, we do not expect these declines to be significant in fiscal year 2018. As such, we will continue to focus on controlling costs and increasing operational efficiencies in order to mitigate their impact on EBITDA.

With the Murray Goulburn Acquisition, the Company will add to and complement the activities of Saputo's Dairy Division (Australia). By acquiring a well-established industry player, the Company reinforces its commitment to strengthen its presence in the Australian market. MG produces a full range of high-quality dairy foods, including drinking milk, milk powder, cheese, butter and dairy beverages, as well as a range of ingredient and nutritional products, such as infant formula. MG supplies the retail and foodservice industries globally with its flagship *Devondale*, *Liddells* and *Murray Goulburn Ingredients* brands. Saputo intends to continue to invest in its Australian platform and contribute to the ongoing development of its domestic and international business. The transaction is expected to close in the first half of calendar year 2018.

Innovation has always been a priority, enabling us to offer products that meet consumer needs. Accordingly, we will 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, 2017.

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