News Release
For immediate release

Saputo

FINANCIAL RESULTS FOR FISCAL 2019
SECOND QUARTER ENDED SEPTEMBER 30, 2018

Revenues at $3.420 billion, up 18.6%
Net earnings at $163.1 million, down 11.9%
Adjusted net earnings at $163.1 million, down 12.0%

(Montréal, November 1, 2018) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for the second quarter of fiscal 2019, which ended on September 30, 2018. All amounts in this news release are in Canadian dollars, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

- Revenues for the quarter amounted to $3.420 billion, an increase of approximately $536 million or 18.6%.
- Earnings before interest, income taxes, depreciation, amortization, acquisition and restructuring costs (adjusted EBITDA*) amounted to $318.5 million, a decrease of $11.3 million or 3.4%.
- Net earnings totalled $163.1 million, a decrease of $22.1 million or 11.9%.
- Adjusted net earnings* totalled $163.1 million, a decrease of $22.3 million or 12.0%.
- Net earnings per share (basic and diluted) were $0.42 for the quarter, as compared to $0.48 and $0.47 for the corresponding quarter last fiscal year, a decrease of 12.5% and 10.6%, respectively.
- Adjusted net earnings per share* (basic and diluted) were $0.42 for the quarter, as compared to $0.48 and $0.47 for the corresponding quarter last fiscal year, a decrease of 12.5% and 10.6%, 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**	
	2018	2017	**2018**	2017
Revenues	**3,420.4**	2,884.2	**6,688.2**	5,776.3
Adjusted EBITDA*	**318.5**	329.8	**626.0**	685.0
Net earnings	**163.1**	185.2	**289.1**	385.5
Adjusted net earnings*	**163.1**	185.4	**323.4**	385.7
Net earnings per share				
Basic	**0.42**	0.48	**0.74**	1.00
Diluted	**0.42**	0.47	**0.74**	0.99
Adjusted net earnings per share*				
Basic	**0.42**	0.48	**0.83**	1.00
Diluted	**0.42**	0.47	**0.83**	0.99

- Revenues increased mainly as a result of the contribution of recent acquisitions.
- All recent acquisitions contributed positively to adjusted EBITDA.
- The combined effect of the USA Market factors**, as well as lower international dairy ingredient and cheese market prices negatively impacted adjusted EBITDA by approximately $25 million, as compared to the same quarter last fiscal year.
- Higher warehousing, logistical and transportation costs, as well as higher Enterprise Resource Planning (ERP) expenses had an unfavourable impact on adjusted EBITDA of approximately $31 million, as compared to the same quarter last fiscal year.
- The fluctuation of the Canadian dollar versus foreign currencies during the quarter had a positive impact on adjusted EBITDA of approximately $5 million, as compared to the same quarter last fiscal year.
- On October 26, 2018, the Company announced that it had entered into an agreement to acquire the activities of F&A Dairy Products, Inc. (F&A Dairy Products Acquisition). The transaction is expected to close by the end of 2018.
- The Board of Directors approved a dividend of $0.165 per share payable on December 14, 2018 to common shareholders of record on December 4, 2018.

* Non-IFRS measures described in the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.
** Refer to the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.

Additional Information

For more information on the second quarter results of fiscal 2019, 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 2019. 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 2019 second quarter results will be held on Thursday, November 1, 2018 at 2:30 p.m. Eastern Daylight Time. To participate in the conference call, dial 1-888-223-5152. 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/9674 in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, November 8, 2018. To access the replay, dial 1-800-558-5253, ID number 21897333. 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, the top dairy processor in Australia and the second largest in Argentina. In the USA, 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, Devondale, Friendship Dairies, Frigo Cheese Heads, La Paulina, Milk2Go/Lait's Go, Montchevre, Murray Goulburn Ingredients, 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.

\- 30 -

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 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 2018 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.

CONSOLIDATED RESULTS

Consolidated revenues for the quarter ended September 30, 2018 totalled $3.420 billion, an increase of approximately $536 million or 18.6%, as compared to $2.884 billion for the corresponding quarter last fiscal year. Revenues increased due to higher sales volumes mainly derived from the inclusion of the recently acquired activities of Murray Goulburn Co-Operative Co. Limited (Murray Goulburn) (Murray Goulburn Acquisition), Betin, Inc., doing business as Montchevre (Montchevre Acquisition), the activities of Shepherd Gourmet Dairy (Ontario) Inc. (Shepherd Gourmet Acquisition) and the extended shelf-life dairy product activities of Southeast Milk, Inc. (SMI Acquisition), as compared to the same quarter last fiscal year. This increase was partially offset by a lower average block market* per pound of cheese and a lower average butter market* price per pound, which decreased revenues by approximately $42 million. Lower international selling prices of cheese and dairy ingredients also negatively impacted revenues. Moreover, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately $35 million.

For the six-month period ended September 30, 2018, revenues totalled $6.688 billion, an increase of approximately $912 million or 15.8% in comparison to $5.776 billion for the same period last fiscal year. Higher sales volumes mainly due to the recent acquisitions increased revenues, as compared to the corresponding period last fiscal year. This increase was partially offset by lower international selling prices of cheese and dairy ingredients. Also, a lower average block market per pound of cheese and a lower average butter market price per pound decreased revenues by approximately $8 million. Additionally, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately $160 million.

Consolidated adjusted EBITDA for the second quarter of fiscal 2019 totalled $318.5 million, a decrease of $11.3 million or 3.4% in comparison to $329.8 million for the same quarter last fiscal year. The combined effect of the USA Market factors, as well as lower international dairy ingredient and cheese market prices negatively impacted adjusted EBITDA by approximately $25 million, as compared to the same quarter last fiscal year. Contributing to the adjusted EBITDA decrease were higher warehousing, logistical and transportation costs of approximately $27 million. Also, higher administrative expenses, mainly due to the ERP initiative, of approximately $4 million, decreased adjusted EBITDA. These decreases were partially offset by the favourable impact of adjusted EBITDA generated from recent acquisitions. Finally, the fluctuation of the Canadian dollar versus foreign currencies had a favourable impact on adjusted EBITDA of approximately $5 million, as compared to the same quarter last fiscal year.

For the six-month period ended September 30, 2018, consolidated adjusted EBITDA totalled $626.0 million, a decrease of $59.0 million or 8.6%, as compared to $685.0 million for the corresponding period last fiscal year. The combined effect of the USA Market factors, lower dairy ingredient and international cheese market prices, as well as lower international dairy ingredient and cheese market prices negatively impacted adjusted EBITDA by approximately $26 million, as compared to the same period last fiscal year. Furthermore, higher warehousing and logistical costs of approximately $51 million related to additional handling and external storage expenses, as well as higher transportation costs negatively impacted adjusted EBITDA. Higher administrative expenses, mainly due to the ERP initiative, of approximately $9 million, also decreased adjusted EBITDA. These decreases were partially offset by the favourable impact of adjusted EBITDA generated from recent acquisitions. Lastly, the fluctuation of the Canadian dollar versus foreign currencies had an unfavourable impact on adjusted EBITDA of approximately $8 million, as compared to the same period last fiscal year.

* Refer to the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.

OTHER CONSOLIDATED RESULT ITEMS

Depreciation and amortization for the second quarter of fiscal 2019 totalled $77.0 million, an increase of $25.2 million, in comparison to $51.8 million for the same quarter last fiscal year. For the six-month period ended September 30, 2018, depreciation and amortization expenses amounted to $151.2 million, an increase of $45.7 million, as compared to $105.5 million for the corresponding period last fiscal year. These increases are mainly attributed to additional depreciation and amortization expenses related to recent acquisitions, additions to property, plant and equipment, which increased the depreciable base, and trademarks for which amortization started in fiscal 2019.

Acquisition costs amounted to $48.9 million for the six-month period ended September 30, 2018. Acquisition costs are related to the Murray Goulburn Acquisition, including $38.6 million in stamp duty taxes, as well as to the Shepherd Gourmet Acquisition.

Net interest expense for the three and six-month periods ended September 30, 2018 increased by $9.9 million and $19.3 million, respectively, in comparison to the same periods last fiscal year. The increase is mainly attributed to the additional debt related to the Murray Goulburn Acquisition.

Income taxes for the three-month period ended September 30, 2018 totalled $56.0 million, reflecting an effective tax rate of 25.6% compared to 30.2% for the same quarter last fiscal year. Income taxes for the six-month period ended September 30, 2018 totalled $95.1 million, reflecting an income tax rate of 24.8% in comparison to 30.8% for the same period last fiscal year. These decreases are mainly due to the reduction of the federal US tax rate further to the USA tax reform*. 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.

Net earnings for the second quarter of fiscal 2019 totalled $163.1 million, a decrease of $22.1 million or 11.9% in comparison to $185.2 million for the same quarter last fiscal year. For the six-month period ended September 30, 2018, net earnings totalled $289.1 million, a decrease of $96.4 million or 25.0% as compared to $385.5 million for the same period last fiscal year. These decreases are due to the above-mentioned factors.

Adjusted net earnings totalled $163.1 million for the quarter ended September 30, 2018, compared to $185.4 million for the same quarter last fiscal year. For the six-month period ended September 30, 2018, adjusted net earnings totalled $323.4 million, as compared to $385.7 million for the same period last fiscal year. These decreases are due to the above-mentioned factors.

---

* Refer to the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.

SELECTED QUARTERLY FINANCIAL INFORMATION

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

Fiscal years	**2019**		2018				2017	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	**3,420.4**	3,267.8	2,744.4	3,021.8	2,884.2	2,892.1	2,719.8	2,966.1
Adjusted EBITDA*	**318.5**	307.5	261.7	318.0	329.8	355.2	284.1	346.6
Net earnings	**163.1**	126.0	130.0	337.0	185.2	200.3	165.2	197.4
Acquisition and restructuring costs[1]	**-**	34.3	5.3	25.1	0.2	-	-	-
USA Tax Reform**	**-**	-	-	(178.9)	-	-	-	-
Adjusted net earnings*	**163.1**	160.3	135.3	183.2	185.4	200.3	165.2	197.4
Net earnings per share								
Basic	**0.42**	0.32	0.34	0.87	0.48	0.52	0.42	0.50
Diluted	**0.42**	0.32	0.33	0.86	0.47	0.51	0.42	0.49
Adjusted net earnings per share*								
Basic	**0.42**	0.41	0.35	0.47	0.48	0.52	0.42	0.50
Diluted	**0.42**	0.41	0.35	0.47	0.47	0.51	0.42	0.49

* Non-IFRS measures described in the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.
** Refer to the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.
[1] Net of income taxes.

Consolidated selected factors positively (negatively) affecting adjusted EBITDA

(in millions of CDN dollars)

Fiscal years	**2019**		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
USA Market factors* [1]	**(7)**	2	(3)	(19)	(6)	3
Inventory write-down	**-**	-	(11)	(2)	(3)	(1)
Foreign currency exchange[1, 2]	**5**	(13)	(5)	(14)	(8)	9

* Refer to the ''Glossary'' section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.
[1] As compared to the same quarter last fiscal year.
[2] 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	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,047.7**	1,011.0	980.9	1,057.2	1,032.6	999.2
Adjusted EBITDA	**104.4**	105.5	108.1	127.9	122.9	117.0

* Non-IFRS measure described in the "Glossary" section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.

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

USA Sector

(in millions of CDN dollars)

Fiscal years	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,618.0**	1,594.6	1,435.1	1,591.3	1,528.1	1,578.3
Adjusted EBITDA*	**133.8**	154.3	128.3	153.9	170.7	196.5

* Non-IFRS measure described in the "Glossary" section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.

Selected factors positively (negatively) affecting adjusted EBITDA

(in millions of CDN dollars)

Fiscal years	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
USA Market factors*, [1]	**(7)**	2	(3)	(19)	(6)	3
Inventory write-down	**-**	-	(7)	-	-	-
US currency exchange[1]	**7**	(8)	(6)	(9)	(7)	8

* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.
1 As compared to same quarter of previous fiscal year.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
Block market price*						
Opening	**1.555**	1.530	1.540	1.735	1.525	1.520
Closing	**1.690**	1.555	1.530	1.540	1.735	1.525
Average	**1.605**	1.603	1.524	1.627	1.660	1.575
Butter market price*						
Opening	**2.268**	2.215	2.208	2.315	2.643	2.108
Closing	**2.320**	2.268	2.215	2.208	2.315	2.643
Average	**2.264**	2.339	2.160	2.254	2.568	2.312
Average whey powder market price per pound*	**0.387**	0.279	0.241	0.310	0.403	0.465
Spread*	**0.095**	0.135	0.148	0.072	0.066	0.039
US average exchange rate to Canadian dollar[1]	**1.307**	1.290	1.268	1.270	1.256	1.344

* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.
1 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	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**754.7**	662.2	328.4	373.3	323.5	314.6
Adjusted EBITDA*	**80.3**	47.7	25.3	36.2	36.2	41.7

* Non-IFRS measure described in the "Glossary" section on page 20 of the Management's Discussion and Analysis for the second quarter of fiscal 2019.

Selected factors positively (negatively) affecting adjusted EBITDA

(in millions of CDN dollars)

Fiscal years	2019		2018			
	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	**-**	-	(4)	(2)	(3)	(1)
Foreign currency exchange[1]	**-**	(7)	2	(4)	(1)	1

[1] As compared to same quarter of previous fiscal year.

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

OUTLOOK

The Company benefits from a solid balance sheet and capital structure, supplemented by a high level of cash generated by operations. This financial flexibility allows the Company to continue to grow with targeted acquisitions and organically through strategic capital investments. Profitability enhancement and shareholder value creation remain the cornerstones of the Company's objectives. The Company has a long-standing commitment to manufacture quality products and will remain focused on operational efficiencies.

The Company will continue planning, designing and implementation activities for the migration to the new ERP system, which has been implemented in Argentina, Australia and the Dairy Foods Division (USA). As its next step, the Company will deploy its ERP program within the recently acquired activities of Murray Goulburn, which will ensure that the Dairy Division (Australia)'s operations are aligned under a single system. We anticipate this phase will be completed in fiscal 2020, after which the remaining North American divisions will proceed with ERP implementations, expected to be completed in fiscal 2022.

The renegotiated North American Free Trade Agreement, now known as the United States-Mexico-Canada Agreement (USMCA), was announced on September 30, 2018. The Company is currently reviewing the proposed changes and their specific impacts on its Canada, USA and International sectors. Saputo operates in different geographical locations around the world and exports its products to over 40 countries. The Company does not foresee significant impacts on its operations upon formal adoption of the USMCA.

In Canada, the Company will continue to focus on reviewing overall activities to improve operational efficiencies in order to mitigate pressure on margins, low growth and competitive market conditions. The Dairy Division (Canada) will undertake capital projects aimed at increasing efficiencies and maximizing its manufacturing footprint in order to maintain a leadership position. As part of the Company's capital expenditure plan, it will build a new facility, in Port-Coquitlam, British Columbia to better serve the market in Western Canada and benefit from a state-of-the-art facility. Consequently, the Company sold its existing facility in Burnaby, British Columbia, in October 2018, for an amount of $209.0 million that will generate an after-tax gain of approximately $167 million in the third quarter of fiscal 2019 and has entered into a lease agreement for that same facility until the construction of the new facility is completed, which is expected to be in fiscal 2021.

The Division will complete the integration of the Shepherd Gourmet Acquisition. The acquisition enables the Dairy Division (Canada) to increase its presence in specialty cheese and expand its yogurt offering in Canada.

The Cheese Division (USA) will continue to focus on increasing operational efficiencies and controlling costs in order to mitigate the negative impact of dairy commodity markets and competitive market conditions on adjusted EBITDA. During the upcoming quarters, the Division will continue its intensified efforts to achieve blue cheese manufacturing efficiencies within the short-term at its newly constructed Almena, Wisconsin facility. The Company remains confident that the capital expenditure project will allow the Division to continue to strengthen its position within the blue cheese category.

The Division will also benefit from the integration of the Montchevre Acquisition which enables the Cheese Division (USA) to broaden its presence in specialty cheeses in the USA.

The Company expects to be in a position to complete the F&A Dairy Products Acquisition by the end of 2018. The acquisition will add to and complement the activities of the Cheese Division (USA). F&A Dairy Products, Inc. manufactures a variety of natural cheeses, including mozzarella and provolone, which are distributed in the United States and Mexico.

The Federal Milk Marketing Order (FMMO) was implemented in California on October 17, 2018, with publication of the announcement of advanced prices and pricing factors on November 1, 2018. Had the FMMO in California been in effect at the beginning of this fiscal year, the resulting additional cost of milk would have totalled approximately $9 million based on actual milk prices. The Sector will continue to monitor dairy markets and take appropriate decisions to mitigate the impact on its operations. In order to address the negative impact of an incremental cost structure, the Company intends to take a disciplined approach by reviewing its strategy with respect to customer pricing.

The Dairy Foods Division (USA) will continue its optimization and investments in its existing network in order to benefit from new production capabilities. Also, the Division will focus on its supply chain planning, warehousing and logistics activities to meet customer demand and increase efficiencies.

The dairy ingredient markets have continued to be depressed during the second quarter of fiscal 2019 and we anticipate these market prices will remain low for the remainder of fiscal 2019, which will continue to put downward pressure on the Canada and USA Sectors' margins.

The International Sector will continue to pursue sales volume growth in existing markets, as well as develop additional international markets. The Sector will continue to evaluate overall activities to improve efficiencies and aim to maximize its operational flexibility to mitigate fluctuations in market conditions. As volatility in dairy markets persists, we do not expect a significant recovery in the international cheese and dairy ingredient prices in fiscal 2019. As such, we will continue to focus on controlling costs and increasing operational efficiencies in order to mitigate their impact on adjusted EBITDA.

In Australia, the Company will continue its integration of the Murray Goulburn Acquisition. The combination of its two Australian operating units into one single platform is progressing well. The Company remains focused on growing milk intake, reviewing operations and maximizing the network at its disposal.

The Company intends to renew its normal course issuer bid expiring on November 16, 2018. The Company also intends to renew its MTN Program, which expires in January 2019.

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