

**FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2016**

**Adjusted net earnings at \$626.9 million, up 7.6%**

**Net earnings at \$601.4 million, down 1.9%**

**Revenues at \$10.992 billion, up 3.1%**

(Montréal, June 2, 2016) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for fiscal 2016, which ended on March 31, 2016. All amounts in this news release are in Canadian dollars, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

**SELECTED FINANCIAL INFORMATION**

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

Fiscal years	2016	2015	Variance
<b>Revenues</b>			
Canada	3,801.5	3,835.8	(0.9)%
USA	5,786.7	5,279.6	9.6%
International	1,403.3	1,542.3	(9.0)%
	<b>10,991.5</b>	<b>10,657.7</b>	<b>3.1%</b>
<b>Adjusted EBITDA<sup>1</sup></b>			
Canada	413.5	404.5	2.2%
USA	725.5	534.9	35.6%
International	35.1	122.3	(71.3)%
	<b>1,174.1</b>	<b>1,061.7</b>	<b>10.6%</b>
Net earnings	601.4	612.9	(1.9)%
Gain on disposal of a business <sup>2</sup>	–	(25.9)	
Acquisition costs <sup>2</sup>	2.4	0.5	
Restructuring and other costs <sup>2</sup>	23.1	(4.7)	
Adjusted net earnings <sup>3</sup>	<b>626.9</b>	<b>582.8</b>	<b>7.6%</b>
Attributable to:			
Shareholders of Saputo Inc.	626.6	577.5	
Non-controlling interest	0.3	5.3	
	<b>626.9</b>	<b>582.8</b>	
Per Share:			
Net earnings			
Basic	1.53	1.55	(1.3)%
Diluted	1.51	1.53	
Adjusted net earnings <sup>3</sup>			
Basic	1.60	1.48	8.1%
Diluted	1.58	1.46	

<sup>1</sup> Adjusted EBITDA is a non-IFRS measure. Refer to “Measurement of Results not in Accordance with International Financial Reporting Standards” on page 7 of the Management’s Discussion and Analysis, included in the Company’s 2016 Annual Report, for the definition of this term.

<sup>2</sup> Net of income taxes.

<sup>3</sup> 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” on page 7 of the Management’s Discussion and Analysis, included in the Company’s 2016 Annual Report, for the definition of these terms.

- The acquisition of the companies forming Woolwich Dairy (Woolwich Acquisition) on October 5, 2015, contributed to revenues and EBITDA of both the Canada and USA sectors.
- The acquisition of everyday cheese business of Lion-Dairy & Drinks Pty Ltd (EDC Acquisition) on May 25, 2015, contributed to revenues and EBITDA in the International Sector.

**FINANCIAL RESULTS FOR THE FOURTH QUARTER OF THE  
FISCAL YEAR ENDED MARCH 31, 2016**

**Adjusted net earnings at \$164.8 million, up 29.5%**

**Net earnings at \$141.2 million, down 10.3%**

**Revenues at \$2.734 billion, up 8.8%**

**SELECTED QUARTERLY FINANCIAL INFORMATION**

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

Fiscal years	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	2,734.0	2,901.0	2,792.1	2,564.4	2,513.8	2,821.8	2,701.3	2,620.8
Adjusted EBITDA <sup>1</sup>	313.1	320.4	281.7	258.9	232.0	278.7	282.1	268.9
Net earnings	141.2	175.2	148.6	136.4	157.4	154.6	155.6	145.3
Gain on disposal of a business <sup>2</sup>	-	-	-	-	(25.9)	-	-	-
Acquisition costs <sup>2</sup>	0.5	0.2	1.1	0.6	0.5	-	-	-
Restructuring and other costs <sup>2</sup>	23.1	-	-	-	(4.7)	-	-	-
Adjusted net earnings <sup>3</sup>	164.8	175.4	149.7	137.0	127.3	154.6	155.6	145.3
Attributable to:								
Shareholders of Saputo Inc.	165.0	174.7	149.0	137.9	126.3	152.6	154.3	144.3
Non-controlling interest	(0.2)	0.7	0.7	(0.9)	1.0	2.0	1.3	1.0
	164.8	175.4	149.7	137.0	127.3	154.6	155.6	145.3
Per Share:								
Net earnings								
Basic	0.36	0.44	0.38	0.35	0.40	0.39	0.39	0.37
Diluted	0.36	0.44	0.37	0.34	0.39	0.38	0.39	0.36
Adjusted net earnings <sup>3</sup>								
Basic	0.42	0.45	0.38	0.35	0.32	0.39	0.39	0.37
Diluted	0.41	0.44	0.38	0.34	0.32	0.38	0.39	0.36

<sup>1</sup> Adjusted EBITDA is a non-IFRS measure. Refer to "Measurement of Results not in Accordance with International Financial Reporting Standards" on page 7 of the Management's Discussion and Analysis, included in the Company's 2016 Annual Report, for the definition of this term.

<sup>2</sup> Net of income taxes.

<sup>3</sup> 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" on page 7 of the Management's Discussion and Analysis, included in the Company's 2016 Annual Report, for the definition of these terms.

**SELECTED FACTORS POSITIVELY (NEGATIVELY) AFFECTING EBITDA**

*(in millions of CDN dollars)*

Fiscal year	2016			
	Q4	Q3	Q2	Q1
Market factors <sup>1,2</sup>	9	(4)	(37)	3
Inventory write-down	(5)	-	-	(13)
US currency exchange <sup>1,3</sup>	15	29	27	15

<sup>1</sup> As compared to the same quarter of the last fiscal year.

<sup>2</sup> 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.

<sup>3</sup> Foreign currency exchange includes effect on EBITDA of conversion of US dollars, Australian dollars and Argentinian pesos to Canadian dollars.

## INFORMATION BY SECTOR

### Canada Sector

(in millions of CDN dollars)

Fiscal years	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	<b>932.8</b>	992.7	958.5	917.5	909.6	1,005.4	971.7	949.1
EBITDA	<b>108.5</b>	107.5	99.4	98.1	82.3	102.1	106.8	113.3

The Canada Sector consists of the Dairy Division (Canada). In fiscal 2015, the Sector included both the Dairy Division (Canada) and the Bakery Division. The Bakery Division represented approximately 3% of the Sector's revenues, and was sold on February 2, 2015.

### USA Sector

(in millions of CDN dollars)

Fiscal years	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	<b>1,449.3</b>	1,574.9	1,459.2	1,303.3	1,248.1	1,394.5	1,345.1	1,291.9
EBITDA	<b>191.0</b>	190.1	172.7	171.7	141.0	139.5	136.6	117.8

### Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Market factors <sup>1,2</sup>	<b>9</b>	(4)	(37)	3	(23)	(20)	10	(35)
US currency exchange <sup>1</sup>	<b>15</b>	25	27	15	15	10	6	8

<sup>1</sup> As compared to same quarter of previous fiscal year.

<sup>2</sup> 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	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Average block market per pound of cheese	<b>1.479</b>	1.582	1.679	1.642	1.542	2.052	2.111	2.161
Closing block price per pound of cheese <sup>1</sup>	<b>1.460</b>	1.508	1.670	1.620	1.580	1.553	2.208	2.000
Average butter market price per pound	<b>2.055</b>	2.562	2.243	1.877	1.660	2.026	2.676	2.123
Closing butter market price per pound <sup>2</sup>	<b>1.955</b>	2.080	2.510	1.918	1.785	1.555	2.895	2.500
Average whey market price per pound <sup>3</sup>	<b>0.247</b>	0.226	0.309	0.430	0.458	0.580	0.653	0.660
Spread <sup>4</sup>	<b>0.128</b>	0.152	0.120	0.078	0.061	0.036	(0.021)	(0.008)
US average exchange rate to Canadian dollar <sup>5</sup>	<b>1.371</b>	1.333	1.309	1.229	1.244	1.134	1.090	1.091

<sup>1</sup> 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.

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

<sup>3</sup> Average whey powder market price is based on Dairy Market News published information.

<sup>4</sup> 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.

<sup>5</sup> 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	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	351.9	333.4	374.4	343.6	356.1	421.9	384.5	379.8
EBITDA	13.6	22.8	9.6	(10.9)	8.7	37.1	38.7	37.8

### Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	(5)	-	-	(13)	(3)	(7)	-	-
Foreign currency exchange <sup>1</sup>	-	4	-	-	-	(5)	(4)	(4)

<sup>1</sup> 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.

## SUMMARY OF FOURTH QUARTER RESULTS ENDED MARCH 31, 2016

**Consolidated revenues** for the quarter ended March 31, 2016 amounted to \$2.734 billion, an increase of \$220.2 million or 8.8% compared to \$2.514 billion for the same quarter last fiscal year.

In the Canada Sector, revenues increased by approximately \$23 million or 2.5% as compared to the corresponding quarter last fiscal year. The inclusion of revenues from the Woolwich Acquisition and a favourable product mix increased revenues during the quarter. Sales volumes of cheese and cream categories were higher, while traditional milk and butter categories experienced a decrease. The disposal of the Bakery Division in the fourth quarter of fiscal 2015 reduced revenues as compared to the same quarter last fiscal year.

The USA Sector revenues increased by approximately \$201 million or 16.1% as compared to the corresponding quarter last fiscal year. Higher sales volumes in both US divisions, as well as the inclusion of the Woolwich Acquisition, increased revenues. The fluctuation of the average block market per pound of cheese and the butter market in the fourth quarter of fiscal 2016, as compared to the corresponding quarter last fiscal year, decreased revenues by approximately \$14 million. The weakening of the Canadian dollar versus the US dollar increased revenues by approximately \$148 million.

Revenues from the International Sector decreased by approximately \$4 million or 1.1% as compared to the corresponding quarter last fiscal year. In the Dairy Division (Argentina), lower sales volumes and lower selling prices in the export market decreased revenues as compared to the same quarter last fiscal year. Additionally, the devaluation of the Argentinian peso versus the Canadian dollar had a negative impact on revenues as compared to the same quarter last fiscal year. The decrease was partially offset by higher selling prices and higher sales volumes in the domestic market. Revenues of the Dairy Division (Australia) increased due to the inclusion of the EDC Acquisition and higher sales volumes in both domestic and export markets, partially offset by the decline in the international cheese and dairy ingredient market prices. Dairy Ingredients Division revenues were lower in the fourth quarter of fiscal 2016, as compared to the same quarter last fiscal year due to depressed export market sales prices and lower sales volumes. The fluctuation of the Canadian dollar versus the foreign currencies used in the International Sector negatively impacted revenues by approximately \$33 million, as compared to the same quarter last fiscal year.

**Consolidated earnings before interest, income taxes, depreciation, amortization, gain on disposal of a business, acquisition, restructuring and other costs (adjusted EBITDA<sup>1</sup>)** totalled \$313.1 million for the quarter ended March 31, 2016, an increase of \$81.1 million or 35.0% compared to the \$232.0 million for the same quarter last fiscal year.

The EBITDA of the Canada Sector increased by approximately \$26 million or 31.6% in comparison to the same quarter last fiscal year. The increase is due to lower ingredients costs, lower warehousing and logistical costs and decreased administrative expenses as a result of the allocation of shared expenses totalling \$8 million in the USA and International sectors. Also, a favourable product mix increased EBITDA as compared to the same quarter last fiscal year. The inclusion of the Woolwich Acquisition positively impacted EBITDA. This increase was offset by a lower international dairy ingredient market.

The EBITDA of the USA Sector increased by approximately \$50 million or 35.5% in comparison to the same quarter last fiscal year. In the Cheese Division (USA), higher sales volumes, a decrease in ingredients costs, as well as better efficiencies increased EBITDA as compared to the corresponding quarter last fiscal year. The Dairy Foods Division (USA) benefitted from increased sales volumes, a favourable product mix, lower warehousing and logistical costs, as well as decreased operational costs attributed to better cost control. The Sector benefitted from procurement efficiencies that had a positive impact on EBITDA. During the quarter, a variation in the average block market per pound of cheese versus the corresponding quarter last fiscal year had a favourable impact on the realization of inventories and an unfavourable impact on the absorption of fixed costs. The relationship between the average block market per pound of cheese and the cost of milk as raw material was favourable. These combined market factors, partially offset by lower dairy ingredient market and unfavourable margins associated with the higher commodity prices in the Dairy Foods Division (USA), increased EBITDA by approximately \$9 million, as compared to the same quarter last fiscal year. The weakening of the Canadian dollar versus the US dollar had a positive impact on EBITDA of approximately \$15 million.

The EBITDA of the International Sector increased by approximately \$5 million or 57.5% for the quarter ended March 31, 2016 in comparison to the same quarter last fiscal year. In the Dairy Division (Argentina), higher sales volumes combined with favourable market conditions increased EBITDA, as compared to the same quarter last fiscal year. In the Dairy Division (Australia), the decrease in market selling prices and the fact that the cost of milk as raw material did not follow this decrease negatively affected EBITDA. This EBITDA decrease was partially offset by higher volumes in both domestic and export markets. The inclusion of the operations of the EDC Acquisition positively impacted EBITDA. EBITDA of the Dairy Ingredients Division was comparable to the corresponding quarter last fiscal year. As a result of the decrease in market selling prices, inventory was written-down by approximately \$5 million. In the same quarter of last fiscal year, inventory was written-down by approximately \$3 million.

**Depreciation and amortization** for the quarter ended March 31, 2016 totalled \$54.8 million, an increase of \$8.1 million compared to \$46.7 million for the same quarter last fiscal year. This increase is 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 the fourth quarter of fiscal 2016, the Company incurred **acquisition costs** relating to the business acquisitions totalling \$0.3 million (\$0.7 million in fiscal 2015), as well as **restructuring costs** in relation to plant closures in Canada totalling \$31.2 million (\$23.1 million after tax). In connection with these restructuring costs, the Company incurred \$5.5 million in severance costs and \$25.7 million in impairment charges to property, plant and equipment.

In the fourth quarter of fiscal 2015, the Company realized a **gain on disposal of a business** of \$25.9 million (\$25.9 million after tax) relating to the sale of the Bakery Division.

**Net interest expense** amounted to \$15.2 million compared to \$17.4 million for the corresponding period last fiscal year. The decrease is mainly attributed to a lower level of debt resulting from payments made during the quarter, as compared to the same quarter last fiscal year.

With respect to **income taxes**, the effective tax rate for the fourth quarter of fiscal 2016 was 33.3% compared to 21.4% for the same quarter last fiscal year. The increase of the fourth quarter effective tax rate is mainly due to increases of profit in higher tax rate jurisdictions as well as the non-taxable gain on disposal of a business in fiscal 2015. Also, last fiscal year had a positive tax adjustment following the closure of prior year's tax file. The income tax rate varies and could increase or decrease based on the amount of taxable income derived and from which source, any amendments to tax laws and income tax rates and changes in assumptions and estimates used for tax assets and liabilities by the Company and its affiliates.

<sup>1</sup> Adjusted EBITDA represents a non-IFRS measure. Refer to "Measurement of Results not in Accordance with International Financial Reporting Standards" on page 7 of the Management's Discussion and Analysis, included in the Company's 2016 Annual Report, for the definition of this term.

**Net earnings** amounted to \$141.2 million for the quarter ended March 31, 2016, a decrease of \$16.2 million compared to the net earnings of \$157.4 million for the same quarter last fiscal year. This is due to the factors mentioned above.

**Adjusted net earnings**<sup>1</sup> amounted to \$164.8 million for the quarter ended March 31, 2016, an increase of \$37.5 million compared to the adjusted net earnings of \$127.3 million for the same quarter last fiscal year. This increase is due to the factors mentioned above, without considering acquisition, restructuring and other costs.

During the quarter, the Company added \$37.8 million in property, plant and equipment, issued shares for a cash consideration of \$25.3 million as part of the stock option plan and paid out \$53.0 million in dividends to its shareholders. For the same quarter, the Company generated net cash from operating activities of \$295.6 million, an increase of \$19.1 million as compared to the net cash generated from operating activities for the corresponding period last fiscal year.

## OUTLOOK

In fiscal 2017, the Company intends to continue benefitting from the Woolwich Acquisition in North America and the EDC Acquisition in Australia for future development. Additionally, the Company will continue to improve its efficiencies, while remaining committed to producing quality products, innovation and organic growth. It will continue to analyze its overall activities, invest in capital projects and identify opportunities. The Company's flexible capital structure and low debt levels allow it to actively evaluate and pursue strategic acquisition opportunities, with the goal of expanding its presence in key markets.

### **Canada Sector**

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 through the first nine months 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 announced towards the end of fiscal 2016 the closure of three plants, being in Sydney (Nova Scotia), Princeville (Quebec) and Ottawa (Ontario). These closures are scheduled in June 2016, August 2016 and December 2017 respectively. The Division continues to leverage its operational flexibility to enhance profitability, in addition to maintaining cost control.

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

During fiscal 2016, the Company continued to migrate to a new ERP system, as announced in fiscal 2015. The five-year project regarding planning, designing and implementing of a new ERP system started in fiscal 2016 and should require additions to intangibles and property, plant and equipment of approximately \$250 million. The Company added approximately \$48 million in intangibles and incurred expenses for approximately \$11 million related to this project during fiscal 2016.

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 to continue to forge and secure long-term relationships with both customers and consumers.

Production capacity continues to be evaluated in line with the objective of reducing excess production capacity within the Canada Sector plants, which, as at March 31, 2016, stood at 26% and 36% in cheese and fluid milk activities, respectively.

<sup>1</sup> Adjusted net earnings represents a non-IFRS measure. Refer to "Measurement of Results not in Accordance with International Financial Reporting Standards" on page 7 of the Management's Discussion and Analysis, included in the Company's 2016 Annual Report, for the definition of this term.

## **USA Sector**

In the USA Sector, 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 controlling costs and increasing efficiencies in order to mitigate their impact on EBITDA. The international dairy ingredient market price has declined since the last half of fiscal 2015 and these prices are anticipated to remain low throughout the first nine months of fiscal 2017.

In fiscal 2016, 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 operational optimization and maximizing investment in its existing network in order to benefit from new capabilities in production and enable future growth in bringing new products to market. The Company will keep investing to support capacity, and aim to further strengthen its competitive cost position.

The Cheese Division (USA) plans to continue to gain distribution and market share for premium lines of snack cheeses. The Company will continue making investment aimed at enhancing its blue cheese production capability, which will strengthen its position as a category leader in the market.

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

## **International Sector**

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. In line with the Sector's objective to grow as a global dairy player, the EDC Acquisition, completed in fiscal 2016, was added to the Dairy Division (Australia). We anticipate that the EDC Acquisition will continue to bring new opportunities to the Sector. 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 were depressed through the last half of fiscal 2015. These prices are anticipated to remain low throughout the first nine months of fiscal 2017 and we expect this will continue to put downward pressure on the Sector's margins. As such, we will continue to focus on controlling costs and increasing efficiencies in order to mitigate their impact on EBITDA.

## **Additional Information**

For more information on the results of fiscal 2016 and the fourth quarter of fiscal 2016, reference is made to the audited consolidated financial statements, the notes thereto and to the Management's Discussion and Analysis for the fiscal year ended March 31, 2016. These documents can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) and in the "Investors and Media" section of the Company's website, at [www.saputo.com](http://www.saputo.com).

## **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 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.

### **Dividends**

The Board of Directors approved a dividend of \$0.135 per share, payable on June 27, 2016, to common shareholders of record on June 16, 2016.

### **Conference Call**

A conference call to discuss the fourth quarter and year-end results for fiscal 2016 will be held on Thursday, June 2, 2016 at 2:30 p.m. Eastern Daylight Time. To participate in the conference call, dial 1-800-926-6185. 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/7555](http://www.gowebcasting.com/7555) in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, June 9, 2016. To access the replay, dial 1-800-558-5253, ID number 21811350. A webcast will also be archived on [www.saputo.com](http://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*<sup>®</sup>, *Dairyland*, *DairyStar*, *Friendship Dairies*, *Frigo Cheese Heads*, *La Paulina*, *Milk2Go/Lait's Go*, *Neilson*, *Nutralait*, *Scotsburn*<sup>®</sup>, *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 and Investor Relations**

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## CONSOLIDATED STATEMENTS OF EARNINGS

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

	For the three-month periods ended		For the years ended	
		March 31 (unaudited)		March 31 (audited)
	2016	2015	2016	2015
<b>Revenues</b>	\$ 2,734.0	\$ 2,513.8	\$ 10,991.5	\$ 10,657.7
Operating costs excluding depreciation, amortization, gain on disposal of a business, acquisition, restructuring and other costs	2,420.9	2,281.8	9,817.4	9,596.0
<b>Earnings before interest, income taxes, depreciation, amortization, gain on disposal of a business, acquisition, restructuring and other costs</b>	<b>313.1</b>	<b>232.0</b>	<b>1,174.1</b>	<b>1,061.7</b>
Depreciation and amortization	54.8	46.7	198.6	170.9
Gain on disposal of a business	-	(25.9)	-	(25.9)
Acquisition, restructuring and other costs	31.5	(6.5)	34.2	(6.5)
Interest on long-term debt	12.1	12.1	48.3	54.0
Other financial charges	3.1	5.3	22.1	19.3
<b>Earnings before income taxes</b>	<b>211.6</b>	<b>200.3</b>	<b>870.9</b>	<b>849.9</b>
Income taxes	70.4	42.9	269.5	237.0
<b>Net earnings</b>	<b>\$ 141.2</b>	<b>\$ 157.4</b>	<b>\$ 601.4</b>	<b>\$ 612.9</b>
<b>Attributable to:</b>				
Shareholders of Saputo Inc.	141.4	156.4	601.1	607.6
Non-controlling interest	(0.2)	1.0	0.3	5.3
	\$ 141.2	\$ 157.4	\$ 601.4	\$ 612.9
<b>Earnings per share</b>				
Net earnings				
Basic	\$ 0.36	\$ 0.40	\$ 1.53	\$ 1.55
Diluted	\$ 0.36	\$ 0.39	\$ 1.51	\$ 1.53

Note: These financial statements should be read in conjunction with the Company's audited consolidated financial statements, the notes thereto and with the Management's Discussion and Analysis for the fiscal year ended March 31, 2016, included in the Company's 2016 Annual Report. These documents can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) and in the "Investors and Media" section of the Company's website, at [www.saputo.com](http://www.saputo.com).

## CONSOLIDATED BALANCE SHEETS

(in millions of CDN dollars)

(audited)

As at	March 31, 2016	March 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 164.3	\$ 72.6
Receivables	818.8	784.5
Inventories	1,077.1	1,006.0
Income taxes	4.7	1.1
Prepaid expenses and other assets	110.9	98.3
	2,175.8	1,962.5
<b>Property, plant and equipment</b>	2,086.0	2,073.1
<b>Goodwill</b>	2,194.1	2,125.0
<b>Intangible assets</b>	587.0	506.3
<b>Other assets</b>	106.5	115.8
<b>Deferred income taxes</b>	22.9	17.6
<b>Total assets</b>	\$ 7,172.3	\$ 6,800.3
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank loans	\$ 178.2	\$ 169.8
Accounts payable and accrued liabilities	896.6	898.1
Income taxes	37.1	58.4
Current portion of long-term debt	244.9	53.1
	1,356.8	1,179.4
<b>Long-term debt</b>	1,208.3	1,516.9
<b>Other liabilities</b>	61.8	70.2
<b>Deferred income taxes</b>	475.6	405.2
<b>Total liabilities</b>	\$ 3,102.5	\$ 3,171.7
<b>EQUITY</b>		
Share capital	821.0	765.8
Reserves	695.7	621.3
Retained earnings	2,485.1	2,173.8
<b>Equity attributable to shareholders of Saputo Inc.</b>	4,001.8	3,560.9
<b>Non-controlling interest</b>	68.0	67.7
<b>Total equity</b>	\$ 4,069.8	\$ 3,628.6
<b>Total liabilities and equity</b>	\$ 7,172.3	\$ 6,800.3

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of CDN dollars)

	For the three-month periods ended		For the years ended	
	March 31		March 31	
	(unaudited)		(audited)	
	2016	2015	2016	2015
<b>Cash flows related to the following activities:</b>				
<b>Operating</b>				
Net earnings	\$ 141.2	\$ 157.3	\$ 601.4	\$ 612.9
Adjustments for:				
Stock-based compensation	6.6	13.5	27.8	32.6
Interest and other financial charges	15.2	17.5	70.4	73.3
Income tax expense	70.4	42.9	269.5	237.0
Depreciation and amortization	54.8	46.7	198.6	170.9
(Gain) loss on disposal of property, plant and equipment	(0.4)	1.1	(1.2)	0.3
Gain on disposal of a business	-	(25.9)	-	(25.9)
Restructuring charges related to plant closures	31.2	(7.2)	31.2	(7.2)
Share of joint venture earnings	(2.0)	(2.2)	(6.7)	(7.7)
Under (Over)funding of employee plans in excess of costs	0.4	1.5	2.2	(1.8)
	317.4	245.2	1,193.2	1,084.4
Changes in non-cash operating working capital items	48.4	113.4	(45.8)	(14.5)
Cash generated from operating activities	365.8	358.6	1,147.4	1,069.9
Interest and other financial charges paid	(9.8)	(8.9)	(63.5)	(61.0)
Income taxes paid	(60.4)	(73.2)	(236.5)	(239.1)
Net cash generated from operating activities	295.6	276.5	847.4	769.8
<b>Investing</b>				
Business acquisitions	(2.2)	-	(214.9)	(65.0)
Additions to property, plant and equipment	(37.8)	(58.0)	(183.5)	(186.9)
Additions to intangible assets	(15.0)	-	(48.3)	-
Proceeds from disposal of a business	-	114.3	-	114.3
Proceeds on disposal of property, plant and equipment	0.9	0.3	5.5	2.1
Other	0.4	(9.6)	(0.5)	(30.9)
	(53.7)	47.0	(441.7)	(166.4)
<b>Financing</b>				
Bank loans	(39.0)	(45.9)	34.5	(150.4)
Proceeds from issuance of long-term debt	-	-	134.7	410.0
Repayment of long-term debt	(243.7)	(225.8)	(255.9)	(640.0)
Issuance of share capital	25.3	20.6	49.9	54.0
Repurchase of share capital	(68.1)	-	(91.8)	(48.8)
Dividends	(53.0)	(50.9)	(210.0)	(197.7)
	(378.5)	(302.0)	(338.6)	(572.9)
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(136.6)</b>	<b>21.5</b>	<b>67.1</b>	<b>30.5</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>306.1</b>	<b>47.3</b>	<b>72.6</b>	<b>39.4</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(5.2)</b>	<b>3.8</b>	<b>24.6</b>	<b>2.7</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 164.3</b>	<b>\$ 72.6</b>	<b>\$ 164.3</b>	<b>\$ 72.6</b>