News Release
For immediate release

FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2018

Net earnings at $852.5 million, up 16.6%
Adjusted net earnings at $704.2 million, down 3.7%
Revenues at $11.543 billion, up 3.4%

(Montréal, June 7, 2018) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for fiscal 2018, which ended on March 31, 2018. All amounts in this news release are in Canadian dollars, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

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

(audited)	**For the years ended March 31** **2018**	2017
Revenues	**11,542.5**	11,162.6
Adjusted EBITDA*	**1,264.7**	1,289.5
Net earnings	**852.5**	731.1
Adjusted net earnings*	**704.2**	731.1
Net earnings per share	**2.21**	1.86
Diluted net earnings per share	**2.18**	1.84
Adjusted net earnings per share*	**1.82**	1.86
Diluted adjusted net earnings per share*	**1.80**	1.84

* Non-IFRS measures described in the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

- Net earnings totalled $852.5 million, up 16.6%, as compared to last fiscal year.
- Adjusted net earnings* totalled $704.2 million, down 3.7%, as compared to last fiscal year.
- Earnings before interest, income taxes, depreciation, amortization, acquisition and restructuring costs (adjusted EBITDA*) totalled $1.265 billion, down $24.8 million or 1.9%, as compared to last fiscal year.
- Revenues reached $11.543 billion, up 3.4%, as compared to last fiscal year.
- Net cash generated from operations totalled $809.1 million, down 24.6%, as compared to last fiscal year.
- Consolidated revenues increased due to higher sales volumes in all sectors. The fluctuation of the average block market** per pound of cheese and the average butter market** price per pound resulted in an increase of revenues of approximately $97 million, while higher international selling prices of cheese and dairy ingredients increased revenues by approximately $90 million and impacted adjusted EBITDA favourably.
- Higher warehousing and logistical expenses related to higher transportation costs of approximately $30 million and Enterprise Resource Planning (ERP) expenses of approximately $32 million negatively impacted consolidated adjusted EBITDA.
- In the USA, market factors** also negatively impacted adjusted EBITDA by approximately $25 million, as compared to last fiscal year. These decreases were partially offset by higher selling prices in both domestic and export markets and higher sales volumes.
- As a result of decreases in certain market selling prices, inventory was written down by approximately $17 million, as compared to approximately $4 million last fiscal year.
- The fluctuation of the Canadian dollar versus foreign currencies had a negative impact on revenues of approximately $211 million, as compared to last fiscal year. This fluctuation negatively impacted adjusted EBITDA by approximately $18 million, as compared to last fiscal year.
- The acquisitions of the extended shelf-life dairy product activities of Southeast Milk, Inc. (SMI Acquisition) and Betin, Inc., doing business as Montchevre (Montchevre Acquisition), were completed on September 29, 2017 and December 12, 2017, respectively.

* Non-IFRS measures described in the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.
** Refer to the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

FINANCIAL RESULTS FOR THE FOURTH QUARTER OF THE FISCAL YEAR ENDED MARCH 31, 2018

Net earnings at $130.0 million, down 21.3%
Adjusted net earnings at $135.3 million, down 18.1%
Revenues at $2.745 billion, up 0.9%

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

(unaudited)	**For the three-month periods ended March 31**	
	2018	2017
Revenues	**2,744.4**	2,719.8
Adjusted EBITDA*	**261.7**	284.1
Net earnings	**130.0**	165.2
Adjusted net earnings*	**135.3**	165.2
Net earnings per share	**0.34**	0.42
Diluted net earnings per share	**0.33**	0.42
Adjusted net earnings per share*	**0.35**	0.42
Diluted Adjusted net earnings per share*	**0.35**	0.42

* Non-IFRS measures described in the ''Glossary'' section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

- Net earnings totalled $130.0 million, down 21.3%, as compared to the same quarter last fiscal year.
- Adjusted net earnings totalled $135.3 million, down 18.1%, as compared to the same quarter last fiscal year.
- Adjusted EBITDA totalled $261.7 million, down $22.4 million or 7.9%, as compared to the same quarter last fiscal year.
- Revenues reached $2.745 billion, up 0.9%, as compared to the same quarter last fiscal year.
- Net cash generated from operations totalled $317.9 million, up 56.7%, as compared to the same quarter last fiscal year.
- Consolidated revenues increased due to higher sales volumes in all sectors. The fluctuation of the average block market per pound of cheese and the average butter market price per pound and lower international selling prices of dairy ingredients negatively impacted revenues.
- The combination of a higher cost of milk as raw material and lower selling prices in the export markets, including inventory write-downs, negatively impacted consolidated adjusted EBITDA by approximately $33 million.
- Higher warehousing and logistical expenses related to higher transportation costs, as well as higher ERP expenses negatively impacted adjusted EBITDA by approximately $15 million and $10 million, respectively.
- In the USA, market factors also negatively impacted adjusted EBITDA by approximately $3 million, as compared to the same quarter last fiscal year. However, higher sales volumes positively impacted adjusted EBITDA.
- The fluctuation of the Canadian dollar versus foreign currencies had a negative impact on revenues of approximately $93 million, as compared to the same quarter last fiscal year. This fluctuation negatively impacted adjusted EBITDA by approximately $5 million, as compared to the same quarter last fiscal year.
- On May 1, 2018, the Company completed the acquisition of the activities of Murray Goulburn Co-Operative Co. Limited (Murray Goulburn or MG), based in Australia (Murray Goulburn Acquisition).
- On May 23, 2018, the Company announced that it had entered into an agreement to acquire the activities of Shepherd Gourmet Dairy (Ontario) Inc. (Shepherd Gourmet Acquisition) located in St. Marys, Ontario (Canada) for a purchase price of $100 million. The transaction is expected to close in June 2018.
- The Board of Directors approved a dividend of $0.16 per share payable on June 28, 2018 to common shareholders of record on June 19, 2018.

Additional Information

For more information on the results of fiscal 2018 and the fourth quarter of fiscal 2018, 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, 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 fourth quarter and year-end results for fiscal 2018 will be held on Thursday, June 7, 2018 at 2:30 p.m. Eastern Daylight Time. To participate in the conference call, dial 1-800-941-7616. 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/9280 in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, June 14, 2018. To access the replay, dial 1-800-558-5253, ID number 21889151. 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, 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 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.

OPERATING RESULTS

Consolidated revenues for the fourth quarter of fiscal 2018 totalled $2.745 billion, an increase of approximately $25 million or 0.9%, as compared to $2.720 billion for the same quarter last fiscal year. Higher sales volumes, as well as the inclusion of revenues derived from the SMI Acquisition and the Montchevre Acquisition, increased revenues by approximately $53 million, as compared to the same quarter last fiscal year. A lower average block market per pound of cheese, partially offset by a higher average butter market price per pound, decreased revenues by approximately $29 million as compared to the same quarter last fiscal year. Also, lower international selling prices of dairy ingredients negatively impacted revenues. Moreover, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately $93 million.

Consolidated revenues totalled $11.543 billion in fiscal 2018, an increase of approximately $380 million or 3.4% in comparison to $11.163 billion in fiscal 2017. Higher sales volumes and higher selling prices of cheese and dairy ingredients in both domestic and export markets increased revenues, as compared to last fiscal year. The fluctuation of the average butter market price per pound and the average block market per pound of cheese increased revenues by approximately $97 million. Additionally, the inclusion of revenues from the SMI Acquisition and the Montchevre Acquisition positively impacted revenues by approximately $78 million. Conversely, the fluctuation of the Canadian dollar versus foreign currencies decreased revenues by approximately $211 million.

Consolidated adjusted EBITDA for the fourth quarter of fiscal 2018 totalled $261.7 million, a decrease of $22.4 million or 7.9% in comparison to $284.1 million for the same quarter last fiscal year. The combination of a higher cost of milk as raw material and lower selling prices in the export markets, including inventory write-downs, decreased adjusted EBITDA by approximately $33 million. Furthermore, higher warehousing and logistical costs related to additional external storage expenses and higher transportation costs of approximately $15 million, as well as higher administrative expenses to support future growth, mainly due to the ERP initiative, of approximately $10 million decreased adjusted EBITDA. In the USA, market factors negatively impacted adjusted EBITDA by approximately $3 million. These decreases were partially offset by higher sales volumes, operational efficiencies through raw material optimization, as well as the positive impact derived from the SMI Acquisition and the Montchevre Acquisition. Lastly, the fluctuation of the Canadian dollar versus foreign currencies had an unfavourable impact on adjusted EBITDA of approximately $5 million, as compared to the same quarter last fiscal year.

Consolidated adjusted EBITDA in fiscal 2018 totalled $1.265 billion, a decrease of approximately $25 million or 1.9%, as compared to $1.290 billion in fiscal 2017. Higher warehousing and logistical costs related to additional external storage expenses and higher transportation costs of approximately $30 million, as well as higher ERP expenses of approximately $32 million decreased adjusted EBITDA, as compared to last fiscal year. Additionally, in the USA, market factors decreased adjusted EBITDA by approximately $25 million. As a result of the decrease in certain market selling prices, inventory was written down by approximately $17 million during fiscal 2018, as compared to approximately $4 million for last fiscal year. These decreases were partially offset by operational efficiencies through raw material optimization and higher international selling prices of cheese and dairy ingredients. Higher sales volumes and a favourable product mix, as well as the inclusion of the SMI Acquisition and the Montchevre Acquisition positively impacted adjusted EBITDA. Finally, the fluctuation of the Canadian dollar versus foreign currencies had an unfavourable impact on adjusted EBITDA of approximately $18 million, as compared to last fiscal year.

The consolidated adjusted EBITDA margin decreased to 11.0% in fiscal 2018, as compared to 11.6% in fiscal 2017, resulting mainly due to lower adjusted EBITDA in the USA Sector as compared to the prior fiscal year.

OTHER CONSOLIDATED RESULT ITEMS

Depreciation and amortization for the fourth quarter of fiscal 2018 totalled $64.7 million, an increase of $7.8 million, in comparison to $56.9 million for the same quarter last fiscal year.

In fiscal 2018, depreciation and amortization expenses amounted to $226.3 million, an increase of $19.0 million, as compared to $207.3 million for fiscal 2017.

These increases are mainly attributed to additions to property, plant and equipment and intangibles related to the ERP initiative, increasing the depreciable base, as well as the additional depreciation and amortization expenses related to the SMI Acquisition and the Montchevre Acquisition.

Acquisition costs and restructuring costs amounted to $1.2 million and $40.6 million respectively for the three-month period ended March 31, 2018 and fiscal 2018. Acquisition costs are related to the SMI Acquisition, the Montchevre Acquisition and the Murray Goulburn Acquisition. In connection with the restructuring costs relating to a plant closure in Fond du Lac, Wisconsin, the Company incurred $23.1 million in severance and closure costs and $10.6 million in impairment charges to property, plant and equipment.

Net interest expense for the three-month period ended March 31, 2018 and fiscal 2018 increased by $3.8 million and $6.0 million respectively, in comparison to the same periods last fiscal year. These increases are mainly attributed to higher bank loans denominated in Argentine peso, which bear higher interest rates, and financing for the SMI Acquisition and the Montchevre Acquisition.

Income taxes for the three-month period ended March 31, 2018 and 2017 totalled $52.9 million, reflecting an effective tax rate of 28.9%, as compared to 24.3% for the same quarter last fiscal year. In fiscal 2018, income taxes totalled $97.4 million, compared to $309.2 million in fiscal 2017, reflecting an effective tax rate of 10.3%, compared to 29.7% last fiscal year. During the fiscal year, the Company recorded an income tax benefit of $178.9 million to adjust for future tax balances of $169.2 million and current fiscal year provisions of $9.7 million, due to the reduction of the US federal tax rate. Excluding the benefit of the US federal tax rate reduction, income tax expense in fiscal 2018 would have totalled $276.3 million, reflecting an effective tax rate of 29.1% compared to 29.7% for the previous fiscal year. This reduction is mainly due to an income tax recovery of $8.3 million following a positive settlement in a tax file. 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 three-month period ended March 31, 2018 totalled $130.0 million, a decrease of $35.2 million or 21.3% in comparison to $165.2 million for the same quarter last fiscal year.

In fiscal 2018, net earnings totalled $852.5 million, an increase of $121.4 million or 16.6%, as compared to $731.1 million last fiscal year.

The variations in net earnings are due to the above-mentioned factors.

Adjusted net earnings totalled $135.3 million for the three-month period ended March 31, 2018, as compared to $165.2 million for the same quarter last fiscal year.

In fiscal 2018, adjusted net earnings, totalled $704.2 million, as compared to $731.1 million last fiscal year.

These decreases are due to the above-mentioned factors.

INFORMATION BY SECTOR

For fiscal 2018, 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. For fiscal 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)

	For the three-month periods ended March 31		For the years ended March 31	
	2018	2017	**2018**	2017
Revenues	**980.9**	959.8	**4,069.9**	4,060.2
Adjusted EBITDA*	**108.1**	104.1	**475.9**	453.1

* Non-IFRS measure described in the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

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

USA SECTOR

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2018	2017	**2018**	2017
Revenues	**1,435.1**	1,486.5	**6,132.8**	6,003.3
Adjusted EBITDA*	**128.3**	150.5	**649.4**	734.2

* Non-IFRS measure described in the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

Selected factors positively (negatively) affecting adjusted EBITDA and earnings before income taxes

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2018	2017	**2018**	2017
Market factors*[,1]	**(3)**	(10)	**(25)**	(4)
Inventory write-down	**(7)**	-	**(7)**	-
US currency exchange[1]	**(6)**	(7)	**(14)**	1

* Refer to the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

1 As compared to same quarter of previous fiscal year for the three-month periods; as compared to the previous fiscal year for the year ended March 31.

Other pertinent information

(in US dollars, except for average exchange rate)

	For the three-month periods ended March 31		For the years ended March 31	
	2018	2017	**2018**	2017
Block market price*				
Opening	**1.540**	1.660	**1.520**	1.460
Closing	**1.530**	1.520	**1.530**	1.520
Average	**1.524**	1.580	**1.597**	1.605
Butter market price*				
Opening	**2.208**	2.268	**2.108**	1.955
Closing	**2.215**	2.108	**2.215**	2.108
Average	**2.160**	2.177	**2.324**	2.112
Average whey powder market price*	**0.241**	0.482	**0.357**	0.350
Spread*	**0.148**	0.011	**0.081**	0.092
US average exchange rate to Canadian dollar[1]	**1.268**	1.324	**1.288**	1.312

* Refer to the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

[1] 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)

	For the three-month periods ended March 31		For the years ended March 31	
	2018	2017	**2018**	2017
Revenues	**328.4**	273.5	**1,339.8**	1,099.1
Adjusted EBITDA*	**25.3**	29.5	**139.4**	102.2

* Non-IFRS measure described in the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

Selected factors positively (negatively) affecting adjusted EBITDA and earnings before income taxes

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended ended March 31	
	2018	2017	**2018**	2017
Inventory write-down	**(4)**	(2)	**(10)**	(4)
US currency exchange[1]	**2**	(1)	**(2)**	7

[1] As compared to same quarter of previous fiscal year for the three-month periods; as compared to the previous fiscal year for the years ended March 31.

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

OUTLOOK

Throughout fiscal 2018, the Company continued to strategically invest in capital projects, materialize acquisitions, expand its activities in existing markets and increase its dividend. In fiscal 2019, the strategic Murray Goulburn Acquisition, combined with our existing Australian platform allowed the Company to become the leading dairy processor in Australia. The Murray Goulburn Acquisition will provide opportunities in both domestic and export markets. In fiscal 2019, we will focus on integrating MG's operations and maximizing the asset base in addition to aligning it with our Company's operating model and business approach. Additionally, the SMI Acquisition and the Montchevre Acquisition integrations will continue in the USA, maximizing network infrastructure and distribution as well as increasing our presence in the specialty cheese category in the USA. The Company also 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 through 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.

We intend to continue expanding and modernizing our plants, with investments in equipment and processes designed to increase efficiency. The Company tends to spend amounts of capital to a level which is equivalent to its depreciation and amortization expense, without considering capital expenditure amounts for strategic projects, such as plant capacity increases, capital expenditures necessary to build new infrastructure for rationalization programs, or the Company's ERP initiative. In fiscal 2019, the Company intends to spend $310.7 million in capital in addition to an amount of $54.8 million allocated for the continued implementation of the ERP initiative. Refer to the section entitled "Capital Expenditures" in the Annual Information Form of the Company dated June 7, 2018 for additional information on the Company's capital expenditure plan.

The Company will pursue planning, designing and implementation activities for the migration to a new ERP system. The implementation is progressing as planned. The new ERP system has been successfully implemented in Argentina and Australia. In fiscal 2019, the Company expects to complete the system implementation in the Dairy Foods Division (USA). Afterwards, the Company will proceed with the implementation in the Cheese Division (USA), which is expected in fiscal 2020. Implementation in the Dairy Division (Canada) will begin in fiscal 2020.

Canada Sector

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. The Dairy Division (Canada) will undertake capital projects aimed at increasing efficiencies and maximizing its manufacturing footprint in order to maintain its leadership position. The Division also intends to capture market opportunities from the redesign of the *Saputo* brand and reaffirm its engagement to consumers from coast-to-coast as their preferred and trusted cheese brand through various promotions, advertising and innovative packaging. As part of the Company's capital expenditure plan, we intend to build a new facility for approximately $240 million, over the next three years, in Port-Coquitlam, British Columbia to better serve the market in Western Canada and benefit from a state-of-the-art facility to be commissioned in fiscal 2021. Consequently, the Company has entered into an agreement to sell its existing facility in Burnaby, British Columbia, which sale is expected to be completed in fiscal 2019, for an amount of $218 million, and will enter into a lease agreement for that same facility until the construction of the new facility is completed.

We expect to be in a position to complete the Shepherd Gourmet Acquisition in June 2018 and then proceed with the integration of the activities. The acquisition will enable the Dairy Division (Canada) to increase its presence in specialty cheese and expand its yogurt offering in Canada. The transaction remains subject to customary conditions.

The Dairy Division (Canada) will begin its preparation activities in fiscal 2019 in anticipation of its upcoming ERP system implementation in fiscal 2020.

USA Sector

The Cheese Division (USA) is focused on increasing operational efficiencies and controlling costs in order to mitigate the negative impact on adjusted EBITDA of the dairy commodity markets. During the upcoming quarters, the Division will benefit from the additional blue cheese manufacturing capabilities in its newly constructed facility in Almena, Wisconsin. This capital expenditure project allows 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 USA milk pricing is competitive with world prices.

The Division will close its cheese manufacturing facility in Fond du Lac, Wisconsin in the first quarter of fiscal 2019. In an effort to pursue additional efficiencies and decrease costs while strengthening its market presence, the production has been transferred into the Company's facility in Almena, Wisconsin.

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

The Dairy Foods Division (USA) continues to focus on optimization and maximizing investments 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 Division has integrated the SMI Acquisition and will focus on maximizing its network infrastructure and distribution. The Division 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 dairy ingredient markets were depressed through the fourth quarter of fiscal 2018 and these prices are anticipated to remain low throughout the first half of fiscal 2019, which will continue to put downward pressure on the USA Sector's margins.

The implementation of the ERP system continues to progress. The implementation within the Dairy Foods Division (USA) will be completed in fiscal 2019 while the Cheese Division (USA) has started its preparation activities and implementation is expected to be completed in fiscal 2020.

International Sector

On May 1, 2018, the Company completed the Murray Goulburn Acquisition, which will add to and complement the activities of its Dairy Division (Australia). By acquiring a well-established industry player, the Company reinforces its commitment to strengthen its presence in the Australian market. The Company intends to grow milk intake, review Murray Goulburn operations and focus on maximizing the network at its disposal. MG produces a full range of high-quality dairy foods, including fluid milk, milk powder, cheese, butter and dairy beverages, as well as a range of dairy 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 pursue growth, invest in its Australian platform, and contribute to the ongoing development of its domestic and international business. The Company has also initiated a sale process for the Koroit dairy plant, based in Victoria, Australia, acquired from MG, such divestiture being required pursuant to the undertaking entered into with the *Australian Competition and Consumer Commission* in connection with the Murray Goulburn Acquisition.

The International Sector will continue to pursue sales volumes 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 volatility in market conditions. As volatility in dairy markets remains, we do not expect a significant recovery in the international cheese and dairy ingredient prices in the first half of 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.

QUARTERLY FINANCIAL INFORMATION

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

Fiscal years	2018				2017			
(unaudited)	**Q4**	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**2,744.4**	**3,021.8**	**2,884.2**	**2,892.1**	2,719.8	2,966.1	2,845.3	2,631.4
Adjusted EBITDA*	**261.7**	**318.0**	**329.8**	**355.2**	284.1	346.6	340.6	318.2
Net earnings	**130.0**	**337.0**	**185.2**	**200.3**	165.2	197.4	191.8	176.7
Acquisition and restructuring costs[1]	**5.3**	**25.1**	**0.2**	**-**	-	-	-	-
US Tax Reform**	**-**	**(178.9)**	**-**	**-**	-	-	-	-
Adjusted net earnings*	**135.3**	**183.2**	**185.4**	**200.3**	165.2	197.4	191.8	176.7
Net earnings per share	**0.34**	**0.87**	**0.48**	**0.52**	0.42	0.50	0.49	0.45
Diluted net earnings per share	**0.33**	**0.86**	**0.47**	**0.51**	0.42	0.49	0.48	0.44
Adjusted net earnings per share*	**0.35**	**0.47**	**0.48**	**0.52**	0.42	0.50	0.49	0.45
Diluted Adjusted net earnings per share*	**0.35**	**0.47**	**0.47**	**0.51**	0.42	0.49	0.48	0.44
Earnings coverage ratio**	**20.83**	**23.34**	**26.69**	**28.51**	25.83	22.54	18.34	15.02

* Non-IFRS measure described in the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

** Refer to the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

1 Net of income taxes

Selected factors positively (negatively) affecting adjusted EBITDA and earnings before income taxes

(in millions of CDN dollars)

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

* Refer to the "Glossary" section of the Management's Discussion and Analysis on page 36 of the 2018 Annual Report.

1 As compared to same quarter of previous fiscal year.

2 Foreign currency exchange includes effect on adjusted EBITDA of conversion of US dollars, Australian dollars and Argentine pesos to Canadian dollars.

CONSOLIDATED STATEMENTS OF EARNINGS

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

	For the three-month periods ended March 31 (unaudited)		For the years ended March 31 (audited)	
	2018	2017	**2018**	2017
Revenues	**$ 2,744.4**	$ 2,719.8	**$ 11,542.5**	$ 11,162.6
Operating costs excluding depreciation, amortization, acquisition and restructuring costs	**2,482.7**	2,435.7	**10,277.8**	9,873.1
Earnings before interest, income taxes, depreciation, amortization, acquisition and restructuring costs	**261.7**	284.1	**1,264.7**	1,289.5
Depreciation and amortization	**64.7**	56.9	**226.3**	207.3
Acquisition and restructuring costs	**1.2**	-	**40.6**	-
Interest on long-term debt	**8.3**	8.3	**33.8**	36.9
Other financial charges	**4.6**	0.8	**14.1**	5.0
Earnings before income taxes	**182.9**	218.1	**949.9**	1,040.3
Income taxes	**52.9**	52.9	**97.4**	309.2
Net earnings	**$ 130.0**	$ 165.2	**$ 852.5**	$ 731.1
Net earnings per share				
Basic	**$ 0.34**	$ 0.42	**$ 2.21**	$ 1.86
Diluted	**$ 0.33**	$ 0.42	**$ 2.18**	$ 1.84

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, 2018, included in the Company’s 2018 Annual Report. 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.

CONSOLIDATED BALANCE SHEETS

(in millions of CDN dollars)
(audited)

As at		March 31, 2018		March 31, 2017
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**122.2**	$	250.5
Receivables		**944.9**		863.2
Inventories		**1,234.5**		1,172.5
Income taxes receivable		**52.0**		15.0
Prepaid expenses and other assets		**68.8**		79.3
		2,422.4		2,380.5
Property, plant and equipment		**2,220.0**		2,165.5
Goodwill		**2,417.3**		2,240.5
Intangible assets		**823.1**		662.3
Other assets		**85.7**		99.7
Deferred income taxes		**34.5**		48.1
Total assets	**$**	**8,003.0**	$	7,596.6
LIABILITIES				
Current liabilities				
Bank loans	**$**	**193.3**	$	93.8
Accounts payable and accrued liabilities		**1,068.6**		1,008.3
Income taxes payable		**26.5**		91.3
Current portion of long-term debt		**4.4**		-
		1,292.8		1,193.4
Long-term debt		**1,420.9**		1,500.0
Other liabilities		**66.7**		68.9
Deferred income taxes		**424.9**		511.4
Total liabilities	**$**	**3,205.3**	$	3,273.7
EQUITY				
Share capital		**918.9**		871.1
Reserves		**662.4**		812.7
Retained earnings		**3,216.4**		2,639.1
Total equity	**$**	**4,797.7**	$	4,322.9
Total liabilities and equity	**$**	**8,003.0**	$	7,596.6

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of CDN dollars)

	For the three-month periods ended March 31 (unaudited)		For the years ended March 31 (audited)	
	2018	2017	**2018**	2017
Cash flows related to the following activities:				
Operating				
Net earnings	**$ 130.0**	$ 165.2	**$ 852.5**	$ 731.1
Adjustments for:				
Stock-based compensation	**9.6**	9.9	**34.3**	34.0
Interest and other financial charges	**12.9**	9.1	**47.9**	41.9
Income tax expense	**52.9**	52.9	**97.4**	309.2
Depreciation and amortization	**64.7**	56.9	**226.3**	207.3
Loss (gain) on disposal of property, plant and equipment	**0.3**	(0.1)	**(0.7)**	(2.0)
Restructuring charges related to plant closures	**-**	-	**10.6**	-
Share of joint venture earnings, net of dividends received	**(2.6)**	(1.5)	**0.9**	(1.1)
Under (Over)funding of employee plans in excess of costs	**0.5**	(0.2)	**1.8**	2.9
	268.3	292.2	**1,271.0**	1,323.3
Changes in non-cash operating working capital items	**89.8**	(28.7)	**(115.2)**	2.4
Cash generated from operating activities	**358.1**	263.5	**1,155.8**	1,325.7
Interest and other financial charges paid	**(7.4)**	(4.6)	**(47.4)**	(42.8)
Income taxes paid	**(32.8)**	(56.0)	**(299.3)**	(209.3)
Net cash generated from operating activities	**317.9**	202.9	**809.1**	1,073.6
Investing				
Business acquisitions	**(14.7)**	-	**(385.1)**	-
Additions to property, plant and equipment	**(65.3)**	(76.4)	**(277.8)**	(236.7)
Additions to intangible assets	**(10.7)**	(24.4)	**(66.2)**	(84.7)
Proceeds on disposal of property, plant and equipment	**0.4**	0.5	**6.6**	4.7
Other	**(0.1)**	(0.1)	**(0.4)**	(1.1)
	(90.4)	(100.4)	**(722.9)**	(317.8)
Financing				
Bank loans	**(173.6)**	6.9	**129.6**	(82.1)
Proceeds from issuance of long-term debt	**-**	-	**300.0**	600.0
Repayment of long-term debt	**(1.0)**	-	**(402.2)**	(552.2)
Issuance of share capital	**7.6**	10.6	**41.0**	57.6
Repurchase of share capital	**-**	(166.5)	**(29.0)**	(404.1)
Dividends	**(61.9)**	(57.9)	**(243.5)**	(228.3)
Acquisition of the remaining interest in a subsidiary	**-**	(87.0)	**-**	(87.0)
Additional non-controlling interest arising from issuance of additional shares	**-**	16.3	**-**	16.3
	(228.9)	(277.6)	**(204.1)**	(679.8)
(Decrease) increase in cash and cash equivalents	**(1.4)**	(175.1)	**(117.9)**	76.0
Cash and cash equivalents, beginning of period	**124.3**	433.7	**250.5**	164.3
Effect of exchange rate changes on cash and cash equivalents	**(0.7)**	(8.1)	**(10.4)**	10.2
Cash and cash equivalents, end of period	**$ 122.2**	$ 250.5	**$ 122.2**	$ 250.5