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Third Quarter Fiscal 2015

We are presenting the results for the third quarter of fiscal 2015, which ended on December 31, 2014.

- Net earnings totalled $154.6 million, an increase of $10.5 million or 7.3%.
- Earnings before interest, income taxes, depreciation and amortization (EBITDA) amounted to $278.7 million, an increase of $18.7 million or 7.2%.
- Revenues for the quarter amounted to $2.822 billion, an increase of $478.6 million or 20.4%.
- Basic earnings per share (EPS) and diluted EPS were $0.39 and $0.38, respectively, for the quarter as compared to basic EPS and diluted EPS of $0.37 for the corresponding quarter last fiscal year, an increase of 5.4% and 2.7%, respectively.

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

(unaudited)	**For the three-month periods ended**		**For the nine-month periods ended**	
	December 31, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Revenues	**2,821.8**	2,343.2	**8,143.9**	6,747.0
EBITDA	**278.7**	260.0	**829.8**	742.5
Net earnings	**154.6**	144.1	**455.6**	414.2
EPS				
Basic	**0.39**	0.37	**1.15**	1.06
Diluted	**0.38**	0.37	**1.14**	1.05

- In the USA Sector, the average block market[1] per pound of cheese increased by US$0.22 and the average butter market[2] price per pound increased by US$0.45 compared to the same period last fiscal year, increasing revenues. Market factors[3] negatively impacted EBITDA, offsetting pricing initiatives and operational efficiencies.
- The Canada Sector EBITDA decreased mainly due to increased warehousing and logistical costs, in addition to a more competitive environment.
- The International Sector EBITDA increased due to the contribution of the Dairy Division (Australia), derived from the acquisition of Warrnambool Cheese & Butter Factory Company Holdings Limited, for which operations have been consolidated since January 21, 2014 (Warrnambool Acquisition), offsetting lower selling prices in export markets.
- Inventory was written down by $6.8 million in the International Sector as a result of the drop in selling prices in the export market during the quarter.
- The fluctuation of the Canadian dollar versus the US dollar and the Argentinean peso during the quarter had a positive impact on revenues and EBITDA, as compared to the same quarter last fiscal year.
- The Board of Directors approved a dividend of $0.13 per share payable on March 13, 2015 to common shareholders of record on March 2, 2015.
- On November 14, 2014, Saputo Inc. filed a short form base shelf prospectus qualifying an offering of unsecured senior notes under a medium term note program for distribution to the public over a 25-month period. On November 26, 2014, the Company issued $300 million Series 1 medium term notes with an annual interest rate of 2.654% payable in equal semi-annual instalments, maturing on November 26, 2019.
- On February 2, 2015, the Company closed the transaction previously announced on December 18, 2014 with Canada Bread Company, Limited, a subsidiary of Grupo Bimbo S.A.B. de C.V., whereby it sold Saputo Bakery Inc., the Company's Bakery Division classified within the Canada Sector. The selling price of $120 million on a debt-free basis was received in cash at closing.

[1] "Average block market" is the average daily price of a 40 pound block of cheddar traded on the Chicago Mercantile Exchange (CME), used as the base price for cheese.
[2] "Average butter market" is the average daily price for Grade AA Butter traded on the CME, used as base price for butter.
[3] 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.

Management’s Discussion and Analysis

The purpose of this management report is to provide investors with a greater understanding of the Company’s business, performance and strategy, as well as to analyze the results and the financial position of the Company for the quarter ended December 31, 2014. It should be read while referring to our condensed interim consolidated financial statements and accompanying notes for the three and nine-month periods ended December 31, 2014 and 2013. The Company’s condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board. All dollar amounts are in Canadian dollars, unless otherwise indicated. This report takes into account material elements between December 31, 2014 and February 5, 2015, the date of this report, on which it was approved by the Company’s Board of Directors. Additional information about the Company, including its Annual Report and Annual Information Form for the year ended March 31, 2014, can be obtained on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report 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 2014 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.

MEASUREMENT OF RESULTS NOT IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

In certain instances, the Company makes references to terms in evaluating financial performance measures, such as EBITDA, adjusted EBITDA, adjusted net earnings and adjusted earnings per share, that hold no standardized meaning under IFRS. These non-IFRS measurements are therefore not likely to be comparable to similarly titled or described measures in use by other publicly traded companies nor do they indicate that excluded items are non-recurring. The Company uses earnings before interest, income taxes, depreciation and amortization (EBITDA) as a performance measure as it is a common industry measure and reflects the ongoing profitability of the Company's consolidated business operations.

Adjusted EBITDA represents earnings before interest, income taxes, depreciation, amortization, acquisition, restructuring and other costs. Adjusted net earnings is defined by the Company as net earnings prior to the inclusion of acquisition, restructuring, and other costs, net of applicable income taxes, if any. Adjusted earnings per share is defined as adjusted net earnings attributable to shareholders of Saputo Inc. per basic and diluted common share. The most comparable IFRS financial measures to the ones used by the Company are EBITDA, as well as net earnings and earnings per share (basic and diluted).

Adjusted EBITDA, adjusted net earnings and adjusted earnings per share, as used by Management, provide greater precision and comparability with regards to the Company's ongoing operation. They also provide readers with a representation of the activities considered of greater relevance to the Company's financial performance through the inclusion of additional financial information that can be used to identify trends or additional disclosures that provide information into the manner in which the Company is operated. Non-IFRS measures also provide greater comparability to the Company's prior year results.

The definitions provided above are used in the context of the results and activities for the three and nine-month periods ended December 31, 2014. They are subject to change based on future transactions and as deemed necessary by Management in order to provide a better understanding and comparability of future results and activities of the Company.

A reconciliation of EBITDA, net earnings and earnings per share to adjusted EBITDA, adjusted net earnings and adjusted earnings per share for the three-month periods in which Management has presented these adjusted measures is provided below.

(in millions of CDN dollars)

	For the three-month periods ended	
	March 31, 2014	March 31, 2013
Earnings before interest, depreciation, amortization and income taxes	232.1	187.4
Acquisition costs	9.5	9.7
Restructuring costs	30.7	32.6
Other	5.5	-
Adjusted EBITDA	277.8	229.7

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

	For the three-month periods ended					
	March 31, 2014			March 31, 2013		
		Per Share			Per Share	
	Total	Basic	Diluted	Total	Basic	Diluted
Net earnings	119.8	0.31	0.31	100.5	0.26	0.25
Acquisition costs[1]	9.2	0.02	0.02	6.1	0.01	0.01
Restucturing costs[1]	19.9	0.05	0.05	22.6	0.06	0.06
Other costs[1]	3.9	0.01	0.01	-	-	-
Adjusted net earnings	152.8	0.39	0.39	129.2	0.33	0.32

[1] Net of income taxes

Management has not excluded items from EBITDA, net earnings and earnings per share for the three and nine-month periods ended December 31, 2014 and December 31, 2013 and therefore no adjustments to arrive at adjusted EBITDA, adjusted net earnings and adjusted earnings per share are required for these periods.

OPERATING RESULTS

Consolidated revenues for the quarter ended December 31, 2014 amounted to $2.822 billion, an increase of $478.6 million or 20.4% in comparison to $2.343 billion for the corresponding quarter last fiscal year. This increase is partially due the inclusion of the Dairy Division (Australia) in the International Sector and the Scotsburn Acquisition in the Canada Sector. A higher average block market per pound of cheese, as well as a higher average butter market price in the USA Sector as compared to the corresponding quarter last fiscal year also contributed to revenues. In addition, higher selling prices in relation to the higher cost of milk and a favourable product mix in the International Sector, as well as higher sales volumes in the USA Sector contributed to this increase. The fluctuation of the Canadian dollar versus the US dollar and Argentinean peso increased revenues by approximately $61 million.

For the nine-month period ended December 31, 2014, revenues totalled $8.144 billion, an increase of $1.397 billion or 20.7% in comparison to $6.747 billion for the corresponding period last fiscal year. The inclusion of revenues derived from the Dairy Division (Australia) in the International Sector and the Scotsburn Acquisition in the Canada Sector contributed to this increase. A higher average block market per pound of cheese and a higher average butter market price in the USA Sector increased revenues as compared to the same period last fiscal year. Higher selling prices in the International Sector related to the higher cost of milk, as well as higher selling prices in export markets increased revenues. Additionally, increased sales volumes in the USA Sector added to revenues. The fluctuation of the Canadian dollar increased revenues by approximately $112 million.

Consolidated earnings before interest, income taxes, depreciation and amortization (EBITDA) for the third quarter of fiscal 2015 amounted to $278.7 million, an increase of $18.7 million or 7.2% in comparison to $260.0 million for the same quarter last fiscal year. The contribution from the Dairy Division (Australia) for the quarter, as well as higher selling prices in export markets mainly related to a favourable US currency, increased EBITDA in the International Sector. Also included in the International Sector is an inventory write-down as a result of the drop in selling prices in the export market during the quarter, decreasing EBITDA. In the USA Sector, pricing initiatives and increased efficiencies positively affected EBITDA, offsetting negative market factors. In the Canada Sector, increased warehousing, logistical, production and ingredient costs negatively impacted EBITDA. The fluctuation of the Canadian dollar had a favourable impact on EBITDA, as compared to the same period last fiscal year.

For the nine-month period ended December 31, 2014, EBITDA totalled $829.8 million, an increase of $87.3 million or 11.8% in comparison to $742.5 million for the corresponding period last fiscal year. This increase is partially explained by EBITDA derived from the inclusion of the Dairy Division (Australia) and higher selling prices in the International Sector. In the USA Sector, higher sales volumes, pricing initiatives and increased efficiencies offset unfavourable market factors, as well as an inventory write-down in the International Sector, compared to the same period last fiscal year. Increased operational costs in both the Canada and International Sectors negatively impacted EBITDA. The fluctuation of the Canadian dollar increased EBITDA, as compared to the same period last fiscal year.

OTHER CONSOLIDATED RESULT ITEMS

Depreciation and amortization for the third quarter of fiscal 2015 totalled $43.9 million, an increase of $6.7 million, as compared to $37.2 million for the corresponding period last fiscal year. For the nine-month period ended December 31, 2014, depreciation and amortization expense amounted to $124.2 million, an increase of $17.0 million, as compared to $107.2 million for the corresponding period last fiscal year. These increases are mainly related to the additional depreciation and amortization expense from the Warrnambool Acquisition. They also reflect fluctuations in foreign exchange rates between Canadian and US dollars.

Net interest expense for the three and nine-month periods ended December 31, 2014 increased by $0.2 million and $6.0 million, respectively, in comparison to the same periods last fiscal year. These increases are mainly attributed to a higher level of debt resulting from the Warrnambool Acquisition.

Income taxes for the third quarter of fiscal 2015 totalled $62.1 million, reflecting an effective tax rate of 28.7% compared to 29.7% for the same quarter last fiscal year. Income taxes for the nine-month period ended December 31, 2014 totalled $194.1 million, reflecting an income tax rate of 29.9% in comparison to 29.3% for the same period last fiscal year. The income tax rate varies and could increase or decrease based on the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates used for tax assets and liabilities by the Company and its affiliates.

Net earnings totalled $154.6 million for the quarter ended December 31, 2014, compared to $144.1 million for the same quarter last fiscal year. For the nine-month period ended December 31, 2014, net earnings totalled $455.6 million, as compared to $414.2 million for the same period last fiscal year. These reflect the various factors analyzed in this report.

SELECTED QUARTERLY FINANCIAL INFORMATION

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

Fiscal years	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	**2,821.8**	2,701.3	2,620.8	2,485.9	2,343.2	2,230.3	2,173.5	2,053.3
Adjusted EBITDA[1]	**278.7**	282.2	268.9	277.8	260.0	240.4	242.1	229.7
Net earnings	**154.6**	155.7	145.3	119.8	144.1	133.3	136.7	100.5
Adjusted net earnings[1]	**154.6**	155.7	145.3	152.8	144.1	133.3	136.7	129.2
EPS								
Basic	**0.39**	0.39	0.37	0.31	0.37	0.34	0.35	0.26
Diluted	**0.38**	0.39	0.36	0.31	0.37	0.34	0.34	0.25
Adjusted EPS[1]								
Basic	**0.39**	0.39	0.37	0.39	0.37	0.34	0.35	0.33
Diluted	**0.38**	0.39	0.36	0.39	0.37	0.34	0.34	0.32

[1] Adjusted EBITDA, adjusted net earnings and adjusted earnings per share (basic and diluted) are non-IFRS measures. Refer to the section "Measurement of Results not in Accordance with International Financial Reporting Standards" included in this report for the definition of these terms.

Consolidated selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Market factors[1 2]	**(20)**	10	(35)	16	9	(17)	12
US currency exchange[1]	**10**	6	7	9	5	4	1

[1] As compared to same quarter of previous fiscal year.
[2] 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.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

(in thousands of CDN dollars)

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Cash generated from operating activities	**256,801**	255,079	**711,304**	696,148
Net cash generated from operating activities	**182,301**	209,776	**493,328**	511,683
Cash used for investing activities	**(74,948)**	(50,040)	**(213,425)**	(146,335)
Cash used for financing activities	**(109,540)**	(112,725)	**(270,885)**	(327,590)
(Decrease) increase in cash and cash equivalents	**(2,187)**	47,011	**9,018**	37,758

For the three-month period ended December 31, 2014, cash generated from **operating activities** amounted to $256.8 million in comparison to $255.1 million for the corresponding quarter last fiscal year, an increase of $1.7 million. For the nine-month period ended December 31, 2014, cash generated from operating activities amounted to $711.3 million in comparison to $696.1 million for the corresponding period last fiscal year, an increase of $15.2 million.

Net cash generated from operating activities for the three and nine-month periods ended December 31, 2014, amounted to $182.3 million and $493.3 million in comparison to $209.8 million and $511.7 million for the corresponding periods last fiscal year. These decreases in liquidity of $27.5 million and $18.4 million are due to increases in income taxes paid and changes in non-cash working capital items, mainly from an increase in prepaid expenses and other assets.

Investing activities for the three-month period ended December 31, 2014 consisted of additions to property, plant and equipment of $54.8 million and a $20.5 million increase to other assets. For the nine-month period ended December 31, 2014, investing activities consisted of additions to property, plant and equipment of $128.9 million, cumulative payments relating to the Scotsburn Acquisition of $65.0 million, and a $21.3 million increase to other assets.

Financing activities for the three-month period ended December 31, 2014 consisted of an increase in long-term debt of $300.0 million resulting from the public debt offering and an issuance of shares as part of the stock option plan for a cash consideration of $6.6 million. In addition, the Company paid $50.8 million in dividends, reimbursed bank loans and long-term debt of $148.6 million and $190.9 million, respectively, and repurchased share capital for $25.9 million. For the nine-month period ended December 31, 2014, the Company received proceeds from the issuance of long-term debt of $410.0 million, reimbursed bank loans and long-term debt of $104.6 million and $414.2 million, respectively, and issued shares as part of the stock option plan for a cash consideration of $33.4 million. Additionally, the Company repurchased share capital for $48.8 million and paid dividends for $146.8 million.

Liquidity

(in thousands of CDN dollars, except ratio)

	December 31, 2014	March 31, 2014
Current assets	**1,961,064**	1,895,846
Current liabilities	**1,362,245**	1,725,094
Working capital	**598,819**	170,752
Working capital ratio	**1.44**	1.10

Capital Management

The Company's capital strategy requires a well-balanced financing structure in order to maintain flexibility to implement growth initiatives, while allowing it to pursue disciplined capital investments and maximize shareholder value.

(in thousands of CDN dollars, except ratio and number of shares and options)

	December 31, 2014	March 31, 2014
Cash and cash equivalents	**47,252**	39,346
Bank loans	**200,164**	310,066
Long-term debt	**1,790,505**	1,789,294
Total equity	**3,229,058**	2,839,160
Interest-bearing debt-to-equity ratio[1]	**0.60**	0.73
Number of common shares	**390,919,145**	390,137,824
Number of stock options	**18,468,295**	16,896,962

[1] Net of cash and cash equivalents.

As at December 31, 2014, the Company had $47.3 million in cash and cash equivalents and available bank credit facilities of approximately $925 million, of which $200.2 million were drawn. See Notes 5 and 6 to the condensed interim consolidated financial statements for additional information related to bank loans and long-term debt.

Share capital authorized by the Company is comprised of an unlimited number of common and preferred shares. The common shares are voting and participating. The preferred shares can be issued in one or more series, and the terms and privileges of each series is to be determined at the time of their issuance. No preferred shares are outstanding. As at January 31, 2015, 391,058,516 common shares and 18,328,924 stock options were outstanding.

CONTRACTUAL OBLIGATIONS

The Company's contractual obligations consist of commitments to repay certain of its long-term debts, as well as certain leases of premises, equipment and rolling stock.

(in thousands of CDN dollars)

	December 31, 2014			March 31, 2014		
	Long-term debt	Minimum lease	Total	Long-term debt	Minimum lease	Total
Less than 1 year	**220,505**	**25,630**	**246,135**	393,600	24,558	418,158
1-2 years	**432,500**	**19,117**	**451,617**	213,819	17,395	231,214
2-3 years	**212,500**	**15,340**	**227,840**	1,181,875	11,755	1,193,630
3-4 years	**212,500**	**12,232**	**224,732**	-	8,919	8,919
4-5 years	**712,500**	**9,697**	**722,197**	-	6,816	6,816
More than 5 years	**-**	**29,411**	**29,411**	-	16,494	16,494
	1,790,505	**111,427**	**1,901,932**	1,789,294	85,937	1,875,231

BALANCE SHEET

With regards to balance sheet items as at December 31, 2014, compared to those as at March 31, 2014, the variances are the result of normal operational fluctuations.

FOLLOW-UP ON CERTAIN SPECIFIC ITEMS OF THE ANALYSIS

For an analysis of guarantees, related party transactions, accounting standards, critical accounting policies and use of accounting estimates, future standards, new accounting standards adopted, risks and uncertainties, as well as a sensitivity analysis of interest rate and US currency fluctuations, the discussion provided in the Company's 2014 Annual Report can be consulted (pages 17 to 25 of the Management's Discussion and Analysis).

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures. The Company's disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is made known to Management in a timely manner so that information required to be disclosed under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and the CFO are responsible for establishing and maintaining internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and the CFO, together with Management, have concluded, after having conducted an evaluation and to the best of their knowledge, that, as at December 31, 2014, no change in the Company's internal control over financial reporting occurred that could have materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

INFORMATION BY SECTOR

Canada Sector

(in millions of CDN dollars)

Fiscal years	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,005.4**	971.7	949.1	881.4	955.6	920.5	896.0
EBITDA	**102.1**	106.8	113.3	108.9	116.1	116.7	115.7

The Canada Sector includes the Dairy Division (Canada) and the Bakery Division. The Bakery Division represents less than 5% of the Sector's revenues and was sold in a transaction that closed on February 2, 2015.

Revenues

Revenues for the Canada Sector totalled $1.005 billion for the quarter ended December 31, 2014, an increase of $49.8 million, as compared to $955.6 million for the same period last fiscal year. The inclusion of revenues from the Scotsburn Acquisition contributed to this increase in the quarter. Also, in the Dairy Division (Canada), higher selling prices in accordance with the higher cost of milk as raw material in addition to a favourable product mix increased revenues in comparison to the same quarter last fiscal year.

Since the beginning of the fiscal year, revenues from the Canada Sector amounted to $2.926 billion, an increase of $154.0 million in comparison to $2.772 billion for the same period last fiscal year. The inclusion of revenues from the Scotsburn Acquisition since April 14, 2014 increased revenues during the period. Additionally, higher selling prices in relation to the higher cost of milk, as well as higher sales volumes and a favourable product mix positively impacted revenues.

EBITDA

For the quarter ended December 31, 2014, EBITDA totalled $102.1 million, a decrease of $14.0 million or 12.0%, as compared to $116.1 million for the corresponding quarter last fiscal year. In the Dairy Division (Canada), the delay in the completion of the new distribution centre project located in Saint-Laurent, Québec increased warehousing and logistical costs. In addition, a more competitive environment, as well as higher production and ingredient costs negatively affected EBITDA as compared to the same quarter last fiscal year. These decreases were partially offset by the positive contribution of the Scotsburn Acquisition.

Since the beginning of the fiscal year, EBITDA totalled $322.2 million, a decrease of $26.3 million or 7.5%, as compared to $348.5 million for the corresponding period last fiscal year. This decrease is primarily due to increased warehousing and logistical costs, including the delay in the completion of the new distribution centre project located in Saint-Laurent, Québec. Additionally, a highly competitive market and higher production and ingredient costs decreased EBITDA. This was partially offset by increased sales volumes as compared to the same period last fiscal year, as well as the contribution from the Scotsburn Acquisition.

USA Sector

(in millions of CDN dollars)

Fiscal years	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,394.5**	1,345.1	1,291.9	1,220.0	1,138.0	1,078.6	1,053.3
EBITDA	**139.5**	136.6	117.8	128.1	121.1	107.9	112.6

Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Market factors[1 2]	**(20)**	10	(35)	16	9	(17)	12
US currency exchange[1]	**10**	6	7	9	5	4	1

1 As compared to same quarter of previous fiscal year.
2 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.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Average block market per pound of cheese	**2.052**	2.111	2.161	2.178	1.836	1.735	1.779
Closing block price per pound of cheese[1]	**1.553**	2.208	2.000	2.385	2.000	1.765	1.638
Average butter market price per pound	**2.026**	2.676	2.123	1.832	1.579	1.467	1.610
Closing butter market price per pound[2]	**1.555**	2.895	2.500	2.000	1.533	1.610	1.428
Average whey market price per pound[3]	**0.580**	0.653	0.660	0.620	0.570	0.580	0.580
Spread[4]	**0.036**	(0.021)	(0.008)	0.012	0.044	0.041	0.046
US average exchange rate to Canadian dollar[5]	**1.134**	1.090	1.091	1.104	1.042	1.039	1.023

1 Closing block price is the price of a 40 pound block of cheddar traded on the Chicago Mercantile Exchange (CME) on the last business day of each quarter.
2 Closing butter market price is the price for Grade AA Butter traded on the CME, on the last business day of each quarter.
3 Average whey market price is based on Dairy Market News published information.
4 Spread is the average block market per pound of cheese less the result of the average cost per hundredweight of Class III and/or Class 4b milk price divided by 10.
5 Based on Bank of Canada published information.

The USA Sector includes the Cheese Division (USA) and the Dairy Foods Division (USA).

Revenues

Revenues for the USA Sector totalled $1.395 billion for the quarter ended December 31, 2014, an increase of $256.5 million, as compared to $1.138 billion for the corresponding quarter last fiscal year. A higher average block market per pound of cheese of US$2.05 in the third quarter of fiscal 2015, as compared to US$1.84 for the corresponding quarter last fiscal year, and an average butter market price of US$2.03, as compared to US$1.58 increased revenues by approximately $136 million. Higher selling prices in both the Cheese Division (USA) and the Dairy Foods Division (USA), in addition to increased sales volumes during the quarter, positively affected revenues as compared to the corresponding quarter last fiscal year. The weakening of the Canadian dollar versus the US dollar increased revenues by approximately $92 million.

Since the beginning of the fiscal year, revenues totalled $4.032 billion, an increase of $761.6 million in comparison to $3.270 billion for the same period last fiscal year. A higher average block market per pound of cheese and a higher average butter market price as compared to the same period last fiscal year increased revenues by approximately $442 million. Higher sales volumes also positively contributed to this increase. The weakening of the Canadian dollar versus the US dollar increased revenues by approximately $215 million.

EBITDA

EBITDA totalled $139.5 million for the quarter ended December 31, 2014, an increase of $18.4 million or 15.2% in comparison to $121.1 million for the same quarter last fiscal year. In the Cheese Division (USA), pricing initiatives, operational efficiencies and higher sales volumes increased EBITDA as compared to the same quarter last fiscal year. During the quarter, the block price opened at US$2.21 and closed at US$1.55, a decrease of US$0.66, compared to opening at US$1.77 and closing at US$2.00, an increase of US$0.23 for the same period last fiscal year. This net difference in the quarter versus the same quarter last fiscal year had an unfavourable impact on the realization of inventories. The relationship between the average block market per pound of cheese and the cost of milk as raw material was less favourable in comparison to the same period last fiscal year. The average block market per pound of cheese was US$2.05 for the quarter, US$0.22 higher as compared to the same quarter last fiscal year, resulting in a favourable impact on the absorption of fixed costs. In addition, in the Dairy Foods Division (USA), higher sales volumes, as well as a sharper decrease in the average butter market price in the third quarter of fiscal 2015 as compared to the corresponding quarter last fiscal year, positively affected EBITDA. These market factors combined had a negative impact of approximately $20 million on EBITDA. The weakening of the Canadian dollar versus the US dollar had a positive impact on EBITDA of approximately $10 million.

Since the beginning of the fiscal year, EBITDA totalled $393.9 million, an increase of $52.2 million in comparison to $341.7 million for the corresponding period last fiscal year. Pricing initiatives, higher sales volumes and operational efficiencies in both the Cheese Division (USA) and the Dairy Foods Division (USA) positively impacted EBITDA. Market factors decreased EBITDA by approximately $45 million for the nine-month period ended December 31, 2014, resulting mainly from an unfavourable relationship between the average block market per pound of cheese and the cost of milk as raw material, as well as an unfavorable impact on the realization of inventories resulting from a decline in the average block price per pound of cheese in fiscal 2015 as compared to the increase in fiscal 2014. This was partially offset by the favourable impact on the absorption of fixed costs resulting from a higher average block market per pound of cheese as compared to the same period last fiscal year, as well as a sharper decrease in the average butter market price in fiscal 2015. The weakening of the Canadian dollar versus the US dollar had a positive impact on EBITDA of approximately $23 million.

International Sector

(in millions of CDN dollars)

Fiscal years	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**422.0**	384.5	379.7	384.5	249.5	231.2	224.2
EBITDA	**37.1**	38.7	37.8	40.8	22.8	15.8	13.8

The International Sector includes 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.

Revenues

Revenues for the International Sector totalled $422.0 million for the quarter, an increase of $172.5 million compared to the same quarter last fiscal year. This increase is mainly due to the inclusion of revenues from the Dairy Division (Australia) for the quarter. Revenues from the Dairy Division (Argentina) increased due to higher selling prices, partially offset by decreased sales volumes, as compared to the same quarter last fiscal year. The Dairy Ingredients Division's revenues increased as compared to the corresponding quarter last fiscal year due to a combination of higher sales volumes in the export market, as well as a favourable product mix. The fluctuation of the Canadian dollar versus the foreign currencies used in the International Sector negatively impacted revenues by approximately $32 million, as compared to the same quarter last fiscal year.

Since the beginning of the fiscal year, revenues totalled $1.186 billion, an increase of $481.3 million in comparison to $704.9 million for the same period last fiscal year. This increase is mainly due to the inclusion of revenues from the Dairy Division (Australia) for the period. Revenues from the Dairy Division (Argentina) increased due to both higher selling prices in the export market for the nine months, as well as higher selling prices relating to the higher cost of raw milk for the same period. Sales volumes in the export market decreased as compared to the same period last fiscal year. The Dairy Ingredients Division's revenues increased as compared to the corresponding period last fiscal year, resulting from higher sales volumes and increased selling prices in the international market. The fluctuation of the Canadian dollar versus the foreign currencies used in the International Sector negatively impacted revenues by approximately $104 million, as compared to the same period last fiscal year.

EBITDA

EBITDA for the International Sector amounted to $37.1 million, a $14.3 million increase compared to the same quarter last fiscal year. This increase is mainly due to the inclusion of EBITDA from the Dairy Division (Australia) for the quarter. EBITDA of the Dairy Division (Argentina) decreased, as compared to the corresponding quarter last fiscal year, mainly due to decreased volumes in the export market, as well as increased operating costs for the quarter. Included in EBITDA for the quarter is an inventory write-down of $6.8 million as a result of a decrease in export market sales prices. EBITDA for the Dairy Ingredients Division was comparable to the corresponding quarter last fiscal year, as the sector benefitted from higher selling prices in the export market, which were offset by an increase in operational costs.

Since the beginning of the fiscal year, EBITDA amounted to $113.7 million, a $61.3 million increase compared to the same period last fiscal year. This increase is due to the inclusion of EBITDA from the Dairy Division (Australia) for the period, as well as the increase in EBITDA of the Dairy Division (Argentina) as compared to the corresponding period last fiscal year. The increase in Dairy Division (Argentina) EBITDA is mainly due to higher selling prices in the export market, partially offset by an increase in operational costs. Included in EBITDA for the period is an inventory write-down of $6.8 million as a result of a decrease in export market sales prices. EBITDA for the Dairy Ingredients Division remained stable, as compared to the same period last fiscal year, with higher selling prices in the international market offsetting slightly lower sales volumes and increased operating costs.

OUTLOOK

For the Canada Sector, fiscal 2015 continues to be a challenging year due to competitive market conditions, which are expected to keep downward pressure on margins. Despite this, the sector continues evaluating growth opportunities and possible cost synergies in an effort to mitigate these conditions. The Scotsburn Acquisition, completed on April 14, 2014, enables the Dairy Division (Canada) to increase its presence in Atlantic Canada. This acquisition was in line with the Company's continued pursuit of volume growth in the fluid milk category. Additionally, the division will seek opportunities in categories which offer growth potential and for which the Company is well-positioned, namely the value-added milk and specialty cheese categories. Continued engagement of resources and energy in these categories allow the Company to take advantage of coast-to-coast distribution capabilities in order to maximize exposure across Canada.

Innovation continues to be a priority, enabling the sector to offer products that meet the needs of today's consumers. Accordingly, resources are being allocated towards product innovation allowing the sector to forge and secure long-term relationships with both customers and consumers.

The Dairy Division (Canada) expects to complete, by the end of fiscal 2015, the project to consolidate distribution activities of the Greater Montreal Area into one distribution centre located in Saint-Laurent, Québec, which was planned for completion in the first quarter of fiscal 2015. This initiative was announced in fiscal 2013 and is a result of the Company's ongoing evaluation of activities aimed at cost reduction and productivity enhancements.

Since the beginning of the fiscal year, the Dairy Division (Canada) has been impacted by competitive market conditions, increased warehousing and logistical costs, the delay in the completion of its new distribution centre and certain operational inefficiencies which resulted in higher production costs. We intend to take all necessary actions in order to implement measures to improve the profitability of the division.

In the USA Sector, the process and systems integration of the Dairy Foods Division (USA) will be finalized by the end of this fiscal year. The Dairy Foods Division (USA) will continue to benefit from pricing initiatives and other measures implemented to mitigate the impact from commodity price fluctuations. The sector continues to focus on benefits that can be derived from the Division's national manufacturing and distribution footprint.

The Cheese Division (USA) continues to focus on improving operational efficiencies by the implementation of cost-reducing initiatives. As a result of last fiscal year's capital expenditures at a Midwest facility, the division is beginning to benefit from decreasing operational costs due to increased manufacturing capacity. With similar objectives, the sector will continue to evaluate opportunities to improve efficiencies in both manufacturing and distribution facilities across the US, as well as monitor fluctuations in dairy markets and take appropriate decisions to mitigate the impact on operations.

Additionally, during the remainder of fiscal 2015, we will continue to focus on volume growth in the Cheese Division (USA), with cooperative efforts of our International Sector, geared towards growing the export sales market. The Cheese Division (USA) plans to continue to gain distribution and market share for its premium lines of snack cheeses and flavoured blue cheese offerings.

The International Sector continues to pursue sales volume growth in existing markets, as well as develop additional international markets from its Argentinean operations for which capacity has increased over the last two years. Also, the sector will pursue growth of cheese export sales volumes from the Cheese Division (USA). The inclusion of the Dairy Division (Australia) has provided the International Sector an additional platform to seek long-term growth as a dairy player on a global scale. We intend to accelerate growth in Australia, by making necessary capital investments and devoting resources to increase manufacturing capacity, grow milk intake and create new opportunities. The sector will continue to evaluate overall activities in an effort to improve efficiencies.

Continued commodity price volatility due to changing global economic conditions affect the International Sector's pricing and commodity, and other input costs. The sector continues to devote resources to implement measures in order to alleviate these market pressures on sector profitability.

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

(signed) Lino Saputo	*(signed) Lino A. Saputo, Jr.*
Lino Saputo	Lino A. Saputo, Jr.
Chairman of the Board	Chief Executive Officer
	and Vice Chairman of the Board

February 5, 2015

NOTICE

The condensed interim consolidated financial statements of Saputo Inc. for the three and nine-month periods ended December 31, 2014 and 2013 have not been reviewed by an independent auditor.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands of CDN dollars, except per share amounts)
(unaudited)

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Revenues	**$ 2,821,828**	$ 2,343,165	**$ 8,143,891**	$ 6,747,025
Operating costs excluding depreciation and amortization (Note 4)	**2,543,131**	2,083,127	**7,314,127**	6,004,503
Earnings before interest, depreciation, amortization and income taxes	**278,697**	260,038	**829,764**	742,522
Depreciation and amortization	**43,936**	37,178	**124,243**	107,156
Interest on long-term debt	**13,629**	12,993	**41,921**	38,884
Other financial charges (Note 9)	**4,494**	4,941	**13,895**	10,904
Earnings before income taxes	**216,638**	204,926	**649,705**	585,578
Income taxes	**62,087**	60,791	**194,116**	171,398
Net earnings	**$ 154,551**	$ 144,135	**$ 455,589**	$ 414,180
Attributable to:				
Shareholders of Saputo Inc.	**$ 152,595**	$ 144,135	**$ 451,326**	$ 414,180
Non-controlling interest	**1,956**	-	**4,263**	-
	$ 154,551	$ 144,135	**$ 455,589**	$ 414,180
Earnings per share (Note 8)				
Net earnings				
Basic	**$ 0.39**	$ 0.37	**$ 1.15**	$ 1.06
Diluted	**$ 0.38**	$ 0.37	**$ 1.14**	$ 1.05

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of CDN dollars)
(unaudited)

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Net earnings	**$ 154,551**	$ 144,135	**$ 455,589**	$ 414,180
Other comprehensive income (loss):				
Items that may be reclassified to net earnings:				
Exchange differences arising from foreign currency translation	**86,178**	66,227	**92,035**	84,713
Net unrealized (losses) gains on cash flow hedges[1] (Note 10)	**(741)**	(2,261)	**(200)**	3,131
Reclassification of gains on cash flow hedges to net earnings[2]	**-**	-	**(4,004)**	-
Unrealized loss on portfolio investment	**-**	(4,461)	**-**	(4,461)
Items that will not be reclassified to net earnings:				
Actuarial losses[3]	**(8,255)**	-	**(8,255)**	-
Other comprehensive income (loss)	**77,182**	59,505	**79,576**	83,383
Comprehensive income	**$ 231,733**	$ 203,640	**$ 535,165**	$ 497,563
Attributable to:				
Shareholders of Saputo Inc.	**$ 229,777**	$ 203,640	**$ 531,386**	$ 497,563
Non-controlling interest	**1,956**	-	**3,779**	-
	$ 231,733	$ 203,640	**$ 535,165**	$ 497,563

[1] Net of income taxes (recovery) of $(452) and $(266) for the three and nine-month periods ended December 31, 2014, respectively (2013 - $(785) and $1,089).
[2] Net of income taxes recovery of $1,716 for the nine-month periods ended December 31, 2014 (2013 - nil).
[3] Net of income taxes recovery of $3,017 for the nine-month periods ended December 31, 2014 (2013 - nil).

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY

(in thousands of CDN dollars, except common shares)
(unaudited)

For the nine-month period ended December 31, 2014	**Share capital**		**Reserves**								
	Common Shares (in thousands)	Amount	Foreign Currency Translation	Cash Flow Hegdes	Portfolio Investment	Stock Option Plan	Total Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance, beginning of period	**390,138**	**$ 703,111**	**$ 183,321**	**$ 1,528**	**$ -**	**$ 57,433**	**$ 242,282**	**$ 1,830,911**	**$ 2,776,304**	**$ 62,856**	**$ 2,839,160**
Net earnings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**451,326**	**451,326**	**4,263**	**455,589**
Other comprehensive income	**-**	**-**	**92,035**	**(3,720)**	**-**	**-**	**88,315**	**(8,255)**	**80,060**	**(484)**	**79,576**
Comprehensive income									**531,386**	**3,779**	**535,165**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(146,754)**	**(146,754)**	**-**	**(146,754)**
Stock option plan (Note 7)	**-**	**-**	**-**	**-**	**-**	**13,382**	**13,382**	**-**	**13,382**	**-**	**13,382**
Shares issued under stock option plan	**2,284**	**33,396**	**-**	**-**	**-**	**-**	**-**	**-**	**33,396**	**-**	**33,396**
Amount transferred from reserves to share capital upon exercise of options	**-**	**7,215**	**-**	**-**	**-**	**(7,215)**	**(7,215)**	**-**	**-**	**-**	**-**
Excess tax benefit that results from the excess of the deductible amount over the compensation cost recognized	**-**	**-**	**-**	**-**	**-**	**3,495**	**3,495**	**-**	**3,495**	**-**	**3,495**
Shares repurchased and cancelled	**(1,503)**	**(2,819)**	**-**	**-**	**-**	**-**	**-**	**(45,967)**	**(48,786)**	**-**	**(48,786)**
Balance, end of period	**390,919**	**$ 740,903**	**$ 275,356**	**$ (2,192)**	**$ -**	**$ 67,095**	**$ 340,259**	**$ 2,081,261**	**$ 3,162,423**	**$ 66,635**	**$ 3,229,058**

For the nine-month period ended December 31, 2013	Share capital		Reserves								
	Common Shares (in thousands)	Amount	Foreign Currency Translation	Cash Flow Hegdes	Portfolio Investment	Stock Option Plan	Total Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance, beginning of period	393,238	$ 663,275	$ (5,730)	$ (3,660)	$ -	$ 47,439	$ 38,049	$ 1,604,348	$ 2,305,672	$ -	$ 2,305,672
Net earnings	-	-	-	-	-	-	-	414,180	414,180	-	414,180
Other comprehensive income	-	-	84,713	3,131	(4,461)	-	83,383	-	83,383	-	83,383
Comprehensive income									497,563	-	497,563
Dividends declared	-	-	-	-	-	-	-	(130,509)	(130,509)	-	(130,509
Stock option plan (Note 7)	-	-	-	-	-	11,807	11,807	-	11,807	-	11,807
Shares issued under stock option plan	1,940	24,112	-	-	-	-	-	-	24,112	-	24,112
Amount transferred from reserves to share capital upon exercise of options	-	5,004	-	-	-	(5,004)	(5,004)	-	-	-	-
Excess tax benefit that results from the excess of the deductible amount over the compensation cost recognized	-	-	-	-	-	1,502	1,502	-	1,502	-	1,502
Shares repurchased and cancelled	(6,504)	(11,139)	-	-	-	-	-	(143,232)	(154,371)	-	(154,371
Balance, end of period	388,674	$ 681,252	$ 78,983	$ (529)	$ (4,461)	$ 55,744	$ 129,737	$ 1,744,787	$ 2,555,776	$ -	$ 2,555,776

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(in thousands of CDN dollars)

As at		December 31, 2014 (unaudited)		March 31, 2014 (audited)
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**47,252**	$	39,346
Receivables		**802,794**		807,409
Inventories		**972,558**		933,232
Income taxes		**29,541**		30,867
Prepaid expenses and other assets		**108,919**		84,992
		1,961,064		1,895,846
Property, plant and equipment		**2,003,909**		1,928,761
Goodwill		**2,030,306**		1,954,691
Trademarks and other intangibles		**494,511**		484,830
Other assets		**120,264**		79,968
Deferred income taxes		**13,155**		12,796
Total assets	**$**	**6,623,209**	$	6,356,892
LIABILITIES				
Current liabilities				
Bank loans (Note 5)	**$**	**200,164**	$	310,066
Accounts payable and accrued liabilities		**833,627**		897,222
Income taxes		**107,949**		124,206
Current portion of long-term debt (Note 6)		**220,505**		393,600
		1,362,245		1,725,094
Long-term debt (Note 6)		**1,570,000**		1,395,694
Other liabilities		**68,651**		48,396
Deferred income taxes		**393,255**		348,548
Total liabilities	**$**	**3,394,151**	$	3,517,732
EQUITY				
Share capital (Note 7)		**740,903**		703,111
Reserves		**340,259**		242,282
Retained earnings		**2,081,261**		1,830,911
Equity attributable to shareholders of Saputo Inc.		**3,162,423**		2,776,304
Non-controlling interest		**66,635**		62,856
Total equity	**$**	**3,229,058**	$	2,839,160
Total liabilities and equity	**$**	**6,623,209**	$	6,356,892

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of CDN dollars)
(unaudited)

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Cash flows related to the following activities:				
Operating				
Net earnings	**$ 154,551**	$ 144,135	**$ 455,589**	$ 414,180
Adjustments for:				
Stock-based compensation	**5,299**	5,382	**19,134**	15,947
Interest and other financial charges	**18,123**	17,934	**55,816**	49,788
Income tax expense	**62,087**	60,791	**194,116**	171,398
Depreciation and amortization	**43,936**	37,178	**124,243**	107,156
Loss (gain) on disposal of property, plant and equipment	**118**	170	**(839)**	(244)
Share of joint venture earnings	**(2,950)**	-	**(5,482)**	-
Overfunding of employee plans compared to costs	**(4,992)**	(3,910)	**(3,334)**	(9,173)
	276,172	261,680	**839,243**	749,052
Changes in non-cash operating working capital items	**(19,371)**	(6,601)	**(127,939)**	(52,904)
Cash generated from operating activities	**256,801**	255,079	**711,304**	696,148
Interest and other financial charges paid	**(18,578)**	(23,310)	**(52,120)**	(54,957)
Income taxes paid	**(55,922)**	(21,993)	**(165,856)**	(129,508)
Net cash generated from operating activities	**182,301**	209,776	**493,328**	511,683
Investing				
Portfolio Investment	**-**	(4,088)	**-**	(4,088)
Business acquisition	**-**	-	**(64,979)**	-
Additions to property, plant and equipment	**(54,772)**	(46,128)	**(128,929)**	(143,635)
Proceeds on disposal of property, plant and equipment	**376**	12	**1,749**	461
Other	**(20,552)**	164	**(21,266)**	927
	(74,948)	(50,040)	**(213,425)**	(146,335)
Financing				
Bank loans	**(148,571)**	(21,688)	**(104,550)**	51,142
Proceeds from issuance of long-term debt	**300,000**	-	**410,000**	-
Repayment of long-term debt	**(190,928)**	(39,885)	**(414,191)**	(117,964)
Issuance of share capital	**6,629**	7,918	**33,396**	24,112
Repurchase of share capital	**(25,887)**	(14,381)	**(48,786)**	(154,371)
Dividends	**(50,783)**	(44,689)	**(146,754)**	(130,509)
	(109,540)	(112,725)	**(270,885)**	(327,590)
(Decrease) increase in cash and cash equivalents	**(2,187)**	47,011	**9,018**	37,758
Effect of exchange rate changes on cash and cash equivalents	**(647)**	2,764	**(1,112)**	3,933
Cash and cash equivalents, beginning of period	**50,086**	35,093	**39,346**	43,177
Cash and cash equivalents, end of period	**$ 47,252**	$ 84,868	**$ 47,252**	$ 84,868

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are in thousands of CDN dollars, except information on options and shares)
(unaudited)

NOTE 1 CORPORATE INFORMATION

Saputo Inc. (the Company) is a publicly traded company incorporated and domiciled in Canada. The Company's shares are listed on the Toronto Stock Exchange under the symbol "SAP." The Company produces, markets and distributes a wide array of dairy products in Canada, the United States, Argentina and Australia. The address of the Company's head office is 6869 Metropolitain Blvd. East, St-Léonard, Québec, Canada, H1P 1X8. The condensed interim consolidated financial statements (financial statements) of the Company for the period ended December 31, 2014 comprise the financial results of the Company and its subsidiaries.

The financial statements for the period ended December 31, 2014 have been authorized for issuance by the Board of Directors on February 5, 2015.

NOTE 2 BASIS OF PRESENTATION

The financial statements of the Company have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB). Accordingly, certain disclosure requirements that are necessary in the preparation of an annual report in compliance with International Financial Reporting Standards (IFRS) have been omitted or condensed. On August 5, 2014 the Board of Directors declared a stock dividend of one common share per each issued and outstanding common share, which had the same effect as a two-for-one stock split of the Company's outstanding common shares, paid on September 29, 2014 to shareholders of record as of the close of business on September 19, 2014. The Company's shares began trading on an ex-dividend basis (split basis) on September 30, 2014 and references to common shares, options and related information made herein have been retroactively adjusted to reflect the stock dividend.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied in these condensed interim consolidated financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended March 31, 2014 except for the impact of the adoption of the new standards, interpretations and amendments described below.

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements.

EFFECT OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET ADOPTED

The IASB continues to make revisions as part of its improvements project. Below are a summary of the relevant standards affected and a discussion of the amendments.

IFRS 2, Share-based Payment

The IASB has amended the definitions of market and vesting conditions and added definitions for performance and service conditions. Vesting conditions are now defined as either service conditions or performance conditions. The amendments also clarify certain other requirements for performance, service, market and non-vesting conditions.

These amendments are effective for annual reporting periods beginning on or after July 1, 2014. Management is still evaluating the impact of these requirements but the adjustments, if any, resulting from these amendments are not likely to be material.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IFRS 3, Business Combinations

The IASB amended IFRS 3 to clarify that contingent consideration in a business combination, whether an asset or liability, should continue to be measured at fair value at each reporting date regardless of whether the contingent consideration is considered a financial instrument within the scope of IFRS 9 or IAS 39 and regardless of whether it is considered a non-financial asset or liability (changes in fair value shall be included in net earnings).

These amendments are effective for annual reporting periods beginning on or after July 1, 2014. Management does not believe these amendments will have a material impact on the Company's financial statements.

IFRS 8, Operating Segments

The IASB amended IFRS 8 to require an entity to disclose the judgements in applying the aggregation criteria. The standard now requires a brief description of the operating segments that have been aggregated in the present manner and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

IFRS 8 has also been amended to clarify that an entity only needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker.

These amendments are effective for annual reporting periods beginning on or after July 1, 2014. Management is still analyzing the impact of these amendments but does not expect any significant adjustments to its financial statements.

IFRS 9, Financial Instruments

The IASB issued IFRS 9 in November 2009 with the long-term goal of replacing IAS 39, Financial Instruments: Recognition and Measurement. Several amendments have been made to this standard since that date including amendments made in July and August 2014 relating to the classification of financial assets and the use of a single impairment model for all financial instruments.

These amendments, along with the adoption of the standard, are effective for annual reporting periods beginning on or after January 1, 2018. Management is currently evaluating the impact of the adoption of this standard, including amendments.

IFRS 10, Consolidated Financial Statements & IAS 28, Investments in Associates

The IASB has issued a narrow-scope amendment to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 when dealing with the sale or contribution of assets between an investor and its associate or joint venture. The new standards now require that a full gain or loss is recognized when a transaction involves a business and that a partial gain or loss is recognized when a transaction involves assets that do not constitute a business.

This amendment is effective for annual reporting periods beginning on or after January 1, 2016. Management is currently assessing the impact of this amendment.

IFRS 13, Fair Value

The IASB amended the basis for conclusion in IFRS 13 to clarify that the issuance of IFRS 13 (and related amendments to IAS 39, Financial Instruments: Recognition and Measurement) does not require discounting of short-term receivables and payables if they are not significant.

This amendment is effective for annual reporting periods beginning on or after July 1, 2014 and is not expected to materially impact the Company's financial statements.

IFRS 15, Revenue from Contracts with Customers

The IASB issued IFRS 15, Revenue from Contracts with Customers with its goal to provide a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This new standard will supersede current revenue recognition guidance in IAS 18, Revenue, IAS 11, Construction Contracts and IFRIC 13, Customer Loyalty Programmes.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The objective of this standard is to provide a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognizing revenue when performance obligations are satisfied. In certain instances, transfer of assets that are not related to the entity's ordinary activities will also be required to follow some of the recognition and measurement requirements of the new model. The standard also expands current disclosure requirements.

This standard is effective for annual reporting periods beginning on or after January 1, 2017. Management is currently assessing the impact of the adoption of this standard.

IAS 19, Employee Benefits

IAS 19 has been amended to clarify that employee (or third party) contributions that are independent of the number of years of service can be deducted from the service cost in the period that the service is rendered and not necessarily allocated over periods of service. Other contributions made by employees (or third parties) are to be attributed to the periods of service using the plan's contribution formula or on a straight line basis.

This amendment is effective for annual reporting periods beginning on or after July 1, 2014 and is not expected to impact the Company's financial statements.

IAS 19 has also been amended to clarify that in determining the discount rate for post-employment benefit obligations, the currency of the liability is of importance and not the country in which it arises. Furthermore, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

This amendment is effective for annual reporting periods beginning on or after January 1, 2016. Management is currently evaluating the impact of the adoption of this amendment.

IAS 24, Related Party Transactions

IAS 24 clarifies that a management entity providing key management personnel services to a reporting entity is also considered a related party of the reporting entity. Therefore the amounts paid by the reporting entity in relation to those services must also be included in the amounts disclosed in the related party transactions note. Disclosures of the components of the services provided are not required.

This amendment is effective for annual reporting periods beginning on or after July 1, 2014 and is not expected to impact the Company's financial statements.

IAS 40, Investment Property

The IASB amended this standard to clarify that this standard and IFRS 3, Business Combinations are not mutually exclusive and the application of both standards may be required in the event of an asset acquisition. An entity will need to determine whether the asset acquired meets the definition of investment property while also determining whether the transaction constitutes a business acquisition under IFRS 3.

This amendment is effective for annual reporting periods beginning on or after July 1, 2014 and is not expected to impact the Company's financial statements.

EFFECT OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE PERIOD

The following standards were adopted by the Company on April 1, 2014:

IAS 36, Impairment of Assets

In May 2013, the IASB published amendments to IAS 36 no longer requiring the disclosure of the recoverable amounts of each cash generating unit or group of units to which a significant portion of the overall carrying amount of goodwill (or other intangibles with indefinite useful lives) has been allocated. The IASB clarified that this requirement is only applicable in the event of an impairment loss or reversal of an impairment loss.

This amendment did not impact the Company's financial statements for the three and nine-month periods ended December 31, 2014.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IAS 39, Financial Instruments: Recognition and Measurement

In June 2013, the IASB published amendments to IAS 39 providing relief from the cessation of hedge accounting where derivatives being used in hedging arrangements are novated under certain circumstances. Previously under IAS 39, novation of derivatives resulted in the cessation of hedge accounting.

This amendment did not impact the Company's financial statements for the three and nine-month periods ended December 31, 2014.

NOTE 4 OPERATING COSTS EXCLUDING DEPRECIATION AND AMORTIZATION

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Changes in inventories of finished goods and work in process	**$ 10,595**	$ 13,552	**$ (16,567)**	$ 12,682
Raw materials and consumables used	**2,042,920**	1,647,949	**5,923,615**	4,742,852
Foreign exchange gain	**(4,818)**	(2,102)	**(9,894)**	(1,721)
Employee benefits expense	**271,595**	233,634	**783,693**	686,740
Selling costs	**76,943**	63,428	**220,106**	192,373
Other general and administrative costs	**145,896**	126,666	**413,174**	371,577
	$ 2,543,131	$ 2,083,127	**$ 7,314,127**	$ 6,004,503

For the third quarter of fiscal 2015, a write-down of $6,836,000 was included as an expense in "Operating costs excluding depreciation and amortization" under the caption "Changes in inventories of finished goods and work in process".

NOTE 5 BANK LOANS

The Company has available bank credit facilities providing for unsecured bank loans as follows:

		Available for use			Amount drawn	
Credit Facilities	Maturity	Canadian Currency Equivalent	Base Currency		**December 31, 2014**	March 31, 2014
North America-USA	December 2019[1]	232,020	200,000	USD	**$ 56,845**	$ 95,073
North America-Canada	December 2019[1]	348,030	300,000	USD	**-**	80,285
Argentina	Yearly[2]	192,488	1,404,000	ARS	**101,470**	79,487
Australia	Yearly[3]	152,795	161,000	AUD	**41,849**	55,221
		925,333			**$ 200,164**	$ 310,066

[1] Bears monthly interest at rates ranging from lender's prime rates plus a maximum of 1% or LIBOR or banker's acceptance rate plus 0.85% up to a maximum of 2% depending on the Company credit ratings.
[2] Bear monthly interest at local rate and can be drawn in ARS or USD.
[3] Bear monthly interest at Australian Bank Bill Rate plus 0.85% (AUD drawdowns) or LIBOR plus 0.75% (USD drawdowns).

NOTE 6 LONG-TERM DEBT

	December 31, 2014	March 31, 2014
Unsecured bank term loan facility		
Obtained October 2013 and due in December 2019 ($500,000,000)[1]	**$ 362,500**	$ 374,375
Obtained December 2012 and due in December 2019 (US tranche $350,000,000)[2]	**58,005**	179,644
Obtained December 2012 and due in December 2019 (CDN tranche $850,000,000)[2]	**850,000**	850,000
Unsecured senior notes[3]		
8.41%, issued in November 1999 and due in November 2014 (US$50,000,000)	**-**	55,275
5.34%, issued in June 2009 and due in June 2014	**-**	110,000
5.82%, issued in June 2009 and due in June 2016	**220,000**	220,000
2.65%, issued in November 2014 and due in November 2019	**300,000**	-
	$ 1,790,505	$ 1,789,294
Current portion	**220,505**	393,600
	$ 1,570,000	$ 1,395,694
Principal repayments are as follows:		
Less than 1 year	**$ 220,505**	$ 393,600
1-2 years	**432,500**	213,819
2-3 years	**212,500**	1,181,875
3-4 years	**212,500**	-
4-5 years	**712,500**	-
More than 5 years	**-**	-
	$ 1,790,505	$ 1,789,294

[1] Bears monthly interest at rates ranging from lender's prime plus a maximum of 1%, or bankers' acceptance rates plus 0.85% up to a maximum of 2%, depending on the Company credit ratings.
[2] Bear monthly interest at rates ranging from lender's prime plus a maximum of 1% or LIBOR or bankers' acceptance rates plus 0.85% up to a maximum of 2%, depending on the Company credit ratings. Effective February 4, 2013, the Company entered into an interest rate swap to fix its rate for the total term of the US dollar tranche and for $700,000,000 of the Canadian dollar tranche unsecured bank term loan facility, for the period ending December 2016. The effective fixed interest rate is 1.58% (plus applicable spread) for the Canadian dollar tranche and 0.31% (plus applicable spread) on the US dollar tranche.
[3] Interest payments are semi-annual.

On November 14, 2014, Saputo Inc. filed a short form base shelf prospectus qualifying an offering of unsecured senior notes under a medium term note program for distribution to the public over a 25-month period. On November 26, 2014, the Company issued $300,000,000 Series 1 medium term notes with an annual interest rate of 2.654% payable in equal semi-annual instalments, maturing on November 26, 2019.

The North America unsecured bank loan facility (Note 5) and the unsecured bank term loan facilities (Note 6) were amended effective December 17, 2014 to provide for an extended maturity until December 31, 2019. These amendments include a modification of the formula that establishes the interest rates from a leverage-based grid to a credit-rating-based grid.

NOTE 7 SHARE CAPITAL

Issued

	December 31, 2014	March 31, 2014
390,919,145 common shares (390,137,824 common shares at March 31, 2014)	**$ 740,903**	$ 703,111

Stock Dividend

On August 5, 2014, the Board of Directors declared a stock dividend of one common share per each issued and outstanding common share, which had the same effect as a two-for-one stock split of the Company's outstanding common shares. The dividend on the common shares was paid on September 29, 2014 to shareholders of record as of the close of business on September 19, 2014. The additional common shares were issued on September 29, 2014. The total number of common shares issued presented above reflects retroactively the impact of the two-for-one stock split.

Share Option Plan

Changes in the number of outstanding options for the nine-month periods are as follows:

	December 31, 2014		December 31, 2013	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**16,896,962**	**$ 18.26**	16,751,862	$ 15.39
Options granted	**4,125,652**	**$ 27.74**	4,130,538	$ 25.55
Options exercised	**(2,284,721)**	**$ 14.62**	(1,938,706)	$ 12.44
Options cancelled	**(269,598)**	**$ 24.53**	(495,734)	$ 22.57
Balance, end of period	**18,468,295**	**$ 20.73**	18,447,960	$ 17.79

The exercise price of the options granted in fiscal 2015 is $27.74, which corresponds to the weighted average market price for the five trading days immediately preceding the date of grant ($25.55 in fiscal 2014).

The weighted average fair value of options granted in fiscal 2015 was estimated at $5.46 per option ($5.77 in fiscal 2014), using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2014	March 31, 2014
Weighted average:		
Risk-free interest rate	**1.71%**	1.34%
Expected life of options	**5.3 years**	5.5 years
Volatility	**23.43%**	26.96%
Dividend rate	**1.82%**	1.66%

A compensation expense of $4,640,000 ($3,912,000 net of taxes) and $13,382,000 ($11,326,000 net of taxes) relating to stock options was recorded in the statement of earnings for the three and nine-month periods ended December 31, 2014, respectively. A compensation expense of $3,992,000 ($3,789,000 net of taxes) and $11,806,000 ($10,465,000 net of taxes) was recorded for the three and nine-month periods ended December 31, 2013, respectively.

NOTE 8 EARNINGS PER SHARE

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Net earnings attributable to shareholders of Saputo Inc.	**$ 152,595**	$ 144,135	**$ 451,326**	$ 414,180
Weighted average number of common shares outstanding	**390,748,957**	388,442,568	**390,986,087**	390,550,686
Dilutive options	**6,154,995**	5,012,752	**6,026,381**	5,208,806
Weighted average diluted number of common shares outstanding	**396,903,952**	393,455,320	**397,012,468**	395,759,492
Basic earnings per share	**$ 0.39**	$ 0.37	**$ 1.15**	$ 1.06
Diluted earnings per share	**$ 0.38**	$ 0.37	**$ 1.14**	$ 1.05

When calculating diluted earnings per share for the three and nine-month periods ended December 31, 2014, no options were excluded from the calculation since their exercise price is lower than the average market value of common shares for the period (3,859,378 options were excluded for the three and nine-month periods ended December 31, 2013).

Shares repurchased under the normal course issuer bid were excluded from the calculation of earnings per share as of the date of repurchase.

NOTE 9 OTHER FINANCIAL CHARGES

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Finance costs	**$ 4,631**	$ 5,037	**$ 14,225**	$ 11,229
Finance income	**(137)**	(96)	**(330)**	(325)
	$ 4,494	$ 4,941	**$ 13,895**	$ 10,904

NOTE 10 FINANCIAL INSTRUMENTS

The Company has determined that the fair value of certain of its financial assets and financial liabilities with short-term maturities approximates their carrying value. These financial instruments include cash and cash equivalents, receivables, bank loans, accounts payable and accrued liabilities. The table below shows the fair value and the carrying value of other financial instruments as at December 31, 2014 and March 31, 2014.

	December 31, 2014		March 31, 2014	
	Fair value	**Carrying value**	Fair value	Carrying value
Cash flow hedges				
Interest rate swaps (Level 2)	**$ (2,130)**	**$ (2,130)**	$ (2,671)	$ (2,671)
Commodity futures contracts (Level 2)	**(1,008)**	**(1,008)**	-	-
Foreign currency derivatives (Level 2)	**-**	**-**	140	140
Derivatives not designated in a formal hedging relationship				
Currency swaps (Level 2)	**$ (33)**	**$ (33)**	$ 3	$ 3
Commodity futures contracts (Level 2)	**(2,024)**	**(2,024)**	162	162
Long-term debt	**1,805,177**	**1,790,505**	1,808,190	1,789,294

NOTE 11 SEGMENTED INFORMATION

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2014	2013	**2014**	2013
Revenues				
Canada	**$ 1,005,355**	$ 955,619	**$ 2,926,179**	$ 2,772,203
USA	**1,394,476**	1,138,013	**4,031,513**	3,269,904
International	**421,997**	249,533	**1,186,199**	704,918
	$ 2,821,828	$ 2,343,165	**$ 8,143,891**	$ 6,747,025
Earnings before interest, depreciation, amortization and income taxes				
Canada	**$ 102,101**	$ 116,110	**$ 322,237**	$ 348,469
USA	**139,484**	121,144	**393,867**	341,681
International	**37,112**	22,784	**113,660**	52,372
	$ 278,697	$ 260,038	**$ 829,764**	$ 742,522
Depreciation and amortization				
Canada	**$ 15,672**	$ 13,694	**$ 43,917**	$ 40,562
USA	**23,682**	22,106	**67,405**	62,840
International	**4,582**	1,378	**12,921**	3,754
	$ 43,936	$ 37,178	**$ 124,243**	$ 107,156
Financial charges, net	**18,123**	17,934	**55,816**	49,788
Earnings before income taxes	**216,638**	204,926	**649,705**	585,578
Income taxes	**62,087**	60,791	**194,116**	171,398
Net earnings	**$ 154,551**	$ 144,135	**$ 455,589**	$ 414,180

NOTE 12 BUSINESS ACQUISITION

Scotsburn Co-Operative Services Limited

On April 14, 2014, the Company completed the acquisition of the fluid milk activities of Scotsburn Co-Operative Services Limited based in Atlantic Canada. Its operations consist of manufacturing, selling, marketing, distributing and merchandising of products such as fluid milk, cream, sour cream, ice cream mix and cottage cheese, mainly under the *Scotsburn* brand. The preliminary allocation of the purchase price is presented below. The final allocation will be completed by March 31, 2015.

		Scotsburn Co-Operative Services Limited
Assets acquired	Inventories	**$ 5,132**
	Prepaid expenses and other assets	**777**
	Property, plant and equipment	**22,455**
	Goodw ill	**23,651**
	Trademarks and other intangibles	**14,973**
Liabilities assumed	Accounts payable and accrued liabilities	**(2,009)**
Net assets acquired and total consideration paid		**$ 64,979**

Goodwill reflects the value assigned to expected future synergies and an assembled workforce.

NOTE 13 SUBSEQUENT EVENT

On February 2, 2015, the Company closed the transaction previously announced on December 18, 2014 with Canada Bread Company, Limited, a subsidiary of Grupo Bimbo S.A.B. de C.V., whereby it sold Saputo Bakery Inc., the Company's Bakery Division classified within the Canada Sector. The selling price of $120,000,000 on a debt-free basis was received in cash at closing. In fiscal 2014, the Bakery Division had approximately $139,000,000 in revenues and represented less than 2% of Saputo's consolidated revenues.

EXHIBIT TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Calculation of Earnings Coverage Ratio

The following table sets forth the earnings coverage ratio for the 12-month period ended December 31, 2014:

Earnings coverage ratio	**11.88 times**

The earnings coverage ratio is equal to net earnings (before interest on long-term debt and other financial charges and incomes taxes) for the applicable period divided by interest on long-term debt and other financial charges for the applicable period.