FIRST QUARTER

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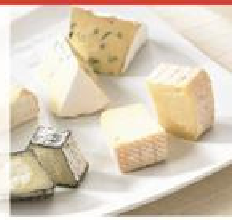

FISCAL 2013

We are presenting the results for the first quarter of fiscal 2013, which ended on June 30, 2012.

- Net earnings totalled $121.8 million, a decrease of $4.8 million or 3.8%.
- Earnings before interest, income taxes, depreciation and amortization (EBITDA) amounted to $203.0 million, a decrease of $6.6 million or 3.1%.
- Revenues for the quarter amounted to $1.698 billion, an increase of $59.3 million or 3.6%.
- Basic earnings per share (EPS) was $0.61 and diluted EPS was $0.60 for the quarter, as compared to basic EPS of $0.62 and diluted EPS of $0.61 for the corresponding quarter last fiscal year.

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

		For the three-month periods ended	
	June 30, 2012	June 30, 2011	March 31, 2012
Revenues	**1,698.3**	1,639.0	1,703.5
EBITDA	**203.0**	209.6	201.0
Net earnings	**121.8**	126.6	(2.6)
Adjusted net earnings[1]	**121.8**	126.6	122.4
EPS			
Basic	**0.61**	0.62	0.00
Diluted	**0.60**	0.61	0.00
Adjusted EPS[1]			
Basic	**0.61**	0.62	0.62
Diluted	**0.60**	0.61	0.61

- In the United States (US), the average block market[2] per pound of cheese decreased by US$0.20 compared to the same period last fiscal year, decreasing revenues.
- In the US, market factors negatively impacted EBITDA by approximately $14 million.
- Inventory was written down by $2.5 million in the Argentinian division in accordance with the drop of selling prices in the export market at the end of the quarter.
- A better product mix of dairy ingredients offset unfavourable dairy ingredients market conditions, positively affecting both revenues and EBITDA of the USA and Canadian dairy products divisions as compared to the same quarter of fiscal 2012.
- The weakening of the Canadian dollar versus the US dollar during the quarter had a positive impact on revenues and EBITDA as compared to the same quarter last fiscal year.
- The Board of Directors reviewed the dividend policy and increased the quarterly dividend from $0.19 per share to $0.21 per share, representing a 10.5% increase. The quarterly dividend will be payable on September 17, 2012 to common shareholders of record on September 6, 2012.

[1] 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 on page 7 of the Management's Discussion and Analysis included in the Company's 2012 Annual Report for the definition of these terms.

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

Management's Discussion and Analysis

The goal of the management report is to analyze the results and the financial position for the quarter ended June 30, 2012. It should be read while referring to our condensed interim consolidated financial statements and accompanying notes for the three-month periods ended June 30, 2012 and 2011. 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 June 30, 2012, and July 31, 2012, 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, 2012, 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 2012 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.

OPERATING RESULTS

Consolidated revenues for the quarter ended June 30, 2012 amounted to $1.698 billion, an increase of $59.3 million or 3.6% in comparison to $1.639 billion for the corresponding quarter last fiscal year. This increase was due to higher sales volumes in Canada and a better dairy ingredients product mix despite unfavourable dairy ingredients markets. Higher selling prices in relation to the higher cost of milk in the Canadian and Argentinian Divisions of the CEA Dairy Products Sector also increased revenues. A decrease in the average block market per pound of cheese in the USA Dairy Products Sector decreased revenues as compared to the corresponding quarter last fiscal year. The weakening of the Canadian dollar compared to the US dollar increased revenues as compared to the same quarter last fiscal year.

Consolidated earnings before interest, income taxes, depreciation and amortization (EBITDA) for the first quarter of fiscal 2013 amounted to $203.0 million, a decrease of $6.6 million or 3.1% in comparison to $209.6 million for the same quarter last fiscal year. This decrease is explained by unfavourable market factors of approximately $14 million in the US and an inventory write-down of $2.5 million in the Argentinian division of the CEA Dairy Products Sector. These were partially offset by a better dairy ingredients product mix and the favourable impact of increased sales volumes in the Dairy Products Division (Canada). The weakening of the Canadian dollar compared to the US dollar positively impacted EBITDA as compared to the same period last fiscal year.

OTHER CONSOLIDATED RESULTS ITEMS

Depreciation and amortization for the first quarter of fiscal 2013 totalled $27.2 million, an increase of $2.6 million as compared to $24.6 million for the corresponding period last fiscal year. This increase reflects variations in the depreciable asset base and fluctuations in foreign exchange between the Canadian dollar and both the US dollar and Argentinian peso.

Net interest expense for the three-month period ended June 30, 2012 increased by $0.1 million in comparison to the same period last fiscal year.

Income taxes for the first quarter of fiscal 2013 totalled $47.6 million, reflecting an effective tax rate of 28.1% compared to 29.2% for the same quarter last fiscal year. The income tax rate varies and could increase or decrease based on the amount of taxable income derived and from which source, any amendments to tax laws and income tax rates and changes in assumptions and estimates used for tax assets and liabilities by the Company and its affiliates.

Net earnings totalled $121.8 million for the quarter ended June 30, 2012 compared to $126.6 million for the same quarter 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	**2013**	2012				2011		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	**1,698.3**	1,703.5	1,796.5	1,791.4	1,639.0	1,481.3	1,534.8	1,550.7
EBITDA	**203.0**	201.0	207.3	213.1	209.6	194.5	191.1	211.4
Net earnings	**121.8**	(2.6)	129.8	127.1	126.6	100.4	112.1	125.8
Adjusted net earnings[1]	**121.8**	122.4	129.8	127.1	126.6	112.0	112.1	125.8
EPS								
Basic	**0.61**	0.00	0.64	0.63	0.62	0.49	0.55	0.60
Diluted	**0.60**	0.00	0.64	0.61	0.61	0.48	0.54	0.60
Adjusted EPS[1]								
Basic	**0.61**	0.62	0.64	0.63	0.62	0.55	0.55	0.60
Diluted	**0.60**	0.61	0.64	0.61	0.61	0.54	0.54	0.60

[1] 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 on page 7 of the Management's Discussion and Analysis included in the Company's 2012 Annual Report for the definition of these terms.

Consolidated selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2013	2012		
	Q1	Q4	Q3	Q2
Market factors[1 2]	**(14)**	(24)	(4)	(10)
Inventory write-down	**(3)**	-	(4)	-
US currency exchange[1]	**3**	3	-	(5)

[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, as well as the market pricing impact related to sales of dairy ingredients.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

(in thousands of CDN dollars)

	For the three-month periods ended June 30	
	2012	2011
Cash generated from operating activities	**222,619**	122,955
Net cash generated from operating activities	**144,859**	14,913
Cash (used) generated for investing activities	**(28,420)**	4,266
Cash used for financing activities	**(87,648)**	(75,850)
Increase (decrease) in cash and cash equivalents	**28,791**	(56,671)

For the three-month period ended June 30, 2012, cash generated from **operating activities** amounted to $222.6 million in comparison to $123.0 million for the corresponding quarter last fiscal year, an increase of $99.6 million, mainly attributed to change in non-cash working capital items. The change in non-cash working capital items for the three-month period ended June 30, 2012 is mainly attributed to a lower average block market in the US, which generated more cash, in comparison to a usage of cash for the same period last fiscal year due to a higher average block market in the US. Net cash generated from operating activities for the three-month period ended June 30, 2012 amounted to $144.9 million in comparison to $14.9 million for the corresponding period last fiscal year. This change is mainly attributable to items mentioned above.

Investing activities were comprised mainly of additions to property, plant and equipment in the amount of $29.6 million.

Financing activities for the three-month period ended June 30, 2012 consisted of a decrease in bank loans totalling $39.7 million, issuance of shares as part of the stock option plan for a cash consideration of $7.8 million, as well as the purchase of share capital totalling $55.7 million in accordance with the Company's normal course issuer bid.

Liquidity

(in thousands of CDN dollars, except ratio)

	June 30, 2012	March 31, 2012
Current assets	**1,388,061**	1,399,464
Current liabilities	**838,178**	902,441
Working capital	**549,883**	497,023
Working capital ratio	**1.66**	1.55

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)

	June 30, 2012	March 31, 2012
Cash and cash equivalents	**172,823**	144,137
Bank loans	**124,053**	166,631
Long-term debt	**380,905**	379,875
Shareholders’ equity	**2,175,526**	2,105,686
Interest-bearing[1] debt-to-equity ratio	**0.15**	0.19
Number of common shares	**198,127,281**	199,037,565
Number of stock options	**9,923,575**	8,484,524

[1] Net of cash and cash equivalents.

As at June 30, 2012, the Company had $172.8 million in cash and cash equivalents and available bank credit facilities of approximately $655 million, of which $124.1 million were drawn. See Note 6 to the condensed interim consolidated financial statements describing the bank loans.

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 were outstanding. As at July 25, 2012, 198,016,041 common shares and 9,876,015 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)

	June 30, 2012			March 31, 2012		
	Long-term debt	**Minimum lease**	**Total**	Long-term debt	Minimum lease	Total
Less than 1 year	-	**16,941**	**16,941**	-	17,332	17,332
1-2 years	**110,000**	**14,294**	**124,294**	-	14,598	14,598
2-3 years	**50,905**	**11,275**	**62,180**	159,875	11,465	171,340
3-4 years	**220,000**	**8,718**	**228,718**	-	9,447	9,447
4-5 years	-	**5,416**	**5,416**	220,000	5,746	225,746
More than 5 years	-	**17,606**	**17,606**	-	18,775	18,775
	380,905	**74,250**	**455,155**	379,875	77,363	457,238

BALANCE SHEET

With regards to balance sheet items as at June 30, 2012, compared to those as at March 31, 2012, the variances are the result of normal operational fluctuations.

FOLLOW-UP ON CERTAIN SPECIFIC ITEMS OF THE ANALYSIS

For an analysis of off-balance sheet arrangements, guarantees, related-party transactions, accounting standards, critical accounting policies and use of accounting estimates, risks and uncertainties, as well as sensitivity analysis, we encourage you to consult the discussion provided in the Company's 2012 Annual Report (pages 16 to 22 of the Management's Discussion and Analysis).

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and the Chief Financial Officer 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 Chief Executive Officer and the Chief Financial Officer 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 Chief Executive Officer and the Chief Financial Officer, together with Management, have concluded, after having conducted an evaluation and to the best of their knowledge, that, as of June 30, 2012, 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

CEA Dairy Products Sector

(in millions of CDN dollars)

Fiscal years	**2013**	2012				2011		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	**1,025.0**	1,009.6	1,042.2	1,032.5	970.2	921.2	995.2	993.8
EBITDA	**127.8**	121.9	131.9	135.7	125.3	113.0	126.0	132.8

Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	**2013**	2012		
	Q1	Q4	Q3	Q2
Market factors[1 2]	**-**	5.0	4.0	3.0

[1] As compared to same quarter of previous fiscal year.
[2] Market factors include the international market pricing impact related to sales of dairy ingredients.

Revenues

Revenues for the CEA Dairy Products Sector totalled $1.025 billion for the quarter ended June 30, 2012, an increase of $54.8 million compared to $970.2 million for the same period last fiscal year. This increase is mainly attributed to higher selling prices in relation to the higher cost of milk in Canada and Argentina, as well as increased sales volumes and a better dairy ingredients product mix. Sales volumes from the European operations decreased slightly, while sales volumes in Argentina remained stable, with increases in the domestic market offsetting export market decreases as compared to the same period last fiscal year.

EBITDA

For the quarter ended June 30, 2012, EBITDA totalled $127.8 million, an increase of $2.5 million or 2.0% compared to $125.3 million for the corresponding quarter last fiscal year. In the Dairy Products Division (Canada), a better dairy ingredients mix offsetting unfavourable dairy ingredients market conditions and additional sales volumes mainly contributed to the EBITDA increase.

Dairy Products Division (Argentina) EBITDA decreased slightly due to an inventory write-down of $2.5 million related to a drop in selling prices towards the end of the quarter, mainly in the export market, as well as increases in the cost of milk, and labour and other costs, which were not entirely offset by higher selling prices during the quarter as compared to the same quarter last fiscal year.

Dairy Products Division (Europe) EBITDA remained stable as compared to the same period last fiscal year.

USA Dairy Products Sector

(in millions of CDN dollars)

Fiscal years	2013	2012				2011		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	**640.4**	658.9	722.7	723.7	636.5	528.2	502.9	519.1
EBITDA	**72.2**	75.5	72.7	74.4	80.8	81.4	61.5	73.9

Selected factors positively (negatively) affecting EBITDA

(in millions of CDN dollars)

Fiscal years	2013	2012		
	Q1	Q4	Q3	Q2
Market factors [1 2]	**(14)**	(29)	(8)	(13)
Inventory write-down	**-**	-	(4)	-
US currency exchange[1]	**3**	3	-	(5)

[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, as well as the market pricing impact related to sales of dairy ingredients.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2013	2012			
	Q1	Q4	Q3	Q2	Q1
Average block market per pound of cheese	**1.539**	1.522	1.760	2.006	1.736
Closing block price[1] per pound of cheese	**1.650**	1.490	1.563	1.720	2.130
Average whey market price[2] per pound	**0.500**	0.630	0.650	0.590	0.520
Spread[3]	**0.049**	0.017	0.023	0.040	0.094
US average exchange rate to Canadian dollar[4]	**1.010**	1.002	1.023	0.976	0.969

[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] Average whey powder market price is based on Dairy Market News published information.
[3] 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.
[4] Based on Bank of Canada published information.

Revenues

Revenues for the USA Dairy Products Sector totalled $640.4 million for the quarter ended June 30, 2012, an increase of $3.9 million compared to the $636.5 million for the corresponding quarter last fiscal year. Slightly higher sales volumes and a better product mix of dairy ingredients offset an unfavourable dairy ingredients market, increasing revenues by approximately $19 million in the quarter. A decrease in the average block market per pound of cheese of US$0.20 compared to the same quarter last fiscal year decreased revenues by approximately $42 million. The weakening of the Canadian dollar increased revenues by approximately $27 million.

EBITDA

For the quarter ended June 30, 2012, EBITDA totalled $72.2 million, a decrease of $8.6 million or 10.6% in comparison to $80.8 million for the same quarter last fiscal year. During the quarter, the block price opened at US$1.49 and closed at US$1.65, increasing by US$0.16, compared to opening at US$1.63 and closing at US$2.13, increasing by US$0.50, for the same quarter last fiscal year. This less pronounced increase in the block price had a less favourable impact on the realization of inventories and absorption of fixed costs during the quarter as compared to the same quarter of last fiscal year. 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. A better dairy ingredients product mix offset an unfavourable dairy ingredients market, positively contributing to EBITDA as compared to the same quarter in fiscal 2012. These market factors combined had a negative impact of approximately $14 million on EBITDA. Initiatives undertaken in current and prior fiscal years with regards to operational efficiencies and higher sales volumes offset increased operational costs and the negative impact of higher milk costs resulting from the revised milk pricing formula in California. These factors combined increased EBITDA by approximately $2 million in comparison to the same quarter last fiscal year. The weakening of the Canadian dollar versus the US dollar had a positive impact on EBITDA of approximately $3 million.

Grocery Products Sector

(in millions of CDN dollars)

Fiscal years	**2013**	2012				2011		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	**32.9**	35.0	31.6	35.2	32.3	31.9	36.8	37.8
EBITDA	**3.1**	3.7	2.7	2.9	3.4	0.1	3.6	4.7

Revenues

Revenues for the Grocery Products Sector totalled $32.9 million for the quarter, a $0.6 million increase compared to the same quarter last fiscal year. This is mainly due to an increase in sales volumes as compared to the same period last fiscal year.

EBITDA

EBITDA for the Grocery Products Sector amounted to $3.1 million, a $0.3 million decrease compared to the same quarter last fiscal year. This decrease results from increased operating costs, slightly offset by increased sales volumes.

OUTLOOK

The Dairy Products Division (Canada) continues to face challenges in the Canadian Dairy market. Our focus is to capitalize on opportunities presented in value-added milk and specialty cheese categories as we work towards maximizing our exposure across Canada. We will continue to focus on maximizing benefits that were derived from the consolidation of manufacturing and distribution activities in the greater Toronto area.

The Dairy Products Division (Europe) continues to face challenges with respect to obtaining milk supply at prices competitive with the selling price of cheese. Nevertheless, the Division will work towards increasing sales volumes.

The Dairy Products Division (Argentina) will continue to seek volume growth in both domestic and export markets, while increasing milk intake. The Division continues to face challenges trying to mitigate the increasing cost of milk as raw material, while remaining competitive with the selling price in the export market.

The USA Dairy Products Sector continues to focus on improving operational efficiencies, as well as evaluating opportunities from the acquisition of DCI Cheese Company, Inc. The California Consolidation Stabilization and Marketing Committee rendered its decision following hearings held on May 31, 2012 and June 1, 2012, with regards to the whey factor used in determining the milk pricing formula. Effective August 1, 2012, the whey factor will continue to vary in accordance with changes in whey market prices, based on a new sliding scale. Had the revised formula been in effect since the beginning of the fiscal year, the resulting negative impact on EBITDA for the quarter would have totalled approximately $0.6 million based on actual whey market prices during the quarter. The Sector will continue to monitor dairy markets and take appropriate decisions to mitigate the impact on its operations.

The Grocery Products Sector will continue to focus on increasing sales volumes in the snack-cake and frozen categories. The main focus continues to be the development of sales in the US market.

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

Lino Saputo Chairman of the Board	Lino A. Saputo, Jr. Chief Executive Officer and Vice Chairman of the Board

July 31, 2012

NOTICE
The condensed interim consolidated financial statements of Saputo Inc. for the three-month periods ended June 30, 2012 and 2011 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 June 30	
	2012	2011
Revenues	**$ 1,698,335**	$ 1,638,995
Operating costs excluding depreciation and amortization (Note 4)	**1,495,322**	1,429,367
Earnings before interest, depreciation, amortization and income taxes	**203,013**	209,628
Depreciation and amortization	**27,227**	24,609
Operating income	**175,786**	185,019
Interest on long-term debt	**5,756**	5,719
Other financial charges (Note 11)	**601**	547
Earnings before income taxes	**169,429**	178,753
Income taxes	**47,605**	52,187
Net earnings	**$ 121,824**	$ 126,566
Earnings per share (Note 9)		
Net earnings		
Basic	**$ 0.61**	$ 0.62
Diluted	**$ 0.60**	$ 0.61

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of CDN dollars)
(unaudited)

	For the three-month periods ended June 30	
	2012	2011
Net earnings	**$ 121,824**	$ 126,566
Other comprehensive income (loss):		
Exchange differences arising from foreign currency translation	**24,509**	(10,285)
Other comprehensive income (loss)	**24,509**	(10,285)
Comprehensive income	**$ 146,333**	$ 116,281

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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

For the three-month period ended June 30, 2012	**Share capital**		**Reserves**				
	Common Shares (in thousands)	Amount	Foreign Currency Translation	Stock Option Plan	Total Reserves	Retained Earnings	**Total Shareholders' Equity**
Balance, beginning of period	**199,038**	**$ 629,606**	**$ (29,864)**	**$ 38,836**	**$ 8,972**	**$ 1,467,108**	**$ 2,105,686**
Net earnings	**-**	**-**	**-**	**-**	**-**	**121,824**	**121,824**
Other comprehensive income	**-**	**-**	**24,509**	**-**	**24,509**	**-**	**24,509**
Comprehensive income							**146,333**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**(37,642)**	**(37,642)**
Stock option plan (Note 8)	**-**	**-**	**-**	**3,270**	**3,270**	**-**	**3,270**
Shares issued under stock option plan	**345**	**7,817**	**-**	**-**	**-**	**-**	**7,817**
Amount transferred from reserves to share capital upon exercise of options	**-**	**1,625**	**-**	**(1,625)**	**(1,625)**	**-**	**-**
Excess tax benefit that results from the excess of the deductible amount over the compensation cost recognized	**-**	**-**	**-**	**722**	**722**	**-**	**722**
Shares repurchased and cancelled	**(1,256)**	**(4,017)**	**-**	**-**	**-**	**(46,643)**	**(50,660)**
Balance, end of period	**198,127**	**$ 635,031**	**$ (5,355)**	**$ 41,203**	**$ 35,848**	**$ 1,504,647**	**$ 2,175,526**

For the three-month period ended June 30, 2011	**Share capital**		**Reserves**				
	Common Shares (in thousands)	Amount	Foreign Currency Translation	Stock Option Plan	Total Reserves	Retained Earnings	**Total Shareholders' Equity**
Balance, beginning of period	203,830	$ 617,675	$ (60,930)	$ 33,384	$ (27,546)	$ 1,482,506	$ 2,072,635
Net earnings	-	-	-	-	-	126,566	126,566
Other comprehensive loss	-	-	(10,285)	-	(10,285)	-	(10,285)
Comprehensive income							116,281
Dividends declared	-	-	-	-	-	(32,620)	(32,620)
Stock option plan (Note 8)	-	-	-	2,140	2,140	-	2,140
Shares issued under stock option plan	640	13,814	-	-	-	-	13,814
Amount transferred from reserves to share capital upon exercise of options	-	2,621	-	(2,621)	(2,621)	-	-
Excess tax benefit that results from the excess of the deductible amount over the compensation cost recognized	-	-	-	458	458	-	458
Shares repurchased and cancelled	(472)	(1,439)	-	-	-	(19,395)	(20,834)
Shares repurchased and not cancelled	(65)	(198)	-	-	-	(2,785)	(2,983)
Balance, end of period	203,933	$ 632,473	$ (71,215)	$ 33,361	$ (37,854)	$ 1,554,272	$ 2,148,891

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(in thousands of CDN dollars)

As at	June 30, 2012 (unaudited)	March 31, 2012 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 172,823	$ 144,137
Receivables	469,532	487,502
Inventories	703,482	712,885
Income taxes	173	364
Prepaid expenses and other assets	42,051	54,576
	1,388,061	1,399,464
Property, plant and equipment (Note 5)	1,118,667	1,105,205
Goodwill	742,184	733,527
Trademarks and other intangibles	335,200	335,452
Other assets	17,252	18,031
Deferred income taxes	7,460	7,441
	$ 3,608,824	$ 3,599,120
LIABILITIES		
Current liabilities		
Bank loans (Note 6)	$ 124,053	$ 166,631
Accounts payable and accrued liabilities	534,190	571,814
Dividends payable	37,642	-
Income taxes	142,293	163,996
	838,178	902,441
Long-term debt (Note 7)	380,905	379,875
Other liabilities	52,757	54,486
Deferred income taxes	161,458	156,632
	1,433,298	1,493,434
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	635,031	629,606
Reserves	35,848	8,972
Retained earnings	1,504,647	1,467,108
	2,175,526	2,105,686
	$ 3,608,824	$ 3,599,120

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of CDN dollars)
(unaudited)

	For the three-month periods ended June 30	
	2012	2011
Cash flows related to the following activities:		
Operating		
Net earnings	**$ 121,824**	$ 126,566
Adjustments for:		
Stock-based compensation	**4,306**	3,416
Interest and other financial charges	**6,357**	6,266
Income tax expense	**47,605**	52,187
Depreciation and amortization	**27,227**	24,609
Gain on disposal of property, plant and equipment	**(9)**	(50)
Funding of employee plans in excess of costs	**(2,361)**	(2,605)
	204,949	210,389
Changes in non-cash operating working capital items	**17,670**	(87,434)
Cash generated from operating activities	**222,619**	122,955
Interest paid	**(12,219)**	(11,905)
Income taxes paid	**(65,541)**	(96,137)
Net cash generated from operating activities	**144,859**	14,913
Investing		
Business acquisition	**-**	(2,797)
Proceeds on disposal of portfolio investment	**-**	27,720
Additions to property, plant and equipment	**(29,647)**	(20,061)
Proceeds on disposal of property, plant and equipment	**314**	116
Other assets and other liabilities	**913**	(712)
	(28,420)	4,266
Financing		
Bank loans	**(39,719)**	(68,830)
Issuance of share capital	**7,817**	13,814
Repurchase of share capital	**(55,746)**	(20,834)
	(87,648)	(75,850)
Increase (decrease) in cash and cash equivalents	**28,791**	(56,671)
Effect of exchange rate changes on cash and cash equivalents	**(105)**	(1,585)
Cash and cash equivalents, beginning of period	**144,137**	77,491
Cash and cash equivalents, end of period	**$ 172,823**	$ 19,235

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 Europe, as well as bakery products in Canada. 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 June 30, 2012 comprise the financial results of the Company and its subsidiaries.

The financial statements for the period ending June 30, 2012 have been authorized for issuance by the Board of Directors on July 31, 2012.

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. 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, 2012. These condensed interim consolidated financial statements should be read in conjunction with those audited consolidated financial statements.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

The IASB made several revisions as part of its continuing improvements project. Below is a summary of the relevant standards affected and a discussion of the amendments.

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

The Company has not yet determined the impact on the financial statements of the adoption of the revised accounting standards described below.

IFRS 7, Financial Instruments Disclosures and IAS 32, Financial Instruments Presentation

The IASB issued amendments to IFRS 7 and IAS 32 in December 2011 which clarifies the requirements for offsetting financial assets and liabilities including revised disclosure requirements for financial assets and liabilities that are offset. The amendments to IFRS 7 and IAS 32 are effective for annual reporting periods beginning on or after January 1, 2013 and January 1, 2014 respectively.

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, and is effective for annual reporting periods beginning on or after January 1, 2015. The issuance of this IFRS represents the first phase of the long-term project and provides guidance on the classification and measurement of financial assets and liabilities.

IFRS 10, Consolidated Financial Statements

The IASB issued IFRS 10 in May 2011 which replaces portions of IAS 27, Consolidated and Separate Financial Statements. This new standard will be effective for annual reporting periods on or after January 1, 2013 and must be applied retroactively. IFRS 10 establishes principles for the preparation and presentation of consolidated financial statements and specifically establishes the criteria for the inclusion of another entity into the set of consolidated financial statements.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IFRS 12, Disclosure of Interests in Other Entities

The IASB issued IFRS 12 in May 2011 and is effective for annual reporting periods on or after January 1, 2013. This new standard requires an entity to disclose information that enables users of its financial statements to evaluate the nature of, and risks associated with, its interests in other entities along with the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13, Fair Value Measurement

The IASB issued IFRS 13 in May 2011 and is effective for annual reporting periods beginning on or after January 1, 2013. This IFRS defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures regarding fair value measurements.

IAS 1, Presentation of Financial Statements

The IASB amended IAS 1 in June 2011 incorporating revisions to reflect new requirements for the presentation of earnings and other comprehensive income within their respective statements. IAS 1 now requires items within other comprehensive income be classified separately within that statement where they will be subsequently reclassified to the statement of earnings. These revisions are effective for annual periods beginning on or after July 1, 2012.

IAS 16, Property, Plant and Equipment

The IASB amended IAS 16 in May 2012 effective for annual reporting periods on or after January 1, 2013 requiring the presentation of spare parts, servicing equipment and stand-by equipment as property, plant and equipment when they meet the definition of property, plant and equipment in accordance with IAS 16. In the event they do not meet the definition, they are required to be presented as inventory.

IAS 19 (Revised), Employee Benefits

The IASB amended IAS 19 in June 2011 in order to eliminate the option of deferring the recognition of gains and losses, to improve disclosure of risks that are assumed by a company that offers a defined benefit plan to its employees and to improve the presentation of changes in assets and liabilities resulting from defined benefit plans including requiring remeasurements to be presented in other comprehensive income. These revisions are effective for fiscal years beginning on or after January 1, 2013.

IAS 34, Interim Financial Reporting

The IASB amended IAS 34 in May 2012 effective for annual reporting periods on or after January 1, 2013 requiring total assets and total liabilities be included in the segmented disclosure information only where the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements.

NOTE 4 OPERATING COSTS EXCLUDING DEPRECIATION AND AMORTIZATION

	For the three-month periods ended June 30	
	2012	2011
Changes in inventories of finished goods and work in progress	**$ 4,502**	$ (43,961)
Raw materials and consumables used	**1,175,708**	1,180,574
Foreign exchange gain	**(533)**	(121)
Employee benefits expense	**178,746**	163,902
Selling costs	**64,868**	62,186
Other general and administrative costs	**72,031**	66,787
Total operating costs	**$ 1,495,322**	$ 1,429,367

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

												For the three-month period ended June 30, 2012
		Land		**Buildings**		**Furniture, machinery and equipment**		**Rolling stock**		**Held for sale**		**Total**
Cost												
As at March 31, 2012	**$**	**35,841**	**$**	**422,822**	**$**	**1,397,380**	**$**	**7,278**	**$**	**-**	**$**	**1,863,321**
Additions		**-**		**4,484**		**25,124**		**39**		**-**		**29,647**
Disposals		**(6)**		**(197)**		**(1,289)**		**(138)**		**-**		**(1,630)**
Foreign currency adjustments		**212**		**3,684**		**12,045**		**(11)**		**-**		**15,930**
As at June 30, 2012	**$**	**36,047**	**$**	**430,793**	**$**	**1,433,260**	**$**	**7,168**	**$**	**-**	**$**	**1,907,268**
Accumulated depreciation												
As at March 31, 2012		**-**		**142,577**		**611,989**		**3,550**		**-**		**758,116**
Depreciation		**-**		**4,051**		**21,711**		**187**		**-**		**25,949**
Disposals		**-**		**(79)**		**(1,194)**		**(52)**		**-**		**(1,325)**
Foreign currency adjustments		**-**		**1,130**		**4,736**		**(5)**		**-**		**5,861**
As at June 30, 2012	**$**	**-**	**$**	**147,679**	**$**	**637,242**	**$**	**3,680**	**$**	**-**	**$**	**788,601**
Net book value at June 30, 2012	**$**	**36,047**	**$**	**283,114**	**$**	**796,018**	**$**	**3,488**	**$**	**-**	**$**	**1,118,667**

												For the year ended March 31, 2012
		Land		Buildings		Furniture, machinery and equipment		Rolling stock		Held for sale		Total
Cost												
As at March 31, 2011	$	35,543	$	394,883	$	1,295,769	$	7,538	$	11,917	$	1,745,650
Additions		-		23,208		94,775		604		-		118,587
Disposals		(1)		(15)		(8,986)		(848)		(11,917)		(21,767)
Foreign currency adjustments		299		4,746		15,822		(16)		-		20,851
As at March 31, 2012	$	35,841	$	422,822	$	1,397,380	$	7,278	$	-	$	1,863,321
Accumulated depreciation												
As at March 31, 2011		-		125,405		535,187		3,603		2,372		666,567
Depreciation		-		15,837		80,205		800		-		96,842
Disposals		-		(3)		(8,986)		(848)		(2,372)		(12,209)
Foreign currency adjustments		-		1,338		5,583		(5)		-		6,916
As at March 31, 2012	$	-	$	142,577	$	611,989	$	3,550	$	-	$	758,116
Net book value at March 31, 2012	$	35,841	$	280,245	$	785,391	$	3,728	$	-	$	1,105,205

The net book value of property, plant and equipment under construction amounts to $65,521,000 as at June 30, 2012 ($62,386,000 as at March 31, 2012), and consists mainly of machinery and equipment.

NOTE 6 BANK LOANS

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

Credit Facilities	Maturity	Available for use: Canadian Currency Equivalent	Available for use: Base Currency		Amount drawn: June 30, 2012	Amount drawn: March 31, 2012
North America-US Currency	December 2012[1]	152,715	150,000	USD	**$ -**	$ -
North America-CDN Currency	December 2012[1]	376,697	370,000	USD	**105,000**	149,000
Argentina	Yearly[2]	108,144	480,000	ARS	**17,308**	16,958
Germany	Yearly[3]	6,455	5,000	EUR	**288**	673
United Kingdom	Yearly[3]	11,189	7,000	GBP	**1,457**	-
		655,200			**$ 124,053**	$ 166,631

1 Bear monthly interest at rates ranging from lender's prime rates plus a maximum of 0.25% or LIBOR or banker's acceptance rate plus 0.50% up to a maximum of 1.125% depending on a financial ratio of the Company.
2 Bear monthly interest at local rate and can be drawn in ARS or USD.
3 Bear monthly interest at base rate plus 1.50% or LIBOR-EURIBOR plus 1.50%.

NOTE 7 LONG-TERM DEBT

	June 30, 2012	March 31, 2012
Unsecured senior notes[1]		
8.41%, issued in November 1999 and due in November 2014 (US$50,000,000)	**$ 50,905**	$ 49,875
5.34%, issued in June 2009 and due in June 2014	**110,000**	110,000
5.82%, issued in June 2009 and due in June 2016	**220,000**	220,000
	$ 380,905	$ 379,875

1 Interest payments are semi-annual.

NOTE 8 SHARE CAPITAL

Issued

	June 30, 2012	March 31, 2012
198,127,281 common shares (199,037,565 common shares at March 31, 2012)	**$ 635,031**	$ 629,606

Share Option Plan
Changes in the number of outstanding options are as follows:

	June 30, 2012: Number of options	June 30, 2012: Weighted average exercise price	June 30, 2011: Number of options	June 30, 2011: Weighted average exercise price
Balance, beginning of period	**8,484,524**	**$ 25.92**	8,674,238	$ 22.62
Options granted	**1,884,991**	**$ 42.96**	1,244,780	$ 43.22
Options exercised	**(346,016)**	**$ 22.59**	(639,980)	$ 21.58
Options cancelled	**(99,924)**	**$ 27.44**	(119,984)	$ 22.76
Balance, end of period	**9,923,575**	**$ 29.26**	9,159,054	$ 25.42

The exercise price of the options granted in fiscal 2013 is $42.96, which corresponds to the weighted average market price for the five trading days immediately preceding the date of grant ($43.22 in fiscal 2012).

NOTE 8 SHARE CAPITAL (CONT'D)

The weighted average fair value of options granted in fiscal 2013 was estimated at $10.26 per option ($8.96 in fiscal 2012), using the Black-Scholes option pricing model with the following assumptions:

	June 30, 2012	March 31, 2012
Weighted average:		
Risk-free interest rate	**1.63%**	2.65%
Expected life of options	**5.5 years**	5 years
Volatility	**28.28%**	21.66%
Dividend rate	**1.76%**	1.24%

A compensation expense of $3,270,000 ($2,873,000 net of taxes) relating to stock options was recorded in the statement of earnings for the three-month period ended June 30, 2012 and $2,140,000 ($1,896,000 net of taxes) was recorded for the three-month period ended June 30, 2011.

NOTE 9 EARNINGS PER SHARE

	For the three-month periods ended June 30	
	2012	2011
Net earnings	**$ 121,824**	$ 126,566
Weighted average number of common shares outstanding	**199,041,841**	203,856,154
Dilutive options	**2,671,797**	3,769,939
Weighted average diluted number of common shares outstanding	**201,713,638**	207,626,093
Basic earnings per share	**$ 0.61**	$ 0.62
Diluted earnings per share	**$ 0.60**	$ 0.61

When calculating diluted earnings per share for the three-month periods ended June 30, 2012 and 2011 no options were excluded from the calculation since the exercise price is lower than the average market value for the period.

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

NOTE 10 SEGMENTED INFORMATION

	For the three-month periods ended June 30	
	2012	2011
Revenues[1]		
Dairy Products		
CEA	**$ 1,025,036**	$ 970,168
USA	**640,415**	636,529
	1,665,451	1,606,697
Grocery Products	**32,884**	32,298
	$ 1,698,335	$ 1,638,995
Earnings before interest, depreciation, amortization and income taxes		
Dairy Products		
CEA	**$ 127,779**	$ 125,335
USA	**72,167**	80,846
	199,946	206,181
Grocery Products	**3,067**	3,447
	$ 203,013	$ 209,628
Depreciation and amortization		
Dairy Products		
CEA	**$ 13,695**	$ 12,854
USA	**11,832**	10,381
	25,527	23,235
Grocery Products	**1,700**	1,374
	$ 27,227	$ 24,609
Operating income		
Dairy Products		
CEA	**$ 114,084**	$ 112,481
USA	**60,335**	70,465
	174,419	182,946
Grocery Products	**1,367**	2,073
	$ 175,786	$ 185,019
Financial charges, net	**6,357**	6,266
Earnings before income taxes	**169,429**	178,753
Income taxes	**47,605**	52,187
Net earnings	**$ 121,824**	$ 126,566

[1] Revenues are attributable to countries based upon manufacturing origin.

NOTE 11 OTHER FINANCIAL CHARGES

	For the three-month periods ended June 30			
		2012		2011
Finance costs	**$**	**780**	$	637
Finance income		**(179)**		(90)
	$	**601**	$	547