

**LAND O'LAKES, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
	<b>(Unaudited)</b>	
	<b>(\$ in thousands)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 40,435	\$ 592,255
Receivables, net	1,620,364	1,305,952
Inventories	1,571,285	1,582,647
Prepaid assets	91,019	1,307,047
Other current assets	123,736	131,787
Total current assets	3,446,839	4,919,688
Investments	342,012	327,528
Property, plant and equipment, net	984,458	990,573
Goodwill	402,966	410,658
Other intangibles, net	157,183	186,124
Other assets	185,014	157,371
Total assets	\$ 5,518,472	\$ 6,991,942
<b>LIABILITIES AND EQUITIES</b>		
Current liabilities:		
Notes and short-term obligations	\$ 377,511	\$ 100,388
Current portion of long-term debt	4,977	9,216
Accounts payable	1,203,662	1,415,098
Customer advances	70,399	1,852,638
Accrued liabilities	569,548	551,425
Patronage refunds and other member equities payable	65,229	98,053
Total current liabilities	2,291,326	4,026,818
Long-term debt	1,002,753	1,033,284
Employee benefits and other liabilities	537,148	485,063
Commitments and contingencies	—	—
Equities:		
Capital stock	821	830
Preferred stock	195,622	—
Member equities	1,048,473	1,075,565
Accumulated other comprehensive loss	(239,219)	(233,861)
Retained earnings	673,833	586,986
Total Land O'Lakes, Inc. equity	1,679,530	1,429,520
Noncontrolling interests	7,715	17,257
Total equities	1,687,245	1,446,777
Total liabilities and equities	\$ 5,518,472	\$ 6,991,942

**LAND O'LAKES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
	(\$ in thousands)			
Net sales	\$ 2,617,251	\$ 3,066,742	\$ 9,734,418	\$ 11,260,119
Cost of sales	2,344,395	2,808,046	8,743,287	10,273,944
Gross profit	<u>272,856</u>	<u>258,696</u>	<u>991,131</u>	<u>986,175</u>
Selling, general and administrative	261,638	255,225	785,480	746,989
Earnings from operations	<u>11,218</u>	<u>3,471</u>	<u>205,651</u>	<u>239,186</u>
Interest expense, net	13,324	15,797	39,740	46,547
Other expense (income), net	—	(42)	—	(2,343)
Equity in earnings of affiliated companies	<u>(11,134)</u>	<u>(12,578)</u>	<u>(38,640)</u>	<u>(46,942)</u>
Earnings before income taxes and discontinued operations	9,028	294	204,551	241,924
Income tax expense (benefit)	755	3,986	22,131	26,131
Net earnings from continuing operations	<u>8,273</u>	<u>(3,692)</u>	<u>182,420</u>	<u>215,793</u>
Net earnings from discontinued operations	<u>(78)</u>	<u>9,519</u>	<u>5,610</u>	<u>12,105</u>
Net earnings	<u>8,195</u>	<u>5,827</u>	<u>188,030</u>	<u>227,898</u>
Less: net earnings (losses) attributable to noncontrolling interests	21	(458)	(381)	(292)
Net earnings attributable to Land O'Lakes, Inc.	<u>\$ 8,174</u>	<u>\$ 6,285</u>	<u>\$ 188,411</u>	<u>\$ 228,190</u>
Applied to:				
Member equities				
Allocated patronage	\$ (715)	\$ 9,165	\$ 111,895	\$ 154,925
Deferred equities	<u>3,651</u>	<u>—</u>	<u>(12,672)</u>	<u>—</u>
	2,936	9,165	99,223	154,925
Retained earnings	<u>5,238</u>	<u>(2,880)</u>	<u>89,188</u>	<u>73,265</u>
	<u>\$ 8,174</u>	<u>\$ 6,285</u>	<u>\$ 188,411</u>	<u>\$ 228,190</u>

**LAND O'LAKES, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**  
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
	(\$ in thousands)			
Net earnings	\$ 8,195	\$ 5,827	\$ 188,030	\$ 227,898
Other comprehensive earnings, net of tax				
Pension and other postretirement adjustments, net of income taxes	—	(13)	(639)	760
Cash flow hedge adjustments, net of income taxes	(2,129)	524	(1,697)	(2,191)
Foreign currency translation adjustments, net of income taxes	(1,211)	(1,209)	(3,405)	(1,715)
Total other comprehensive (loss) earnings	(3,340)	(698)	(5,741)	(3,146)
Comprehensive earnings	4,855	5,129	182,289	224,752
Less: comprehensive (loss) earnings attributable to noncontrolling interests	(234)	(593)	(764)	(410)
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 5,089</u>	<u>\$ 5,722</u>	<u>\$ 183,053</u>	<u>\$ 225,162</u>

**LAND O'LAKES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>For the Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(\$ in thousands)</b>	
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 188,030	\$ 227,898
Adjustments to reconcile net earnings to net cash used by operating activities:		
Depreciation and amortization.....	110,300	103,680
Amortization of deferred financing costs.....	1,643	4,818
Bad debt expense.....	1,209	3,068
Proceeds from patronage revolvment received.....	312	255
Non-cash patronage income.....	(4,096)	(3,952)
Deferred income tax expense (benefit).....	(14,590)	(5,672)
Restructuring and impairment.....	666	9,268
Gain on divestiture of a business.....	9,358	(8,118)
Gain on sale of investments.....	—	(6,074)
Equity in earnings of affiliated companies.....	(38,638)	(46,942)
Dividends from investments in affiliated companies.....	27,798	29,662
Other.....	(4,293)	6,724
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables.....	(308,240)	(364,170)
Inventories.....	(17,218)	(66,862)
Prepays and other current assets.....	1,214,938	1,452,347
Accounts payable.....	(200,605)	(228,897)
Customer advances.....	(1,782,239)	(1,762,684)
Accrued liabilities.....	63,748	115,389
Other assets.....	(169)	(16,370)
Other liabilities.....	11,934	3,898
Net cash used by operating activities.....	<u>(740,152)</u>	<u>(552,734)</u>
<b>Cash flows from investing activities:</b>		
Additions to property, plant and equipment.....	(182,127)	(122,892)
Purchase of intangible assets.....	(153)	(386)
Acquisitions, net of cash acquired.....	(5,829)	—
Investments in affiliates.....	—	(412)
Net proceeds from divestiture of businesses.....	81,512	165,839
Net proceeds from sale of investments.....	—	24,129
Proceeds from sale of property, plant and equipment.....	4,360	3,702
Insurance proceeds for replacement assets.....	3,750	—
Change in notes receivable.....	(12,514)	(5,856)
Other.....	—	686
Net cash (used by) provided by investing activities.....	<u>(111,001)</u>	<u>64,810</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term debt.....	277,104	696,794
Proceeds from issuance of long-term debt.....	—	3,200
Principal payments on long-term debt and capital lease obligations.....	(8,601)	(72,782)
Cash patronage and payments for redemption of member equities.....	(158,463)	(181,319)
Preferred stock issued.....	200,000	—
Preferred stock issuance costs.....	(4,378)	—
Preferred stock dividends.....	(2,622)	—
Other.....	(3,707)	(746)
Net cash (used by) provided by financing activities.....	<u>299,333</u>	<u>445,147</u>
Net decrease in cash and cash equivalents.....	(551,820)	(42,777)
Cash and cash equivalents at beginning of the period.....	592,255	62,843
Cash and cash equivalents at end of the period.....	<u>\$ 40,435</u>	<u>\$ 20,066</u>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Cash paid during periods for:		
Interest.....	\$ 41,357	\$ 50,999
Income taxes.....	4,025	7,319