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## **Land O'Lakes, Inc. Announces Record Earnings in 2015**

*Farmer-owned cooperative reports year-end financial results with net earnings of \$308 million*

**ARDEN HILLS, Minn., March 1, 2016** – [Land O'Lakes, Inc.](http://www.landolakes.com) today announced record net earnings of \$308 million, up from \$266 million in 2014.

“Delivering record earnings in the current market environment underscores the strength of Land O'Lakes' core business strategy,” said Chris Policinski, president and CEO of Land O'Lakes, Inc. “This was a record earnings year for Land O'Lakes in spite of challenging commodity markets, declining on-farm income and increasing industry consolidation. Additionally, we completed the largest merger in our company history and extended our global reach to Africa.”

In 2015, Land O'Lakes successfully merged United Suppliers, Inc. crop protection and seed business with Winfield Solutions, LLC. Land O'Lakes also purchased a majority ownership stake in [Villa Crop Protection](http://www.villacrop.com), a leading crop protection products company based in South Africa, the company's first commercial investment in Africa.

Land O'Lakes had a strong financial year in 2015. The balance sheet is the strongest in its 94-year history. Cash returned to members in 2015 totaled \$161 million, the seventh consecutive year that cash returned to members has exceeded \$100 million. Net sales in 2015 totaled \$13 billion.

For the quarter ending December 31, 2015, Land O'Lakes delivered quarterly sales of \$3.3 billion, a slight decrease in year-over-year sales. Net earnings for the fourth quarter were \$119.4 million, with Dairy Foods, Feed and Crop Inputs delivering strong quarterly earnings well ahead of the same quarter in 2014.

### **Business Segments**

**Dairy Foods** reported 2015 net sales of \$4 billion in 2015, down from 2014. Pretax earnings for Dairy Foods totaled \$83.1 million in 2015, up from \$39.7 million in 2014. Dairy Foods earnings reflect a one-time gain on the sale of Land O'Lakes' 35 percent interest in Advanced Food Products, LLC. The business saw growth in butter, branded cheese, foodservice and refrigerated desserts and successfully managed the downside in milk powder and overall commodity markets.

**Crop Inputs** reported 2015 net sales of \$4.8 billion in 2015, down slightly from 2014. Pretax earnings totaled \$189.6 million in 2015, down from 2014. Low commodity prices impacted results across the portfolio and was offset to some extent through strength in CROPLAN® corn, soybeans and alfalfa. The business continued to focus on productivity, sustainability and decision tools to help farmers make the right choices to increase on-farm productivity using fewer resources. The business introduced nine new products, experienced a strong year for

data at more than 200 Answer Plot® locations across the country and world, and provided greater access to data and insights through decision technologies like the R7® Tool and AnswerTech™ platform.

**Feed** reported 2015 net sales of \$4.2 billion, down from 2014. However, pretax earnings of \$57.8 million in 2015 were up from \$27.8 million in 2014. The core Purina-branded feed lines delivered record-setting performance as a result of the execution of operational strategies that drove market share and accelerated growth. The business experienced growth in all customer channels. Land O'Lakes, Inc. also launched PMI Nutritional Additives, a new segment of the business focused on products that optimize nutrient utilization and gut health and integrity.

Additionally, Land O'Lakes completed the divestiture of the commodity egg business, operated through Moark, LLC, which contributed pre-tax earnings of \$13 million.

The complete Land O'Lakes, Inc. 2015 financial results can be found [here](#) or at [www.landolakesinc.com](http://www.landolakesinc.com).

***About Land O'Lakes, Inc.***

*Land O'Lakes, Inc., one of America's premier agribusiness and food companies, is a member-owned cooperative with industry-leading operations that span the spectrum from agricultural production to consumer foods. With 2015 annual sales of \$13 billion, Land O'Lakes is one of the nation's largest cooperatives, ranking 203 on the Fortune 500. Building on a legacy of more than 94 years of operation, Land O'Lakes today operates some of the most respected brands in agribusiness and food production including LAND O LAKES® Dairy Foods, Purina Animal Nutrition and WinField Solutions. The company does business in all 50 states and more than 60 countries. Land O'Lakes, Inc. corporate headquarters are located in Arden Hills, Minn.*

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