

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

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
	<b>(Unaudited)</b>	
	<b>(\$ in thousands)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 59,755	\$ 341,113
Receivables, net	2,358,815	1,575,528
Inventories	2,090,082	2,083,101
Prepaid assets	337,065	1,625,408
Other current assets	45,562	33,015
Total current assets	4,891,279	5,658,165
Investments	292,092	297,999
Property, plant and equipment, net	1,093,790	1,075,858
Goodwill	497,905	494,666
Other intangibles, net	265,093	267,669
Other assets	201,651	205,608
Total assets	\$ 7,241,810	\$ 7,999,965
<b>LIABILITIES AND EQUITIES</b>		
Current liabilities:		
Notes and short-term obligations	\$ 401,738	\$ 114,660
Current portion of long-term debt	165,760	166,128
Accounts payable	1,567,424	1,593,405
Customer advances	827,295	1,839,896
Accrued liabilities	564,936	632,354
Patronage refunds and other member equities payable	114,522	93,672
Total current liabilities	3,641,675	4,440,115
Long-term debt	872,383	881,111
Employee benefits and other liabilities	546,048	540,158
Commitments and contingencies	—	—
Equities:		
Capital stock	798	804
Series A Cumulative Redeemable Preferred Stock	195,364	195,384
Member equities	1,097,539	1,103,225
Accumulated other comprehensive loss	(215,617)	(226,314)
Retained earnings	746,866	702,997
Total Land O'Lakes, Inc. equity	1,824,950	1,776,096
Noncontrolling interests	356,754	362,485
Total equities	2,181,704	2,138,581
Total liabilities and equities	\$ 7,241,810	\$ 7,999,965

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

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(\$ in thousands)</b>	
Net sales	\$ 3,624,148	\$ 3,696,081
Cost of sales	3,211,135	3,328,412
Gross profit	413,013	367,669
Selling, general and administrative	286,056	256,173
Earnings from operations	126,957	111,496
Interest expense, net	14,205	11,572
Equity in earnings of affiliated companies	(2,172)	(5,462)
Earnings before income taxes and discontinued operations	114,924	105,386
Income tax expense (benefit)	11,035	10,555
Net earnings from continuing operations	103,889	94,831
Net earnings (loss) from discontinued operations	-	4,344
Net earnings	103,889	99,175
Less: net earnings (losses) attributable to noncontrolling interests	6,149	(212)
Net earnings attributable to Land O'Lakes, Inc.	<u>\$ 97,740</u>	<u>\$ 99,387</u>
Applied to:		
Member equities		
Allocated patronage	\$ 52,420	\$ 63,569
Deferred equities	(6,099)	(12,551)
	46,321	51,018
Retained earnings	51,419	48,369
	<u>\$ 97,740</u>	<u>\$ 99,387</u>

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

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(\$ in thousands)</b>	
Net earnings	\$ 103,889	\$ 99,175
Other comprehensive earnings, net of tax		
Pension and other postretirement adjustments, net of income taxes	—	(639)
Cash flow hedge adjustments, net of income taxes	(2,415)	(1,410)
Foreign currency translation adjustments, net of income taxes	12,702	(2,197)
Total other comprehensive earnings (loss)	<u>10,287</u>	<u>(4,246)</u>
Comprehensive earnings	114,176	94,929
Less: comprehensive (loss) earnings attributable to noncontrolling interests	<u>(5,879)</u>	<u>(252)</u>
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 120,055</u>	<u>\$ 95,181</u>

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

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(\$ in thousands)</b>	
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 103,889	\$ 99,175
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization.....	42,010	36,571
Amortization of deferred financing costs.....	865	642
Bad debt expense.....	21	450
Proceeds from patronage revolvment received.....	52	298
Non-cash patronage income.....	(1,368)	(1,564)
Deferred income tax expense.....	797	—
Restructuring and impairment.....	1,580	305
Equity in earnings of affiliated companies.....	(2,133)	(5,464)
Dividends from investments in affiliated companies.....	10,345	8,764
Other.....	(1,637)	425
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables.....	(760,173)	(657,007)
Inventories.....	(4,435)	(115,890)
Prepays and other current assets.....	1,272,678	1,047,080
Accounts payable.....	(29,264)	26,484
Customer advances.....	(1,012,601)	(1,132,024)
Accrued liabilities.....	(72,162)	168
Other assets .....	(473)	(1,194)
Other liabilities.....	6,310	(6,690)
Net cash used by operating activities.....	<u>(445,699)</u>	<u>(699,471)</u>
<b>Cash flows from investing activities:</b>		
Additions to property, plant and equipment.....	(54,592)	(52,702)
Acquisitions, net of cash acquired.....	(13,265)	—
Investments in affiliates.....	(460)	—
Net proceeds from sale of investments.....	517	—
Proceeds from sale of property, plant and equipment.....	2,615	2,411
Change in notes receivable.....	(17,098)	(9,490)
Other.....	—	(495)
Net cash used by investing activities.....	<u>(82,283)</u>	<u>(60,276)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term debt.....	281,460	215,528
Proceeds from issuance of long-term debt.....	716	—
Principal payments on long-term debt and capital lease obligations.....	(2,198)	(2,344)
Cash patronage and payments for redemption of member equities.....	(29,333)	(21,610)
Preferred stock dividends paid.....	(4,000)	—
Other.....	(21)	(3,320)
Net cash provided by financing activities.....	<u>246,624</u>	<u>188,254</u>
Net decrease in cash and cash equivalents.....	(281,358)	(571,493)
Cash and cash equivalents at beginning of the period.....	341,113	592,255
Cash and cash equivalents at end of the period.....	<u>\$ 59,755</u>	<u>\$ 20,762</u>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Cash paid during periods for:		
Interest.....	\$ 11,099	\$ 10,826
Income taxes.....	2,399	1,648