

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

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
	<b>(Unaudited)</b>	
	<b>(\$ in thousands)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 42,723	\$ 101,024
Receivables, net	2,166,966	1,650,580
Inventories	2,320,867	2,186,006
Prepaid assets	109,725	1,737,970
Other current assets	34,579	21,022
Total current assets	4,674,860	5,696,602
Investments	313,124	296,876
Property, plant and equipment, net	1,300,845	1,180,251
Goodwill	550,367	505,099
Other intangibles, net	476,737	456,215
Other assets	180,027	169,968
Total assets	\$ 7,495,960	\$ 8,305,011
<b>LIABILITIES AND EQUITIES</b>		
Current liabilities:		
Notes and short-term obligations	\$ 1,005,838	\$ 485,118
Current portion of long-term debt	4,158	6,243
Accounts payable	1,406,015	1,689,672
Customer advances	98,191	1,752,059
Accrued liabilities	663,928	610,862
Patronage refunds and other member equities payable	94,110	113,996
Total current liabilities	3,272,240	4,657,950
Long-term debt	1,076,465	876,986
Employee benefits and other liabilities	553,135	500,824
Commitments and contingencies	—	—
Equities:		
Capital stock	764	785
Series A Cumulative Redeemable Preferred Stock	552,305	307,808
Member equities	1,073,260	1,072,846
Accumulated other comprehensive loss	(208,309)	(222,197)
Retained earnings	810,704	744,895
Total Land O'Lakes, Inc. equity	2,228,724	1,904,137
Noncontrolling interests	365,396	365,114
Total equities	2,594,120	2,269,251
Total liabilities and equities	\$ 7,495,960	\$ 8,305,011

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
	(\$ in thousands)			
Net sales	\$ 2,821,018	\$ 2,830,472	\$ 10,170,214	\$ 9,973,734
Cost of sales	2,482,534	2,513,779	8,993,236	8,811,771
Gross profit	<u>338,484</u>	<u>316,693</u>	<u>1,176,978</u>	<u>1,161,963</u>
Selling, general and administrative	293,889	296,905	874,705	873,240
Earnings from operations	<u>44,595</u>	<u>19,788</u>	<u>302,273</u>	<u>288,723</u>
Interest expense, net	18,148	17,621	51,687	47,620
Other expense (income), net	—	(302)	(171)	(302)
Equity in earnings of affiliated companies	<u>(11,206)</u>	<u>(10,485)</u>	<u>(41,347)</u>	<u>(35,730)</u>
Earnings before income taxes	<u>37,653</u>	<u>12,954</u>	<u>292,104</u>	<u>277,135</u>
Income tax (benefit) expense	<u>(9,849)</u>	<u>4,817</u>	<u>21,747</u>	<u>30,698</u>
Net earnings	<u>47,502</u>	<u>8,137</u>	<u>270,357</u>	<u>246,437</u>
Less: net earnings attributable to noncontrolling interests	11,003	6,783	49,494	56,160
Net earnings attributable to Land O'Lakes, Inc.	<u>\$ 36,499</u>	<u>\$ 1,354</u>	<u>\$ 220,863</u>	<u>\$ 190,277</u>
Applied to:				
Allocated patronage	\$ 12,793	\$ 13,668	\$ 129,135	\$ 128,719
Retained earnings	23,706	(12,314)	91,728	61,558
	<u>\$ 36,499</u>	<u>\$ 1,354</u>	<u>\$ 220,863</u>	<u>\$ 190,277</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,	
	2017	2016	2017	2016
	(\$ in thousands)			
Net earnings	\$ 47,502	\$ 8,137	\$ 270,357	\$ 246,437
Other comprehensive earnings, net of tax				
Pension and other postretirement adjustments, net of income taxes	3,775	—	11,349	—
Cash flow hedge adjustments, net of income taxes	363	1,079	854	(2,099)
Foreign currency translation adjustments, net of income taxes	(1,133)	2,515	1,918	7,216
Total other comprehensive earnings (loss)	3,005	3,594	14,121	5,117
Comprehensive earnings	50,507	11,731	284,478	251,554
Less: comprehensive earnings (loss) attributable to noncontrolling interests	10,246	8,317	49,727	61,564
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 40,261</u>	<u>\$ 3,414</u>	<u>\$ 234,751</u>	<u>\$ 189,990</u>

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

	<b>For the Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	(\$ in thousands)	
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 270,357	\$ 246,437
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization.....	151,379	133,739
Amortization of deferred financing costs.....	1,041	1,012
Non-cash patronage income.....	(1,468)	(2,691)
Deferred income tax (benefit) expense.....	12,722	18,749
Restructuring and impairment.....	—	1,994
Equity in earnings of affiliated companies.....	(41,347)	(35,731)
Dividends from investments in affiliated companies.....	26,396	29,503
Other.....	343	5,801
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables.....	(375,563)	(384,685)
Inventories.....	(133,371)	(91,776)
Prepays and other current assets.....	1,613,557	1,537,577
Accounts payable.....	(245,693)	(232,962)
Customer advances.....	(1,653,868)	(1,756,826)
Accrued liabilities.....	49,166	(76,202)
Other assets.....	(1,719)	(1,083)
Other liabilities.....	16,917	15,371
Net cash used by operating activities.....	(311,151)	(591,773)
<b>Cash flows from investing activities:</b>		
Additions to property, plant and equipment.....	(253,677)	(165,516)
Purchase of intangible assets.....	—	(200,700)
Acquisitions, net of cash acquired.....	(102,726)	(34,985)
Investments in affiliates.....	(3,286)	(4,339)
Net proceeds from sale of investments.....	3,646	5,251
Proceeds from sale of property, plant and equipment.....	6,651	15,009
Change in notes receivable.....	(141,105)	57,711
Other.....	1,469	(1,523)
Net cash used by investing activities.....	(489,028)	(329,092)
<b>Cash flows from financing activities:</b>		
Increase in short-term debt.....	521,065	759,892
Proceeds from issuance of long-term debt.....	200,531	2,252
Principal payments on long-term debt and capital lease obligations.....	(2,848)	(6,131)
Cash patronage and payments for redemption of member equities.....	(146,696)	(185,186)
Proceeds from preferred stock issued.....	244,496	113,542
Distributions to noncontrolling interest holders.....	(47,312)	(52,880)
Preferred stock dividends paid.....	(27,006)	(10,300)
Other.....	(12)	(9,036)
Net cash provided by financing activities.....	742,218	612,153
Effect of exchange rate changes on cash and cash equivalents.....	(340)	—
Net decrease in cash and cash equivalents.....	(57,961)	(308,712)
Cash and cash equivalents at beginning of the period.....	101,024	341,113
Cash and cash equivalents at end of the period.....	\$ 42,723	\$ 32,401
<b>Supplementary Disclosure of Cash Flow Information</b>		
Cash paid during periods for:		
Interest.....	\$ 54,524	\$ 34,827
Income taxes.....	655	3,138