

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

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>(Unaudited)</b>	
	<b>(\$ in thousands)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 63,139	\$ 201,005
Receivables, net	2,534,133	1,857,063
Inventories	2,519,561	2,417,979
Prepaid assets	584,876	1,520,307
Other current assets	205,830	32,497
Total current assets	5,907,539	6,028,851
Investments	311,613	317,117
Property, plant and equipment, net	1,594,075	1,490,201
Goodwill	568,993	569,994
Other intangibles, net	477,930	474,986
Other assets	245,351	243,227
Total assets	\$ 9,105,501	\$ 9,124,376
<b>LIABILITIES AND EQUITIES</b>		
Current liabilities:		
Notes and short-term obligations	\$ 715,022	\$ 186,219
Current portion of long-term debt	123,793	89,133
Accounts payable	1,682,542	1,803,833
Customer advances	975,945	1,868,864
Accrued liabilities	868,220	583,461
Patronage refunds and other member equities payable	183,059	146,575
Total current liabilities	4,548,581	4,678,085
Long-term debt	1,069,192	985,174
Employee benefits and other liabilities	586,293	549,774
Commitments and contingencies	—	—
Equities:		
Preferred Stock	747,645	747,645
Common stock	750	751
Additional paid-in capital	302,027	303,564
Member equities	1,246,157	1,270,549
Retained earnings	850,574	833,606
Accumulated other comprehensive loss	(257,272)	(261,728)
Total Land O'Lakes, Inc. equity	2,889,881	2,894,387
Noncontrolling interests	11,554	16,956
Total equities	2,901,435	2,911,343
Total liabilities and equities	\$ 9,105,501	\$ 9,124,376

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

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(\$ in thousands)</b>	
Net sales	\$ 3,493,502	\$ 3,922,823
Cost of sales	3,124,121	3,483,492
Gross profit	<u>369,381</u>	<u>439,331</u>
Selling, general and administrative	293,440	305,515
Earnings from operations	<u>75,941</u>	<u>133,816</u>
Interest expense, net	13,485	14,404
Other expense (income), net	(6,287)	(622)
Equity in earnings of affiliated companies	<u>(595)</u>	<u>(3,116)</u>
Earnings before income taxes	69,338	123,150
Income tax (benefit) expense	<u>5,684</u>	<u>7,478</u>
Net earnings	63,654	115,672
Less: net earnings attributable to noncontrolling interests	158	63
Net earnings attributable to Land O'Lakes, Inc.	<u><u>\$ 63,496</u></u>	<u><u>\$ 115,609</u></u>
Applied to:		
Member equities		
Allocated patronage	\$ 60,139	\$ 44,406
Deferred equities	<u>(26,776)</u>	<u>(1,745)</u>
	33,363	42,661
Retained earnings	<u>30,133</u>	<u>72,948</u>
	<u><u>\$ 63,496</u></u>	<u><u>\$ 115,609</u></u>

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

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(\$ in thousands)</b>	
<b>Cash Flows from operating activities:</b>		
Net earnings	\$ 63,654	\$ 115,672
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	61,005	59,487
Amortization of deferred financing costs	414	446
Non-cash patronage income	(2,737)	(1,290)
Gain on divestiture of a business	(6,073)	—
Equity in earnings of affiliated companies	(595)	(3,116)
Dividends from investments in affiliated companies	8,646	6,600
Other	2,136	197
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables	(660,508)	(732,831)
Inventories	(98,796)	(202,106)
Prepays and other current assets	940,413	1,337,201
Accounts payable	(118,313)	(127,559)
Customer advances	(893,616)	(892,445)
Accrued liabilities	141,232	172,527
Other assets	(4,149)	(253)
Other liabilities	(8,207)	355
Net cash provided by operating activities	<u>(575,494)</u>	<u>(267,115)</u>
<b>Cash Flows from investing activities:</b>		
Additions to property, plant and equipment	(36,257)	(66,189)
Acquisitions, net of cash acquired	(339)	(1,827)
Investments in affiliates	(50)	(665)
Net proceeds from sale of investments	—	5,405
Proceeds from sale of property, plant and equipment	1,490	1,230
Change in notes receivable	(7,307)	3,541
Other	2,500	526
Net cash used by investing activities	<u>(39,963)</u>	<u>(57,979)</u>
<b>Cash Flows from financing activities:</b>		
(Decrease) increase in short-term debt	527,237	375,123
Proceeds from issuance of long-term debt	14	1,203
Principal payments on long-term debt and capital lease obligations	(446)	(1,064)
Cash patronage and payments for redemption of member equities	(21,561)	(37,905)
Preferred stock dividends paid	(14,331)	(12,049)
Other	(14,098)	(12,136)
Net cash (used by) provided by financing activities	<u>476,815</u>	<u>313,172</u>
Effect of exchange rate changes on cash and cash equivalents	776	(336)
Net increase (decrease) in cash and cash equivalents	(138,642)	(11,922)
Cash and cash equivalents at beginning of the period	201,005	73,132
Cash and cash equivalents at end of the period	<u>\$ 63,139</u>	<u>\$ 60,874</u>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Cash paid during periods for:		
Interest	\$ 12,791	\$ 13,138
Income taxes	12	17