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Land O'Lakes, Inc. Reports First Quarter Financial Results

Quarterly Sales Increased to \$4.2 billion; Earnings Were \$72 million

ARDEN HILLS, Minn., May 8, 2013 -- Land O'Lakes, Inc. today announced first quarter financial results, reporting quarterly net sales of \$4.2 billion and net earnings of \$72 million. Sales were up 8 percent from the same period last year. Company officials described the first quarter performance as "solid and in line with expectations" noting that gross profit for the first quarter increased by 6 percent versus the prior year, while net earnings were down 16 percent due mainly to higher spending on advertising and promotion of new products across the businesses.

"Land O'Lakes has begun 2013 with solid sales growth and strong operating performance in our business units," said Chris Policinski, president and CEO of Land O'Lakes. "Our Crop Inputs business, which is operated under Winfield Solutions LLC, had a record year in 2012 and continued to deliver strong earnings in the first quarter of 2013, slightly below prior year because of weather-related timing of spring planting," he added.

Land O'Lakes retail dairy business had an impressive first quarter, primarily due to strong earnings in its flagship branded butter products. Innovative offerings continued to be added to Dairy Foods such as the new Saute Express® Saute Starter. New acquisitions in Dairy Foods, such as the Kozy Shack line of premium refrigerated desserts, have also begun to produce significant earnings. Total Dairy Foods gross profit increased by 56 percent versus the prior year, which was offset by higher spending on advertising and promotion.

"Our Feed business, operated through Purina Animal Nutrition LLC, showed improved operating profit in 2013 as well," Policinski added. "Our Layers egg business was challenged by high feed costs and low commodity egg prices, generating results similar to the prior year," he added.

"After reporting record sales and earnings in 2012, Land O'Lakes is building momentum to achieve even stronger earnings performance and accelerated growth," Policinski said. "In 2013 we have increased spending on advertising and promotion of new products which will generate ongoing benefits. Agribusiness and food production are among the greatest growth industries of our era and we are well-positioned to capture this opportunity with strong brands, leading market positions and innovative growth strategies," he added.



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Long term debt was essentially unchanged at the end of the quarter, at \$1.1 billion. Short term debt levels were seasonally higher at March 30, at approximately \$705 million, up from \$170 million as of December 31, 2012. The increase was due to seasonal working capital requirements.

Land O'Lakes first quarter financial results can be found at www.landolakesinc.com. Click on "Investors" and "Quarterly Financial Statements."

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 farm production to consumer foods. With 2012 annual sales of more than \$14 billion, Land O'Lakes is one of the nation's largest cooperatives, ranking in size at #194 on the Fortune 500. Building on a legacy of more than 92 years of operation, Land O'Lakes today operates under some of the most respected brands in agribusiness and food production including LAND O LAKES, Purina and WinField. The company does business in all 50 states and more than 60 countries. Land O'Lakes, Inc. corporate headquarters is located in Arden Hills, MN.