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Land O'Lakes, Inc. Posts Record Q2 and First Half Sales and Earnings

Q2 Sales Increase 6.6% to \$4.04 Billion; Net Earnings of \$96.4 Million, up 27%; Year-to-Date Sales of \$8.33 Billion, up 6.4%, Net Earnings Increase 50% to \$221.1 Million

ARDEN HILLS, Minn., Aug. 4, 2014 -- Land O'Lakes, Inc. today announced second quarter and first-half 2014 results, reflecting record sales and earnings and improved financial performance across all businesses.

For the three months ending June 30, Land O'Lakes, Inc. reported net earnings of \$96.4 million, a 27 percent year-over-year increase, on sales of \$4.04 billion, a 6.6 percent increase compared to the same period last year. For the first half of 2014, Land O'Lakes, Inc. realized net earnings of \$221.1 million, a 50 percent increase over the first six months of 2013, on sales of \$8.33 billion which were 6.4 percent higher than 2013.

"We are pleased with our overall performance for the first half of 2014, which has been driven by improving commodity markets and the success of strategic investments we have made in our core businesses over the recent past," said Chris Policinski, president and CEO of Land O'Lakes, Inc. "Our performance continues to improve as we sharpen our focus on addressing consumer interest for more convenient and more nutritious products in our food businesses and on helping farmers produce more food in an increasingly sustainable manner in our agricultural businesses."

Segment Performance:

- Land O'Lakes Dairy Foods reported earnings higher than the same time last year with growth attributed to rising butter and cheese markets, internal manufacturing efficiencies and targeted, effective marketing.
- Crop Inputs, operated under the Winfield Solutions business, reported a strong second quarter and first-half performance with a focus on delivering solutions to farmers which improve on-farm productivity, profitability and sustainability. Continuing to build its presence in the precision agriculture segment, WinField's gains are partly due to higher product sales for alfalfa and soybeans as members expanded their acreage for these crops.
- Animal Nutrition, operated under the Purina Animal Nutrition business, reported strong second quarter and first-half performance with high volumes and margins throughout its lifestyle and livestock portfolios. Animal Milk Replacer reported strong sales volume increases and margin expansion. Results from the company's premix business, NutraBlend, were also favorable.



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- The Layers segment, which is operated through MoArk, reported improved earnings from 2013, an increase due to strong egg pricing and improved business performance. The company has divested the Midwestern assets and substantially all of the Western assets of this business and is considering options with respect to the Eastern assets.

Land O'Lakes' total debt as of June 30, 2014, was \$1.54 billion, down \$114 million from the same date one year ago. The decrease was primarily due to the Moark asset sales, partly offset by increased working capital.

Land O'Lakes, Inc. first-half financial results can be found at www.landolakesinc.com. Click on "Investors," then "Quarterly Financial Statements."

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 farm production to consumer foods. With 2013 annual sales of more than \$14.2 billion, Land O'Lakes is one of the nation's largest cooperatives, ranking 199 on the Fortune 500. Building on a legacy of more than 93 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. 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.