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## **Land O'Lakes, Inc., Reports Record Annual Sales and Net Earnings**

MINNEAPOLIS, Feb. 25, 2014 -- Land O'Lakes, Inc., today announced record annual sales of \$14.2 billion, up 4.4 percent from the prior year, and record net earnings of almost \$306 million, a 27 percent increase over the prior year. The strong 2013 results continue a trend of significant growth during which the farmer-owned, Fortune 200 food and agriculture cooperative has more than doubled annual sales and grown net earnings by more than 330 percent over the last seven years.

"Our strong 2013 performance builds on our success of the last seven years," said Land O'Lakes, Inc., President and CEO Chris Policinski. "The record-setting year in Dairy Foods, combined with the continued strong performance of WinField, exemplify our commitment to delivering the products, programs and services that provide the greatest value for our customers and members alike."

Overall results for 2013 also included a record return of \$147 million to members, representing a 30 percent increase in patronage compared to 2012. This is the fifth consecutive year cash to members has exceeded \$100 million, bringing the seven-year total to more than \$750 million.

A number of strong performances across Land O'Lakes' core businesses drove the favorable year-end results including:

- Dairy Foods – 101 percent year-over-year growth in pretax earnings,
- Crop Inputs – Greater than \$200 million in pretax earnings for second consecutive year and
- Feed – 12 percent annual sales growth in Companion Animal and \$25 million annual sales increase in Lifestyle Feed compared to 2012

For the quarter ending December 31, 2013, Land O'Lakes delivered net earnings of \$108 million, a 19 percent increase compared to Q4 2012. Fourth quarter pretax earnings were driven by a 306 percent increase in Feed, and a 421 percent increase in Layers compared to Q4 2012.

"Our strategic direction is clear: Deliver strong financial performance while continuing to enhance our capabilities for future growth," Policinski said. "We will continue to make strategic investments in our core businesses – from agriculture to animal nutrition to the dairy case."



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### **Land O'Lakes, Inc. Businesses**

**Dairy Foods** generated record pretax earnings of \$75 million on sales of \$4.5 billion, up 8 percent from 2012. This year's results, Dairy Foods' highest earnings ever, were driven by improved margins on milk powders and butter in Global Dairy Ingredients along with records in sales volume and earnings in our Retail Foods and Foodservice businesses.

Demonstrating continued success in the agriculture market, **Crop Inputs**, operated through WinField Solutions, delivered \$218 million in pretax earnings on sales of \$4.76 billion. The performance in Crop Inputs is a direct result of strategic decisions to focus on key business segments with strong margins such as herbicides, insecticides and fungicides; seed treatments, adjuvants, micronutrients and plant growth regulators; and corn and alfalfa seed.

**Feed**, operated through the Purina Animal Nutrition business, delivered \$18 million in pretax earnings on sales of \$4.77 billion, a 5 percent increase over 2012. While unfavorable commodity markets and trading results resulted in a decline in year-over-years pretax earnings, Purina's overall volumes in the Lifestyle business increased, including strong advances in the Companion Animal business.

**Layers**, run by the Company's subsidiary, Moark, LLC, recorded sales of \$259 million. Pretax losses of \$25 million in 2013 represent a \$14 million year-over-year performance improvement compared to 2012. While challenges related to supply issues and high feed prices relative to egg prices impacted our Layers business, an extensive focus on cost savings and improved operational efficiency drove the financial improvements in 2013.

The complete 2013 Land O'Lakes, Inc. Annual Report and related financial data is available on the Land O'Lakes website at <http://www.landolakesinc.com/investors>

### **About Land O'Lakes, Inc.**

Headquartered in Arden Hills, MN, Land O'Lakes, Inc., is one of America's premier agribusiness and food companies and is a member-owned cooperative with industry-leading operations that span the spectrum from farm production to consumer foods. With 2013 annual sales of \$14.2 billion, Land O'Lakes, Inc., is one of the nation's largest cooperatives, ranking #194 on the Fortune 500. Building on a legacy of more than 93 years of operation, Land O'Lakes, Inc., today operates some of the most respected brands in agribusiness and food production including LAND O LAKES® Dairy Foods, Purina Animal Nutrition, WinField and Geosys. The company does business in all 50 states and more than 60 countries. Land O'Lakes International Development is a division of the company helping to transform lives through agriculture and enterprise partnerships that are enhancing profitability and food security in developing countries around the world. Since 1981, this division has helped generate economic growth and improve the quality of life for millions of people through more than 275 projects in 76 developing nations.



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### **Forward Looking Statements**

Certain statements made in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements regarding management expectations, strategic objectives, business prospects, anticipated savings, financial results, anticipated results of litigation and regulatory proceedings and other similar matters are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.