

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

	For the Three Months Ended	
	March 31,	
	2018	2017
	(\$ in thousands)	
Net sales	\$ 3,922,823	\$ 3,674,464
Cost of sales	3,483,492	3,246,169
Gross profit	<u>439,331</u>	<u>428,295</u>
Selling, general and administrative	305,515	291,076
Earnings from operations	<u>133,816</u>	<u>137,219</u>
Interest expense, net	14,404	15,131
Other expense (income), net	(622)	—
Equity in earnings of affiliated companies	<u>(3,116)</u>	<u>(3,701)</u>
Earnings before income taxes	123,150	125,789
Income tax (benefit) expense	<u>7,478</u>	<u>15,892</u>
Net earnings from continuing operations	<u>115,672</u>	<u>109,897</u>
Net earnings from discontinued operations	—	—
Net earnings	<u>115,672</u>	<u>109,897</u>
Less: net earnings attributable to noncontrolling interests	63	4,980
Net earnings attributable to Land O'Lakes, Inc.	<u><u>\$ 115,609</u></u>	<u><u>\$ 104,917</u></u>
Applied to:		
Member equities		
Allocated patronage	\$ 44,406	\$ 63,365
Deferred equities	<u>(1,745)</u>	<u>(2,547)</u>
	42,661	60,818
Retained earnings	<u>72,948</u>	<u>44,099</u>
	<u><u>\$ 115,609</u></u>	<u><u>\$ 104,917</u></u>