

GROWMARK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended August 31, 2011 and 2010
(\$ In Thousands)

	<u>2011</u>	<u>2010</u>
<u>Operating Activity</u>		
Consolidated net income	\$ 207,275	108,523
Less: Net income attributable to non-GROWMARK ownership in subsidiaries	(11,246)	(9,759)
Net income attributable to GROWMARK	<u>196,029</u>	<u>98,764</u>
Patronage	84,572	69,971
Net income attributable to GROWMARK and after patronage	\$ 111,457	28,793
Depreciation/Amortization	51,074	31,322
Patronage received in stock	(45,434)	(15,818)
Patronage refund declared in stock	49,120	36,472
Other non-cash items	5,819	18,612
Net gain on available-for-sale securities	(109,452)	(8,195)
Segregated funds	(20,626)	(6,283)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts and notes receivable	(189,627)	(2,407)
Inventories	(245,549)	(6,883)
Accounts payable	61,357	(4,769)
Patronage refunds payable	1,959	(7,162)
Other long-term liabilities	7,482	(8,417)
Vendor prepayments	(83,534)	1,074
Customer prepayments	174,460	54,356
Other assets/liabilities	(6,694)	40,073
Net cash (used) provided by operating activities	(238,188)	150,768
<u>Ownership Activity</u>		
Proceeds from sale of available-for-sale securities	126,340	36,725
Purchases of available-for-sale securities	(4,741)	(24,481)
Purchases of ownership in cooperatives and others	(17,691)	(2,788)
Purchases of property, plant and equipment	(59,128)	(45,372)
Proceeds from sale of property, plant and equipment	2,084	2,930
Acquisition of businesses, net of cash acquired	(35,164)	(4,039)
Net cash provided (used) by ownership activities	11,700	(37,025)
<u>Financing Activity</u>		
Term debt additions	214,952	14,683
Term debt payments	(80,597)	(3,007)
Increase (decrease) in short-term borrowings	106,732	(153,029)
Redemption of preferred stock	(14,984)	(2,918)
Dividends on preferred stock	(165)	(5)
Net cash provided (used) by financing activities	<u>225,938</u>	<u>(144,276)</u>
Net decrease in cash and equivalents	(550)	(30,533)
Cash and equivalents at beginning of year	<u>7,768</u>	<u>38,301</u>
Cash and equivalents at end of year	<u>\$ 7,218</u>	<u>7,768</u>
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for:		
Interest	\$ 24,754	12,856
Income Taxes	35,338	2,916