

GROWMARK, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended August 31, 2011 and 2010

(\$ In Thousands)

	<u>2011</u>	<u>2010</u>
Net sales	\$ 8,597,241	6,132,005
Cost of sales	8,308,583	5,901,614
Gross margin	288,658	230,391
General, administrative and selling expense	(145,115)	(120,155)
Other income - net	35,000	14,081
Total operating income	178,543	124,317
Net gain from securities activity	109,452	8,195
Interest expense	(27,038)	(13,418)
Pretax income	260,957	119,094
Income tax expense	(53,682)	(10,571)
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	\$ 196,029	98,764
Distribution of net income attributable to GROWMARK:		
Patronage - cash	\$ 35,452	33,499
- preferred stock	48,099	35,432
- non-qualified preferred stock	1,021	1,040
Dividends	408	165
Increase in retained earnings	111,049	28,628
	\$ 196,029	98,764

See accompanying notes.