

GROWMARK, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended August 31, 2009 and 2008

(\$ In Thousands)

	<u>2009</u>	<u>Restated 2008</u>
Net sales	\$ 6,091,674	6,733,513
Cost of sales	5,882,263	6,407,980
Gross margin	209,411	325,533
Operating income (expenses):		
General, administrative and selling expense	(109,388)	(104,037)
Other income - net	11,834	13,441
Total operating income	111,857	234,937
Gain from sale of securities	7,723	233,150
Interest expense	(17,915)	(26,388)
Pretax income	101,665	441,699
Income tax expense	(4,760)	(114,664)
Net income before patronage and dividends	\$ 96,905	327,035
Distribution of net income before patronage and dividends:		
Patronage - cash	\$ 40,661	54,827
- preferred stock	42,096	74,816
Dividends	325	165
Increase in retained earnings	13,823	197,227
	\$ 96,905	327,035

See accompanying notes.