GENERAL MILLS



Fiscal 2015
First Quarter Results

A Reminder on Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations and assumptions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. In particular, our predictions about future net sales and earnings could be affected by a variety of factors, including: competitive dynamics in the consumer foods industry and the markets for our products, including new product introductions, advertising activities, pricing actions and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in the legal and regulatory environment, including labeling and advertising regulations and litigation; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing and promotional programs; changes in consumer behavior, trends and preferences, including weight loss trends; consumer perception of health-related issues, including obesity; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging and energy; disruptions or inefficiencies in the supply chain; volatility in the market value of derivatives used to manage price risk for certain commodities; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war. The company undertakes no obligation to publicly revise any forward-looking statements to reflect any future events or circumstances.

Q1 FINANCIAL REVIEW



Don Mulligan
Executive Vice President;
Chief Financial Officer

First Quarter Fiscal 2015 Financial Summary

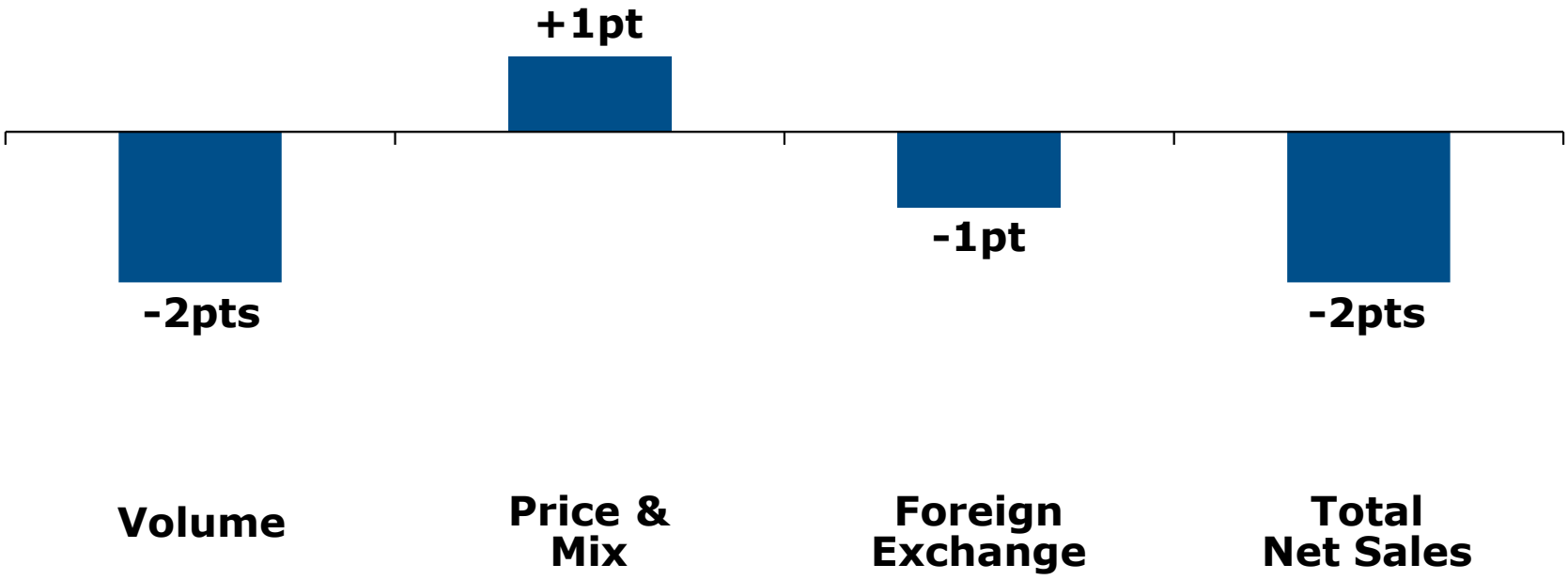
($ in Millions, Except per Share)

	$	% Change	Constant-currency % Change*
Net Sales	$4,268	-2%	-1%
Segment Operating Profit*	690	-15	-15
Net Earnings Attributable to General Mills	345	-25	
Diluted EPS	.55	-21	
Certain Items Affecting Comparability	.06		
Adjusted Diluted EPS*	.61	-13%	-13%

*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2015
Components of Net Sales Growth

As Reported



First Quarter Fiscal 2015
U.S. Retail Segment Results

Segment Net Sales -5% vs. LY
Segment Operating Profit -25% vs. LY

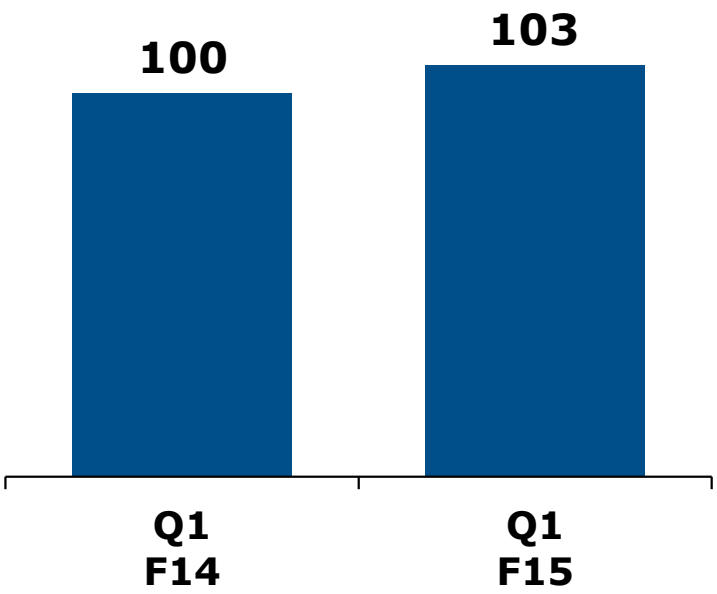
	% Change vs. LY	
	Net Sales	**Pounds**
Snacks	+3%	+
Small Planet Foods	+2	+
Yoplait	+1	+
Frozen	-6	Flat
Big G Cereals	-9	–
Baking Products	-11	–
Meals	-13	-DD
Total U.S. Retail	**-5%**	**-2%**

Trade Merchandising Expense Drivers

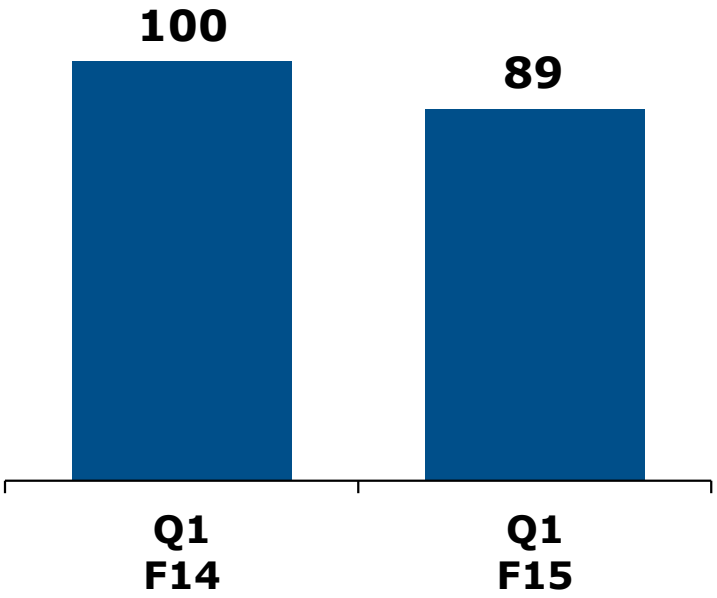
- Higher New Product Activity
- Merchandising Programs Less Effective
- Difficult Comparison to Year Ago

Merchandising Trends vs. Last Year

General Mills
% Volume Sold With
Quality Merchandising
(Index: Q1 F14 = 100)



General Mills
Quality Merchandising
% Discount
(Index: Q1 F14 = 100)



Source: Nielsen XAOC FYTD ended 8.23.14

First Quarter Fiscal 2015
Convenience Stores & Foodservice

Segment Net Sales +1% vs. LY
Segment Operating Profit +18% vs. LY



Q1 Net Sales Growth

Yogurt	+34%
Frozen Breakfast	+13
Snacks	+6
Biscuits	+3
Cereal	-8
Mixes	-9
Total Priority Platforms	**+4%**

First Quarter Fiscal 2015
International Segment

Constant-currency Segment Net Sales* +6% vs. LY
Constant-currency Segment Operating Profit* +17% vs. LY

Q1 Constant-currency Net Sales*
(Change vs. LY)

Latin America	+20%
Asia / Pacific	+4
Europe	+4
Canada	-2



*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2015 Segment Operating Profit

($ in Millions)

	$	% Change	Constant Currency % Change*
Total Segment Operating Profit*	**$690**	**-15%**	**-15%**
U.S. Retail	457	-25	
International	146	+16	+17
Convenience Stores & Foodservice	87	+18	

*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2015
Joint Venture Results

After-tax Earnings: $26MM; +5% vs. LY*





CPW
Net Sales -1%**



HDJ
Net Sales +3**

*Growth rate in constant currency. Non-GAAP measure. See appendix for reconciliation.
**Growth rates in constant currency.

First Quarter Fiscal 2015
Other Income Statement Items

- Unallocated Corporate Expense Decreased Excluding Mark-to-market Effects
- Restructuring and other Exit Costs of $14MM Pre-tax
  - Excluded from Adjusted Diluted EPS
- Adjusted Effective Tax Rate 32.3% vs. 32.2% LY*
- Average Number of Diluted Shares Outstanding Down 5%

*Non-GAAP measure. See appendix for reconciliation.

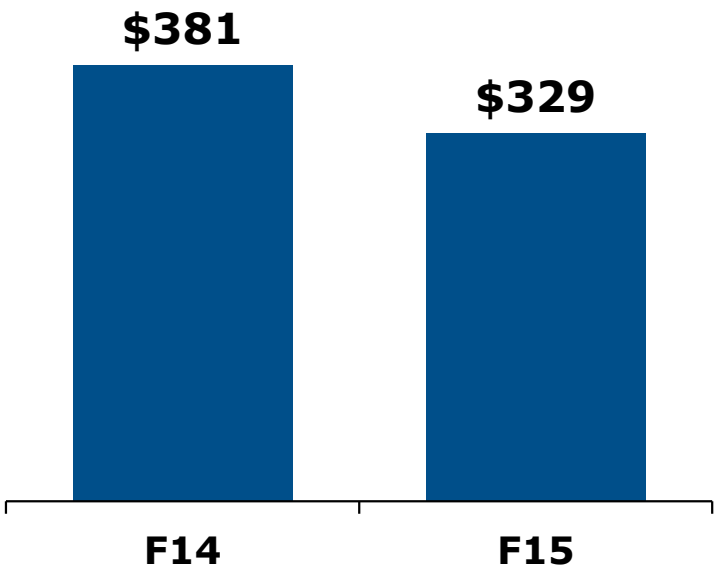
Fiscal 2015 Core Working Capital

($ in Millions)

	Q1	
	F15	**F14**
Accounts Receivable	$1,623	$1,638
Inventories	1,823	1,774
Accounts Payable	1,571	1,426

First Quarter Fiscal 2015 Cash Flow Highlights

Q1 Operating Cash Flow
($ in Millions)



Uses of Cash

- Fixed Asset Investment = $149MM
- Dividends Paid = $254MM
- Share Repurchases = $462MM

Annie's Acquisition

- Annie's Fiscal 2014 Net Sales = $204 Million
- Purchase Price = $46 per Share in Cash
  - Funded through Debt
  - No Impact on F15 Share Repurchase Plan
- Accretive in First 12 Months After Closing*
- Expect Transaction to Close in Calendar 2014

*Excludes purchase accounting adjustments and transaction and integration expenses.

Fiscal 2015 Financial Targets

- Mid Single-digit Growth in Constant-currency Net Sales*, including 53rd Week
- Mid Single-digit Growth in Constant-currency Segment Operating Profit*
- High Single-digit Growth in Constant-currency Adjusted Diluted EPS*

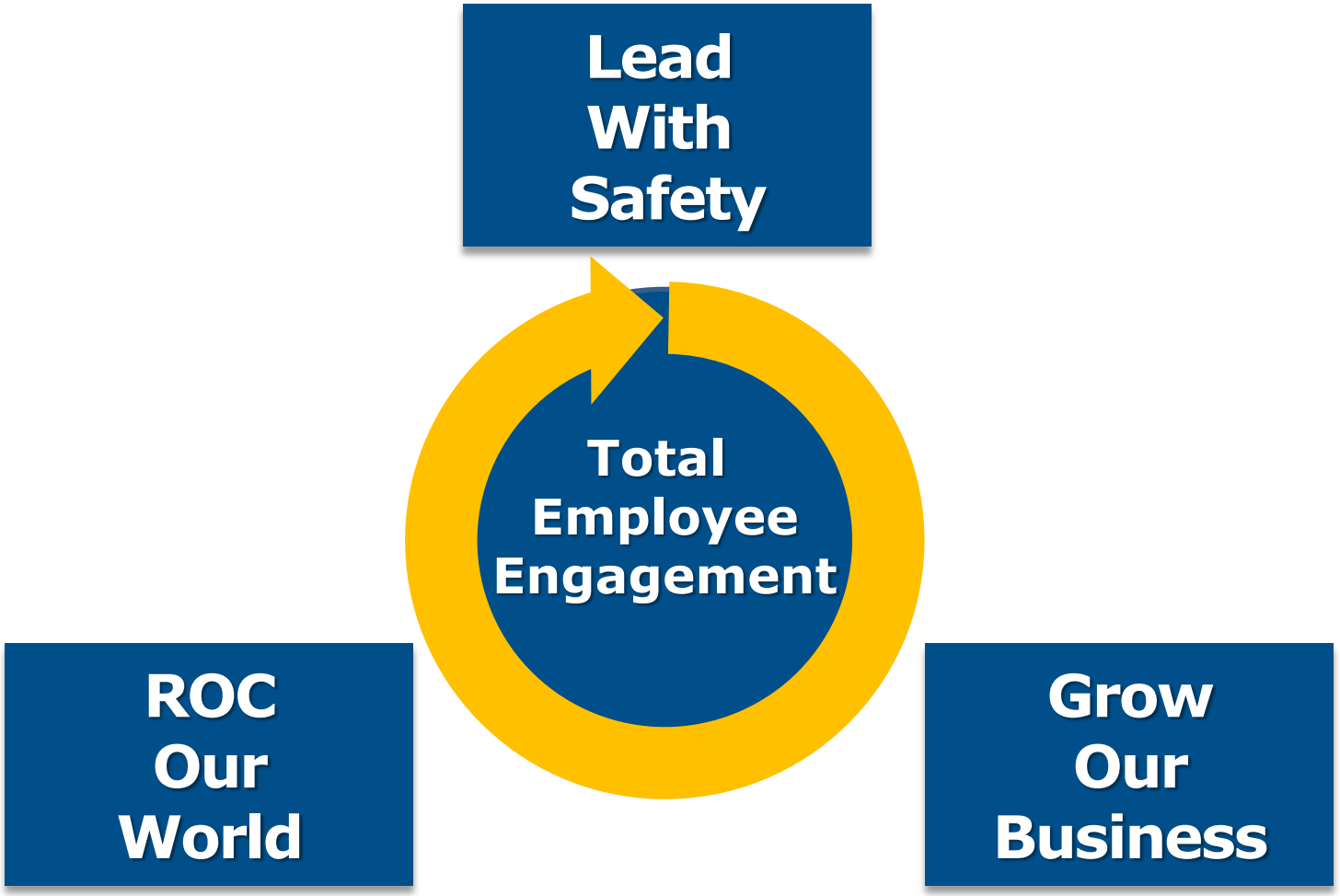
*Non-GAAP measures

SUPPLY CHAIN UPDATE

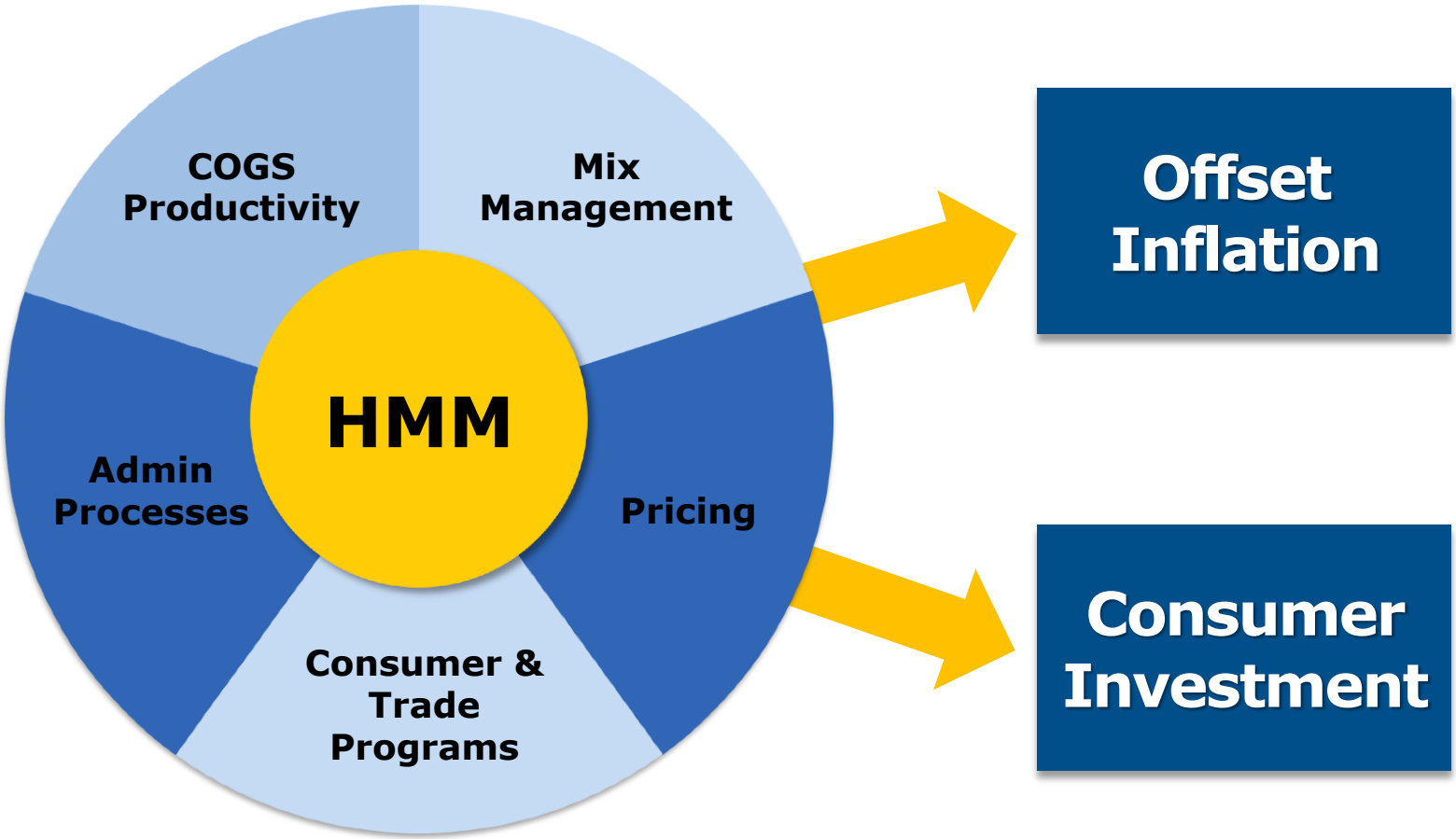


John Church
Executive Vice President,
Supply Chain

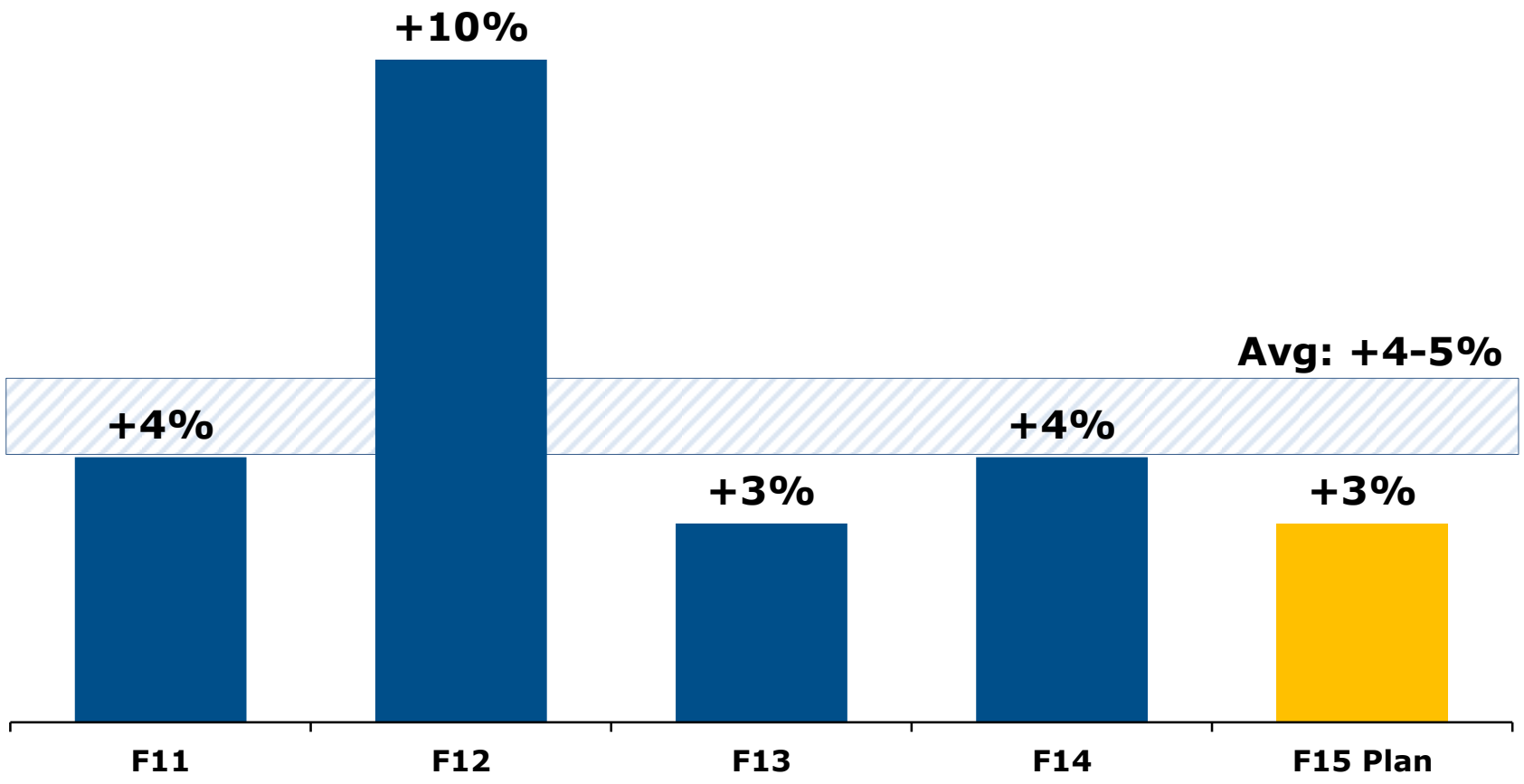
Global Supply Chain Strategy



Holistic Margin Management



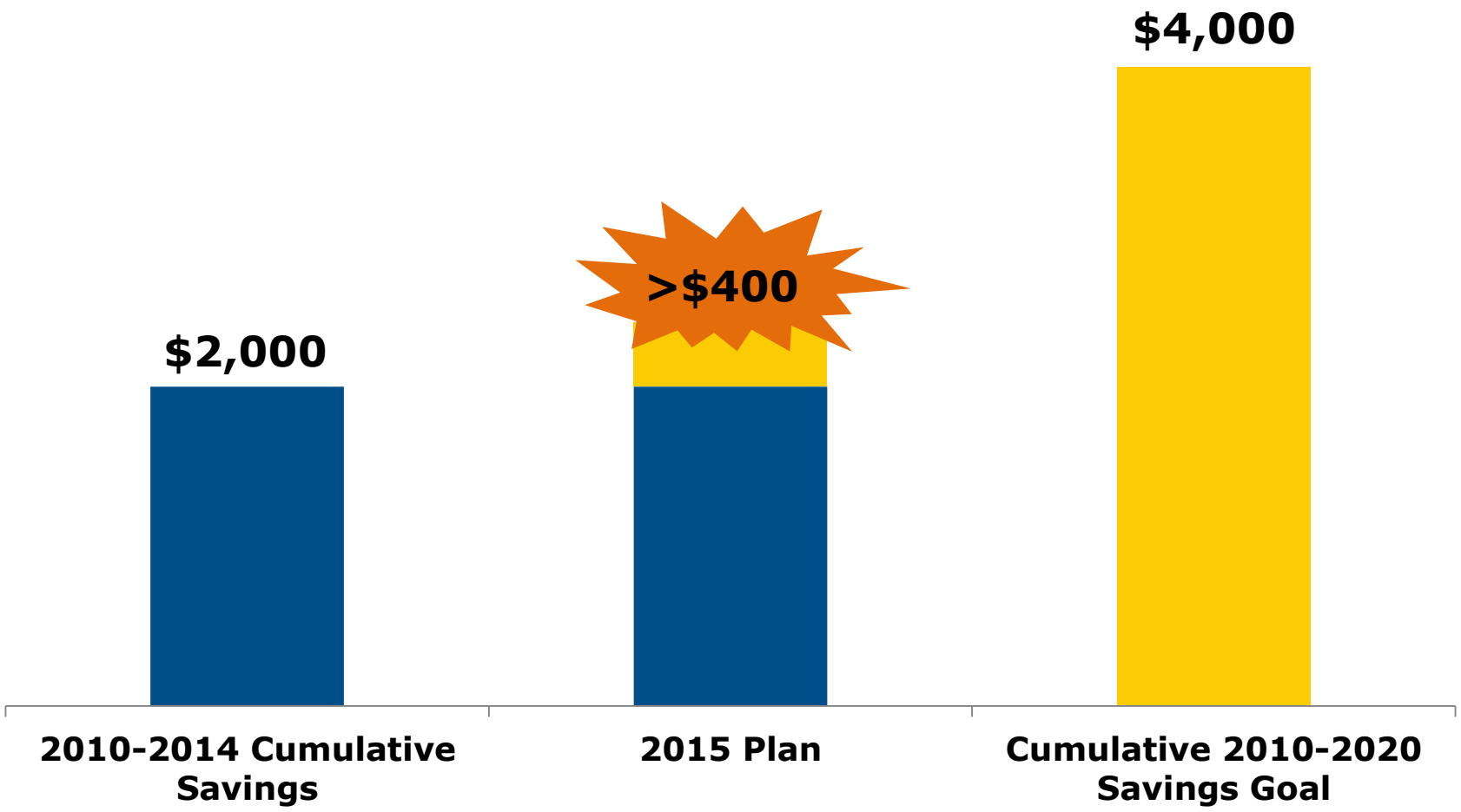
General Mills Input Cost Inflation



Supply Chain costs including raw materials, energy, wages, benefits, handling costs.

On Pace To Achieve Our HMM Goal

(COGS HMM, Fiscal Years, $ in Millions)



2015 HMM Projects

End-to-end Optimization



$10MM Savings

Pouso Alegre, Brazil Factory HMM



$5MM Savings

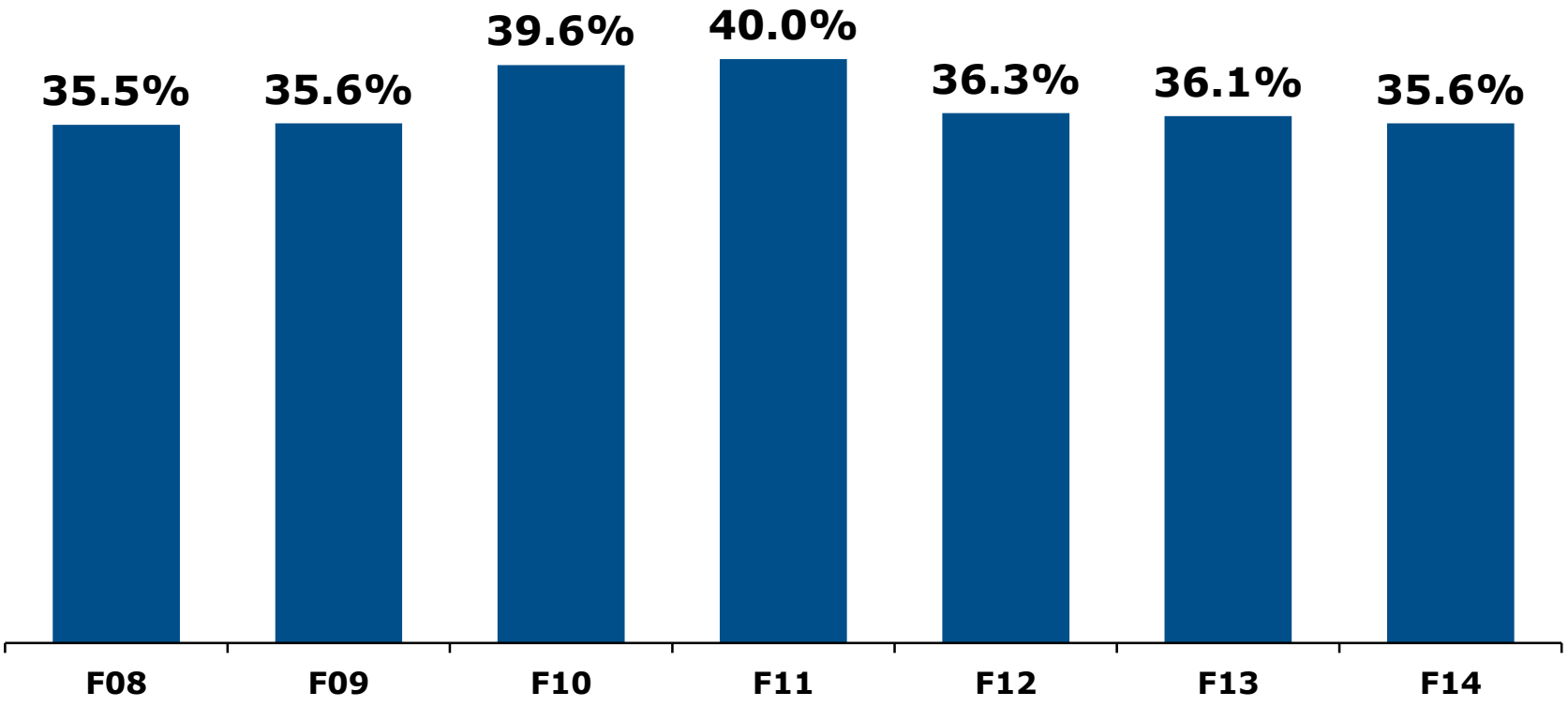
Global Sourcing



$10MM Savings

HMM Has Helped Maintain Margins

Gross Margin % of Sales



Project Century Overview

- North America Supply Chain Asset Optimization Project
- Objectives:
  - Streamline & Simplify
  - Position Supply Chain for Future Growth
- $100 Million Cumulative Savings by F17
  - Material Savings Beginning in F16

OPERATING HIGHLIGHTS



Ken Powell
Chairman and CEO

Today's Operating Environment

- Convenience Stores & Foodservice: Stable
- U.S. Retail: Category Trends Weakened in Q1
  - Aggregate Retail Sales -1% vs. LY
- International Markets: Growth Slowed Somewhat

U.S. Retail
First Quarter Operating Summary

- Dessert Mixes, Meal Products, and Frozen Vegetables Drove U.S. Retail Volume Decline

- Good Progress on Top F15 Priorities: Cereal, Yogurt, and Snacks



Big G Continued Market Share Gains

Q1 Highlights

RTE Cereal Dollar Share: 31.1%, +0.3pts vs LY







Source: Nielsen XAOC FYTD ended 8.23.14

Renewed Sales and Market Share Growth for Yoplait Division

Q1 Highlights

Yoplait Retail Sales +3%

Dollar Share 24.4%, +0.5pts vs LY









Source: Nielsen XAOC FYTD ended 8.23.14

Continued Strong Snacks Momentum

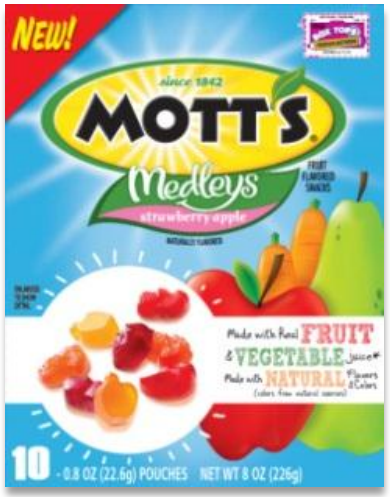
Fiber One



Nature Valley



Fruit Snacks



	Q1 % Change Retail Sales	Q1 Change Market Share
Grain Snacks	**+6%**	**+2.9 pts**
Fruit Snacks	**+5%**	**+2.1 pts**

Source: Nielsen XAOC FYTD ended 8.23.14

Natural & Organic Foods



Q1 Natural/Organic Snacks Retail Sales +17%



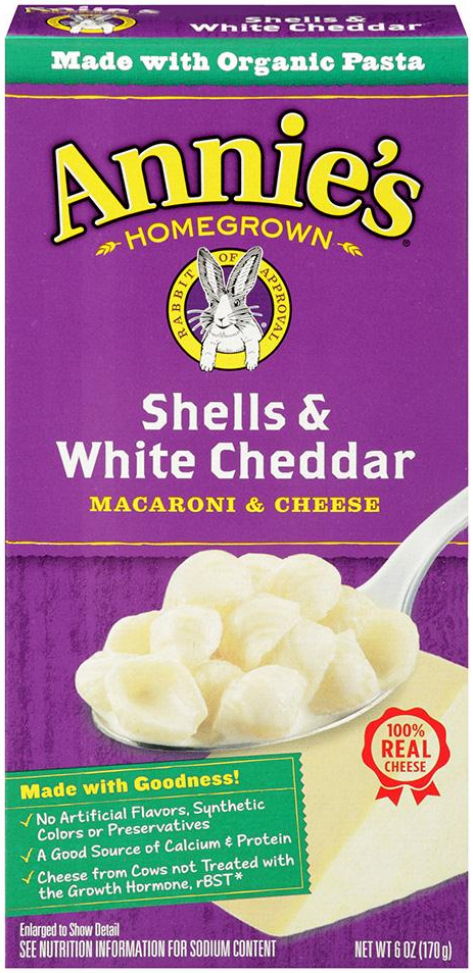


Cause-related Consumer Investment

Source: Nielsen XAOC FYTD ended 8.23.14, SPINS FYTD ended 8.10.14

Expanding Our Portfolio

Annie's





Additional First Quarter Highlights

Totino's



	Q1 % Change Retail Sales	Q1 Change Market Share
Pizza	+7%	+0.8 pts
Hot Snacks	+3%	+1.2 pts

Old El Paso

(Shelf-stable and Frozen)



Q1 Old El Paso Retail Sales +7%

Source: Nielsen XAOC FYTD ended 8.23.14; Old El Paso data includes frozen and shelf stable ex-snack aisle

Growing Share in Majority of Key U.S. Retail Categories

	Q1 Dollar Share	+/- LY
Grain Snacks	43.7%	2.9pts
Fruit Snacks	46.7	2.1
RTS Soup	37.5	1.4
Frozen Hot Snacks	27.3	1.2
Frozen Pizza	10.5	0.8
Yogurt	24.4	0.5
RTE Cereal	31.1	0.3
Dry Packaged Dinners	17.5	-0.2
Mexican Aisle Products*	16.6	-0.3
Refrig. Baked Goods	67.3	-0.6
Frozen Vegetables	16.2	-2.3
Dessert Mixes	37.9	-2.6

* Excludes snack aisle
Source: Nielsen XAOC FYTD ended 8.23.14

Convenience Stores & Foodservice
First Quarter Fiscal 2015 Net Sales Growth

Yogurt







+34%

Snacks





+6%

Frozen Breakfast







+13%

International Highlights
Europe Region

Häagen-Dazs



Q1 Retail Sales +5%

Old El Paso



Q1 Retail Sales +12%

Yoplait



UK Q1 Retail Sales +7%



France Q1 Retail Sales +5%

Source: Nielsen & IRI latest quarter ended July 2014

International Highlights
Asia/Pacific Region



Häagen-Dazs Constant-currency Net Sales +9%*



Q1 Wanchai Ferry New Items

* Actual net sales in local currency translated to USD at a fixed exchange rate.

International Highlights
Latin America Region







Successful Festa Junina Execution

Q1 Launch

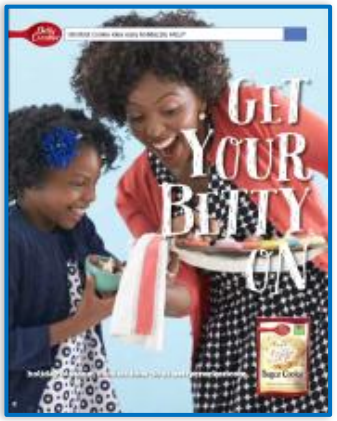
Second Quarter Initiatives

Progresso Soup Season



Key Baking Season





International Media Support & Innovation









Today's General Mills Fiscal 2015 Update

- Maintaining Outlook for Full Year Sales and Earnings Growth
- Top Priority is Accelerating Net Sales Growth
- Ongoing HMM Program and New Cost-reduction Efforts to Boost Efficiency and Sharpen Focus

Additional Information Related to the Annie's Transaction

The tender offer described in this document has not yet commenced. This document and the description contained herein is neither an offer to purchase nor a solicitation of an offer to sell shares of Annie's, Inc. At the time the tender offer is commenced, General Mills, Inc. and its wholly owned subsidiary, Sandy Acquisition Corporation, intend to file with the Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule TO containing an offer to purchase, a form of letter of transmittal and other documents relating to the tender offer, and Annie's intends to file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. General Mills, Sandy Acquisition Corporation and Annie's intend to mail these documents to the stockholders of Annie's. These documents will contain important information about the tender offer and stockholders of Annie's are urged to read them carefully when they become available. Stockholders of Annie's will be able to obtain a free copy of these documents (when they become available) and other documents filed by Annie's, General Mills or Sandy Acquisition Corporation with the SEC at the website maintained by the SEC at www.sec.gov. In addition, stockholders will be able to obtain a free copy of these documents (when they become available) from the information agent named in the offer to purchase or from General Mills.

Reconciliation of Total Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q1	
	2015	**2014**
U.S. Retail	$457	$612
International	146	126
Convenience Stores & Foodservice	87	74
Total Segment Operating Profit	$690	$812
Unallocated Corporate Items	119	74
Restructuring, Impairment, and Other Exit Costs	14	3
Operating Profit	$558	$735

Table does not foot due to rounding.

Reconciliation of Adjusted Diluted EPS and Related Constant-currency Growth Rate

(Fiscal Years)

	Q1		
	2015	**2014**	**Change**
Diluted EPS	$0.55	$0.70	-21%
Mark-to-market Effects	.05	--	
Restructuring	.01	--	
Adjusted Diluted EPS	$0.61	$0.70	-13%
Impact of Foreign Currency Exchange			--
Adjusted Diluted EPS On a Constant-currency Basis			-13%

Reconciliation of Constant-currency Net Sales Growth

(Fiscal Years)

	Q1 2015		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-currency Basis
Europe	9%	5 pts	4%
Canada	-6	-4	-2
Asia/Pacific	4	--	4
Latin America	-4	-24	20
Total International	2%	-4 pts	6%
Total Net Sales	-2%	-1 pts	-1%

Reconciliation of Constant-currency International Segment Operating Profit Growth

(Fiscal Years)

	Q1 2015		
	% Change in Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	% Change in Segment Operating Profit on a Constant-currency Basis
International Segment Operating Profit	16%	-1 pts	17%

Reconciliation of Constant-currency Total Segment Operating Profit Growth

(Fiscal Years)

	Q1 2015		
	% Change in Total Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	% Change in Total Segment Operating Profit on a Constant-currency Basis
Total Segment Operating Profit	-15%	--	-15%

Reconciliation of Constant-currency After-tax JV Earnings

(Fiscal Years)

	Q1 2015		
	% Change in After-tax JV Earnings as Reported	Impact of Foreign Currency Exchange	% Change in After-tax JV Earnings on a Constant-currency Basis
Total After-tax Earnings from Joint Ventures	7%	2 pts	5%

Reconciliation of Tax Rate Excluding Items

(Fiscal Years, $ in Millions)

	Q1 2015		Q1 2014	
	Pre-tax Earnings*	**Income Taxes**	**Pre-tax Earnings***	**Income Taxes**
As Reported	$479	$153	$656	$212
Mark-to-market effects	49	18	1	--
Restructuring Costs	14	5	3	--
As Adjusted	$542	$175	$660	$213
Effective Tax Rate:				
As Reported		31.8%		32.3%
As Adjusted		32.3%		32.2%

* Earnings before income taxes and after-tax earnings from joint ventures.
Table does not foot due to rounding.

Full Year Historical Data for Changes to International Segment Operating Profit and Unallocated Corporate Items

Beginning in the first quarter of fiscal 2015, we changed how we assess segment operating performance to exclude the asset and liability remeasurement impact of hyperinflationary economies. We revised the amounts previously reported for International segment operating profit and unallocated corporate items. These changes had no effect on previously reported consolidated net sales, operating segments' net sales, operating profit, net earnings attributable to General Mills or earnings per share.

We are providing investors revised historical financial information to assist them in making comparisons with our current presentation.

	Fiscal Year				
(Dollars in Millions)	**2014**	**2013**	**2012**	**2011**	**2010**
As Reported					
Operating Profit:					
U.S. Retail	$ 2,311.5	$ 2,392.9	$ 2,295.3	$ 2,347.9	$ 2,385.1
International	472.9	490.2	429.6	291.4	192.1
Convenience Stores and Foodservice	307.3	314.6	286.7	306.3	263.3
Total Segment Operating Profit	$ 3,091.7	$ 3,197.7	$ 3,011.6	$ 2,945.6	$ 2,840.5
Unallocated Corporate Items	196.2	326.1	347.6	184.1	203.0
Divestiture (Gain)	(65.5)	-	-	(17.4)	-
Restructuring, Impairment, and Other Exit Costs	3.6	19.8	101.6	4.4	31.4
Operating Profit	**$ 2,957.4**	**$ 2,851.8**	**$ 2,562.4**	**$ 2,774.5**	**$ 2,606.1**
As Changed					
Operating Profit:					
U.S. Retail	$ 2,311.5	$ 2,392.9	$ 2,295.3	$ 2,347.9	$ 2,385.1
International	535.1	515.4	429.6	291.4	206.1
Convenience Stores and Foodservice	307.3	314.6	286.7	306.3	263.3
Total Segment Operating Profit	$ 3,153.9	$ 3,222.9	$ 3,011.6	$ 2,945.6	$ 2,854.5
Unallocated Corporate Items	258.4	351.3	347.6	184.1	217.0
Divestiture (Gain)	(65.5)	-	-	(17.4)	-
Restructuring, Impairment, and Other Exit Costs	3.6	19.8	101.6	4.4	31.4
Operating Profit	**$ 2,957.4**	**$ 2,851.8**	**$ 2,562.4**	**$ 2,774.5**	**$ 2,606.1**

Fiscal 2014 Quarterly Data for Changes to International Segment Operating Profit and Unallocated Corporate Items

Beginning in the first quarter of fiscal 2015, we changed how we assess segment operating performance to exclude the asset and liability remeasurement impact of hyperinflationary economies. We revised the amounts previously reported for International segment operating profit and unallocated corporate items. These changes had no effect on previously reported consolidated net sales, operating segments' net sales, operating profit, net earnings attributable to General Mills or earnings per share.

We are providing investors revised historical financial information to assist them in making comparisons with our current presentation.

	Fiscal 2014				
(Dollars in Millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
As Reported					
Operating Profit:					
U.S. Retail	$ 611.9	$ 681.6	$ 516.6	$ 501.4	$ 2,311.5
International	125.6	153.2	110.5	83.6	472.9
Convenience Stores and Foodservice	74.1	84.9	62.4	85.9	307.3
Total Segment Operating Profit	$ 811.6	$ 919.7	$ 689.5	$ 670.9	$ 3,091.7
Unallocated Corporate Items	74.0	48.9	18.9	54.4	196.2
Divestiture (Gain)	-	-	-	(65.5)	(65.5)
Restructuring, Impairment, and Other Exit Costs	2.8	0.7	-	0.1	3.6
Operating Profit	**$ 734.8**	**$ 870.1**	**$ 670.6**	**$ 681.9**	**$ 2,957.4**
As Changed					
Operating Profit:					
U.S. Retail	$ 611.9	$ 681.6	$ 516.6	$ 501.4	$ 2,311.5
International	125.6	153.2	110.5	145.8	535.1
Convenience Stores and Foodservice	74.1	84.9	62.4	85.9	307.3
Total Segment Operating Profit	$ 811.6	$ 919.7	$ 689.5	$ 733.1	$ 3,153.9
Unallocated Corporate Items	74.0	48.9	18.9	116.6	258.4
Divestiture (Gain)	-	-	-	(65.5)	(65.5)
Restructuring, Impairment, and Other Exit Costs	2.8	0.7	-	0.1	3.6
Operating Profit	**$ 734.8**	**$ 870.1**	**$ 670.6**	**$ 681.9**	**$ 2,957.4**