GENERAL MILLS



Fiscal 2015
Second 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.

Q2 FINANCIAL REVIEW



Don Mulligan
Executive Vice President;
Chief Financial Officer

Second Quarter Fiscal 2015 Financial Summary

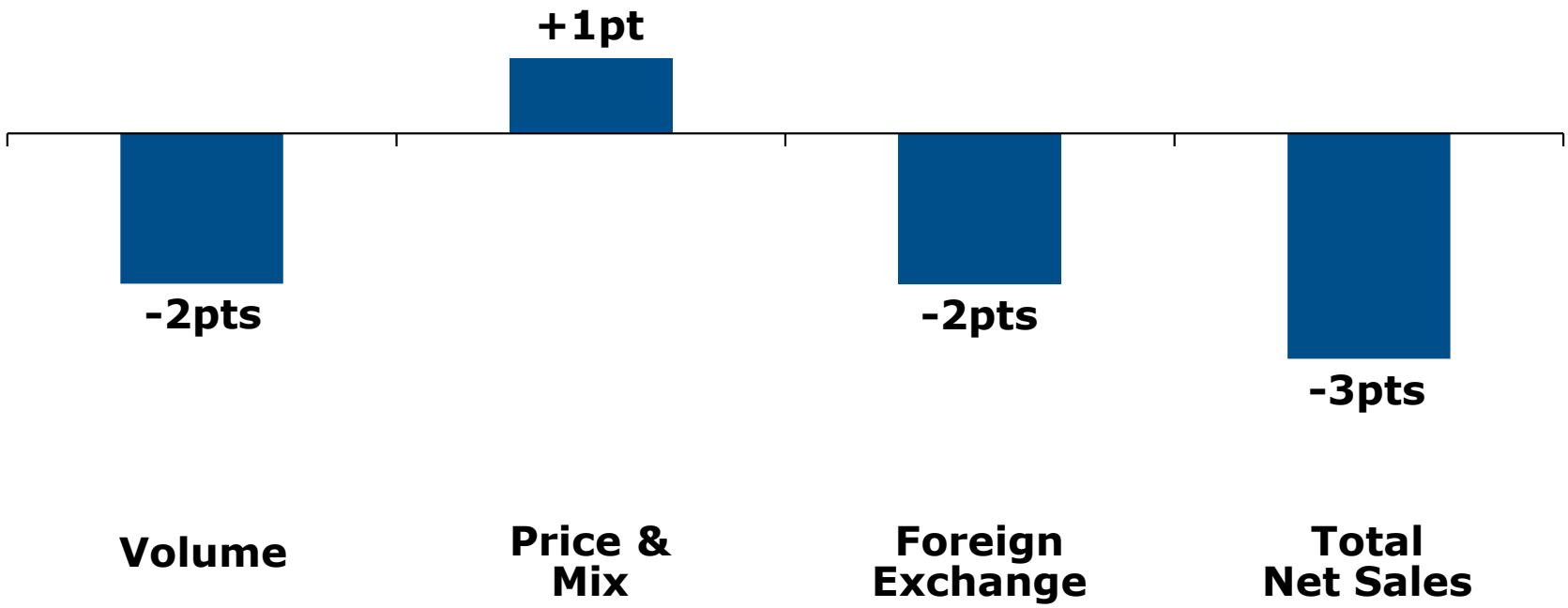
($ in Millions, Except per Share)

	$	% Change	Constant-currency % Change*
Net Sales	$4,712	-3%	-1%
Segment Operating Profit*	847	-8	-6
Net Earnings Attributable to General Mills	346	-37	
Diluted EPS	.56	-33	
Certain Items Affecting Comparability	.24		
Adjusted Diluted EPS*	.80	-4%	Flat

*Non-GAAP measures. See appendix for reconciliation.

Second Quarter Fiscal 2015
Components of Net Sales Growth

As Reported



Second Quarter Fiscal 2015
U.S. Retail Segment

Segment Net Sales: -4% vs. LY
Segment Operating Profit: -10% vs. LY



Second Quarter Net Sales

(Change vs. LY)

Total U.S. Retail Segment	**-4%**
Snacks	+2
Yogurt	+1
Cereal	-5
Baking Products	-5
Meals	-7

Second Quarter Fiscal 2015
Convenience Stores & Foodservice Segment

Segment Net Sales: +4% vs. LY
Segment Operating Profit: +13% vs. LY



Q2 Net Sales Growth

Yogurt	+22%
Snacks	+15
Cereal	+13
Frozen Breakfast	+13
Biscuits	-1
Mixes	-1
Total Priority Platforms	**+11%**

Second Quarter Fiscal 2015
International Segment

Constant-currency Segment Net Sales*: +3% vs. LY
Constant-currency Segment Operating Profit*: -2% vs. LY

Q2 Constant-currency Net Sales*
(Change vs. LY)

Latin America	+14%
Europe	+4
Asia / Pacific	+2
Canada	-7



*Non-GAAP measures. See appendix for reconciliation.

Second Quarter Fiscal 2015 Gross Margin Performance

As Reported



Adjusted*



- Expect 3% Inflation for Full Year
- 70% Covered

*Non-GAAP measure. See appendix for reconciliation.

Second Quarter Fiscal 2015
Joint Venture Results

After-tax Earnings: $27MM; +13% vs. LY in Constant Currency*





Cereal Partners Worldwide
Net Sales -3%**





Häagen-Dazs Japan
Net Sales +5**

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

Second Quarter Fiscal 2015
Other Income Statement Items

- Unallocated Corporate Expense Decreased Excluding Restructuring Costs & Mark-to-market Effects
- Restructuring Costs of $233MM Pre-tax (Includes $19MM in Cost of Sales)
- Interest Expense $9MM Above Last Year
- Adjusted Effective Tax Rate 33.5% vs. 33.2% LY*
- Average Diluted Shares Outstanding Down 5%

*Non-GAAP measure. See appendix for reconciliation.

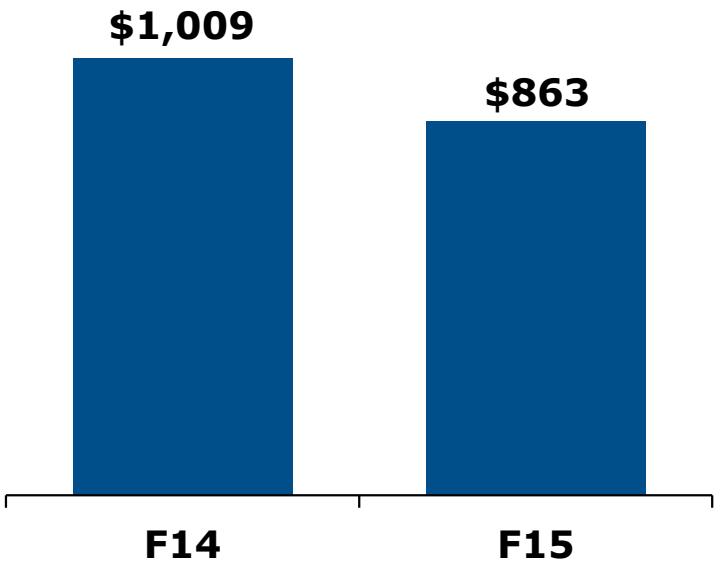
Fiscal 2015 Core Working Capital

($ in Millions)

	Q2		
	F15	**F14**	**% Change**
Accounts Receivable	$1,706	$1,725	
Inventories	+ 1,893	1,752	
Accounts Payable	- 1,657	1,424	
Total Core Working Capital:	$1,942	$2,053	-5%

First Half Fiscal 2015
Cash Flow Highlights

1H Operating Cash Flow
($ in Millions)



Uses of Cash

- Fixed Asset Investment = $318MM
- Dividends Paid = $503MM
- Share Repurchases = $969MM

Projects Underway to Generate Savings and Fuel Growth

- Project Century: Streamlining North American Manufacturing & Distribution Network
- Project Catalyst: U.S. Organization Design
- Policies and Practices Update

- Cumulative Annual Savings Goal:
  - F15: $40 Million
  - F16: $260 - $280 Million
  - F17: More than $350 Million
- Total Estimated Restructuring Charges for Actions Announced to Date = $363 Million, of which 50% are Cash

Fiscal 2015 Outlook

2nd Half Expectations, Including 53rd Week

- MSD Net Sales Growth in Constant Currency*
- Input Cost Inflation in Line with Annual Rate
- HSD Growth in Constant-currency Segment Operating Profit*
- DD Growth in Constant-currency Adjusted Diluted EPS*

Annual Expectations in Constant Currency

- LSD Growth in Net Sales*
- LSD Decline in Segment Operating Profit*
- LSD Growth in Adjusted Diluted EPS*

*Non-GAAP measures

OPERATING HIGHLIGHTS



Jeff Harmening

EVP, Chief Operating Officer, U.S. Retail

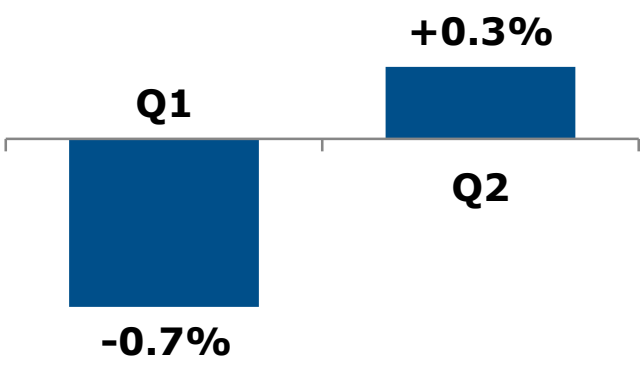
Growing Share in Majority of Our Key Categories

	YTD Fiscal 2015	
	Dollar Share	Share Change vs. LY (bps)
Grain Snacks	43.2%	+218
Frozen Hot Snacks	26.3	+103
Fruit Snacks	47.1	+96
Frozen Pizza	10.0	+77
Yogurt	24.7	+48
RTE Cereal	31.8	+46
Refrig. Baked Goods	68.8	+12
RTS Soup	38.5	-8
Mexican Products*	16.8	-56
Dry Pkgd. Dinners	16.5	-62
Frozen Vegetables	16.1	-205
Dessert Mixes	37.8	-211

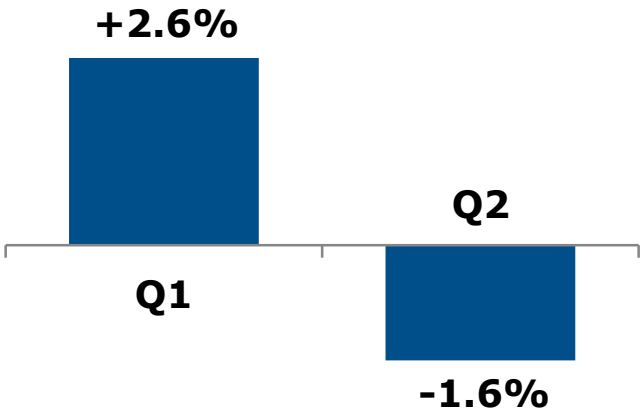
*Excludes Snack Aisle
Source: Nielsen XAOC, YTD ended 11.22.14

Improving Trade Merchandising Trends

General Mills U.S. Retail
F15 Average Unit Price
(Aggregate Categories, % vs LY)



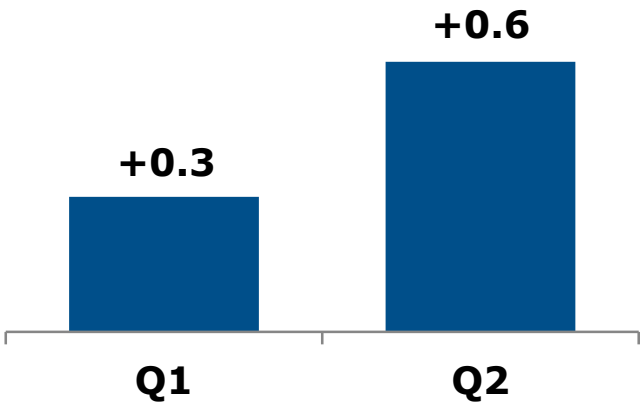
General Mills U.S. Retail
F15 Merchandised Volume
(Merch Unit Volume % vs LY)



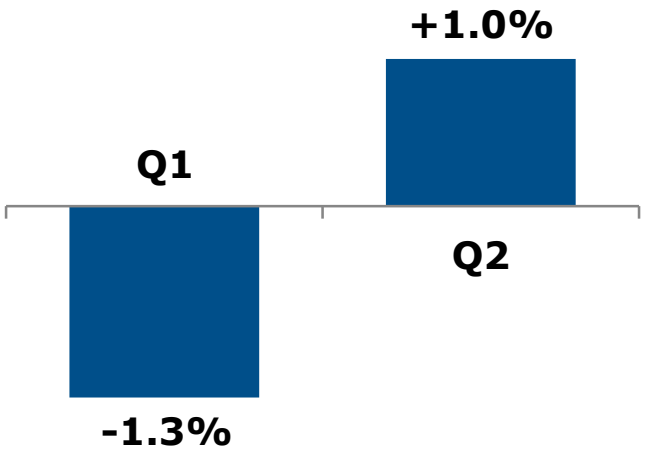
Source: Nielsen XAOC

U.S. Cereal Summary

General Mills
RTE Cereal
F15 Dollar Share
(+/- vs LY)



General Mills
RTE Cereal
F15 Base Pound Volume
(% vs LY)



Source: Nielsen XAOC

Consumer-first News & Innovation Drives U.S. Cereal Growth

Gluten Free



Chex Franchise

+10% Retail Sales CGR Since F10

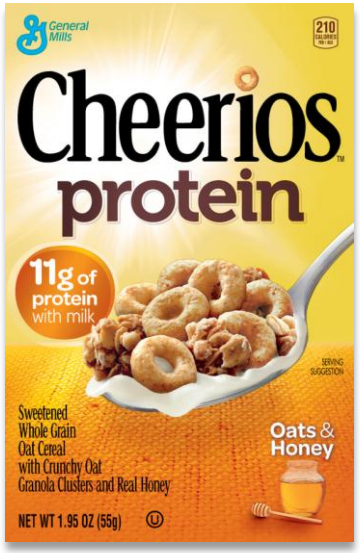
Granola



General Mills Granola Varieties

+27% Retail Sales CGR Since F10

Protein



General Mills Protein Varieties

FYTD Market Share +1.1 vs LY

Taste



Cinnamon Toast Crunch

FYTD Retail Sales +9%

Source: Nielsen XAOC, FYTD ended 11.22.14; Chex and Granola CGRs are F10-F14

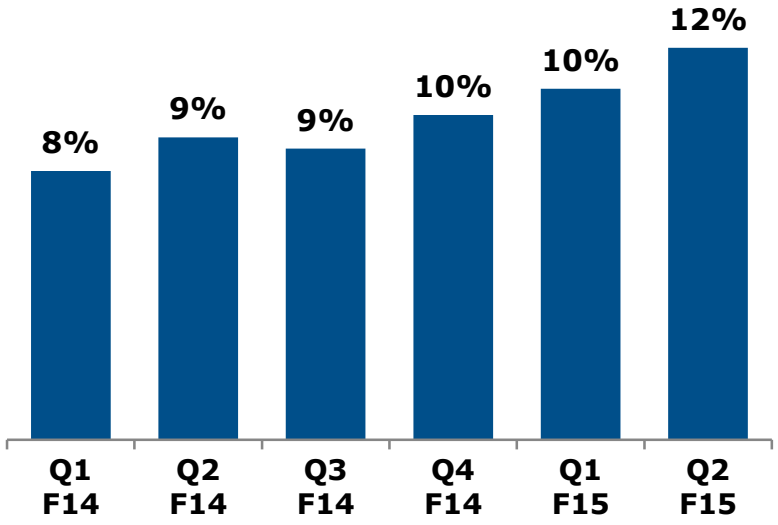
Second Half Cereal Innovation



U.S. Yogurt Sales and Share Growing



Yoplait Dollar Share of Greek Segment

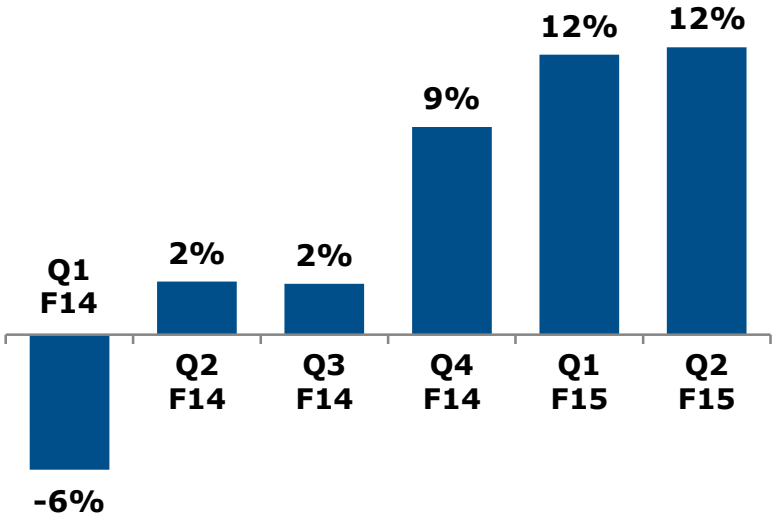


F15 YTD Retail Sales +38%



Retail Sales Growth Original Style Yoplait

(% vs LY)



F15 YTD Retail Sales +12%

Source: Nielsen XAOC, FYTD ended 11.22.14

Second Half Yogurt News & Innovation



16 New Items Launching in 2H

Continued Strong Snacks Momentum

Grain Snacks



FYTD Retail Sales +5%

Fruit Snacks



FYTD Retail Sales +4%

Natural/Organic Snacks



FYTD Retail Sales +18%

Source: Nielsen XAOC, FYTD ended 11.22.14; SPINS FYTD ended 11.02.14

Second Half Snacks Innovation

Grain Snacks



Fruit Snacks



Other U.S. Retail Second Half News & Innovation

Totino's





Old El Paso





Progresso

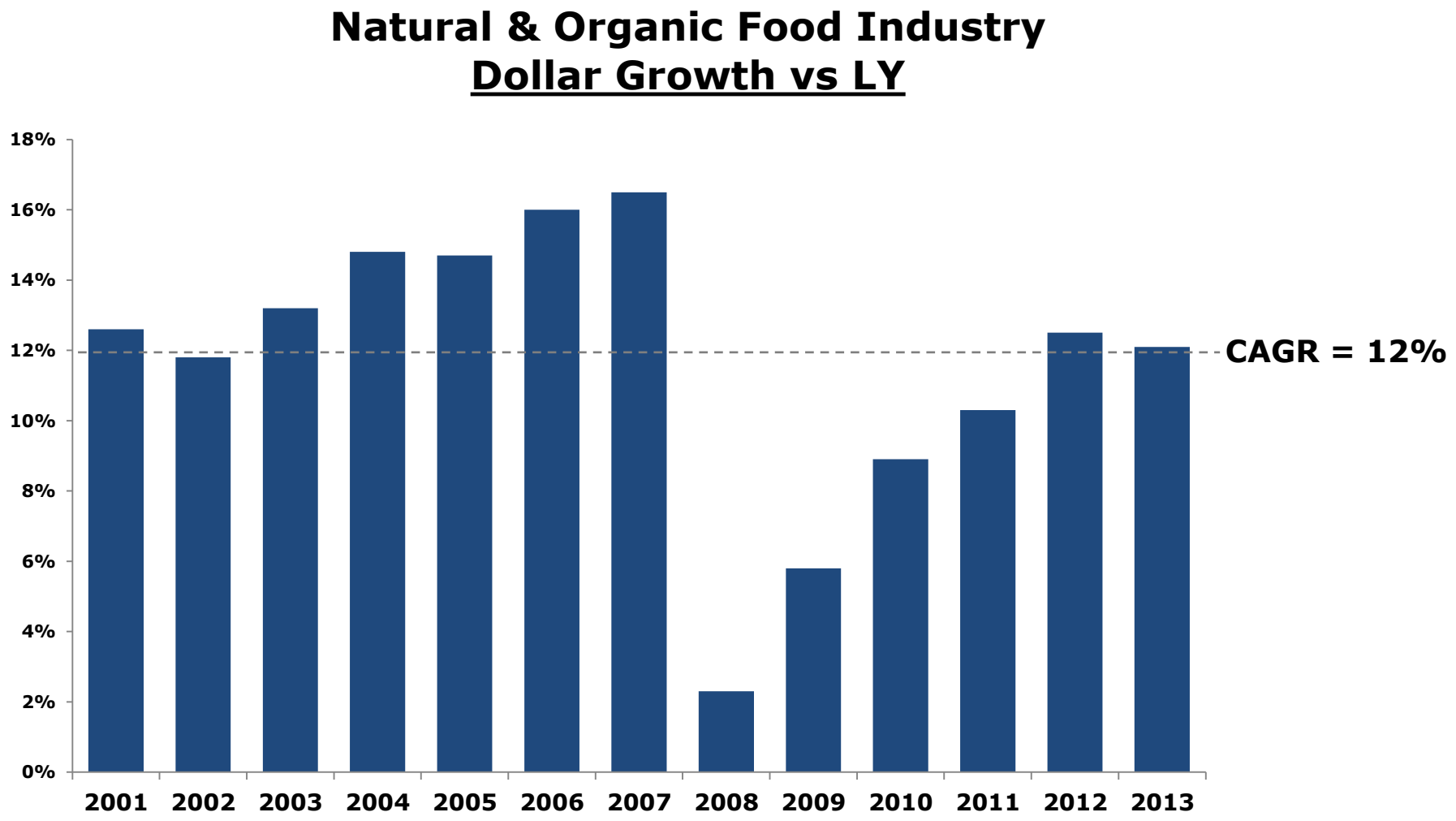


Baking Products





Natural & Organic Industry Trends



Source: Nutrition Business Journal, calendar years

A Strong Platform in Natural & Organic













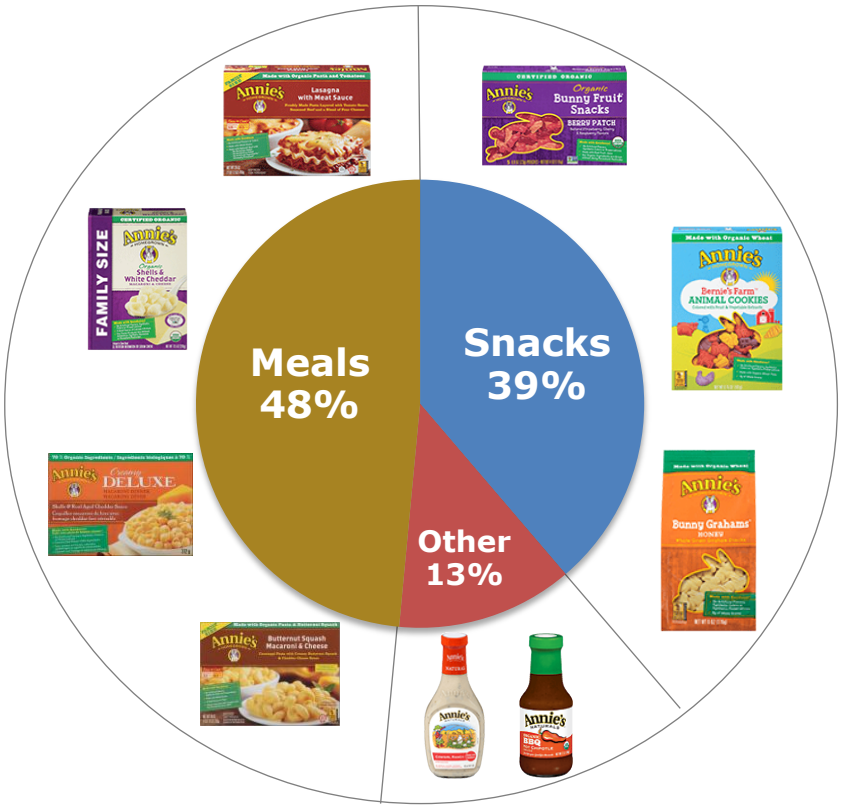




Proforma Net Sales >$600MM

Annie's Acquisition Enhances Our Natural & Organic Portfolio

Annie's F14 Net Sales



- F15 Will Include 6 Months of Results
  - Net Sales +$120MM
  - Adjusted Diluted EPS* +$0.01
- Significant Topline Growth Opportunities
  - Distribution Upside
  - New Categories
- Cost Synergies = $20-$25MM by F17

Source: Annie's Fiscal 2014 ended 3.31.14

*Non-GAAP measure.

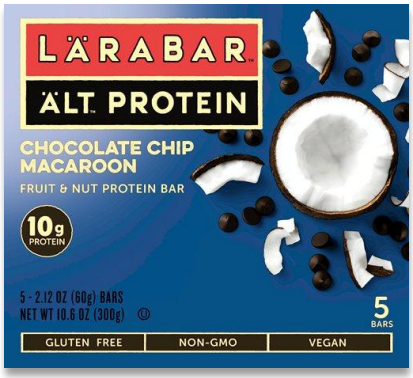
Annie's Priorities for Second Half Fiscal 2015

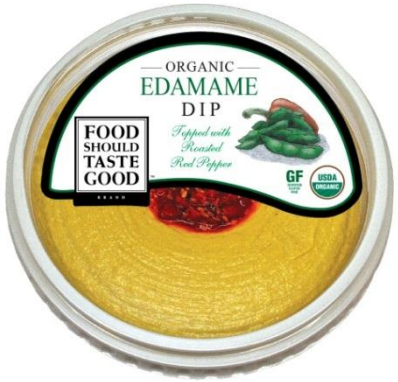
- Accelerate Core Category Distribution Gains with Annie's and General Mills Sales Organizations
- National Expansion of Pizza Poppers & Pizza Bagels
- Prioritize New Category Opportunities



Other Second Half Natural & Organic News & Innovation















Rewiring U.S. Marketing Organization

- Simplified Operating Unit Structure
- "Central" Marketing Under Ann Simonds, CMO
  - Consumer Insights
  - Media
  - Centers of Excellence (e.g. Natural & Organic)
- Focus Resources Against Best Future Growth Opportunities

U.S. Retail Summary

- First Half Results Below Expectations, but Targeting Renewed Growth in Second Half
- Continued Progress on F15 Top 3 U.S. Retail Priorities
- Annie’s Acquisition Strengthens our Natural & Organic Platform
- Re-wiring U.S. Retail Marketing to Accelerate Growth

OPERATING HIGHLIGHTS



Ken Powell
Chairman and CEO

Key Foodservice Channels Prospects for Growth

(Food and Non-alcoholic Beverage Channel Sales)

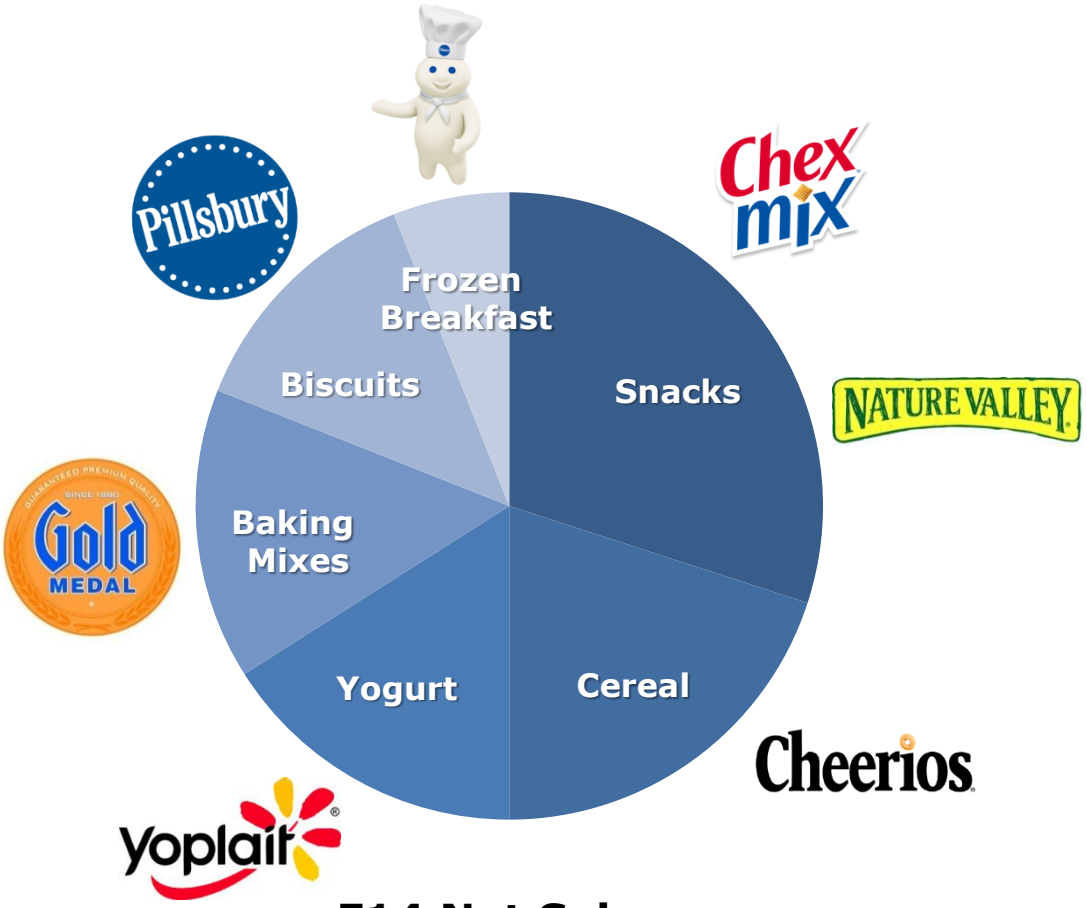
	2014 Estimated Sales ($ in Billions)	2015 Est. Nominal Growth (vs. LY)
Total Foodservice	**$641**	**3%**
K-12 Schools	$19	2%
Colleges & Universities	$16	3%
Convenience Stores	**$51**	**3%**



Sources: Foodservice – Technomic 2014; C-Stores - IRI AllScan, Nominal Growth – Kantar

Convenience Stores & Foodservice Six Focus Platforms

(% of Total F14 Platform Sales)



F14 Net Sales
$875 Million

Convenience Stores & Foodservice Yogurt Performance

Second Quarter Net Sales Growth: +22%









Convenience Stores & Foodservice Snacks Performance

Second Quarter Net Sales Growth: +15%



More than 30 Items That Meet School Snack Requirements

Convenience Stores & Foodservice Cereal Performance

Second Quarter Net Sales Growth: +13%





K-12 Schools





Colleges & Universities





Healthcare

International Highlights
Europe Region

Second Quarter Constant Currency Net Sales: +4%*

Old El Paso





Häagen-Dazs



Yoplait





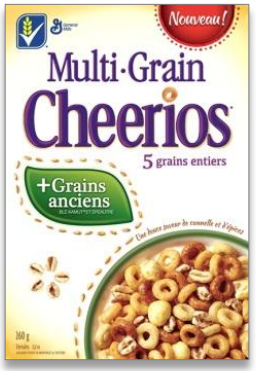
*Non-GAAP Measure. See Appendix for Reconciliation

International Highlights
Canada

Second Quarter Constant Currency Net Sales: -7%*



Yogurt Retail Sales -3%





Cereal Retail Sales -4%



Mexican Meals Retail Sales +8%



Snacks Retail Sales +7%

*Non-GAAP Measure. See Appendix for Reconciliation
Source: Nielsen latest 13 weeks ended11.22.14

International Highlights
Latin America

Second Quarter Constant Currency Net Sales: +14%*



Desserts Performing Well



New Side Dishes Coming

*Non-GAAP Measure. See Appendix for Reconciliation

International Highlights
Asia/Pacific

Second Quarter Constant Currency Net Sales: +2%*









Häagen-Dazs China

- Q2 Constant Currency Net Sales: -6%** Reflecting Gifting Policy Impact
- Shop and Retail Expansion Continuing
- Expect to Re-accelerate Growth in 2H

*Non-GAAP measure. See appendix for reconciliation.
**Actual net sales in local currency translated to USD at a fixed exchange rate.

Greater China - Wanchai Ferry

Second Quarter Constant Currency Net Sales
+11%*



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

Greater China – Yoplait Update



- Consumer-first Launch Plan
- Finalizing Product Formulations
- Project on Schedule

Cereal Partners Worldwide



New in Mexico and European Markets





New in Select European Markets

RTE Cereal Performance

(Latest 52 Weeks +/- LY)

Region	CPW Share Growth	Category Sales Trend
UK/Australia	-0.3 pts.	-2.6%
Europe	-0.6 pts.	-1.6%
LATAM	+0.4 pts.	+2.7%
Asia/Middle East	+0.2 pts.	+4.8%
Total	**-0.2 pts.**	**-0.9%**

Source: Nielsen period ended September 2014

Rewiring to Accelerate Growth

- Number One Priority is to Accelerate Topline Growth
- Strong Levels of Product Innovation
- Organization Focused on Generating Product Demand
  - Put the Consumer First
  - Innovate to Meet Changing Needs
  - Leverage Changes in the Marketplace

GENERAL MILLS



Fiscal 2015
Second Quarter Results

Reconciliation of Total Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q2	
	2015	**2014**
U.S. Retail	$616	$682
International	134	153
Convenience Stores & Foodservice	96	85
Total Segment Operating Profit	$847	$920
Unallocated Corporate Items	73	49
Restructuring, Impairment, and Other Exit Costs	215	1
Operating Profit	$559	$870

Table does not foot due to rounding.

Reconciliation of Constant-currency Total Segment Operating Profit Growth

(Fiscal Years)

	Q2 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	-8%	-2 pts	-6%

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

(Fiscal Years)

	Q2		
	2015	**2014**	**Change**
Diluted EPS	$0.56	$0.84	-33%
Mark-to-market Effects	--	(.02)	
Restructuring	.24	.01	
Adjusted Diluted EPS	$0.80	$0.83	-4%
Impact of Foreign Currency Exchange			-4 pts
Adjusted Diluted EPS On a Constant-currency Basis			Flat

Reconciliation of Constant-currency Net Sales Growth

(Fiscal Years)

	Q2 2015		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-currency Basis
Europe	Flat	-4 pts	4%
Canada	-13%	-6	-7
Asia/Pacific	1	-1	2
Latin America	-17	-31	14
Total International	-6%	-9 pts	3%
Total Net Sales	-3%	-2 pts	-1%

Reconciliation of Constant-currency International Segment Operating Profit Growth

(Fiscal Years)

	Q2 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	-12%	-10 pts	-2%

Reconciliation of Adjusted Gross Margin

(Fiscal Years, $ in Millions)

	Q2 2015		Q2 2014	
	$	% of Net Sales	$	% of Net Sales
Net Sales	$4,712		$4,876	
Gross Margin as Reported	1,619	34.4%	1,762	36.1%
Mark-to-market Effects	5		(21)	
Restructuring Costs	19		--	
Adjusted Gross Margin	$1,643	34.9%	$1,741	35.7%

Reconciliation of Constant-currency After-tax JV Earnings

(Fiscal Years)

	Q2 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	4%	-9 pts	13%

Reconciliation of Tax Rate Excluding Items

(Fiscal Years, $ in Millions)

	Q2 2015		Q2 2014	
	Pre-tax Earnings*	**Income Taxes**	**Pre-tax Earnings***	**Income Taxes**
As Reported	$482	$153	$801	$267
Mark-to-market effects	5	2	(21)	(8)
Restructuring Costs	234	86	1	--
Acquisition Integration Costs	4	1	--	--
As Adjusted	$724	$243	$781	$259
Effective Tax Rate:				
As Reported		31.8%		33.3%
As Adjusted		33.5%		33.2%

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