Healthy Growth



General Mills

Fiscal 2014 2nd Quarter Results

December 18, 2013

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 laws and regulations, including labeling and advertising regulations; 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

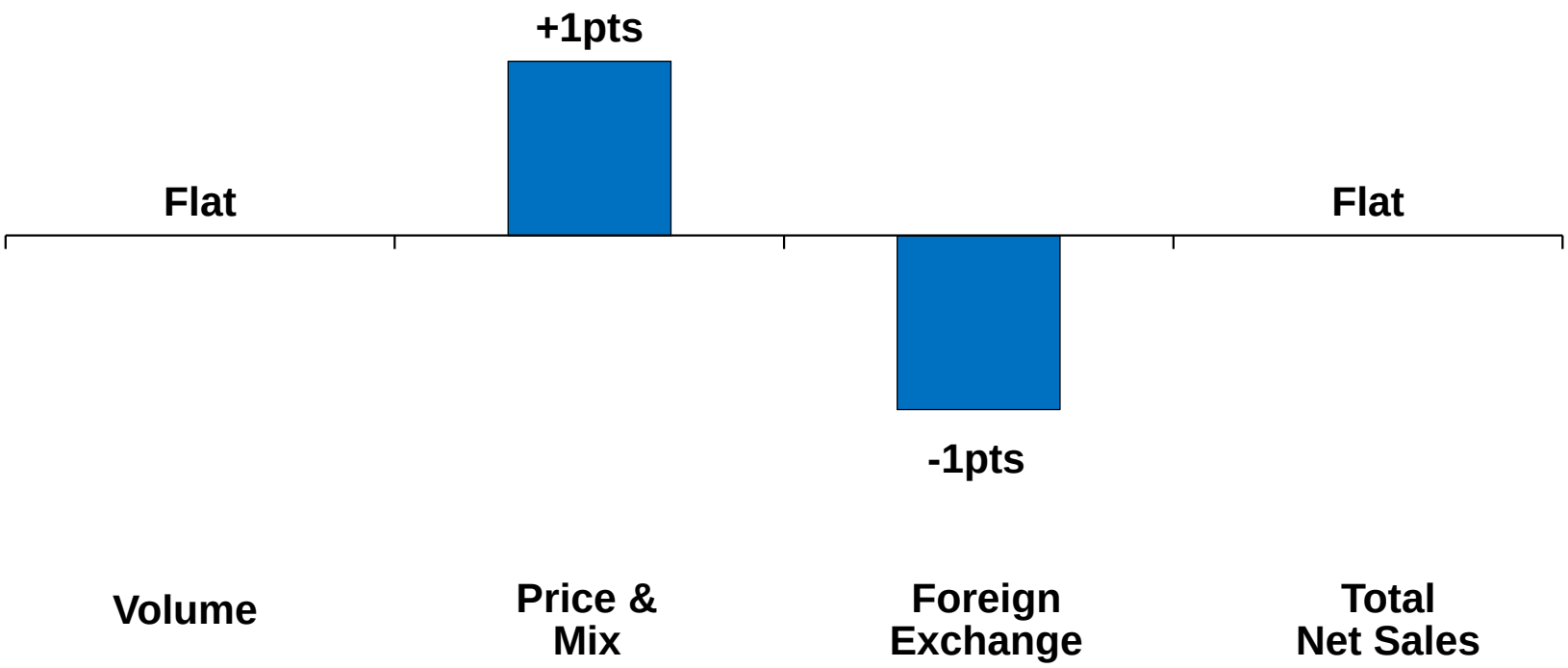
Second Quarter Fiscal 2014 Financial Summary

($ in Millions, Except per Share)

	$	% Change
Net Sales	$4,876	Flat
Segment Operating Profit*	920	-4%
Net Earnings Attributable to General Mills	550	+2
Diluted EPS	$0.84	+2
Certain Items Affecting Comparability	(.01)	
Adjusted Diluted EPS*	$0.83	-3

* Non-GAAP Measure. See Appendix for Reconciliation.

Second Quarter Fiscal 2014
Components of Net Sales Growth



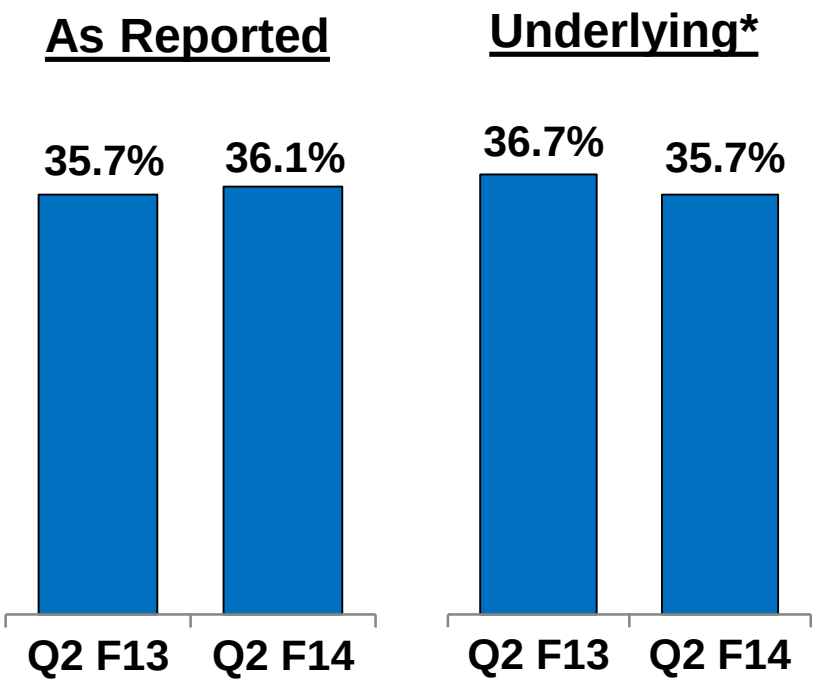
Second Quarter Fiscal 2014
Net Sales Results by Segment

($ in Millions)

	$	% Change
Total Net Sales	**$4,876**	**Flat**
U.S. Retail	2,965	-1%
International	1,403	+2
Constant Currency*		+5
Convenience Stores & Foodservice	507	-2

* Non-GAAP Measure. See Appendix for Reconciliation.
Table does not foot due to rounding

Second Quarter Fiscal 2014 Gross Margin Performance



- Expect 2nd Quarter Inflation Will Be Highest of F14
- Expect 3% Inflation for Year in Total
- 70% Covered

* Non-GAAP Measure. See Appendix for Reconciliation.

Second Quarter Fiscal 2014 Segment Operating Profit

($ in Millions)

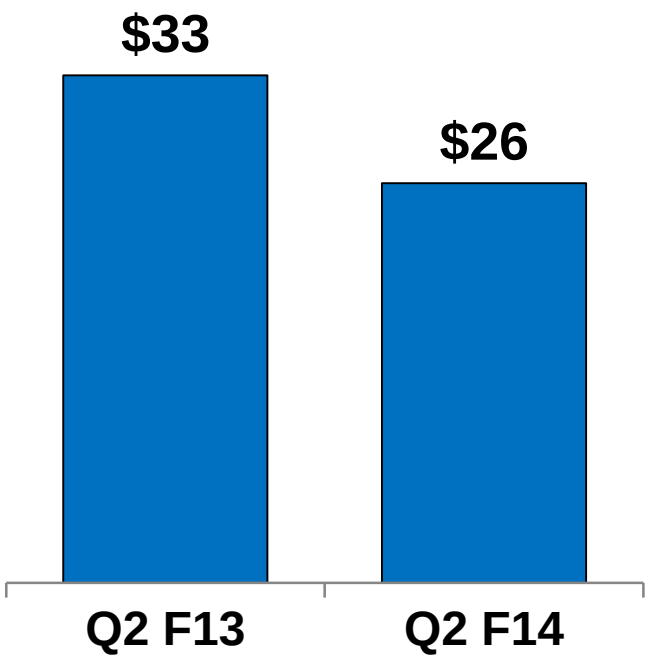
	$	% Change	Year-Ago % Change
Total Segment Operating Profit*	**$920**	**-4%**	**+10%**
U.S. Retail	682	-6	+9
International	153	+10	+4
Convenience Stores & Foodservice	85	-12	+24

* Non-GAAP Measure. See Appendix for Reconciliation.

Second Quarter Fiscal 2014
Joint Venture Summary

JV Earnings After Tax

($ in Millions, As Reported)



Constant-currency Net Sales Growth

- CPW +2%
- HDJ +11%



Second Quarter Fiscal 2014
Other Income Statement Items

- Unallocated Corporate Expense Lower Excluding Mark-to-market Effects
- Interest Expense Down 9% vs LY
  - Refinanced Some CP with €500 Million Bond Offering
- Tax Rate Excluding Items Affecting Comparability 33.2% Versus 32.8% a Year Ago*

* Non-GAAP Measure. See Appendix for Reconciliation.

Fiscal 2014 Core Working Capital

($ in Millions)

	2nd Quarter	
	F14	**F13**
Accounts Receivable	$1,726	$1,674
Inventories	1,752	1,770
Accounts Payable	1,424	1,245

First Half Fiscal 2014 Financial Summary

($ in Millions, Except per Share)

	$	% Change
Net Sales	$9,248	+4%
Segment Operating Profit*	1,731	Flat
Net Earnings Attributable to General Mills	1,009	-7
Diluted EPS	$1.54	-6
Certain Items Affecting Comparability	(.01)	
Adjusted Diluted EPS*	$1.53	+1

* Non-GAAP Measure. See Appendix for Reconciliation.

First Half Fiscal 2014
U.S. Retail Net Sales

First Half Net Sales
(Change vs. LY)

Total U.S. Retail Segment	**+1%**
Snacks	+9
Small Planet Foods	+8
Big G Cereals	+2
Baking Products	+1
Yoplait	-1
Frozen Foods	-2
Meals	-5



First Half Fiscal 2014
Convenience Stores & Foodservice Net Sales

Total Segment: -1% vs. LY









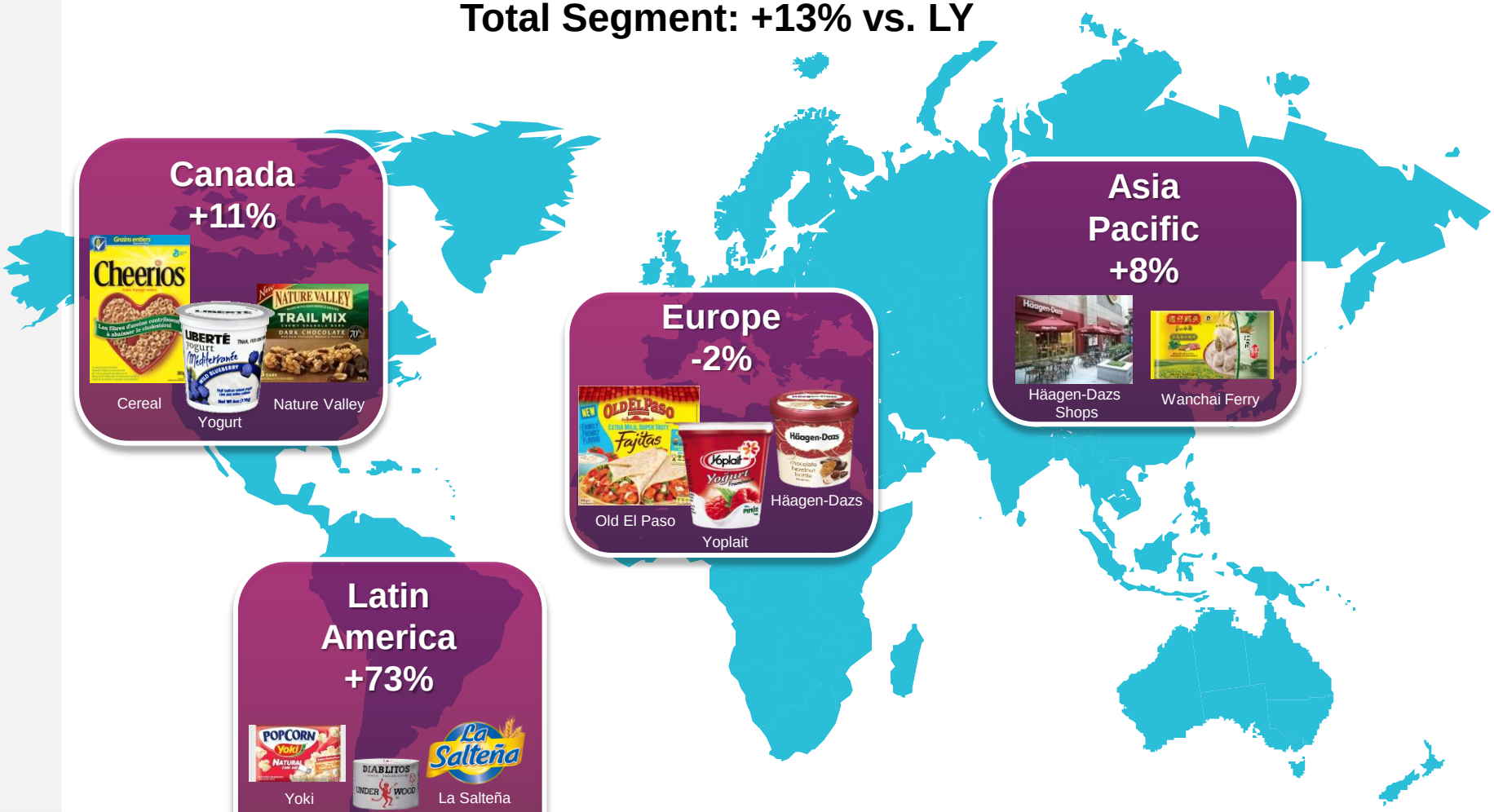


First Half Highlights

- Product Mix Focus on Higher Margin Products
- Sales Growth in Snacks, Cereal, Yogurt, and Frozen Breakfast

First Half Fiscal 2014 International Net Sales Growth at Constant-currency*

Total Segment: +13% vs. LY



*Non-GAAP Measure. See Appendix for Reconciliation

First Half Fiscal 2014 Cash Flow Highlights

Operating Cash Flow

($ in Millions)



- Capital Investment = $269 Million, Comparable to Last Year
- Dividends Paid to Shareholders = $490 Million
- Share Repurchases = $864 Million, 80% More Than Year Ago

Fiscal 2014 Outlook

2nd Half Expectations

- LSD Net Sales Growth, Fueled by Continuing Product News and Innovation
- Input Cost Inflation Lower than First Half
- FX a Headwind (Translation & Transaction)
- Segment Operating Profit* Margin Expansion, Fueled by HMM
- DD Growth in Adjusted Diluted EPS*

Annual Expectations

- Targeting Adjusted Diluted EPS* of $2.87 - $2.90
  - Low End of Range if Venezuelan Currency Devalues

* Non-GAAP Measure

U.S Retail Business Update



Ian Friendly

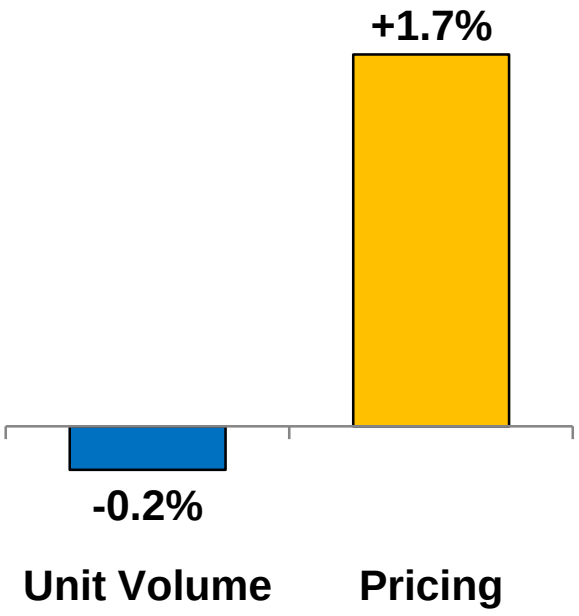
Executive Vice President;

Chief Operating Officer – U.S. Retail

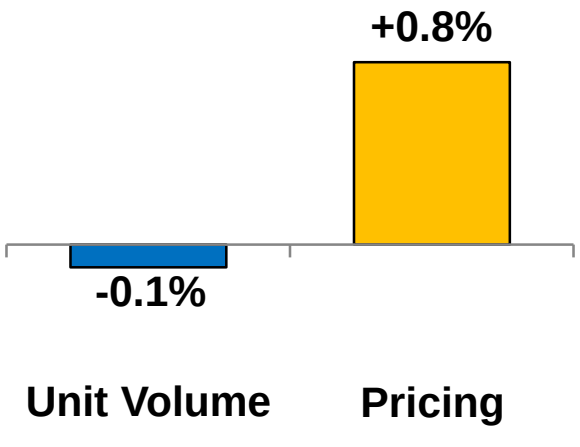
U.S. Categories - Balanced Growth

Aggregate General Mills Categories
(Change vs. LY)

1H Fiscal 2013



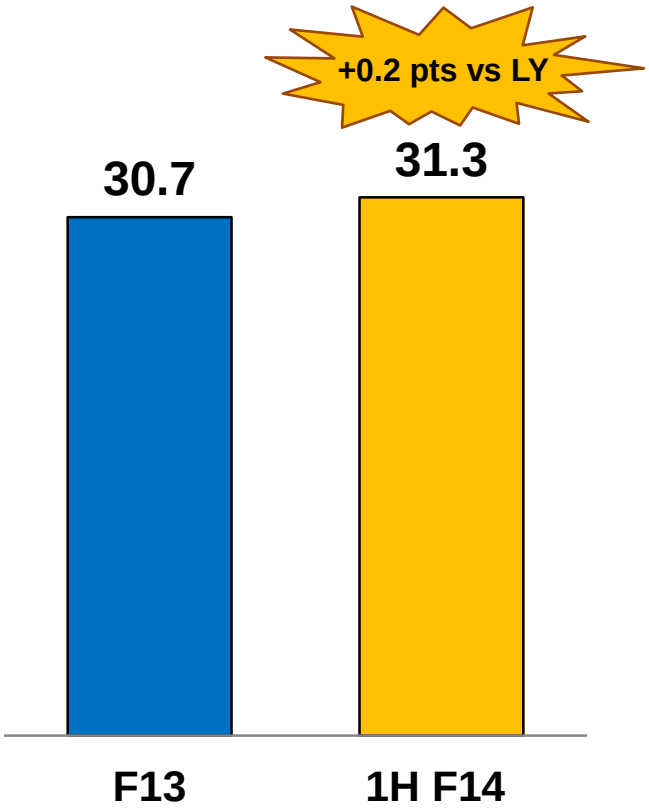
1H Fiscal 2014

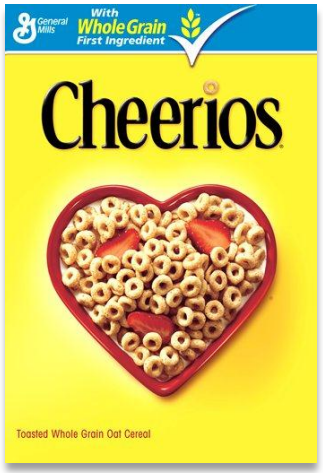


Source: Nielsen XAOC Period Ended 11.23.13

Leading U.S. Cereal Growth

General Mills
Cereal Dollar Share









Source: Nielsen XAOC Period Ended 11.23.13

Cereal Innovation - Protein



- Strong Distribution Gains
- Projected Year-one Retail Sales = $30+ Million

Source: Nielsen XAOC

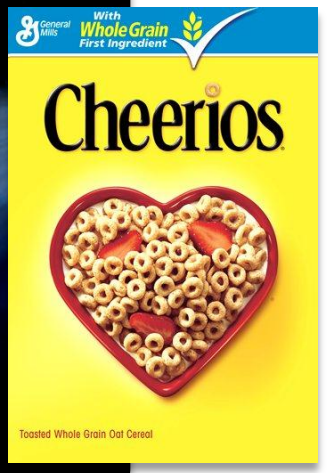
More Fiscal 2014 Cereal Innovation



Launching in January

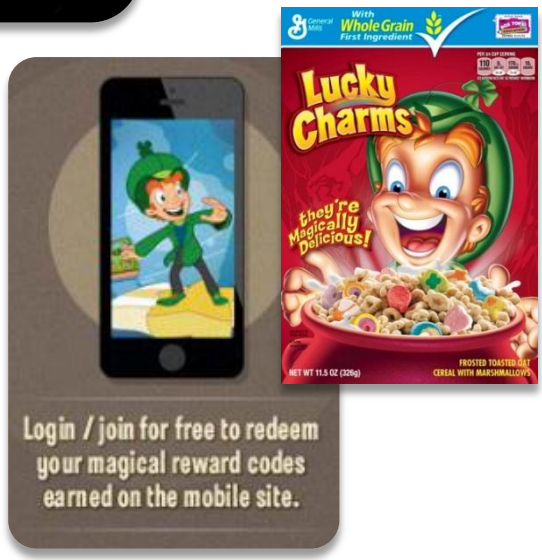
Fiscal 2014 Cereal Brand Building





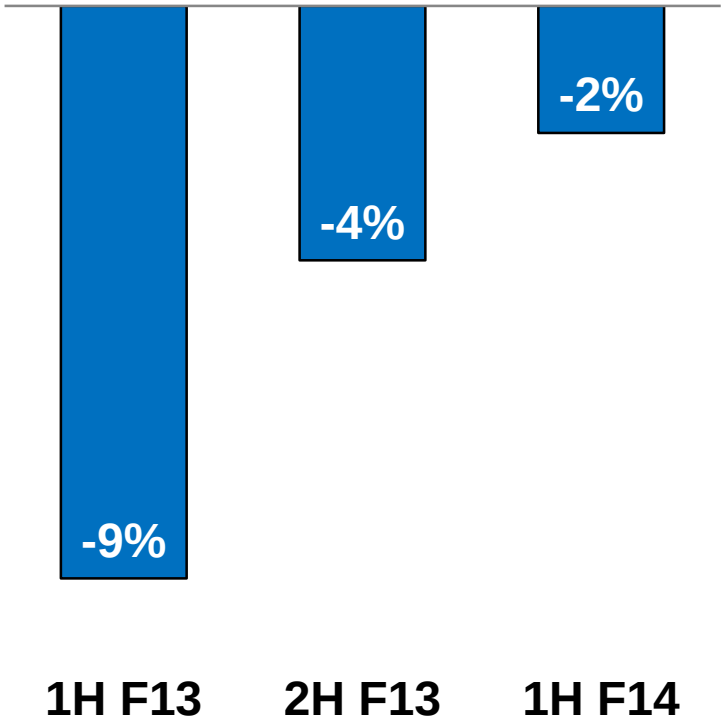






Our Yogurt Performance is Improving

Retail Sales Trend

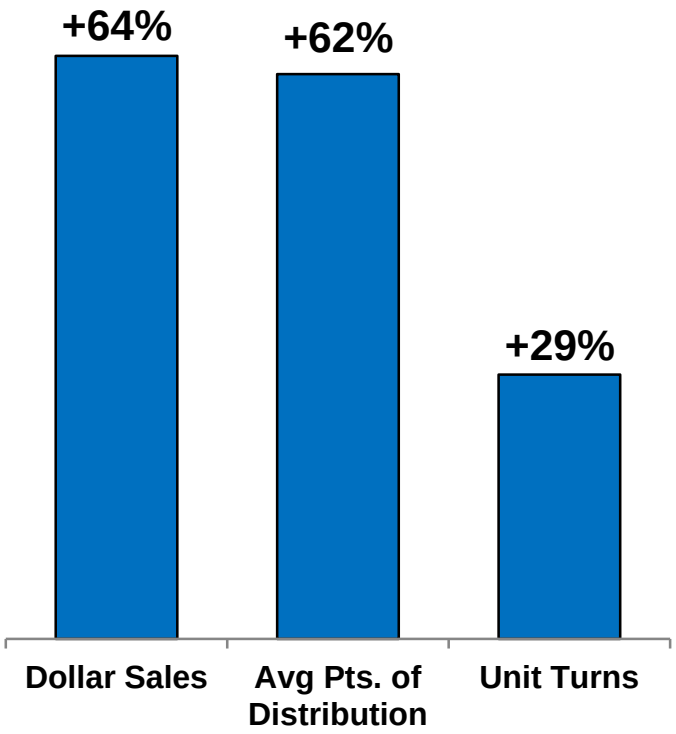




Source: Nielsen XAOC, 1HF14 Period Ended 11.23.13

U.S. Yogurt – Greek Momentum

1H F14 Yoplait Greek Performance Trends



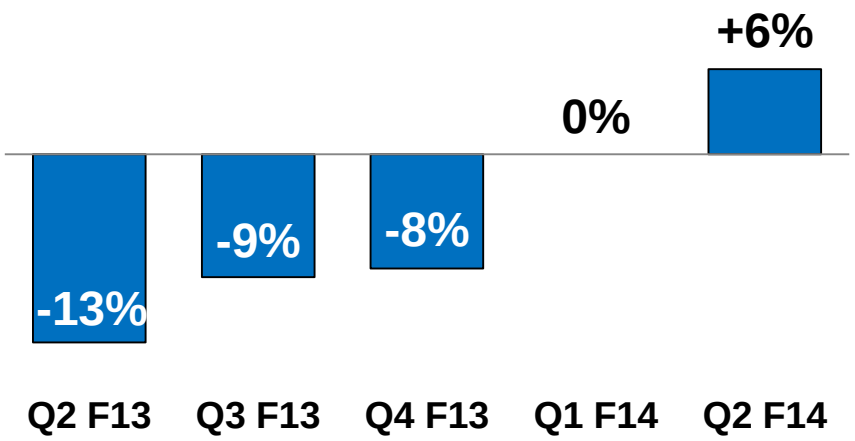
New in January

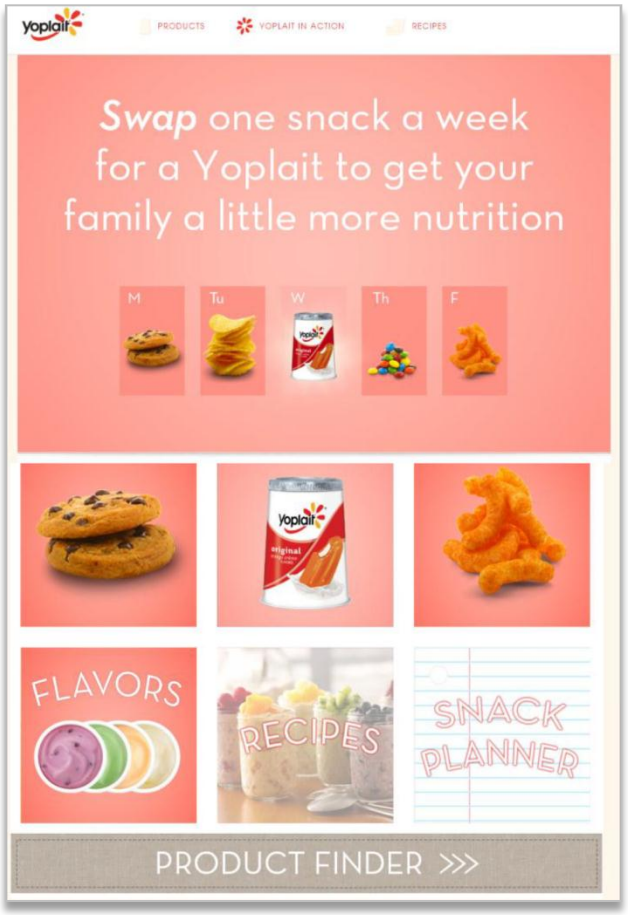


Source: Nielsen XAOC Period Ended 11.23.13

U.S. Yogurt – Yoplait Original

Original Style Yoplait
Base Unit Growth



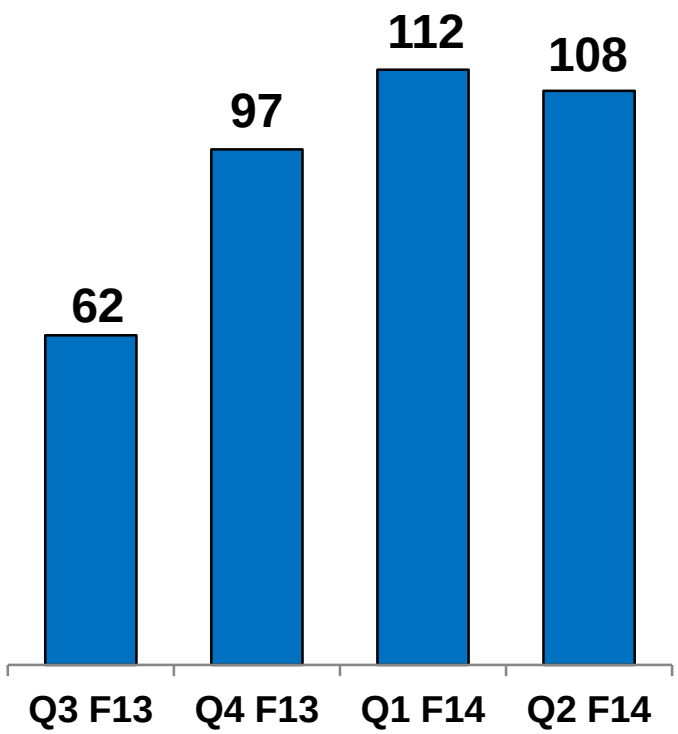


Source: Nielsen XAOC

U.S. Yogurt - Liberté

Distribution Growth

(Total Pts. of Dist. Avg. % +/- LY)



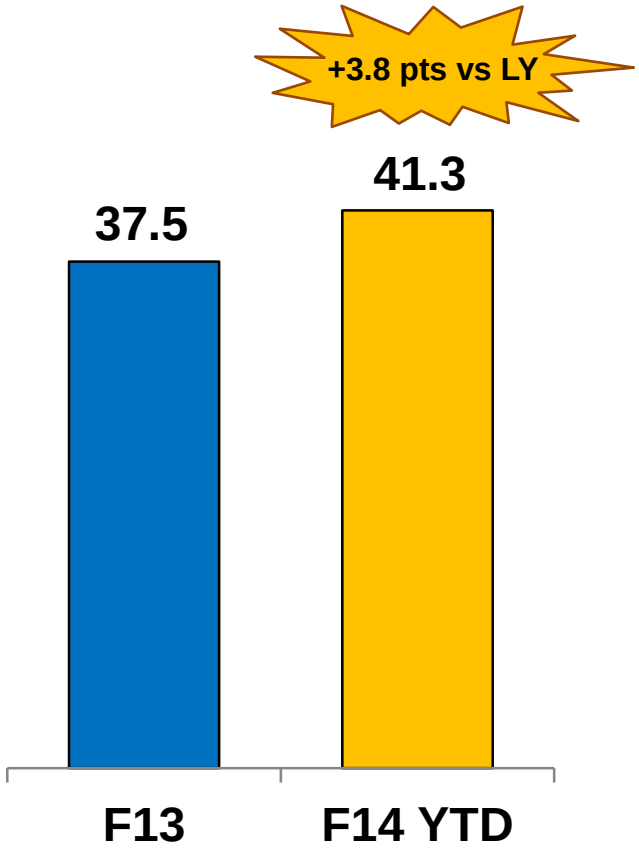
New Products



Source: Nielsen XAOC

U.S. Grain Snack Innovation Leading Category Growth

General Mills Grain Snacks
Dollar Share

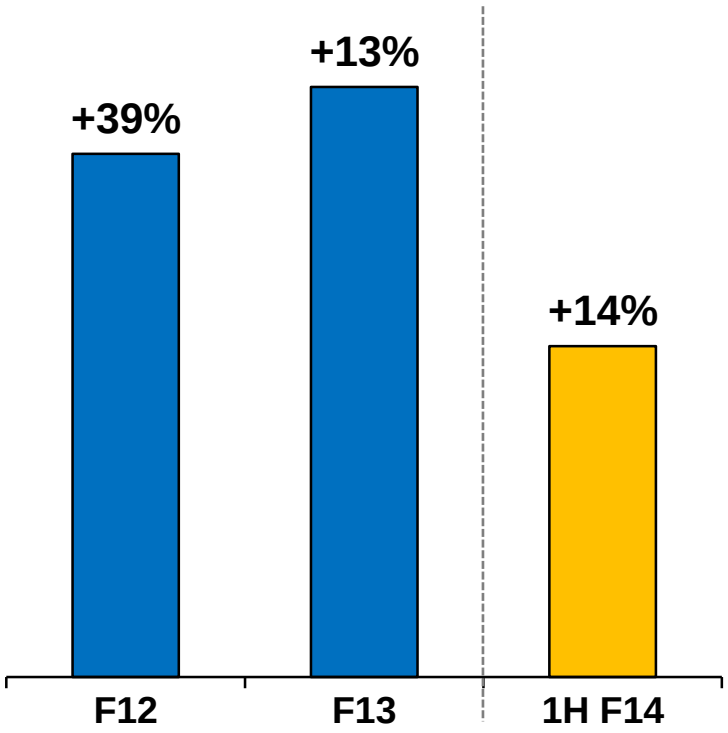




Sources: Nielsen XAOC Period Ended 11.23.13

Fiber One Snacks Innovation

Fiber One
Grain Snacks Retail Sales



New in January



Source: Nielsen XAOC, 1H F14 Period Ended 11.23.13

Second Half Fiscal 2014 Snacks Innovation

















Small Planet Foods Snacks

1H F14 Retail Sales +20%

Second-half New Items





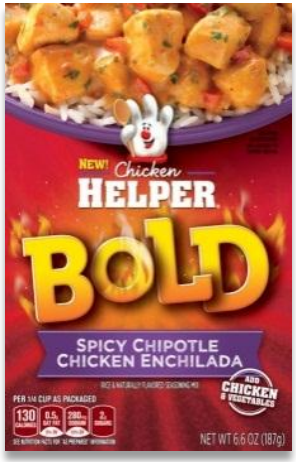




Source: Nielsen Period Ended 11.23.13 and SPINS Period Ended 10.26.13

U.S. Convenient Meals - Helpers

New in January

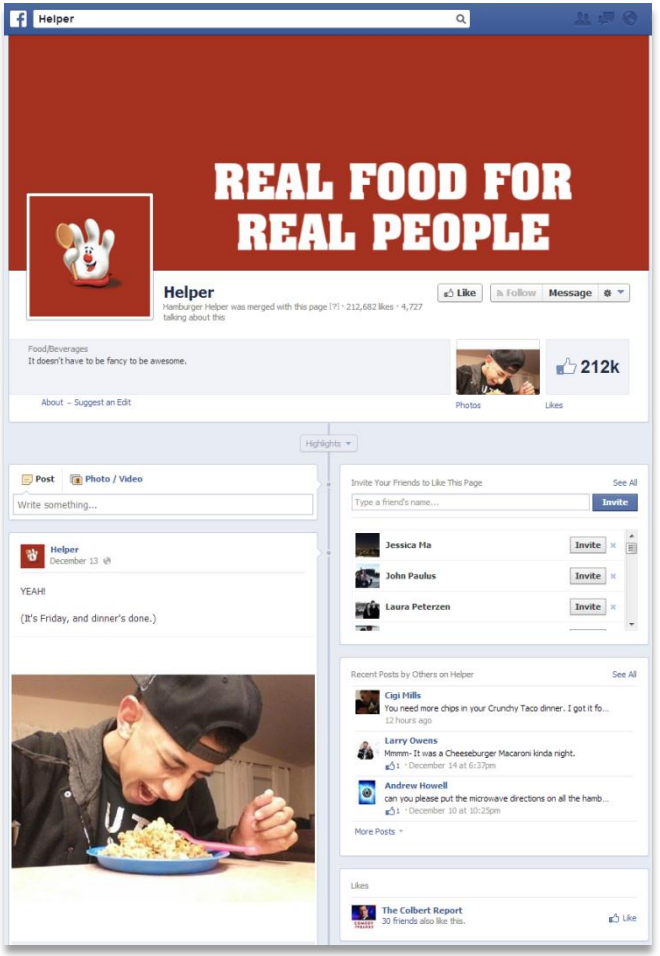






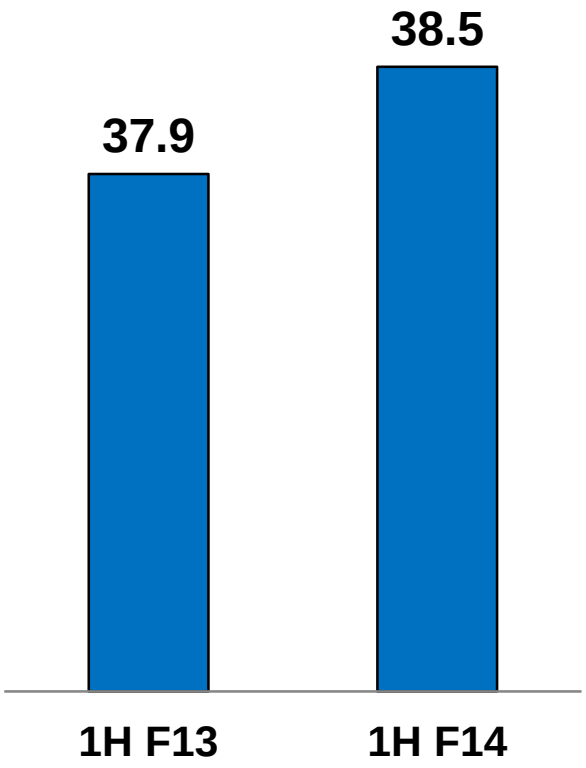






Progresso - Continued Share Growth

Ready-to-serve Soup
Progresso Dollar Share

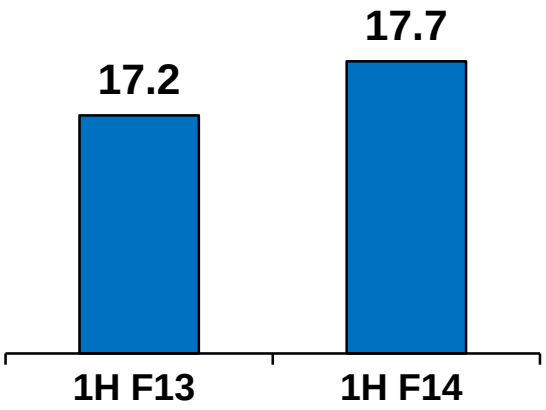




Source: Nielson XAOC Period Ended 11.23.13

U.S. Convenient Meals - Old El Paso

Old El Paso
Shelf Stable Mexican Aisle
Category Dollar Share







Frozen Entrees







Source: Nielsen XAOC; Period Ended 11.23.13

Holiday Baking Season Initiatives

Refrigerated Dough





Dessert Mixes







U.S. Market Innovation



Increasing Marketing Support









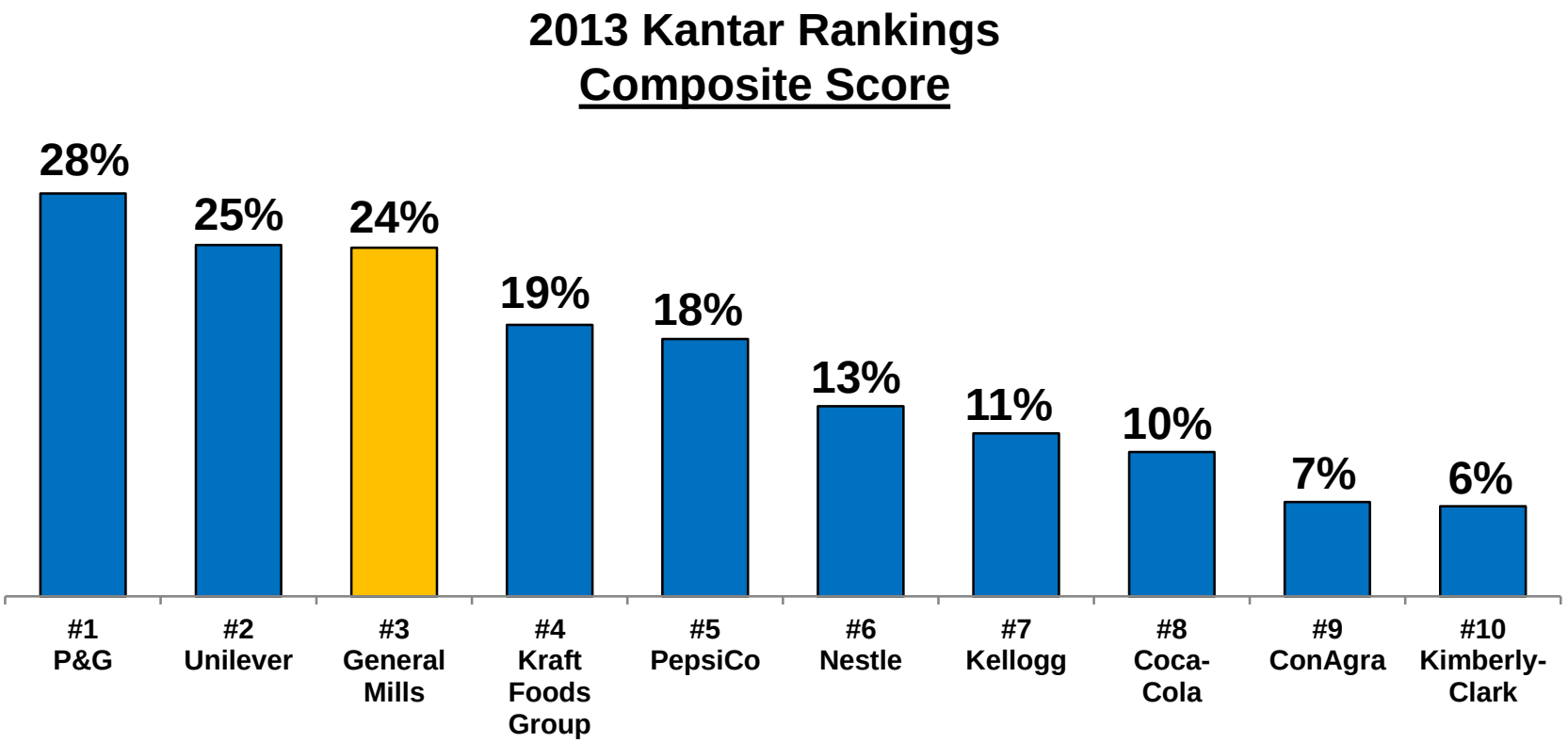






1H F14 Advertising Expense +1%

Building Capabilities
U.S. Retail Sales



- #1 Best Sales Force / Customer Teams
- #1 Best Supply Chain Management
- #2 Most Important Consumer Brands to Retailers

Source: Kantar Retail PoweRanking 2013.

Continuing Benefits from HMM



Optimize Nature Valley Protein Bar Production

U.S. Retail Fiscal 2014 Summary

- High Level of Innovation and Brand-building Support in Market
- On Track to Achieve LSD Sales Growth in Fiscal 2014
- Full-year Segment Operating Profit Expected to Grow Faster Than Sales

Operating Highlights and Second–half Outlook



Ken Powell

Chairman of the Board;

Chief Executive Officer

Convenience Stores & Foodservice
First Half F14 Financial Summary

($ in Millions)

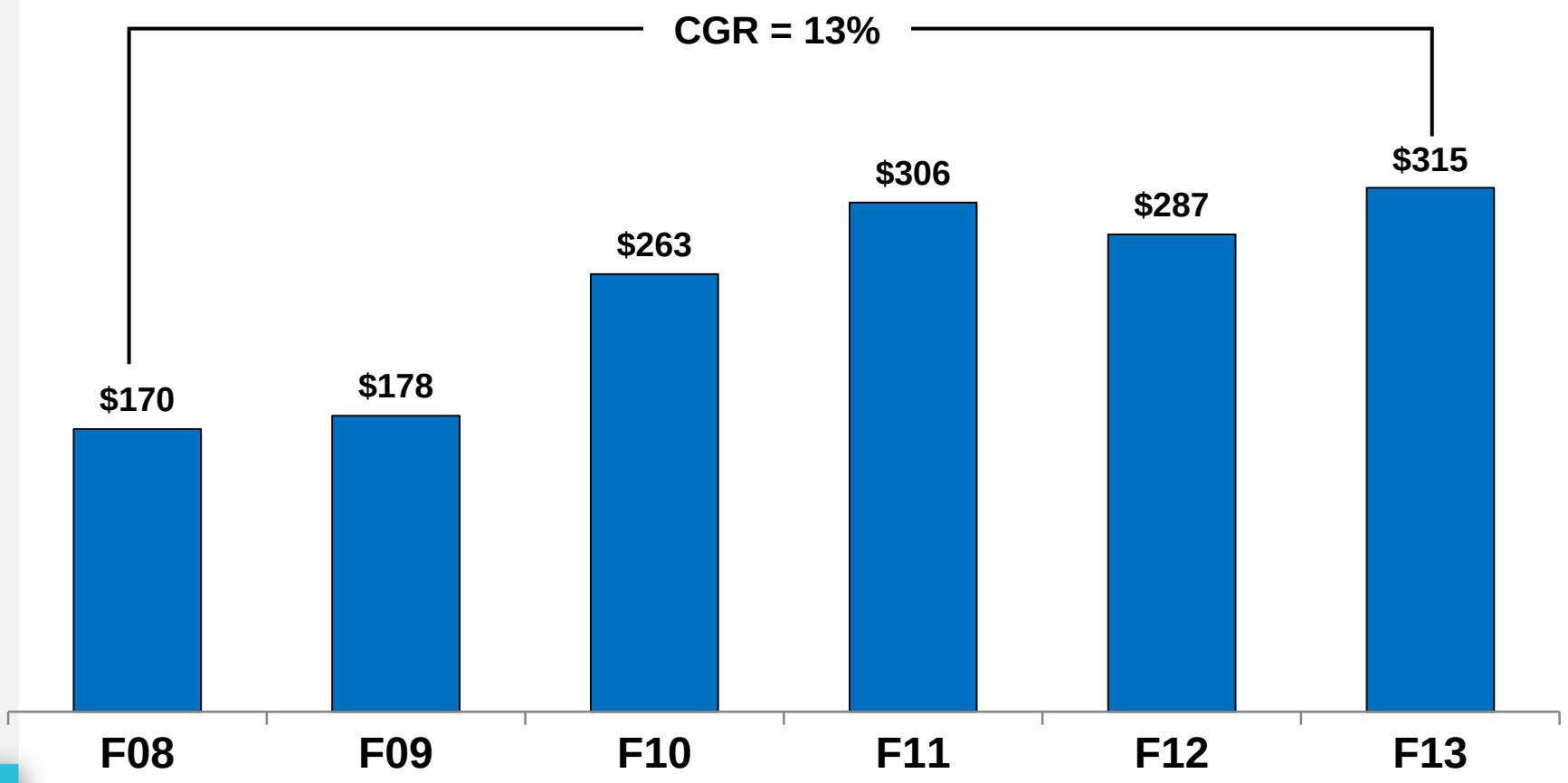
	1st Half	
	$	% Change
Net Sales	975	-1
Segment Operating Profit	159	-3



Convenience Stores & Foodservice
Strong Earnings Performance

Segment Operating Profit

($ in Millions)



Convenience Stores & Foodservice Continuing Innovation

Snacks



Yogurt





Yoplait® ParfaitPro® Max

Frozen Breakfast

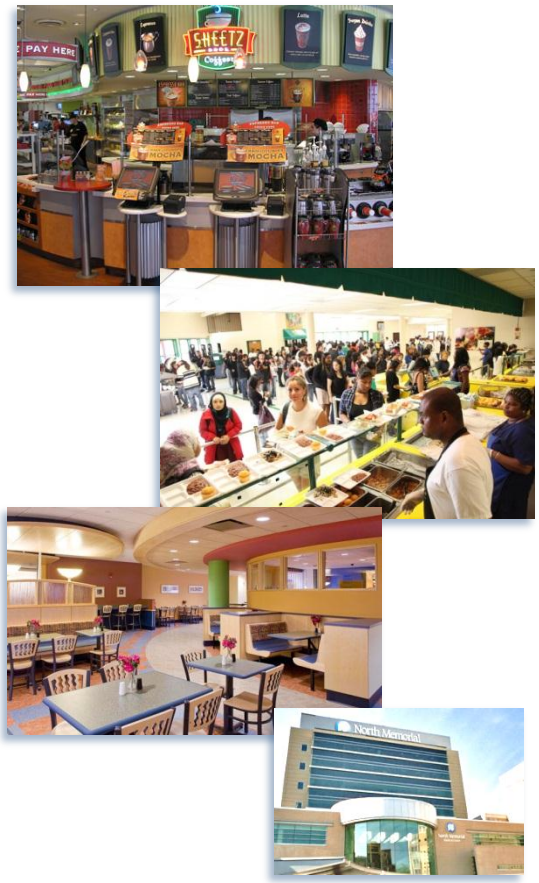




Foodservice Channel Growth Outlook

(Food and Non-alcoholic Beverage Channel Sales)

	2013 Annual Sales (in Billions)	2014 Est. Nominal Growth (vs. LY)
Convenience Stores	**$66**	**4%**
Total Foodservice	**$620**	**4%**
K-12 Schools	$18	2%
Colleges & Universities	$15	5%
Healthcare	$24	5%



Sources: C-Stores - Packaged Food and Beverage IRI AllScan 52 weeks through 11.3.13 and Kantar; Foodservice -Technomic 2013/2014

General Mills International Segment First Half F14 Financial Summary

($ in Millions)

	1st Half	
	$	% Change
Net Sales	2,724	+10
Segment Operating Profit	279	+5



International Highlights
Canada



- Yoplait/Liberte Q2 F14 Retail Sales +8%
- Q2 F14 Category Sales +2%



Source: Nielsen 13-week period ended 11.23.13

International Highlights - Europe

Yogurt





Häagen-Dazs



Old El Paso



International Highlights
China

Häagen-Dazs





1H F14 Net Sales +12%

Wanchai Ferry

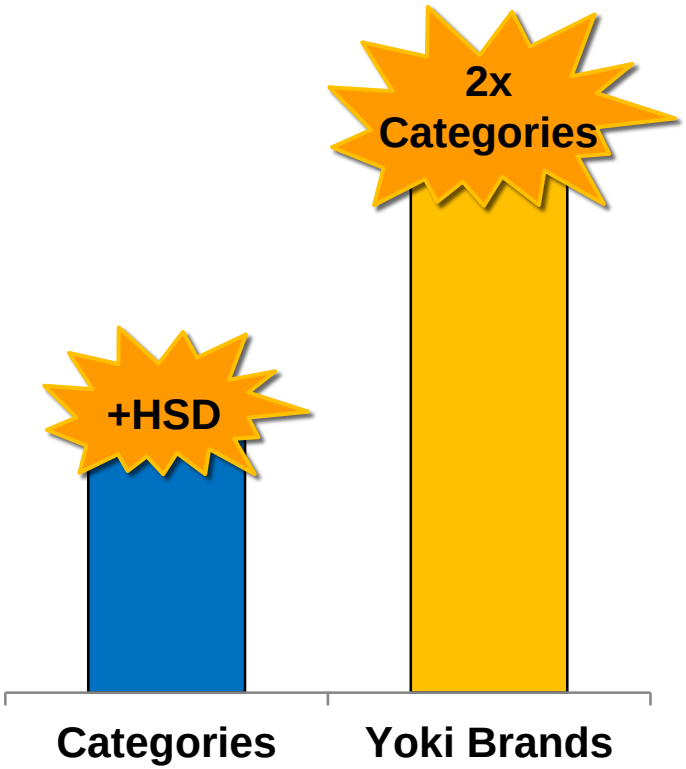




1H F14 Net Sales +13%

Yoki Year One Highlights

Retail Sales Growth





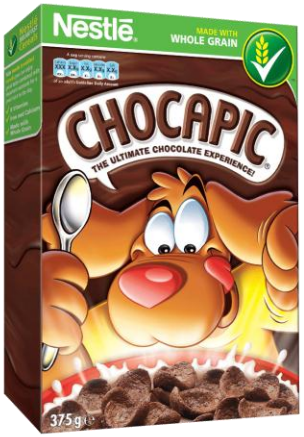






Source: Nielsen 12 Months Period Ended Sep 2013

International Highlights
Cereal Partners Worldwide







1H F14 CPW Constant-currency Net Sales +1%

Cereal Category Value Sales Growth

(Latest 52 Weeks)

UK	**Flat**
Southwest Europe	**-2%**
Central Europe	**Flat**
Latin America	**+5%**
Asia	**+9%**
CPW Combined Markets	**+1%**
CPW Value Share	**= 22%**

Source: Nielsen, Latest 52 Weeks Available through Oct. 2013

Today's General Mills Update

- First-half F14 Results Broadly Consistent with Our Plans
- Expect Earnings Growth to Accelerate in Second Half:
  - Strong Slate of New Product Introductions
  - Lower Input Cost Inflation
  - Easier Comparisons to LY Earnings Growth
- Full-year F14 Outlook: Healthy Growth and Strong Cash Returns to Shareholders

Healthy Growth



General Mills

Fiscal 2014 2nd Quarter Results

December 18, 2013

Reconciliation of Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q2		YTD Q2	
	2014	**2013**	**2014**	**2013**
U.S. Retail	$682	$723	$1,294	$1,298
International	153	139	279	265
Convenience Stores & Foodservice	85	96	159	164
Segment Operating Profit	$920	$959	$1,731	$1,727
Unallocated Corporate Items	49	127	123	106
Restructuring, Impairment and Other Exit Costs	1	3	4	12
Operating Profit	$870	$829	$1,605	$1,609

Table does not foot due to rounding

Reconciliation of Adjusted Diluted EPS

(Fiscal Years)

	Q2		YTD Q2	
	2014	**2013**	**2014**	**2013**
Diluted EPS	$0.84	$0.82	$1.54	$1.64
Mark-to-market Effects	(.02)	.04	(.02)	(.03)
Restructuring	.01	--	.01	.01
Tax Item	--	--	--	(.10)
Diluted EPS Excluding Certain Items Affecting Comparability	$0.83	$0.86	$1.53	$1.52

Q2 Reconciliation of Constant-currency Net Sales Growth

(Fiscal Years)

	Q2 2014		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-Currency Basis
Europe	-1	1	-2
Canada	-1	-5	4
Asia/Pacific	5	0	5
Latin America	6	-16	22
Total International	2%	-3 pts	5%

Reconciliation of Gross Margin

(Fiscal Years, $ in Millions)

	2014 Q2		2013 Q2	
	$	% of Net Sales	$	% of Net Sales
Net Sales	$4,876		$4,882	
Gross Margin as Reported	1,762	36.1%	1,742	35.7%
Mark-to-market Effects	(21)		48	
Gross Margin Excluding Mark-to-market Effects	$1,741	35.7%	$1,790	36.7%

Reconciliation of Effective Income Tax Rate

(Fiscal Years, $ in Millions)

	Q2 2014		Q2 2013	
	Pre-tax Earnings*	Income Taxes	Pre-tax Earnings*	Income Taxes
As Reported	$801	$267	$754	$245
Mark-to-market effects	(21)	(8)	48	18
Restructuring Costs	1	--	3	1
Integration Costs	--	--	5	1
Tax Item	--	--	--	--
As Adjusted	$781	$259	$809	$265
Effective Tax Rate				
As Reported		33.3%		32.6%
As Adjusted		33.2%		32.8%

*Earnings Before Income Taxes and After-tax Earnings from Joint Ventures.
Table Does Not Foot Due to Rounding.

YTD Q2 Reconciliation of Constant-currency Net Sales Growth

(Fiscal Years)

	YTD Q2 2014		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-Currency Basis
Europe	-1	1	-2
Canada	7	-4	11
Asia/Pacific	9	1	8
Latin America	51	-22	73
Total International	10%	-3 pts	13%