General Mills



Fiscal 2014 Review & 2015 Outlook

June 25, 2014

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.

2014 Financial Review



Don Mulligan

Executive Vice President;

Chief Financial Officer

Fiscal 2014 Summary

- Recorded Good Progress Building Our Worldwide Food Businesses
- Returned More than $2.7 Billion in Cash to Shareholders
- Net Sales and Operating Profit Results Were Disappointing

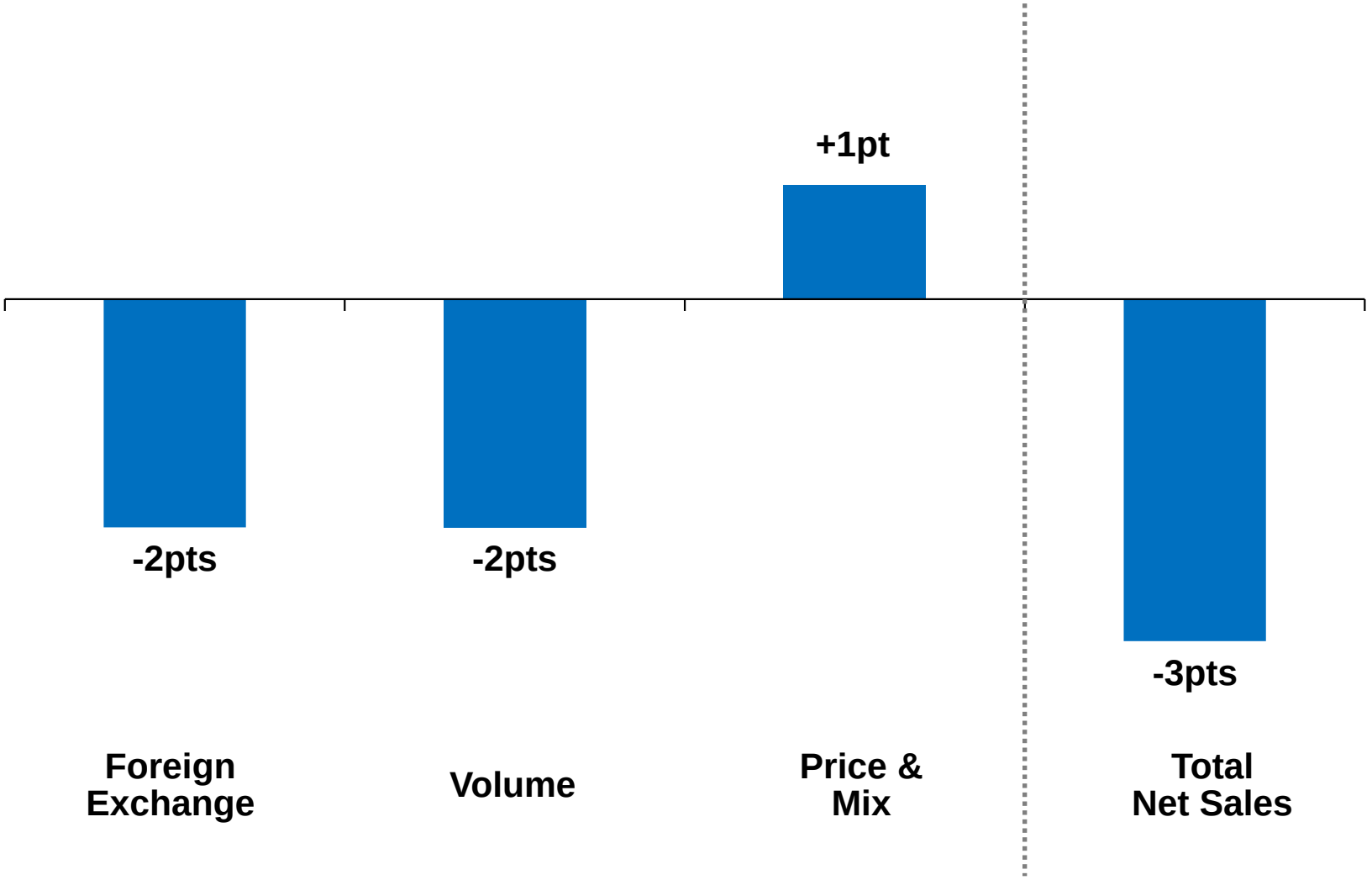
Fourth Quarter Fiscal 2014 Financial Summary

($ in Millions, Except per Share)

	$	% Change
Net Sales	$4,284	-3%
Adjusted Segment Operating Profit*	733	Flat
Net Earnings Attributable to General Mills	405	+10
Diluted EPS	$0.65	+18
Certain Items Affecting Comparability	.02	
Adjusted Diluted EPS*	$0.67	+24

* Non-GAAP Measure. See Appendix for Reconciliation.

Fourth Quarter Fiscal 2014
Components of Net Sales Growth



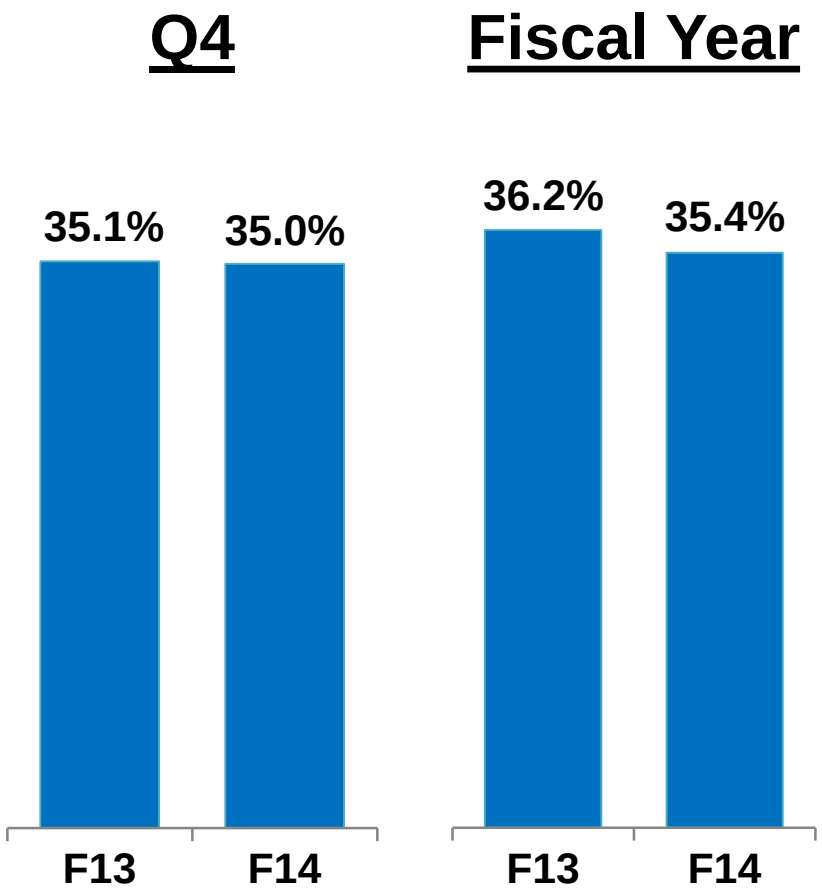
Fourth Quarter Fiscal 2014
Net Sales Results by Segment

($ in Millions)

	$	% Change
Total Net Sales	**$4,284**	**-3%**
U.S. Retail	2,437	-1
International	1,339	-7
*Constant Currency**		*-2*
Convenience Stores & Foodservice	508	+1

* Non-GAAP Measure. See Appendix for Reconciliation.

Adjusted Gross Margin* Results



- Annual Input Cost Inflation was 4%

* Non-GAAP Measure. See Appendix for Reconciliation.

Fiscal 2014 Financial Summary

($ in Millions, Except per Share)

	$	% Change
Net Sales	$17,910	+1%
Adjusted Segment Operating Profit*	3,154	-2
Net Earnings Attributable to General Mills	1,824	-2
Diluted EPS	$2.83	+1
Certain Items Affecting Comparability	(.01)	
Adjusted Diluted EPS*	$2.82	+4

* Non-GAAP Measure. See Appendix for Reconciliation.

Fiscal 2014
U.S. Retail Segment

Net Sales: $10.6B, Flat vs. LY
Operating Profit: $2.3B, -3% vs. LY

Net Sales by Division

	$MM	% Change
Big G Cereals	$2,345	+0%
Baking Products	1,832	-1
Snacks	1,824	+6
Frozen Foods	1,526	-2
Meals	1,419	-4
Yoplait	1,312	-3
Small Planet Foods	348	+6



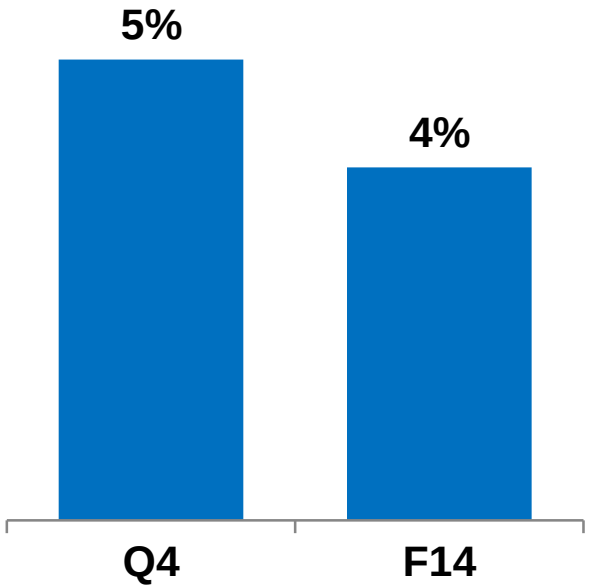
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Fiscal 2014
Convenience Stores & Foodservice Segment

Net Sales: $1.9B, -2% vs. LY
Operating Profit: $307MM, -2% vs. LY



6 Priority Platforms
Net Sales Growth
(F14 vs LY)



Fiscal 2014
International Segment

Net Sales: $5.4B; Constant-currency Growth +8%*
Adjusted Operating Profit*: $535MM; Constant-currency Growth +10%*

Net Sales by Region

	$MM	% Growth Constant-currency*
Europe	$2,189	-4%
Canada	1,195	+5
Latin America	1,020	+38
Asia / Pacific	982	+9

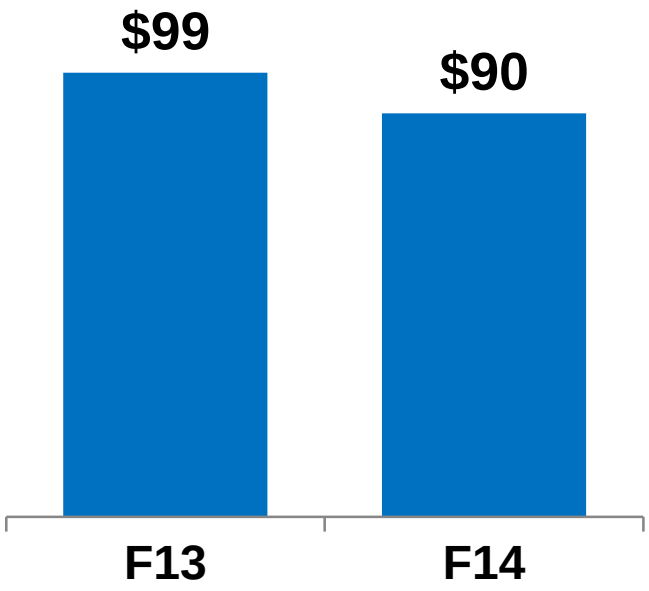


* Non-GAAP Measure. See Appendix for Reconciliation.

Fiscal 2014
Joint Venture Summary

JV Earnings After Tax

($ in Millions, As Reported)



Constant-currency Net Sales Growth

- CPW Flat
- HDJ +9%



Fiscal 2014
Core Working Capital

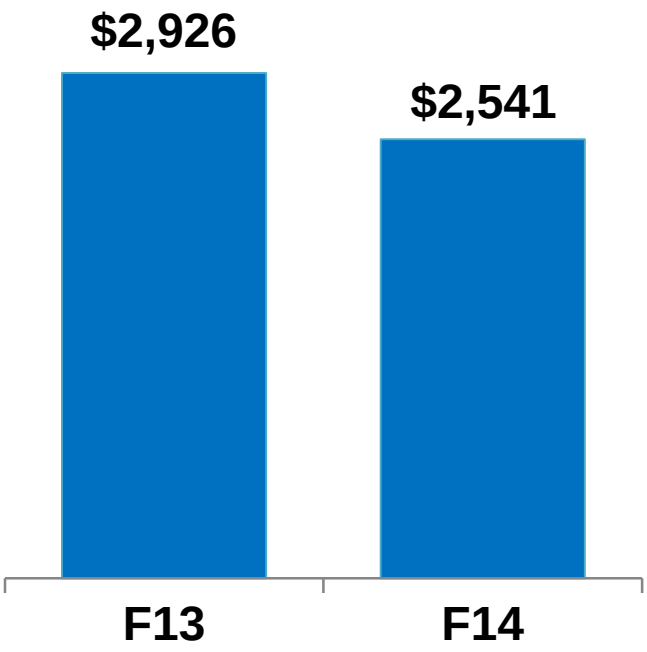
($ in Millions)

	Annual	
	F14	**F13**
Accounts Receivable	$1,484	$1,446
Inventories	1,559	1,546
Accounts Payable	1,611	1,423

F14 Core Working Capital -9%

Fiscal 2014
Operating Cash Flow

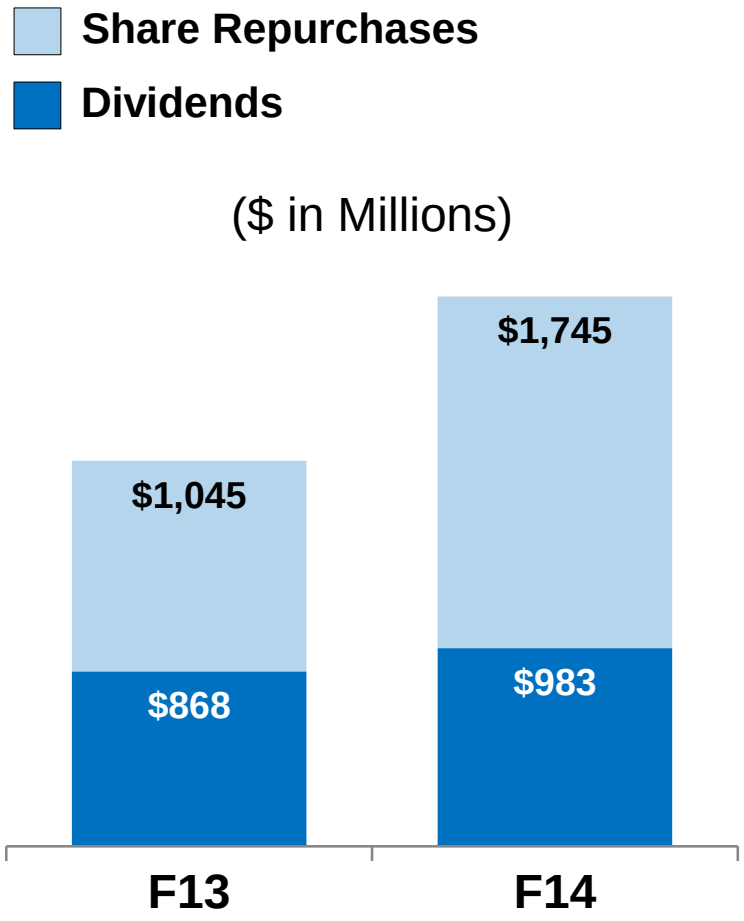
($ in Millions)



- $664MM in Capital Investments
- Free Cash Flow* of $1.9B

* Non-GAAP Measure. See Appendix for Reconciliation.

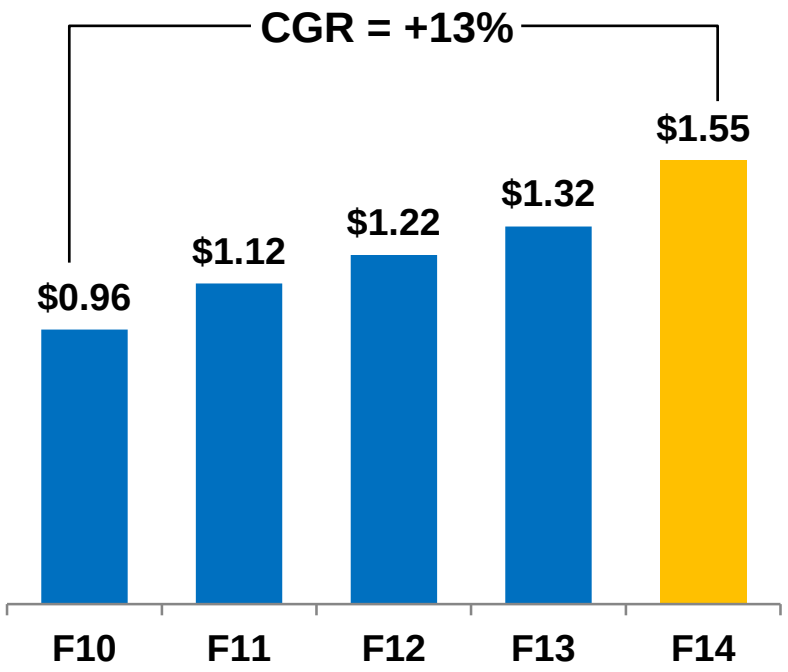
Fiscal 2014
Cash Returns to Shareholders



- 36MM Shares Repurchased
- Dividends per Share +17%

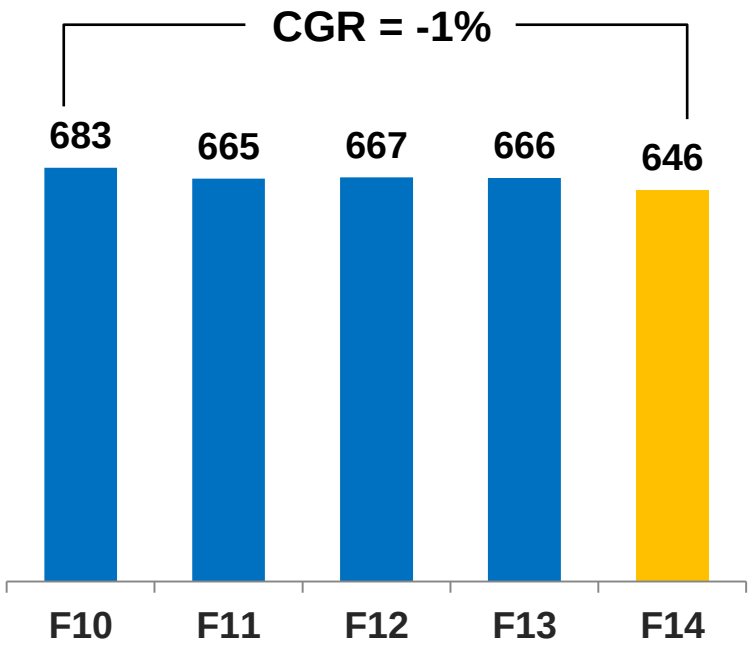
A Strong Track Record of Cash Returns to Shareholders

Dividends per Share



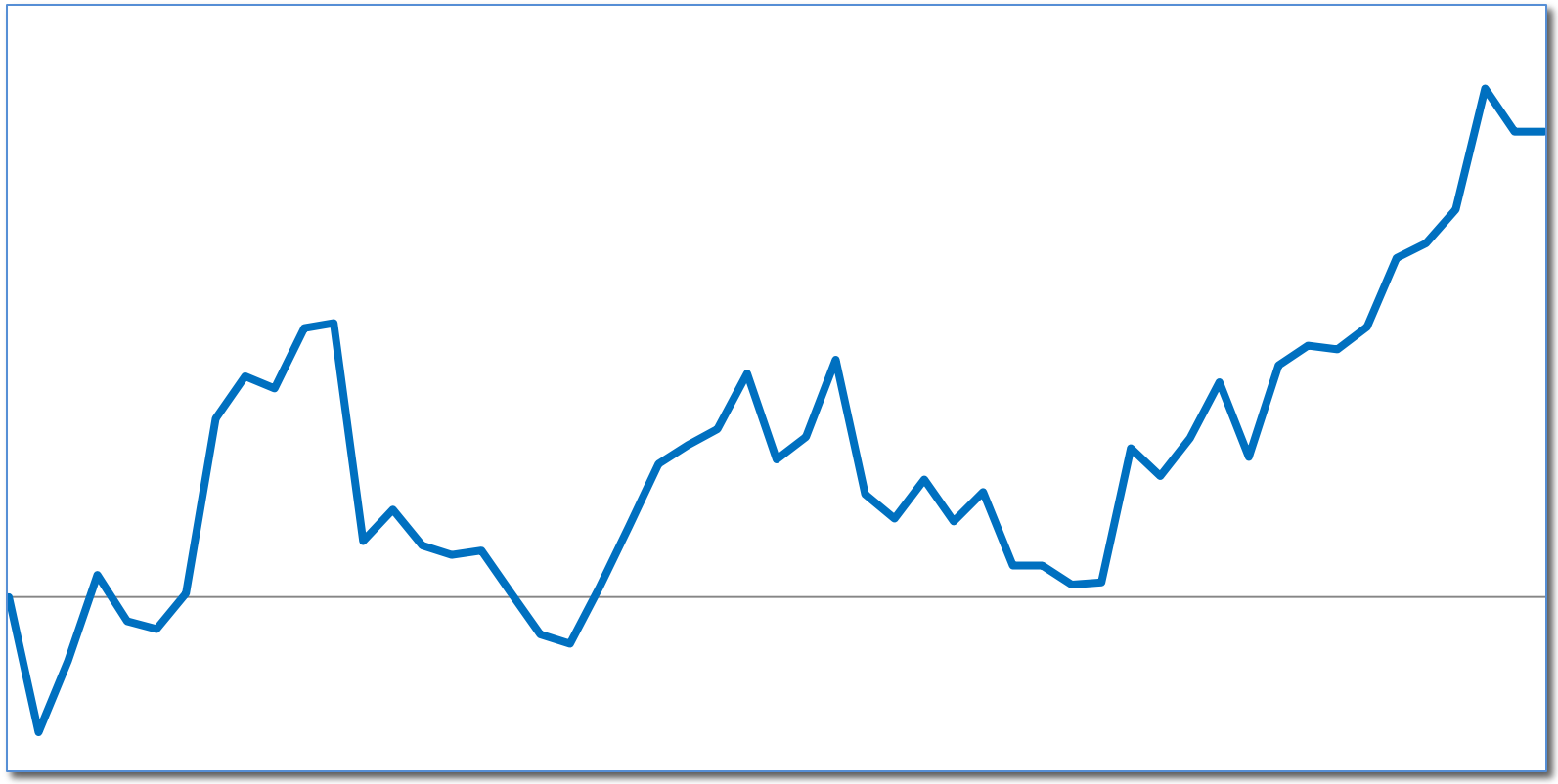
Average Diluted Shares Outstanding

(Shares in Millions)



Double-digit Total Shareholder Return in Fiscal 2014

(Price Appreciation plus Reinvested Dividends)



Source: Capital IQ.

General Mills Fiscal 2015 Plan – Key Assumptions

- Slow Improvement in Developed Market Industry Trends
- Net Sales Growth Will Benefit from 53rd Week
- Robust HMM Savings, Offsetting 3% Input Cost Inflation
- Reinvesting Profit Benefit of Extra Week – Increased Consumer Marketing and Start-up Expenses for F16 Product Innovation
- New Cost-reduction Efforts to Contribute Savings Beginning in F15

Fiscal 2015 Pension Expense

- No Change in Accounting Method
- F14 Return on Plan Assets +15%
- Qualified Plan Fully Funded
- F15 Pension Expense Modestly Lower than F14

Fiscal 2015 Guidance Summary

($ in Millions, Except per Share)

	Fiscal 2014	Fiscal 2015 Growth
Net Sales	$17,910	+MSD[1]
Adjusted Gross Margin*	35.4%	Higher
Media Expense	$870	Faster than Sales
Adjusted Segment Operating Profit*	$3,154	+MSD[1]
Interest Expense	$302	+HSD
Tax Rate Excluding Items*	32.2%	Comparable
JV Earnings After Tax	$90	+HSD[1]
Avg. Diluted Shares Outstanding	646	-3 to 4%
Adjusted Diluted EPS*	$2.82	+HSD[1]

* Non-GAAP Measure. See Appendix for Reconciliation.
[1] Constant-currency Growth Rate.

2015 Outlook



Ken Powell

Chairman of the Board;

Chief Executive Officer

U.S. Retail Segment
Fiscal 2015 Guidance

($ in Millions)

	F14	F15 Growth
Net Sales	$10,605	+MSD
Segment Operating Profit	$2,312	+MSD



U.S. Retail Leadership



Jeff Harmening



Juliana Chugg
Frozen Foods



Michele Meyer
Meals



Liz Nordlie
Small Planet Foods



Anton Vincent
Snacks



David Clark
Yoplait



Jim Murphy
Big G Cereals



Ann Simonds
Baking Products

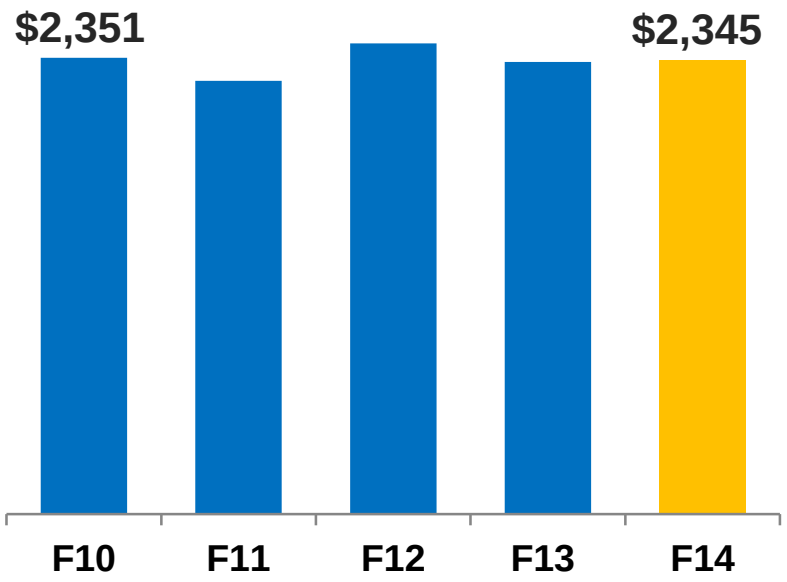
U.S. Retail Fiscal 2015 Priorities

- Invest in Cereal for Growth
- Return Yogurt to Growth
- Accelerate Better-for-you Snacking
- Sustain Momentum on Totino's, Old El Paso, and Baking Products
- Foster HMM

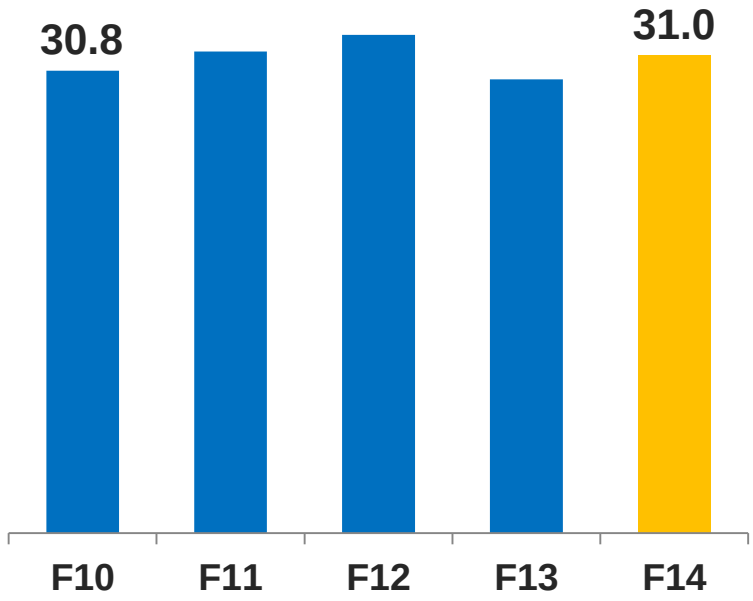
U.S. Cereal Trends

Big G Cereal Net Sales

($ in Millions)



General Mills RTE Cereal Market Share



Source: Nielsen XAOC

U.S. Cereal: News on Established Brands

Core Renovation



Consumer-first Messaging



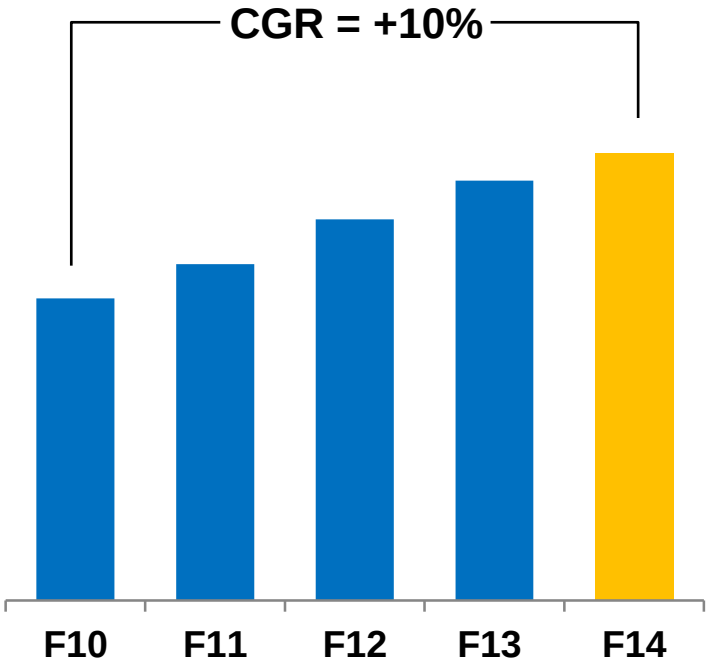
U.S. Cereal: Protein Innovation





U.S. Cereal: Gluten-free Expansion

Chex Franchise Retail Sales







Source: Nielsen XAOC

U.S. Cereal Summary



U.S. Yogurt: Finished Fiscal 2014 with Clear Momentum



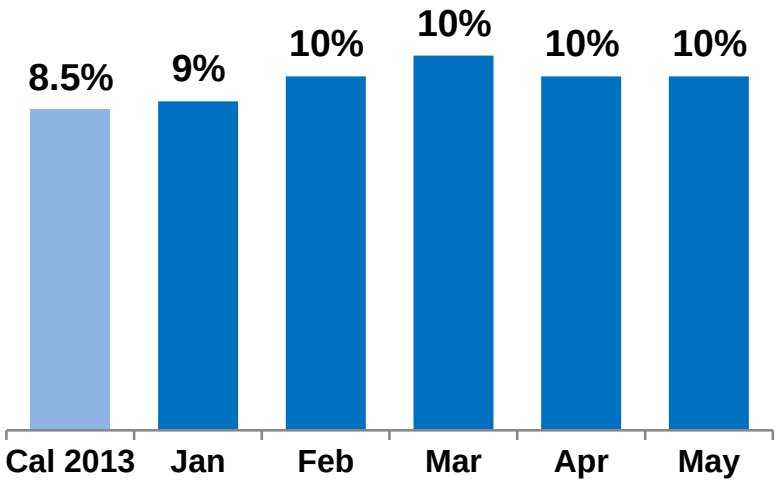
Yoplait Dollar Share of Greek Segment

(Fiscal 2014)

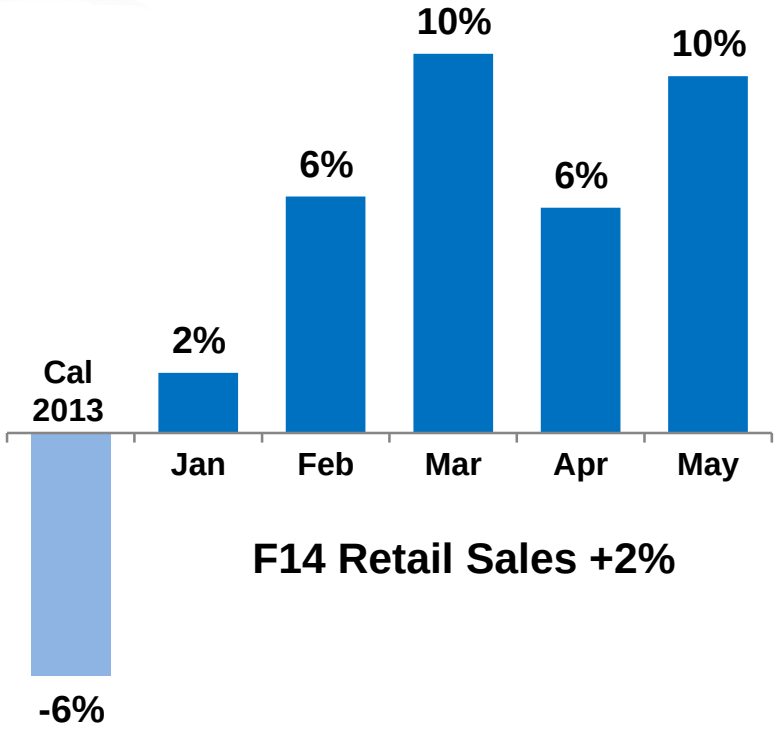


Retail Sales Growth Original Style Yoplait

(F14 vs LY)



F14 Retail Sales +41%



F14 Retail Sales +2%

Source: Nielsen XAOC

U.S. Yogurt 2015 Growth Plan

Greek



Taste-off

Yoplait Original



Yoplait Light



Kid



U.S. Retail:
Accelerate Better-for-you Snacking









More Fiscal 2015 First Half U.S. BFY Snacking Innovation



U.S. Retail:
Building on Positive Momentum

Frozen Hot Snacks



Mexican Aisle



Baking Products



Convenience Stores & Foodservice Segment Fiscal 2015 Guidance

($ in Millions)

	F14	F15 Growth
Net Sales	$1,919	+MSD
Segment Operating Profit	$307	+HSD



Convenience Stores & Foodservice 2015 Product News

14,000+ Locations in the U.S.





International Segment Fiscal 2015 Guidance

($ in Millions)

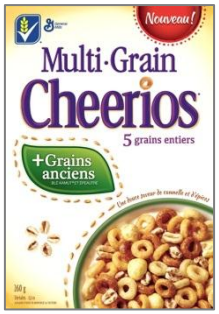
	F14	F15 Growth Constant-currency
Net Sales	$5,386	+HSD
Adj. Segment Operating Profit*	$535	+HSD



* Non-GAAP Measure. See Appendix for Reconciliation.

International Segment: Developed Markets News & Innovation

Canada















Europe







International Segment: Emerging Market Plans – Greater China









yoplait

International Segment: Emerging Market Plans – Brazil











Other Emerging Market Plans

AMEA









CPW





General Mills Fiscal 2015 Summary

- Consumer-focused Innovation to Drive Growth
- Strong Slate of Product News & Consumer Marketing Initiatives
- Our HMM Focus and New Cost Reduction Efforts Will Provide Fuel for Investment
- Continuing Emphasis on Shareholder Returns

Reconciliation of Adjusted Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q4		YTD	
	2014	**2013**	**2014**	**2013**
U.S. Retail	$501	$517	$2,312	$2,393
Adjusted International	146	140	535	515
Convenience Stores & Foodservice	86	75	307	315
Adjusted Segment Operating Profit	$733	$733	$3,154	$3,223
Unallocated Corporate Items	54	119	196	326
Divestiture (Gain)	(66)	--	(66)	--
Restructuring, Impairment, and Other Exit Costs	--	2	4	20
Venezuela Currency Devaluation	62	11	62	25
Operating Profit	$682	$601	$2,957	$2,852

Table does not foot due to rounding.

Reconciliation of Adjusted Diluted EPS

(Fiscal Years)

	Q4		YTD	
	2014	**2013**	**2014**	**2013**
Diluted EPS	$0.65	$0.55	$2.83	$2.79
Mark-to-market Effects	(.01)	.01	(.05)	--
Divestiture Gain, net	(.06)	--	(.06)	--
Restructuring	--	--	.01	.02
Tax Item	--	(.03)	--	(.13)
Acquisition Integration Costs	--	--	--	.01
Venezuela Currency Devaluation	.09	.01	.09	.03
Diluted EPS Excluding Certain Items Affecting Comparability	$0.67	$0.54	$2.82	$2.72

Reconciliation of Q4 Constant-currency Net Sales Growth

(Fiscal Years)

	Q4 2014		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-currency Basis
Europe	-6%	4 pts	-10%
Canada	-11	-7	-4
Asia/Pacific	3	-1	4
Latin America	-12	-25	13
Total International	-7%	-5 pts	-2%
Total Net Sales	-3%	-2 pts	-1%

Reconciliation of Full Year Constant-currency Net Sales Growth

	YTD 2014		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-currency Basis
Europe	-1%	3 pts	-4%
Canada	-1	-6	5
Asia/Pacific	9	--	9
Latin America	16	-22	38
Total International	4%	-4 pts	8%
Total Net Sales	1%	-1 pt	2%

Reconciliation of Q4 Gross Margin

(Fiscal Years, $ in Millions)

	Q4 2014		Q4 2013	
	$	% of Net Sales	$	% of Net Sales
Net Sales	$4,284		$4,411	
Gross Margin as Reported	1,482	34.6%	1,531	34.7%
Mark-to-market Effects	(6)		4	
Venezuela Currency Devaluation	23		11	
Adjusted Gross Margin	$1,500	35.0%	$1,546	35.1%

Table does not foot due to rounding.

Reconciliation of Full Year Gross Margin

(Fiscal Years, $ in Millions)

	YTD 2014		YTD 2013	
	$	% of Net Sales	$	% of Net Sales
Net Sales	$17,910		$17,774	
Gross Margin as Reported	6,370	35.6%	6,424	36.1%
Mark-to-market Effects	(48)		(4)	
Venezuela Currency Devaluation	23		16	
Adjusted Gross Margin	$6,344	35.4%	$6,436	36.2%

Table does not foot due to rounding.

Reconciliation of Q4 Adjusted International Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q4	
	2014	**2013**
International Segment Operating Profit	$84	$129
Venezuela Currency Devaluation	62	11
Adjusted International Segment Operating Profit	$146	$140

Reconciliation of Full Year Adjusted International Segment Operating Profit

(Fiscal Years, $ in Millions)

	YTD		
	2014	**2013**	**Change**
International Segment Operating Profit	$473	$490	-4%
Venezuela Currency Devaluation	62	25	
Adjusted International Segment Operating Profit	$535	$515	4%
Add Back of Foreign Currency Exchange			6%
Adjusted Constant-currency International Segment Operating Profit Change			10%

Reconciliation of Free Cash Flow

(Fiscal Years, $ in Millions)

	2014
Net Cash Provided by Operating Activities, As Reported	$2,541
Purchases of Land, Buildings, and Equipment	(664)
Free Cash Flow	$1,878

Table does not foot due to rounding.

Reconciliation of After-tax Earnings from Joint Ventures

(Fiscal Years)

	YTD 2014		
	% Change in After-tax Earnings as Reported	Impact of Foreign Currency Exchange	% Change in After-tax Earnings on a Constant-currency Basis
Total After-tax Earnings from Joint Ventures	-9%	-5 pts	-4%

Reconciliation of Effective Income Tax Rate

(Fiscal Years, $ in Millions)

	YTD 2014		YTD 2013	
	Pre-tax Earnings*	**Income Taxes**	**Pre-tax Earnings***	**Income Taxes**
As Reported	$2,655	$883	$2,535	$741
Mark-to-market effects	(48)	(18)	(4)	(2)
Restructuring Costs	4	--	19	3
Integration Costs	--	--	12	4
Tax Items	--	--	--	85
Venezuela Currency Devaluation	62	4	25	4
Divestiture (Gain)	(66)	(30)	--	--
As Adjusted	$2,607	$840	$2,587	$836
Effective Tax Rate				
As Reported		33.3%		29.2%
As Adjusted		32.2%		32.3%

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