General Mills

Fiscal 2015 Review & 2016 Outlook



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; effectiveness of restructuring and cost savings initiatives; 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.





Don Mulligan

Executive Vice President;
Chief Financial Officer

Fiscal 2015 Summary

- Mixed Performance Across Segments
  - Convenience Stores & Foodservice: Record Profit
  - International: Margin Expansion and Profit Growth in Constant Currency
  - U.S. Retail: Sales and Profit Results Below Last Year
- Consumer-first Efforts Strengthened Performance in Second Half
- Important Strategic Actions for Future Growth
  - Annie's Acquisition
  - Incremental Cost Savings Projects

Fourth Quarter Fiscal 2015 Financial Summary

($ in Millions, Except per Share)

	$	% Change	Constant-currency % Change*
Net Sales	$4,299	Flat	+6%
Segment Operating Profit*	800	+9%	+13
Net Earnings Attributable to General Mills	187	-54	
Diluted EPS	$0.30	-54	
Certain Items Affecting Comparability	.45		
Adjusted Diluted EPS*	$0.75	+12%	+18%

Estimated 53rd Week Contribution: 6 Points of Net Sales Growth and $0.04 of EPS in Q4

*Non-GAAP measures. See appendix for reconciliation.

Full Year Fiscal 2015 Financial Summary

($ in Millions, Except per Share)

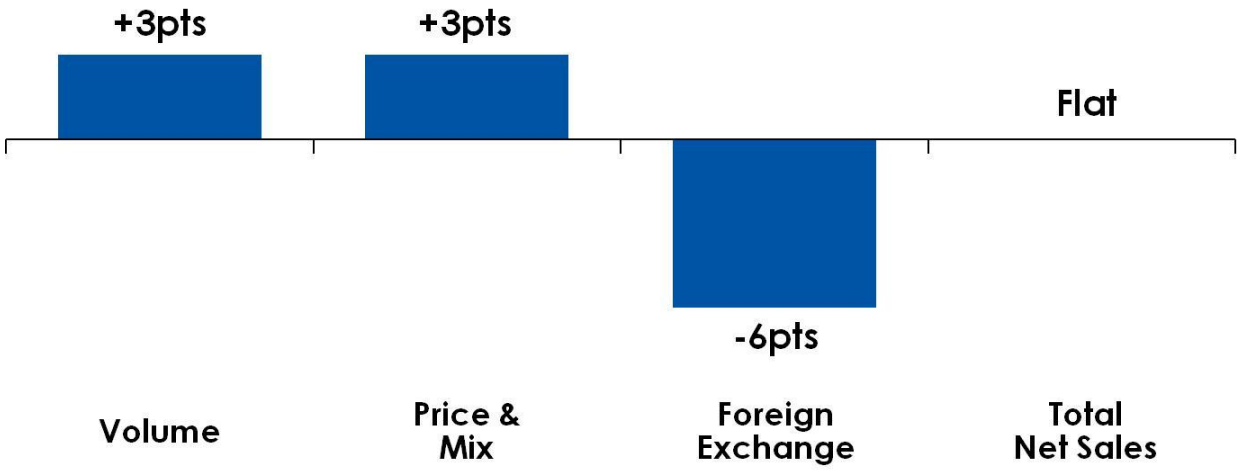
	$	% Change	Constant-currency % Change*
Net Sales	$17,630	-2%	+1%
Segment Operating Profit*	3,035	-4	-2
Net Earnings Attributable to General Mills	1,221	-33	
Diluted EPS	$1.97	-30	
Certain Items Affecting Comparability	.89		
Adjusted Diluted EPS*	$2.86	+1%	+4%

Estimated 53rd Week Contribution: 1 Point of Net Sales Growth and $0.04 of EPS for Full Year

*Non-GAAP measures. See appendix for reconciliation.

Fourth Quarter Fiscal 2015
Components of Net Sales Growth

(As Reported)



	Volume	Price & Mix	Foreign Exchange	Total Net Sales
Full Year:	-1pts	+2pts	-3pts	-2pts

Fiscal 2015
U.S. Retail Segment



Net Sales Growth

	H1	Q3	Q4	Full Year
Snacks	+3%	+14%	+8%	+7%
Yogurt	+1	+10	+9	+5
Cereal	-7	Flat	+3	-3
Meals	-8	-2	+6	-4
Baking Products	-6	-9	-2	-6
Total U.S. Retail	**-4%**	**+1%**	**+5%**	**-1%**

U.S. Retail – Share Growth in Many Key Categories

	Fiscal 2015	
	Dollar Share	Share Change vs. LY (bps)
Grain Snacks	42.8%	+168
Frozen Hot Snacks	25.8	+97
Yogurt	24.9	+88
RTE Cereal	31.3	+26
Frozen Pizza	9.4	+23
Refrig. Baked Goods	70.1	+16
RTS Soup	39.3	-28
Mexican Products*	16.8	-51
Fruit Snacks	46.4	-67
Dry Pkgd. Dinners	15.7	-72
Dessert Mixes	38.3	-144
Frozen Vegetables	15.8	-168

*Excludes Snack Aisle

Source: Nielsen XAOC, 52 weeks ended 5.30.15

Fiscal 2015
Convenience Stores & Foodservice Segment



	Net Sales Growth	
	Q4	F15
6 Focus Platforms	+8%	+9%
Other	Flat	Flat
Total CS&F	**+4%**	**+4%**

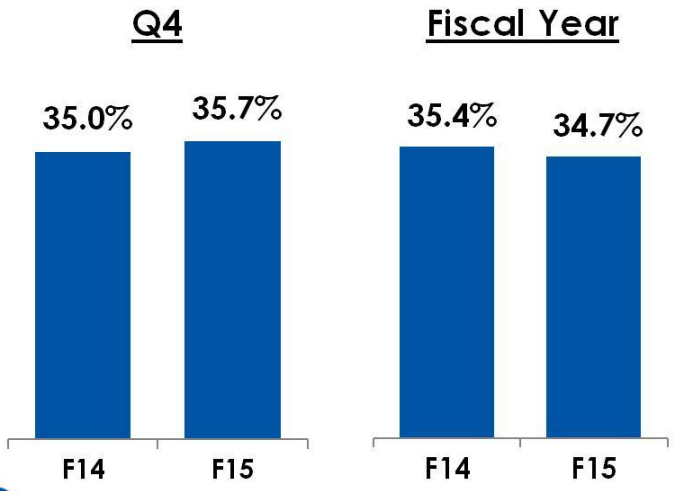
Fiscal 2015
International Segment

	Constant-currency Net Sales Growth*	
	Q4	**F15**
Latin America	+13%	+17%
Asia / Pacific	+13	+5
Europe	+7	+5
Canada	+6	Flat
Total International	**+9%**	**+6%**



*Non-GAAP measure. See appendix for reconciliation.

Adjusted Gross Margin* Results



- Volume Deleverage Drove Annual Adjusted Gross Margin Decline
- Annual Input Cost Inflation was 2%

*Non-GAAP measure. See appendix for reconciliation.

Fiscal 2015
Segment Operating Profit

($ in Millions)

	$	% Change	Constant-currency % Change*
Total Segment Operating Profit*	**$3,035**	**-4%**	**-2%**
U.S. Retail	2,159	-7	
International	523	-2	+9
Convenience Stores & Foodservice	353	+15	

*Non-GAAP measure. See appendix for reconciliation.

Fiscal 2015
Joint Venture Results

F15 Constant-currency
Net Sales Trend



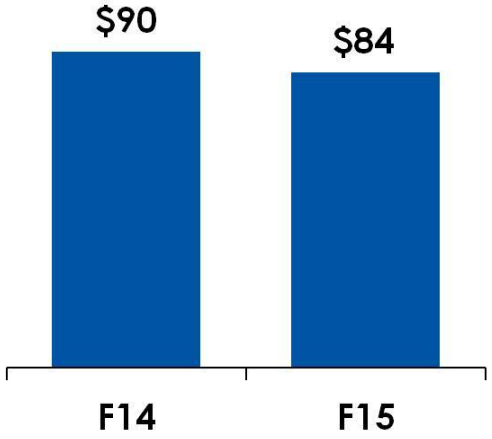


CPW -2%



HDJ +6%

JV Earnings After Tax
($ in Millions, As Reported)



- F15 Constant-currency JV Earnings After Tax Flat to Last Year

Fiscal 2015
Other Income Statement Items

- Q4 Green Giant Intangible Asset Impairment of $260MM*
- Restructuring & Project-related Costs of $357MM* Pretax (Includes $73MM in Cost of Sales)
- Unallocated Corporate Expense Decreased Excluding Certain Items
- Interest Expense $13MM Above Last Year
- Q4 Earnings Repatriation Tax Charge of $79MM*
- Adjusted Effective Tax Rate 30.5% vs. 32.2% LY**

*Excluded from Adjusted Diluted EPS.
**Non-GAAP measure. See appendix for reconciliation.

Core Working Capital

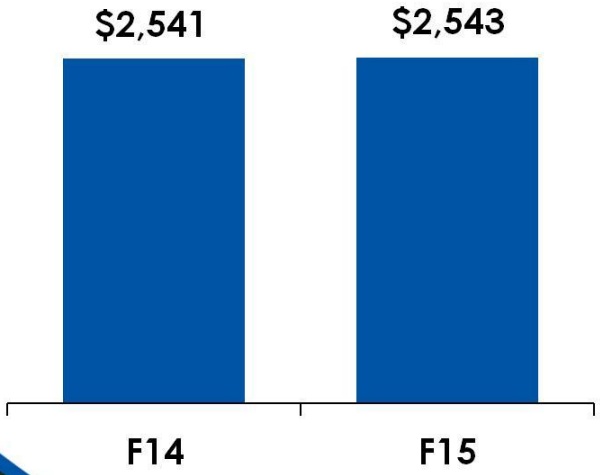
($ in Millions)

	Annual		
	F15	F14	% Change
Accounts Receivable	$1,387	$1,484	
Inventories	1,541	1,559	
Accounts Payable	1,684	1,611	
Total Core Working Capital:	$1,244	$1,432	-13%

Fiscal 2015
Cash Flow Highlights

Operating Cash Flow

($ in Millions)

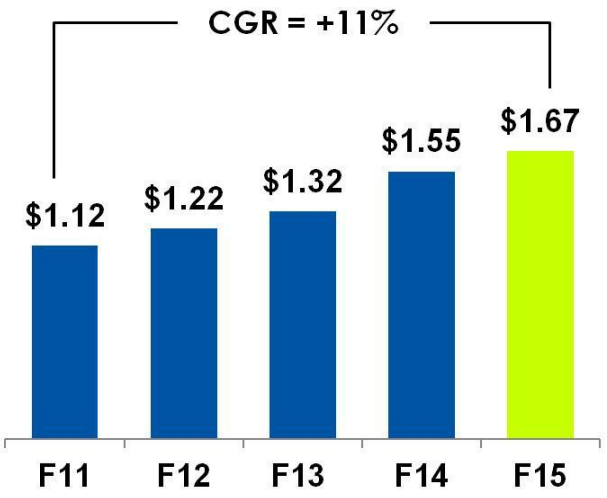


Uses of Cash

- Fixed Asset Investment = $712MM
- Dividends Paid = $1,018MM
- Share Repurchases = $1,162MM

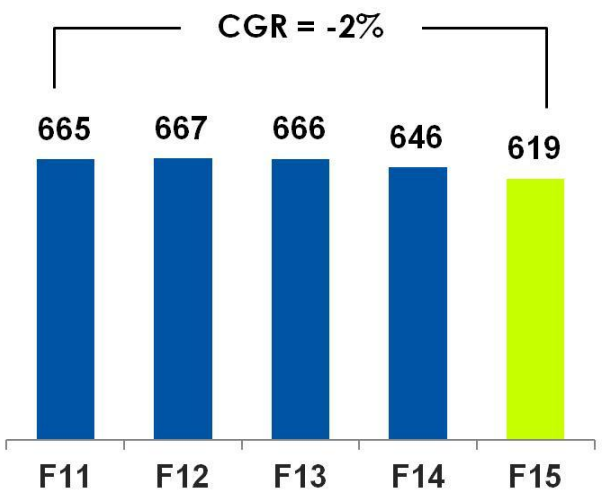
A Strong Track Record of Returning Cash to Shareholders

Dividends per Share



Average Diluted Shares Outstanding

(Shares in Millions)



$10B Cash Returned to Shareholders in Past Five Years

Cost Savings Projects Update

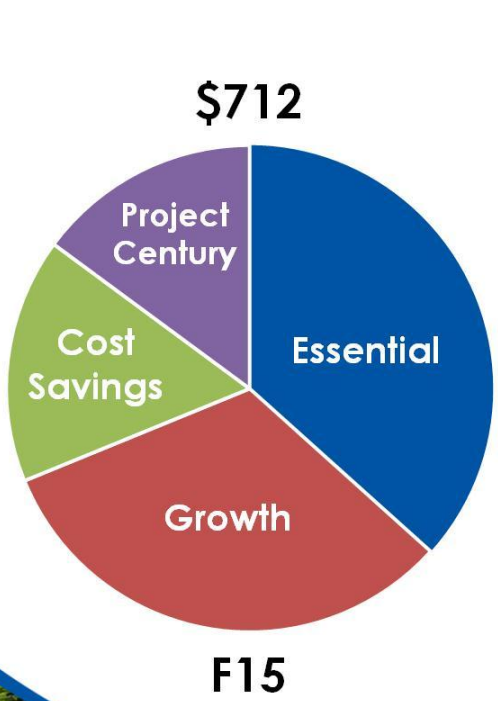
- Project Century, Project Catalyst, and Policies & Practices Update: Accelerated Savings in Fiscal 2015; Maintaining Fiscal 2017 Savings Targets
- Project Compass: Streamlining International Organization Structure – Announced June 25th
  - One-time Charges $57-$62MM
  - $25-$30MM Savings in Fiscal 2016; $45-$50MM Annual Savings by Fiscal 2017

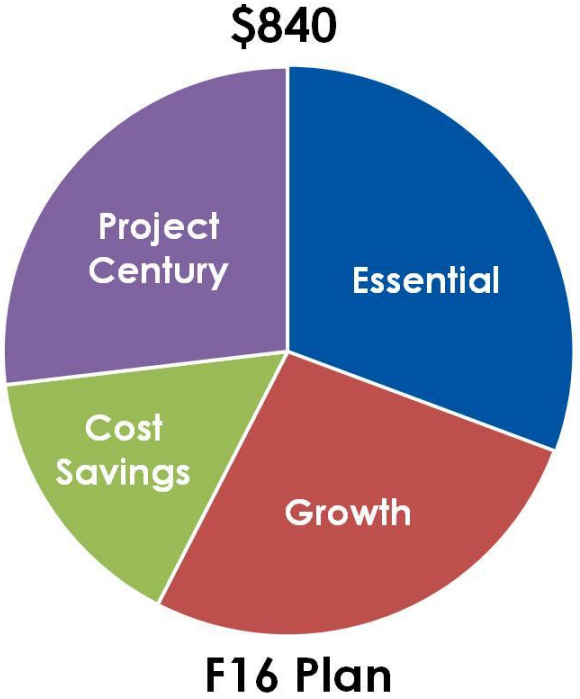
Updated Cumulative Annual Savings Goal

	Prior	Updated
F16	$260 - $280MM	$285 - $310MM
F17	$350MM+	$400MM+

Fixed Asset Investment

($ in Millions)





Fiscal 2016 Guidance Summary

($ in Millions, Except per Share)

	Fiscal 2015 (53wks)	Fiscal 2016 Growth (52wks)
Net Sales	$17,630	Flat[1]
Adjusted Gross Margin*	34.7%	Higher
Media Expense	$823	Down Slightly
Total Segment Operating Profit*	$3,035	+LSD[1]
Interest Expense	$315	-MSD
Tax Rate Excluding Items*	30.5%	Comparable
JV Earnings After Tax	$84	+LSD[1]
Avg. Diluted Shares Outstanding	619	-1%
Adjusted Diluted EPS*	$2.86	+MSD[1]

*Non-GAAP measure. See appendix for reconciliation.

[1] Constant-currency growth rate.



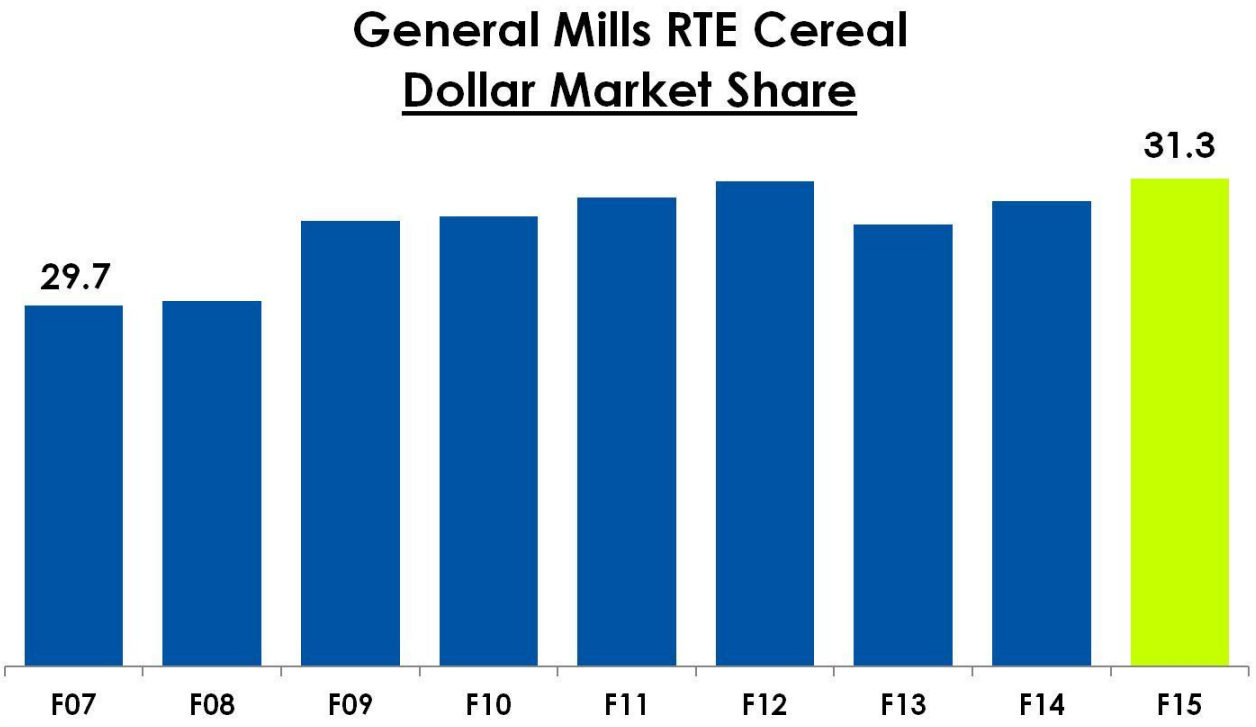
Ken Powell

Chairman and CEO

U.S. Retail Fiscal 2016 Priorities

- Grow Cereal
- Accelerate Yogurt and Snacks
- Drive Double-digit Growth on Natural & Organic
- Deliver Consumer-first Value on Key Brands

Leading U.S. Cereal Category Performance

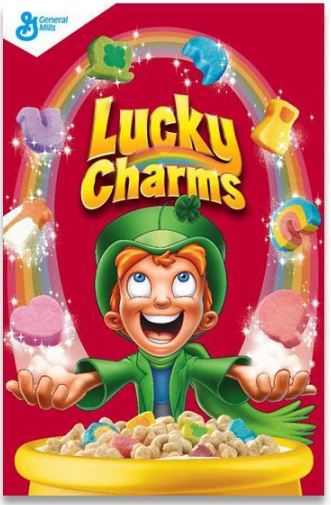


Sources: F07-F09 Nielsen All Outlet; F10-F15 Nielsen XAOC

U.S. Cereal
Gluten Free News

First Half Fiscal 2016





- Same Oats as GF Cheerios
- No Reformulation

U.S. Cereal
Color & Flavor Renovation

General Mills

NO HIGH FRUCTOSE CORN SYRUP

NO COLORS FROM ARTIFICIAL SOURCES

NO ARTIFICIAL FLAVORS



- 75% of Portfolio by January 2016
- All General Mills Cereals by Calendar 2017

U.S. Cereal
Fiscal 2016 First Half Innovation

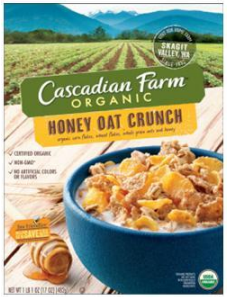
Granola Bites



Muesli



Organic



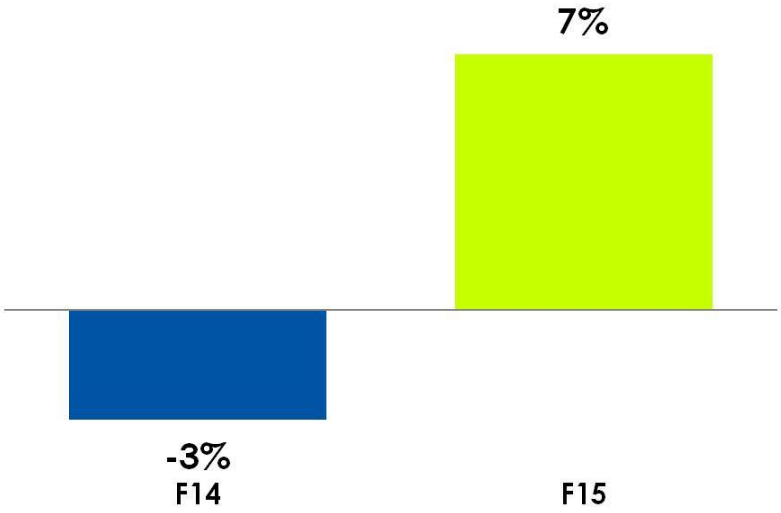
Oatmeal



Strong U.S. Yogurt Results in Fiscal 2015

Yoplait Retail Dollar Sales

(% Change vs LY)







Source: Nielsen XAOC

U.S. Yogurt
Fiscal 2016 Growth Plans

Original Style Renovation



Greek Innovation



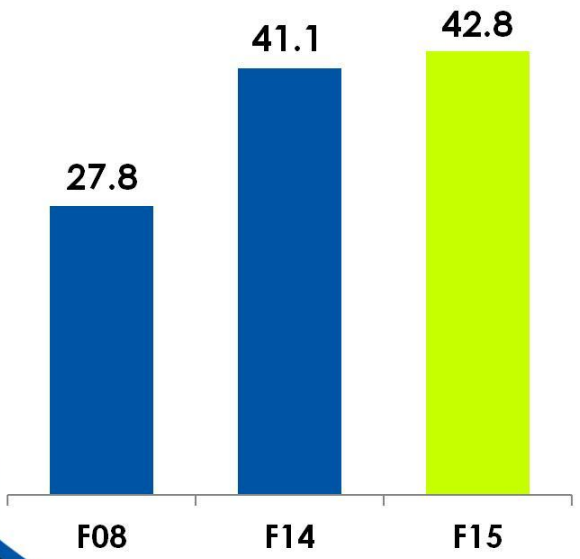
Kid News





Leading U.S. Grain Snacks Growth

General Mills Grain Snacks Dollar Share







Sources: F08 Nielsen All Outlet; F14-F15 Nielsen XAOC

U.S. Grain Snacks
Fiscal 2016 Growth Plans

Renovation





Innovation





Natural & Organic Finished Fiscal 2015 With Strong Momentum

(Net Sales, $ in Millions)

	Q4 F14	Q4 F15
Annie's		+++
Cascadian Farm		+
Lärabar		+
Food Should Taste Good		+
Muir Glen		+
Mountain High		+
Immaculate		-
Liberté		+
Ttl N/O Portfolio	$102	$198

+94%



Includes Net Sales in U.S. Retail and Convenience Stores & Foodservice Segments

Drive Double-digit Growth in Natural & Organic in Fiscal 2016

Core Distribution Growth

Annie's

LÄRABAR

Soup Innovation



Snacks News





Deliver Consumer-first Value on Key Brands



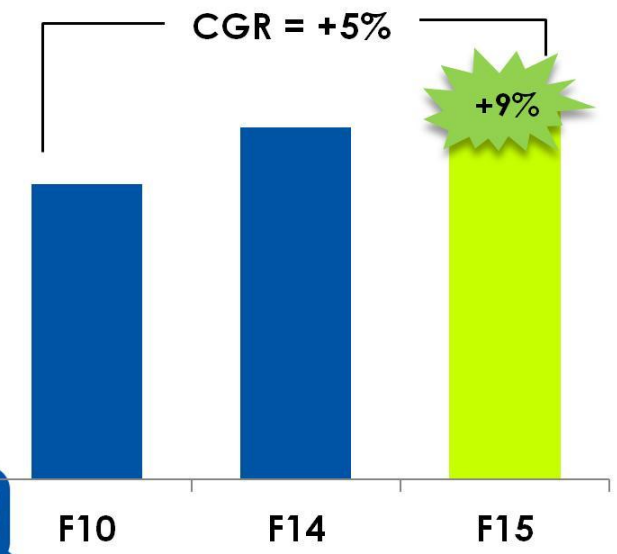




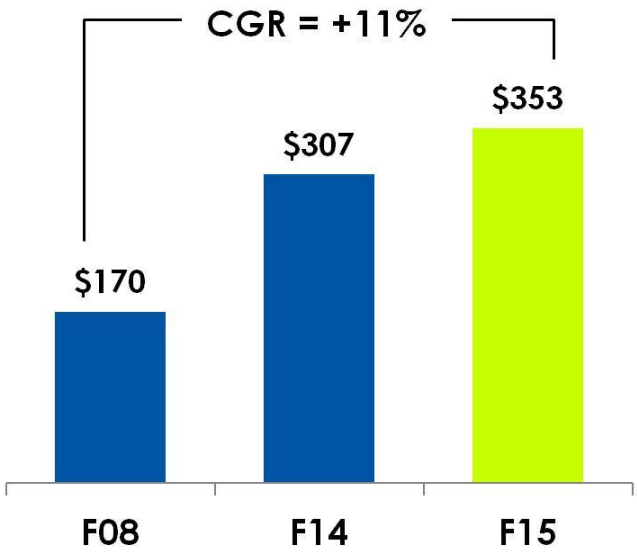
Continued Strong Convenience Stores & Foodservice Growth in Fiscal 2015

($ in Millions)

Focus 6 Platform Net Sales



Segment Operating Profit



	F08	F14	F15
Profit Margin:	8.6%	16.0%	17.7%

Convenience Stores & Foodservice
2016 Product News

Cereal



- NO HIGH FRUCTOSE CORN SYRUP
- NO COLORS FROM ARTIFICIAL SOURCES
- NO ARTIFICIAL FLAVORS

Yogurt





Frozen Breakfast

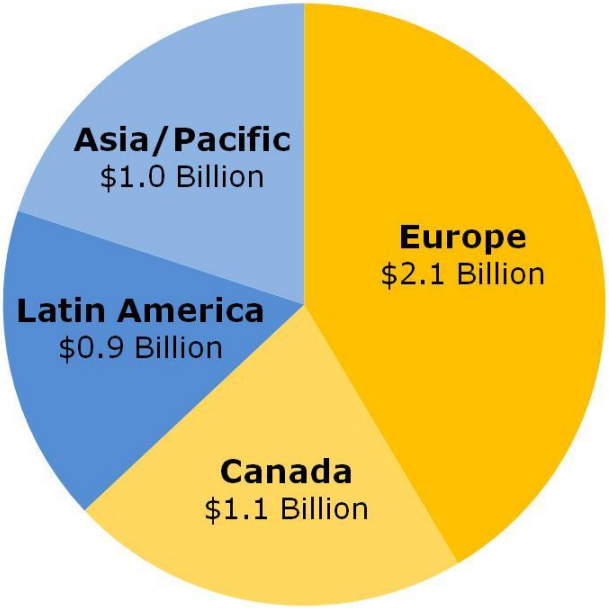


C-Store Snacks



International Segment

(Net Sales, Fiscal 2015)



Developed Markets 63%

Emerging Markets 37%

International Developed Markets Fiscal 2016 Growth Plans

Convenient Meals









Häagen-Dazs



Yogurt





International Emerging Markets Fiscal 2016 Growth Plans

Brazil



China



CPW Reaches a Milestone

cpw

Cereal Partners Worldwide
Nestlé and General Mills

25 YEARS
1990-2015









CPW Consumer-first Innovation

Gluten Free



Simplicity



Convenience



General Mills Fiscal 2016 Summary

- Expanding Our Consumer-first Focus to Generate Growth
- Investing in Core Renovation and Incremental Innovation
- Disciplined Cost Management
- Continued Emphasis on Shareholder Returns

Reconciliation of Fourth Quarter Constant-currency Net Sales Growth

(Fiscal Year)

	Q4 2015		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-currency Basis
Europe	-12%	-19 pts	7%
Canada	-5	-11	6
Asia/Pacific	11	-2	13
Latin America	-23	-36	13
Total International	-9%	-18 pts	9%
Total Net Sales	Flat	-6 pts	6%

Reconciliation of Full Year Constant-currency Net Sales Growth

(Fiscal Year)

	Full Year 2015		
	% Change in Net Sales as Reported	Impact of Foreign Currency Exchange	% Change in Net Sales on a Constant-currency Basis
Europe	-3%	-8 pts	5%
Canada	-8	-8	Flat
Asia/Pacific	4	-1	5
Latin America	-14	-31	17
Total International	-5%	-11 pts	6%
Total Net Sales	-2%	-3 pts	1%

Reconciliation of Fourth Quarter Total Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q4	
	2015	2014
U.S. Retail	$565	$501
International	134	146
Convenience Stores & Foodservice	101	86
Total Segment Operating Profit	$800	$733
Unallocated Corporate Items	110	117
Divestiture (gain)	--	(66)
Restructuring, Impairment, and Other Exit Costs	266	--
Operating Profit	$424	$682

Reconciliation of Full Year Total Segment Operating Profit

(Fiscal Years, $ in Millions)

	Full Year	
	2015	2014
U.S. Retail	$2,159	$2,312
International	523	535
Convenience Stores & Foodservice	353	307
Total Segment Operating Profit	$3,035	$3,154
Unallocated Corporate Items	414	258
Divestiture (gain)	--	(66)
Restructuring, Impairment, and Other Exit Costs	544	4
Operating Profit	$2,077	$2,957

*Table does not foot due to rounding

Reconciliation of Fourth Quarter Constant-currency Total Segment Operating Profit Growth

(Fiscal Year)

	Q4 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	9%	-4 pts	13%

Reconciliation of Full Year Constant-currency Total Segment Operating Profit Growth

(Fiscal Year)

	Full Year 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	-4%	-2 pts	-2%



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

(Fiscal Years)	Q4		
	2015	**2014**	**Change**
Diluted EPS	$0.30	$0.65	-54%
Mark-to-market Effects	(.01)	(.01)	
Intangible Asset Impairment	.28	--	
Tax Item	.13	--	
Divestiture (gain)	--	(.06)	
Restructuring Costs	.03	--	
Project-related Costs	.01	--	
Venezuela Currency Devaluation	--	.09	
Acquisition Integration Costs	.01	--	
Adjusted Diluted EPS	$0.75	$0.67	12%
Impact of Foreign Currency Exchange			-6 pts
Adjusted Diluted EPS On a Constant-currency Basis			18%

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

(Fiscal Years)	Full Year		
	2015	2014	Change
Diluted EPS	$1.97	$2.83	-30%
Mark-to-market Effects	.09	(.05)	
Intangible Asset Impairment	.28	--	
Tax Item	.13	--	
Divestiture (gain)	--	(.06)	
Restructuring Costs	.35	.01	
Project-related Costs	.01	--	
Venezuela Currency Devaluation	.01	.09	
Acquisition Integration Costs	.02	--	
Adjusted Diluted EPS	$2.86	$2.82	1%
Impact of Foreign Currency Exchange			-3 pts
Adjusted Diluted EPS On a Constant-currency Basis			4%

Reconciliation of Full Year Constant-currency International Segment Operating Profit Growth

(Fiscal Year)

	Full Year 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	-2%	-11 pts	9%

Reconciliation of Fourth Quarter Adjusted Gross Margin

(Fiscal Years, $ in Millions)

	2015		2014	
	$	% of Net Sales	$	% of Net Sales
Net Sales	$4,299		$4,284	
Gross Margin as Reported	1,516	35.3%	1,482	34.6%
Mark-to-market Effects	(8)		(6)	
Restructuring Charges	19		--	
Project-related Costs	10		--	
Venezuela Currency Devaluation	--		23	
Adjusted Gross Margin	$1,536	35.7%	$1,500	35.0%

*Table does not foot due to rounding

Reconciliation of Full Year Adjusted Gross Margin

(Fiscal Years, $ in Millions)

	2015		2014	
	$	% of Net Sales	$	% of Net Sales
Net Sales	$17,630		$17,910	
Gross Margin as Reported	5,949	33.7%	6,370	35.6%
Mark-to-market Effects	90		(48)	
Restructuring Charges	60		--	
Project-related Costs	13		--	
Venezuela Currency Devaluation	3		23	
Adjusted Gross Margin	$6,115	34.7%	$6,344	35.4%

*Table does not foot due to rounding

Reconciliation of Full Year Constant-currency JV Earnings After Tax

(Fiscal Year)

	Full Year 2015		
	% Change in After-tax Earnings From Joint Ventures as Reported	Impact of Foreign Currency Exchange	% Change in After-tax Earnings From Joint Ventures on a Constant-currency Basis
Total Joint Ventures	-6%	-6 pts	Flat

Reconciliation of Tax Rate Excluding Items

(Fiscal Years, $ in Millions)

	2015		2014	
	Pre-tax Earnings*	Income Taxes	Pre-tax Earnings*	Income Taxes
As Reported	$1,762	$587	$2,655	$883
Mark-to-market effects	90	33	(48)	(18)
Restructuring Charges	344	126	4	--
Project-related Costs	13	5	--	--
Venezuela Currency Devaluation	8	--	62	4
Acquisition Integration Costs	16	6	--	--
Divestiture (gain)	--	--	(66)	(30)
Tax Item	--	(79)	--	--
Intangible Asset Impairment	260	83	--	--
As Adjusted	$2,492	$761	$2,607	$840
Effective Tax Rate:				
As Reported		33.3%		33.3%
As Adjusted		30.5%		32.2%

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