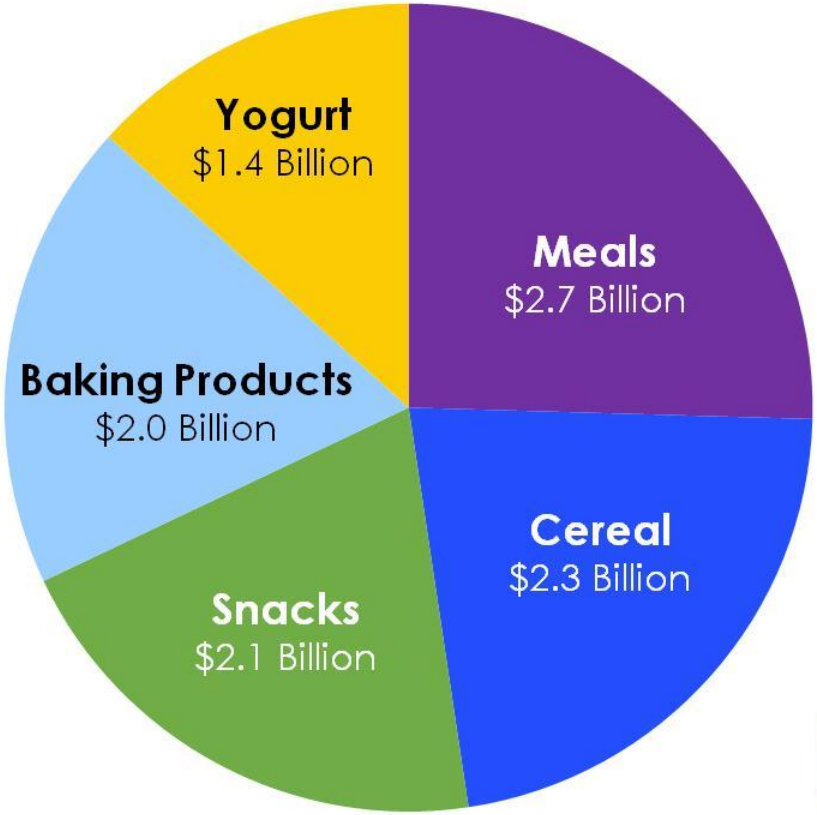


Jeff Harmening

Executive Vice President;
Chief Operating Officer – U.S. Retail

U.S. Retail Segment Overview



Cheerios

yoplait

Pillsbury

Totino's

NATURE VALLEY

Annie's

F15 Net Sales = $10.5 Billion

Strong Trends Driving U.S. Consumers

Changing Food Interests





Health to Wellness

Snacking Occasions are Growing

Shifting Demographics



Millennials Driving Change

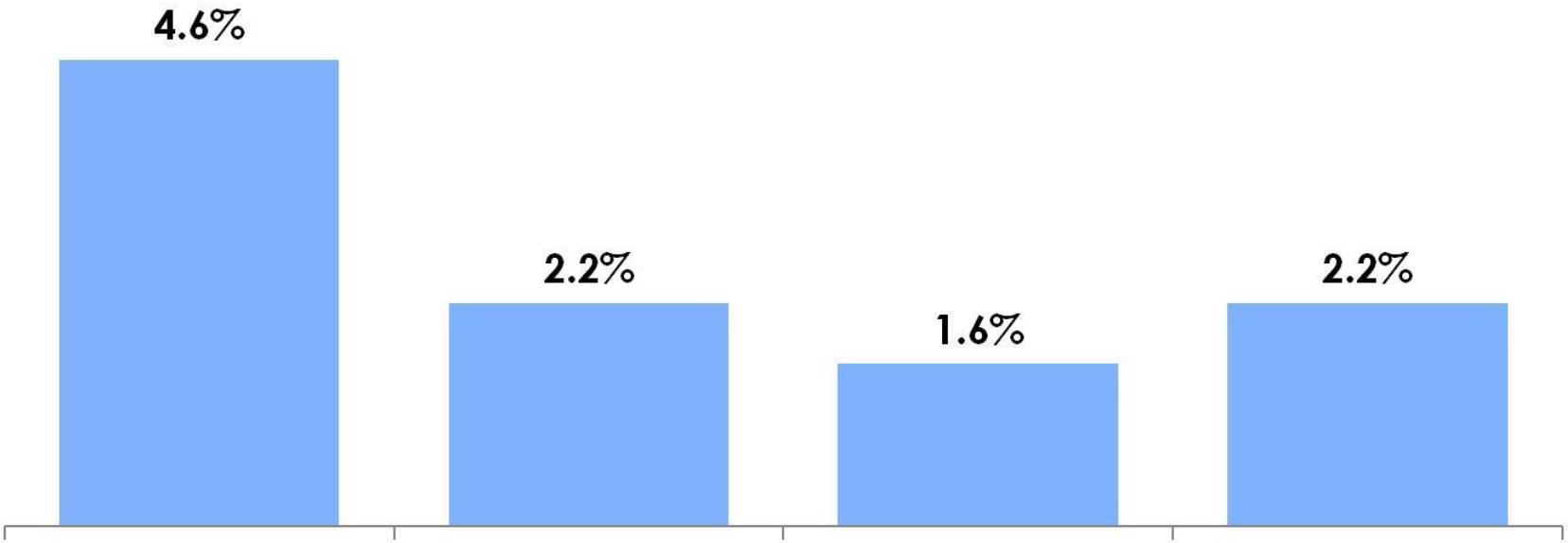
Economic Realities



Value is Essential

U.S. Industry Sales are Stabilizing

(U.S. Food & Beverage Sales Growth)



	F12	F13	F14	F15
Units:	-0.9%	0.2%	0.2%	-0.7%
Price:	5.5%	2.0%	1.5%	2.9%

Source: Nielsen XAOC

Growing Share 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
Ready-to-eat Cereal	31.3	+26
Frozen Pizza	9.4	+23
Refrigerated Baked Goods	70.1	+16
Ready-to-serve Soup	39.3	-28
Mexican Products*	16.8	-51
Fruit Snacks	46.4	-67
Dry Packaged Dinners	15.7	-72
Dessert Mixes	38.3	-144
Frozen Vegetables	15.8	-168

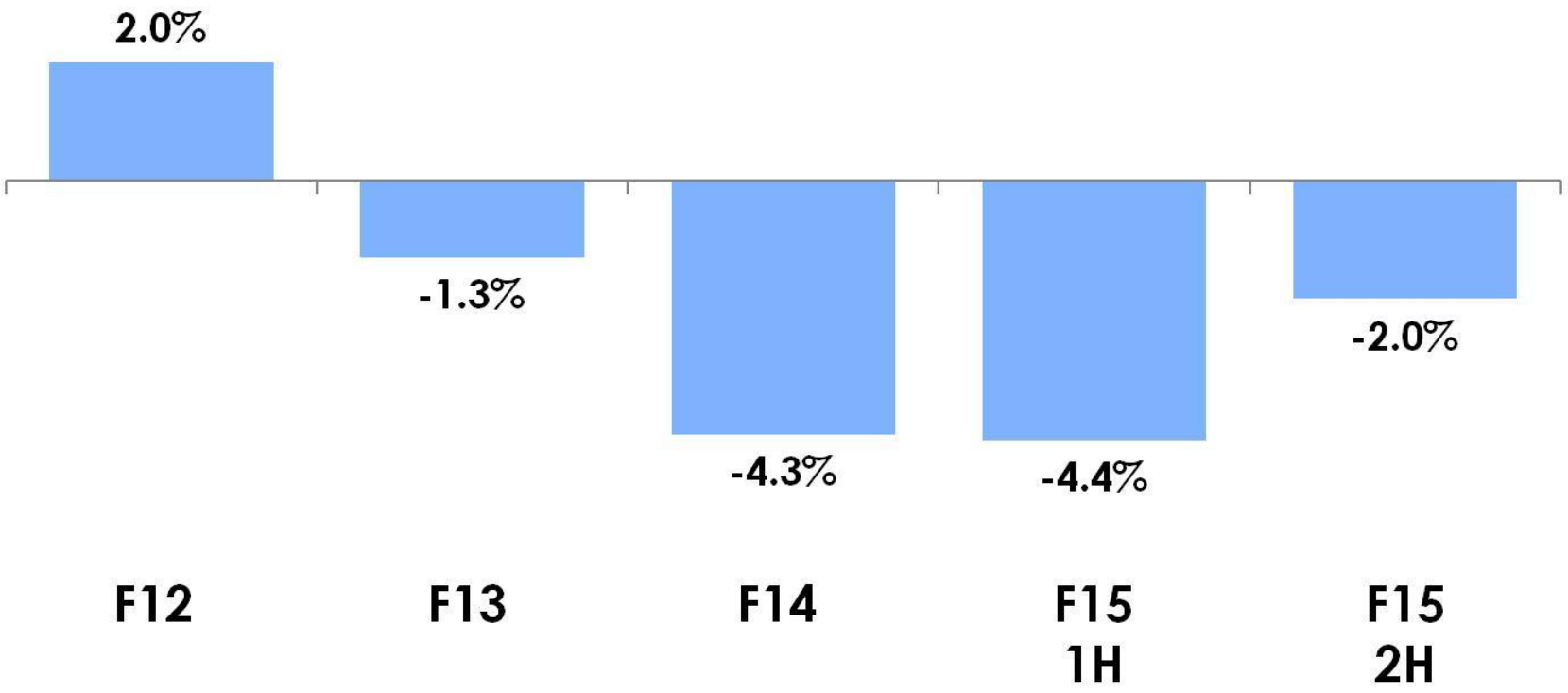
*Excludes snack aisle
Source: Nielsen XAOC, 52 weeks ended 5.30.15

U.S. Retail Fiscal 2016 Priorities

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

Improved Cereal Category Performance in Fiscal 2015 Second Half

(RTE Cereal Category Dollar Volume % vs. LY)



Source: Nielsen XAOC

Second Half Fiscal 2015 Cereal Category Drivers

- Media Share of Voice Increased 3 Points Versus Alternative Breakfasts
- Improved Pound Volume Trends
- Positive Net Price Realization

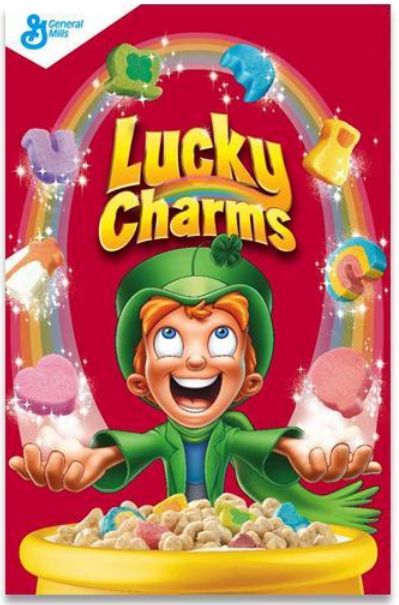
Sources: Nielsen Media Research ad spending through April 2015; Nielsen XAOC.

Gluten Free Cereal News

First Half



Second Half



- Same Oats as GF Cheerios
- No Reformulation Required

Color and Flavor Renovation

General Mills

NO HIGH FRUCTOSE CORN SYRUP

NO COLORS FROM ARTIFICIAL SOURCES

NO ARTIFICIAL FLAVORS



- 75% of Portfolio by January 2016
- <u>All</u> General Mills Cereals by Calendar 2017

New Product Innovation









More Cereal Innovation



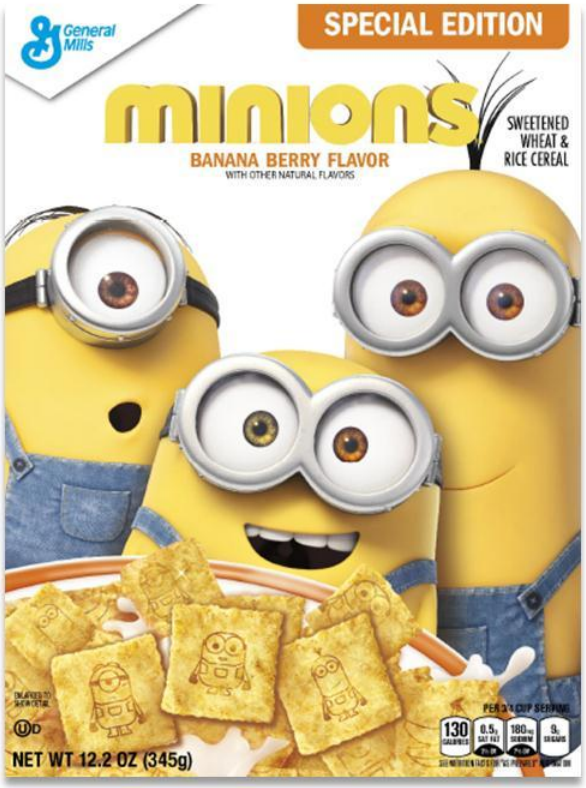
Now 25
Cascadian Farm Varieties



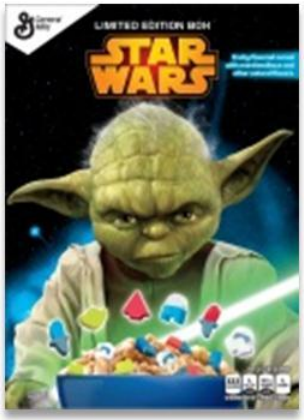
10 Grams of Protein
per Serving

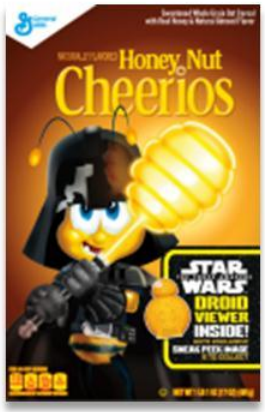
Strong Promotional Events

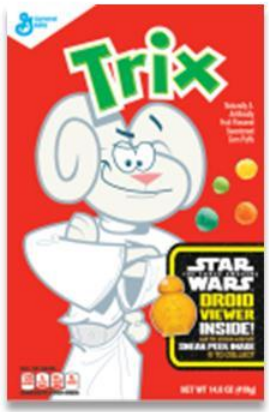
First Quarter



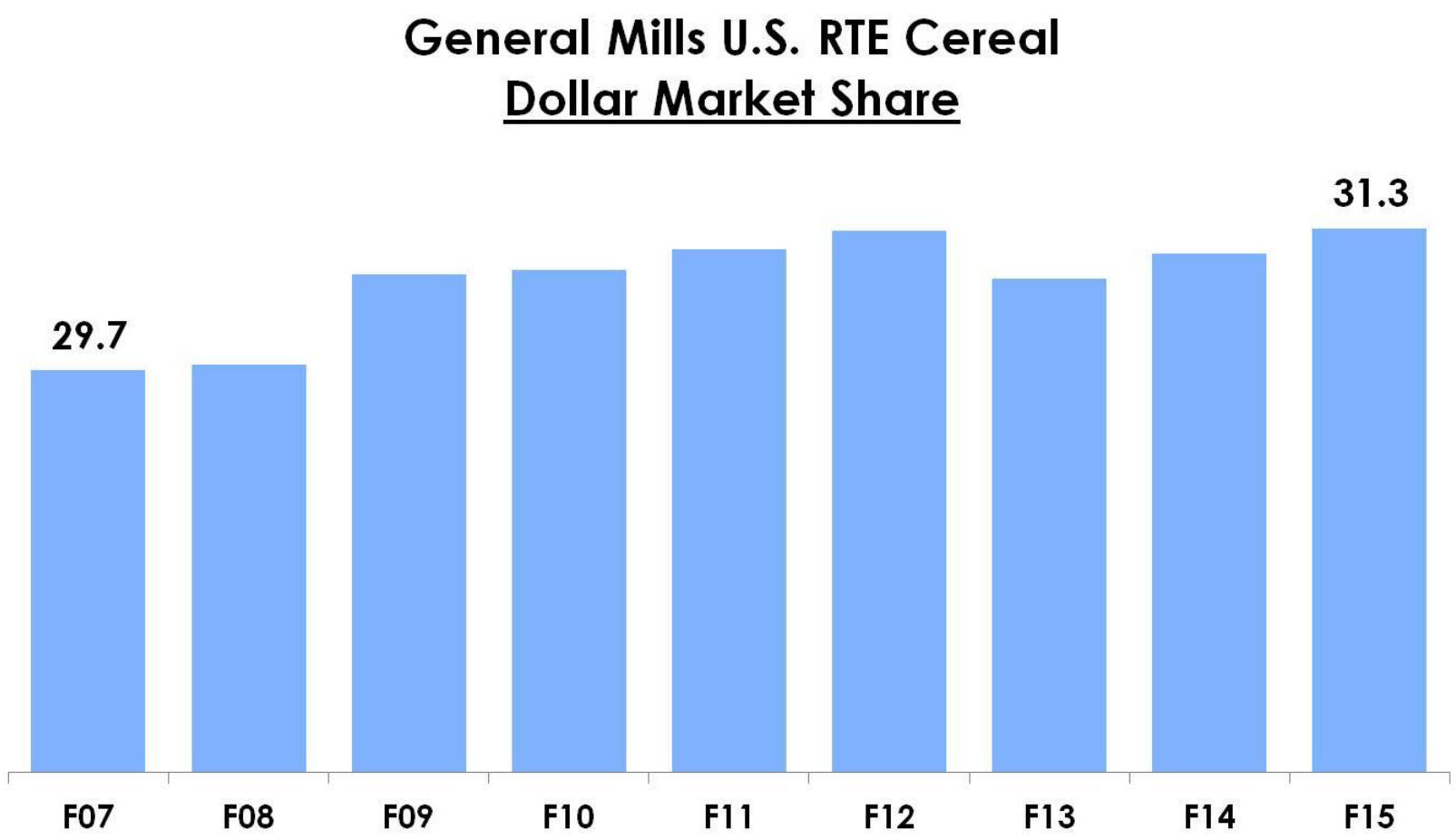
Second Quarter







Growing Cereal Share



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

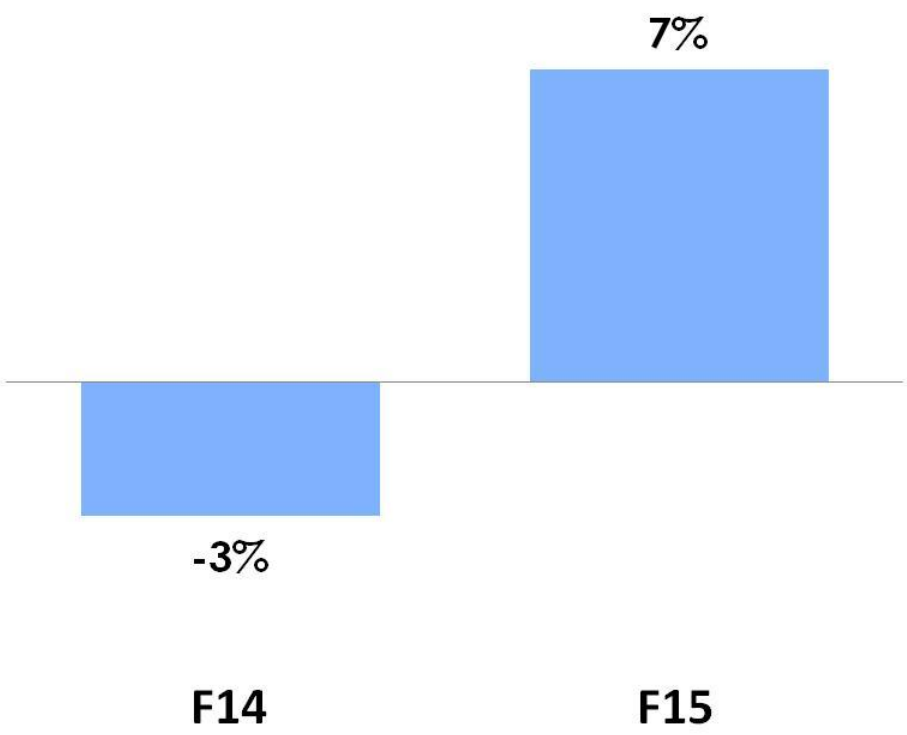
Better-for-you Snacks Portfolio



U.S. Yogurt Growth in Fiscal 2015

Yoplait Retail Dollar Sales

(% Change vs LY)







Source: Nielsen XAOC

Original Style Yoplait Renovation



Greek Yogurt News



Greek Yogurt, Oats and Seeds



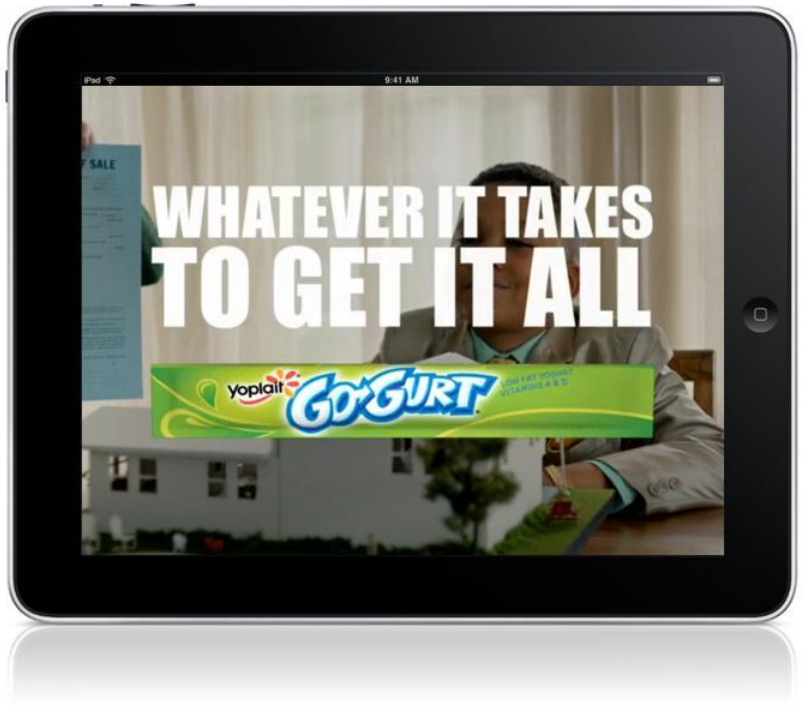
New Flavors



Improved Taste

Kid Yogurt News

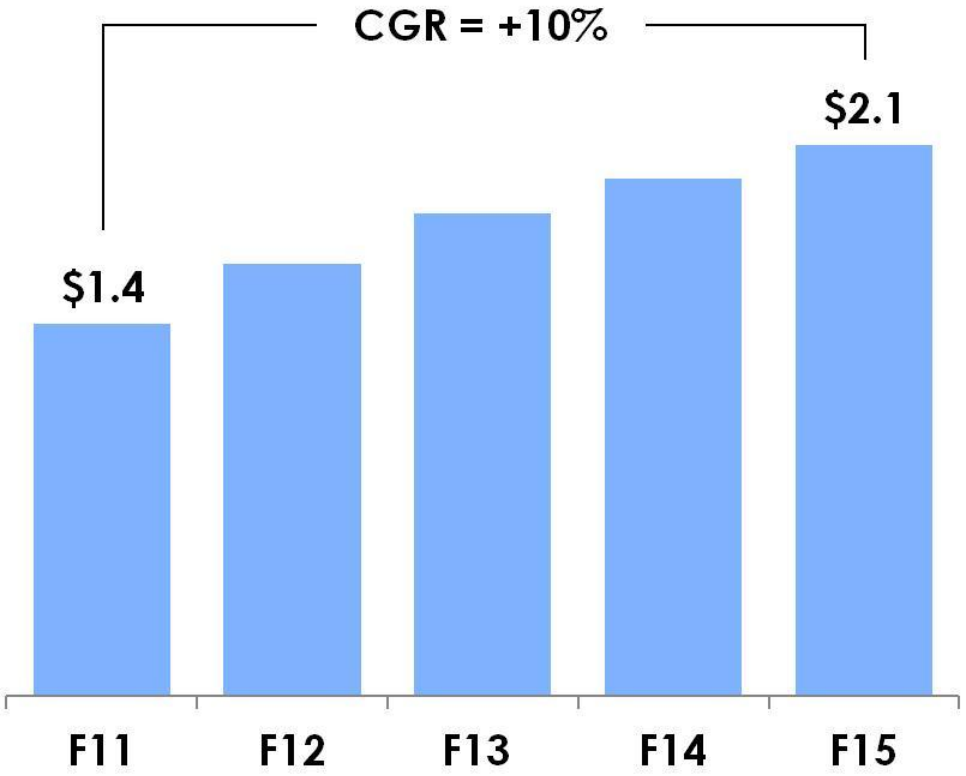




Strong Snacks Growth

Snacks Operating Unit Net Sales

($ in Billions)





Grain Snacks Renovation



Product
Improvement



Gluten Free News on 20%
of Nature Valley Line

Snacks Innovation





New Platforms







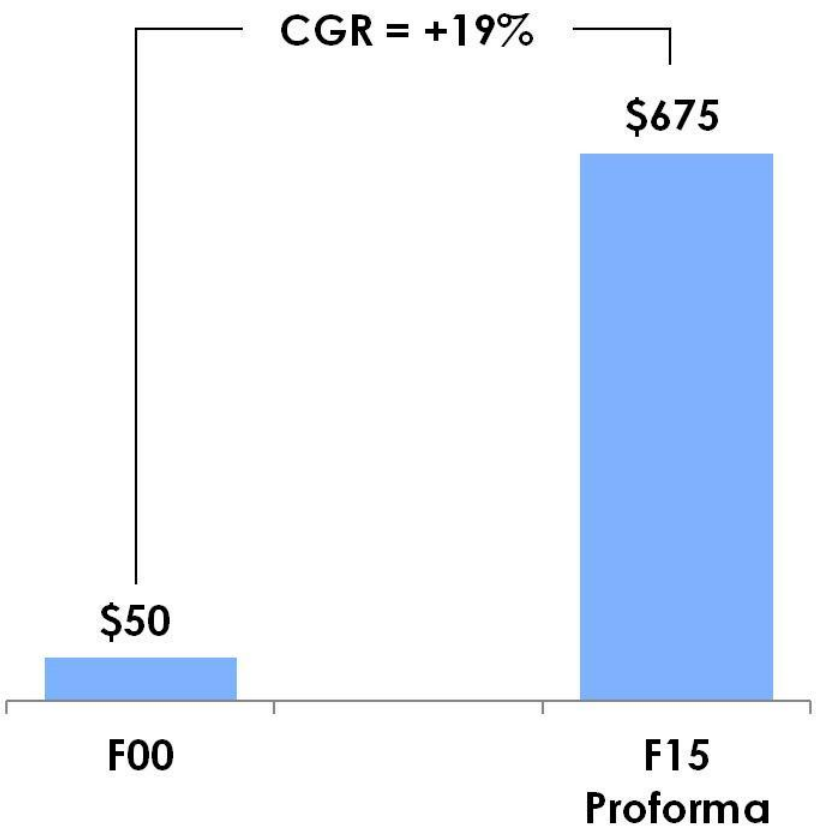


Line Extensions

A Growing U.S. Natural & Organic Portfolio

Portfolio Net Sales

($ in Millions)





F00 figure not restated for current classifications
F15 Proforma includes 12 months of Annie's
Includes Net Sales in U.S. Retail and CS&F segments.

Annie's Distribution Opportunity in Traditional Grocery

	Mac & Cheese	Crackers	Fruit Snacks	Cookies	Frozen Snacks	Total "Key 33"
Avg. ACV*	59%	21%	20%	27%	New	**30%**
ACV Goal						**80%**











Source: SPINSscan, 52 weeks ended 5.17.15
*Average ACV of top 8 Annie's SKUs (where available) in each category.

Annie's News in Fiscal 2016







Other Natural & Organic News



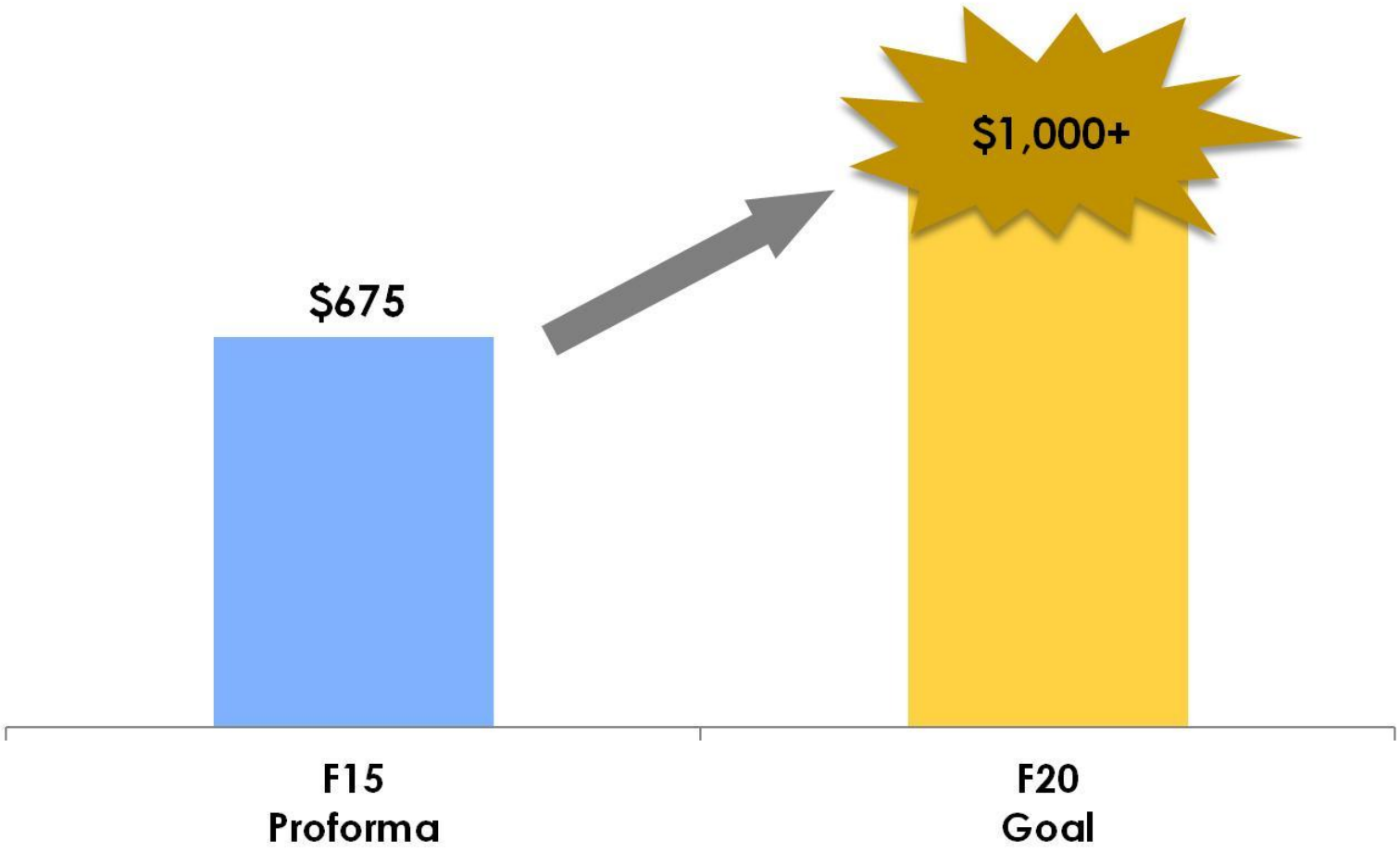






Targeting $1 Billion in U.S. Natural & Organic Net Sales

(U.S. Natural & Organic Net Sales, $ in Millions)



F15 Proforma includes 12 months of Annie's.
Includes Net Sales in U.S. Retail and CS&F segments.

Delivering Value in Fiscal 2016





Other U.S. Retail News







More U.S. Retail News



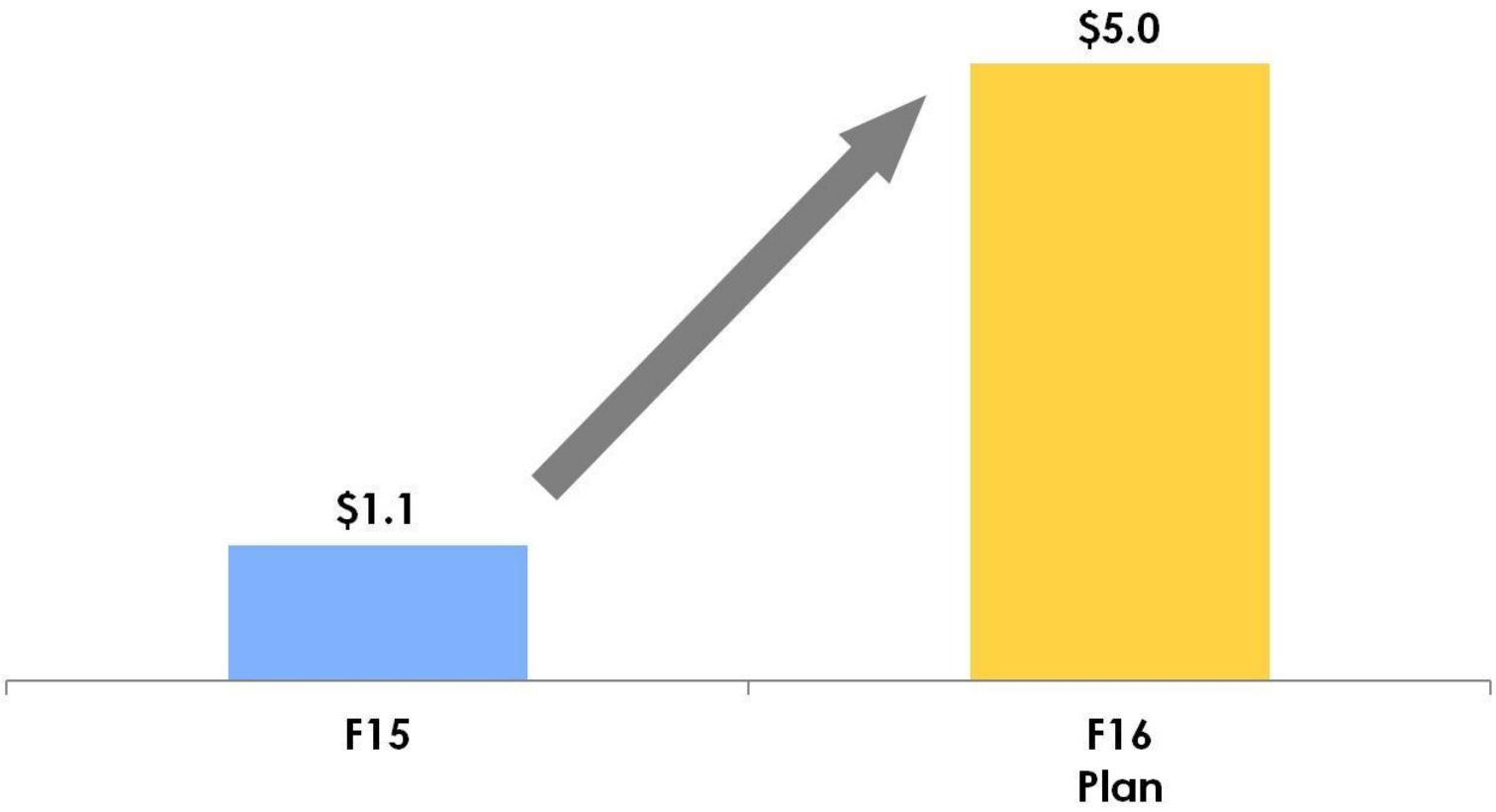






Fiscal 2016 Growth Enablers: Core Renovation

(Net Sales Impacted by Renovation, $ in Billions)



Fiscal 2016 Growth Enablers: Improved Distribution

POWER 450

Top 450 SKUs

75% of Volume

77% Average ACV



Fiscal 2016 Growth Enablers: Channel Expansion

	E-commerce	Natural & Organic	Hispanic
Objective:	50% Growth	+DD Growth	Grow Market Coverage
Actions:	Increase Distribution and Investment	Leverage Annie's Sales Capabilities	Increase Marketing Investment

Fiscal 2016 Growth Enablers: More Effective Marketing

Shifting Media Mix



Market Through Customers

ISM integrated shopper marketing

shopperworks

Better Creative

Cheerios

Quality Foods PROGRESSO

yoplait

U.S. Retail Summary

- Expanding the Impact of Consumer First
- Strong Core Brand Renovation and Innovation Planned for Fiscal 2016
- Cereal, Yogurt, Snacks, and Natural & Organic are Top Priorities
- Expect Flat Net Sales and Margin Expansion As Reported in Fiscal 2016