

General Mills

Barclays Global Consumer Staples Conference

September 7, 2016



Jeff Harmening

President, Chief Operating Officer

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.

The non-GAAP forward-looking financial measures included in this presentation are not reconcilable to the equivalent GAAP measure because we cannot accurately predict the excluded variables that may impact these measures.

General Mills at 150 Years



$16.6B Net Sales in F16
39,000 Employees

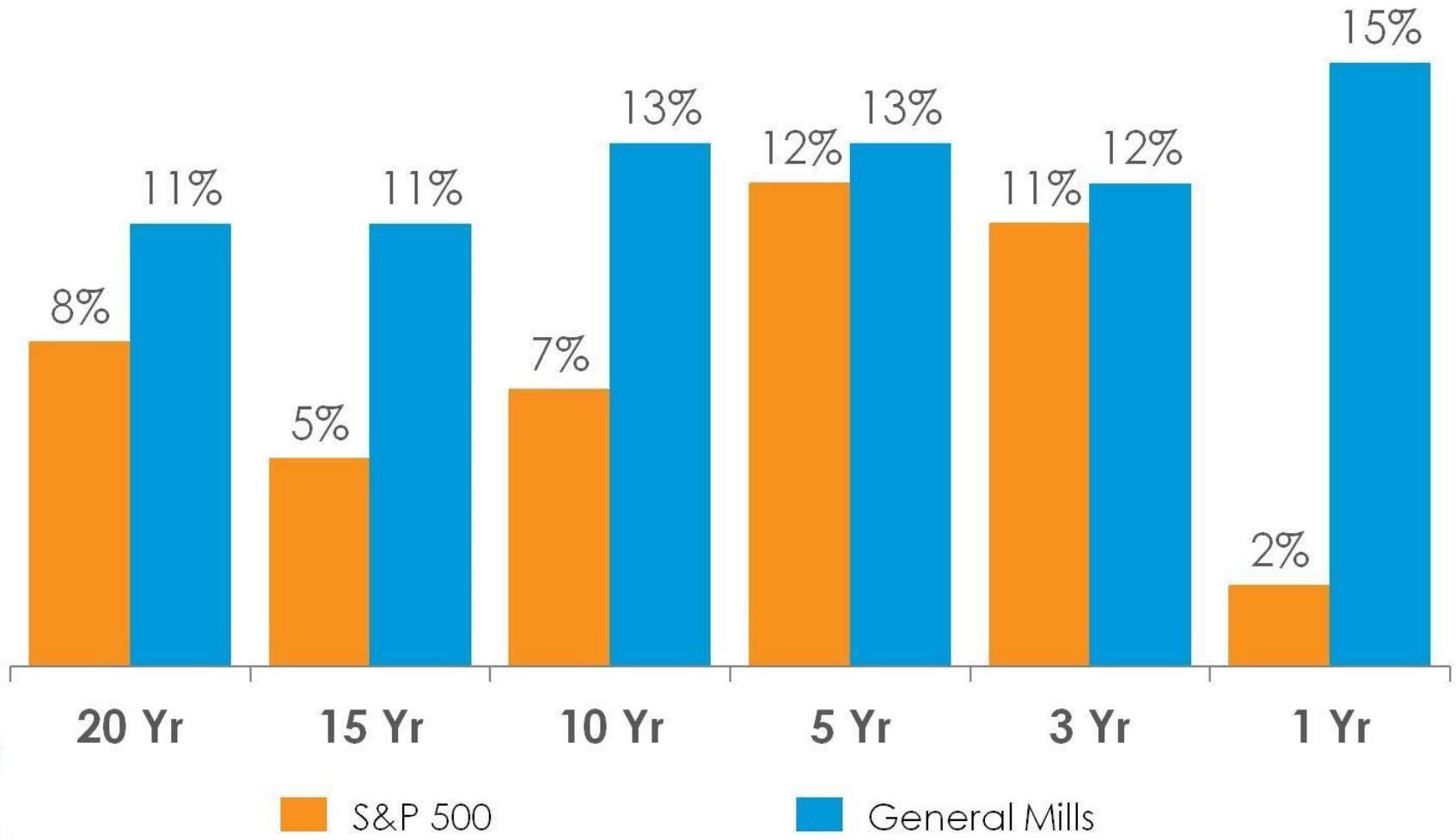
Purpose: We serve the world by making food people love

Goal: Create market leading growth to deliver top tier shareholder returns

Strategy: Consumer First

A Long-term Track Record of Double-digit Total Shareholder Returns

(Price Appreciation Plus Dividends, Compound Annual Growth Through F16)



Source: CapIQ

Strategic Focus on Evolving Consumer Trends

Real Food



- Fresh, Whole (Minimally Processed)
- Recognizable Ingredients
- Transparency

Millennials



- Big, Influential
- Ethnically Diverse
- Different Values and Media Habits

Snacking



- 20+ Year Trend
- Snack Foods Growing at All Occasions
- 24% of Snack Foods Eaten at Meals

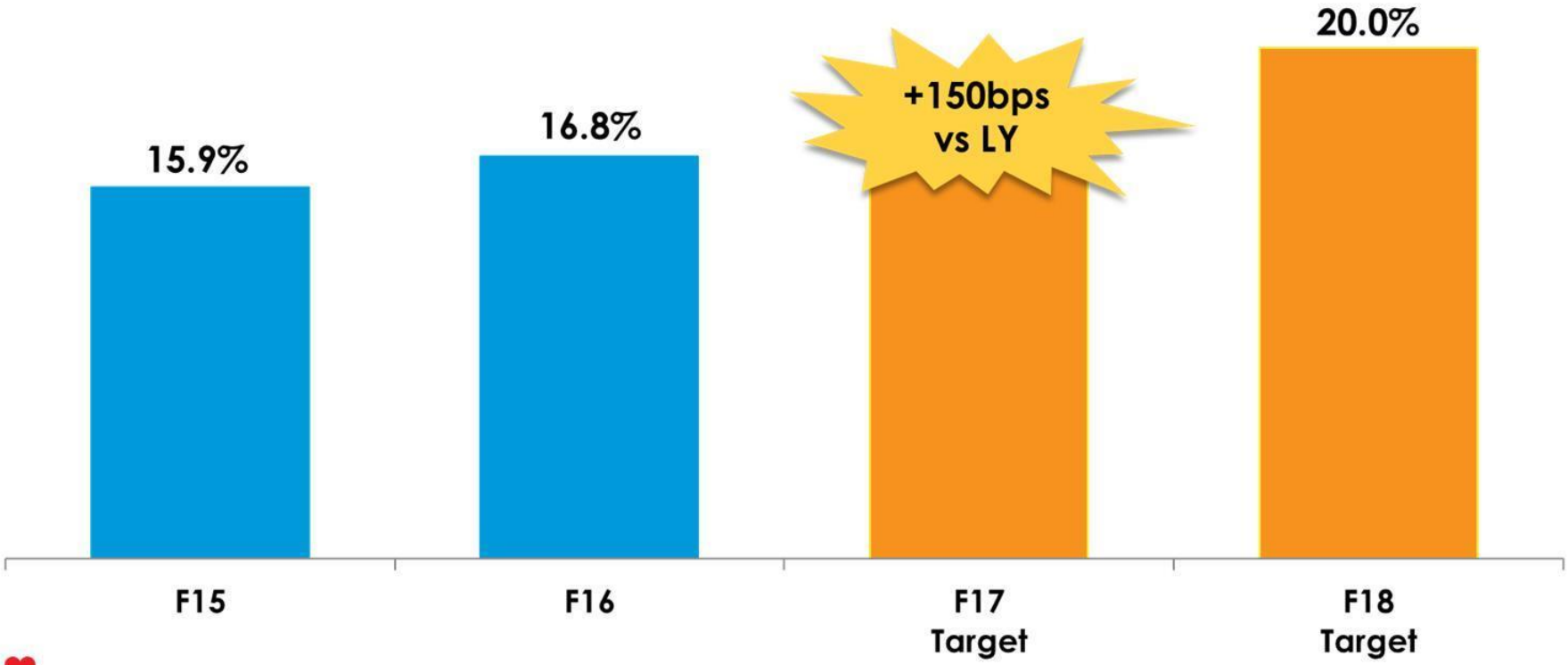
Emerging Markets



- Expanding Middle Class
- Seeking Quality and Convenience
- A Generational Opportunity

Targeting +300bps Profit Margin Expansion by Fiscal 2018

Adjusted Operating Profit Margin*
(% of Net Sales)



*Non-GAAP measure. See appendix for reconciliation.

Portfolio Segmentation

F16 Net Sales = $16.6 Billion

"Growth"

F17 Organic Growth = +LSD

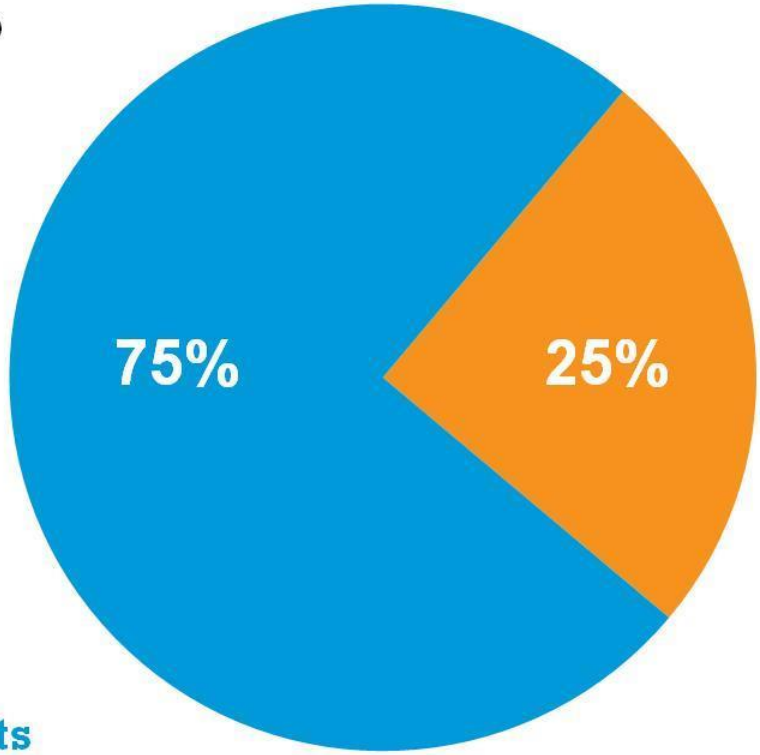
U.S. Retail

Cereal
Snack Bars
Natural & Organic
Totino's
Old El Paso
Yogurt

Convenience Stores & Foodservice

Focus 6 Platforms

International Markets



"Foundation"

F17 Organic Growth = -MSD

U.S. Retail

Progresso Soup
Pillsbury Ref. Dough
Betty Crocker Desserts
Others

Convenience Stores & Foodservice

Non-Focus 6 Platforms

Since Investor Day in July

- New Leaders Announced for U.S. Retail Segment and Europe Region
- Announced Tentative Decision to Close U.S. Soup Plant
- Announced Plant Closures in Brazil and Snacks Restructuring Actions in China

Reporting F17 Q1 Results September 21

- Expect Q1 Organic Net Sales Growth Below Full-year Guidance Range

- Expect Q1 Constant-currency Adjusted Diluted EPS to be Below Year Ago Levels that Grew +36%*

* Non-GAAP measure. See appendix for reconciliation.

General Mills Fiscal 2017 Guidance

F16 Base		F17 Growth
$16.6 Billion	Net Sales	-2% to Flat[1]
$3.0 Billion	Total Segment Operating Profit*	+6 to 8%[2]
16.8%	Adjusted Operating Profit Margin*	+150bps
$2.92	Adjusted Diluted EPS*	+6 to 8%[2]

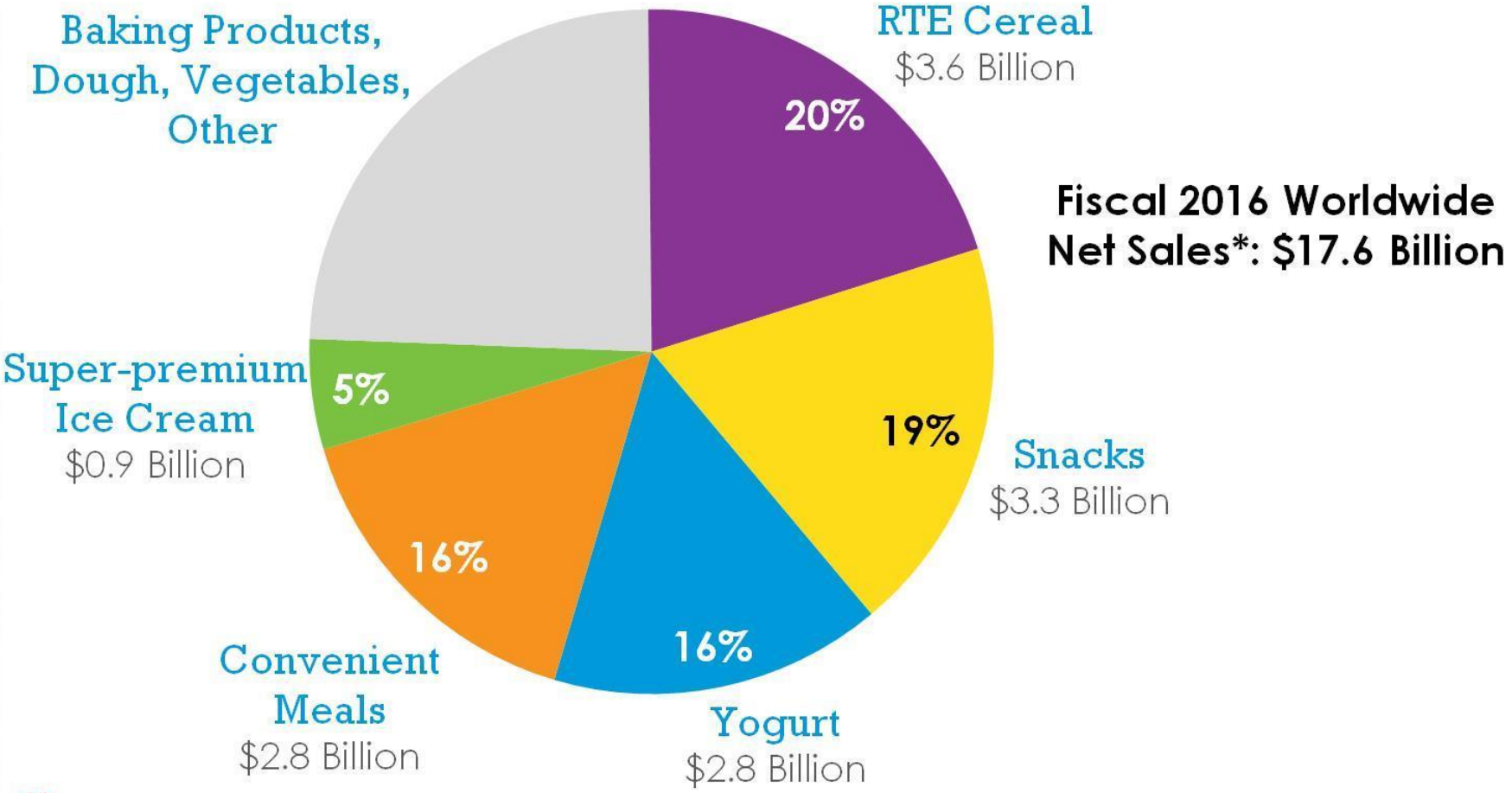
* Non-GAAP measure. See appendix for reconciliation.

[1] Organic growth rate. Non-GAAP measure.
[2] Constant-currency growth rate. Non-GAAP measure.

Today's Agenda

- Global Fiscal 2017 Business Plans
- Annie's Business Review

Focused on Five Global Platforms

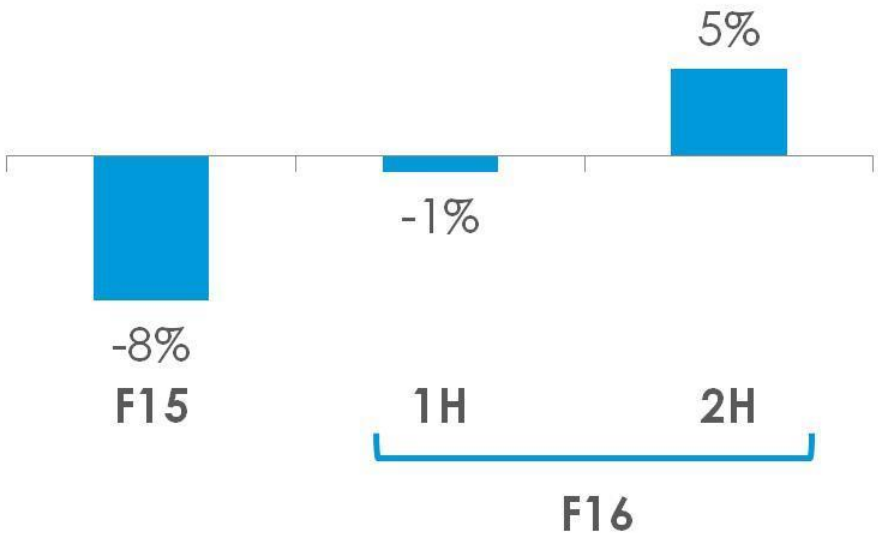


Fiscal 2016 Worldwide Net Sales*: $17.6 Billion

* Non-GAAP measure. Includes $16.6 billion consolidated net sales plus $0.8 billion proportionate share of CPW (cereal) net sales plus $0.2 billion proportionate share of HDJ (ice cream) net sales.

F17 Cereal Plans: Gluten Free

U.S. Retail Gluten Free Cheerios Retail Sales Growth



F17 Gluten Free Expansion



U.S. Retail

Canada



CS&F

CPW

Source: Nielsen XAOC

F17 Cereal Plans: Innovation



Annie's



Nature Valley



Tiny Toast



Canada

F17 Snacks Plans: Nature Valley

Europe Renovation





U.S. Innovation



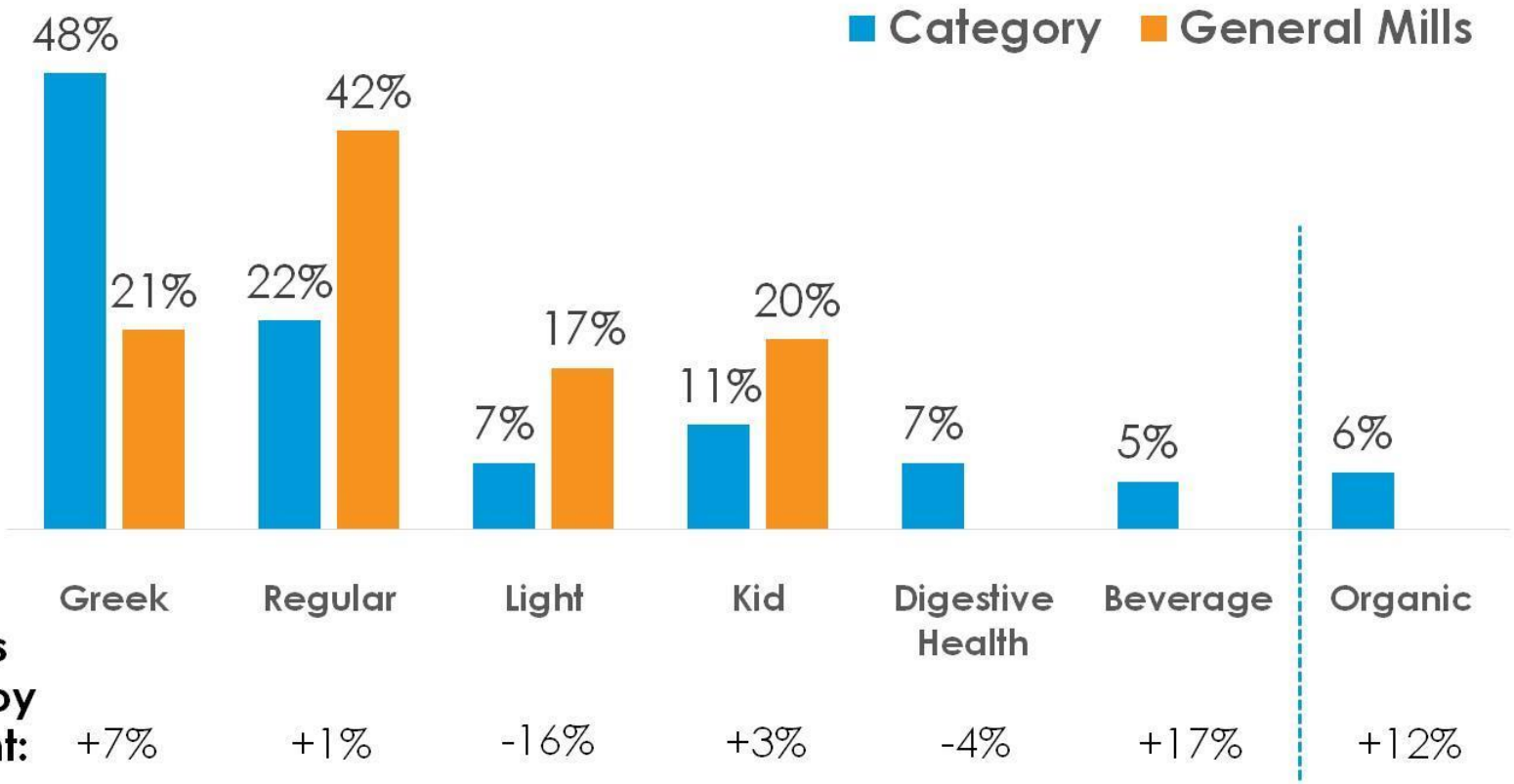
Backpacker



Nut Butter Biscuits

F17 Yogurt: Fix U.S. Retail Yogurt Mix with Renovation and Innovation

F16 Retail Sales by Yogurt Segment



Source: Nielsen XAOC; Organic sales also included in other segments' sales

Renovating 60% of U.S. Yogurt Portfolio in F17

Kid





Greek 100



40% More Protein
Product Improvement

Original Style Yoplait



Updated Packaging

F17 Yogurt Plans: U.S. Retail Innovation

Entering Organic Segment





Other New Products





F17 Yogurt Plans: New Geographies

Yoplait in China



Strong Shanghai Launch in F16
Expanding to Beijing in F17
China Yogurt Category = $13.2B

Carolina in Brazil



December 2016 Acquisition
Brazil Yogurt Category = $4.6B

Source: Euromonitor 2015

More F17 Yogurt News

Convenience Stores & Foodservice



Canada



Europe

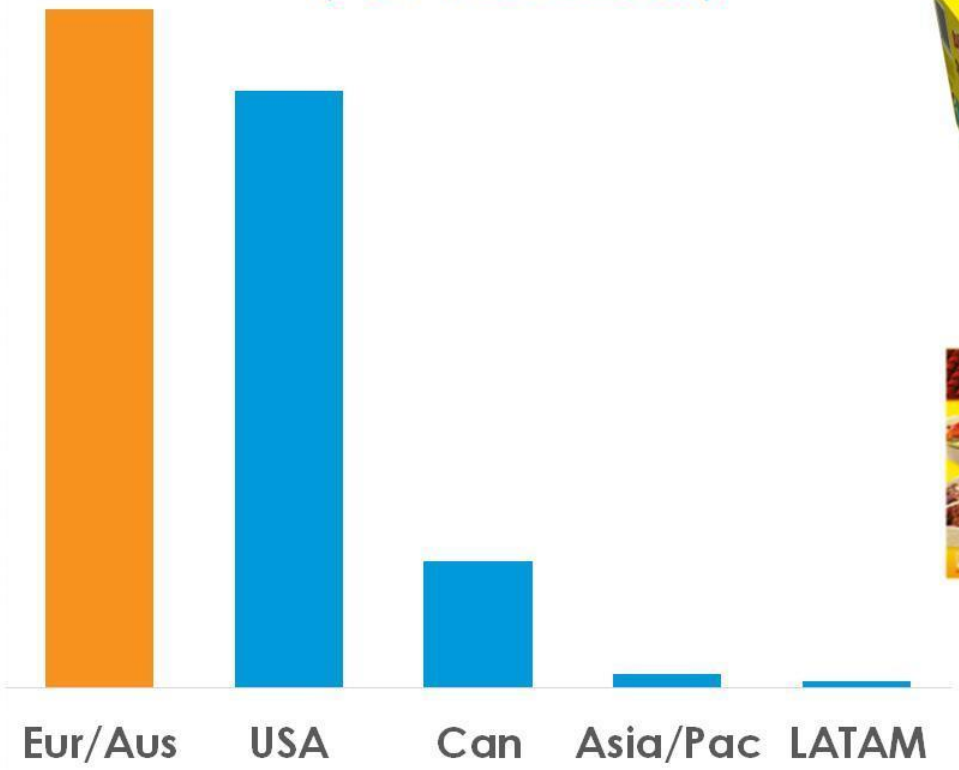




F17 Meals Plans: Old El Paso

Old El Paso Net Sales by Region

(F16, $ in Millions)











Innovation and Consumer Support

F17 Häagen-Dazs Plans

Stick Bar Expansion





New Flavors, New Geographies, and Media Support

Shops Refresh



F17 Plans: Selectively Invest in Foundation Businesses



New Refrigerated Dough Shelf Set



Antibiotic-free Chicken News on Progresso

Expanding Margins in Fiscal 2017

COGS HMM

- $380MM in F17
- Outpacing 2% Input Cost Inflation

Previously Announced Cost-savings Projects



Other Initiatives

- Trade & Consumer Spending Efficiency
- SKU Optimization
- Additional Supply Chain & ZBB Savings



John Foraker

Vice President, President – Annie's

Annie's Overview

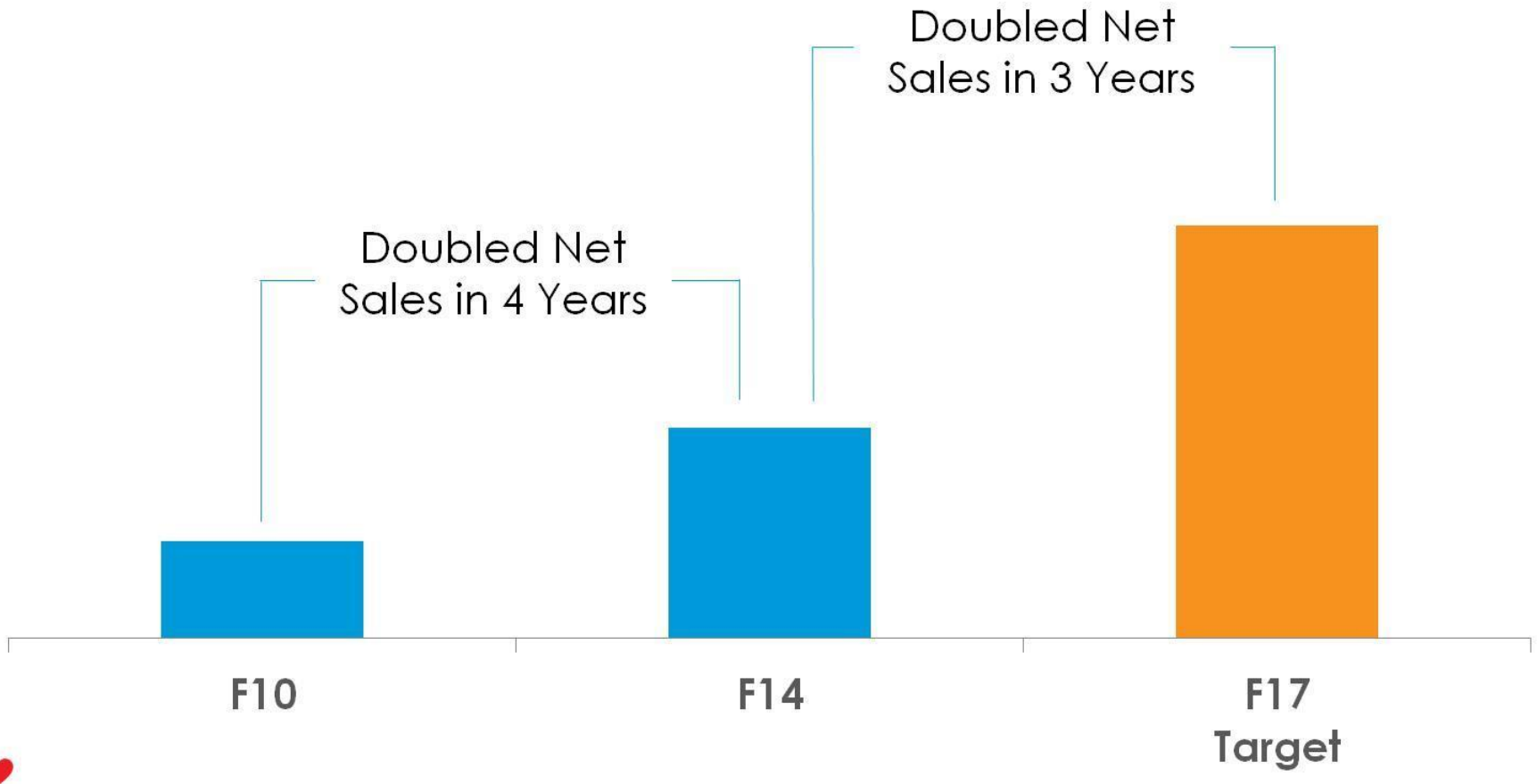




Annie's Growth Has Accelerated

Annie's Net Sales

($ in Millions)



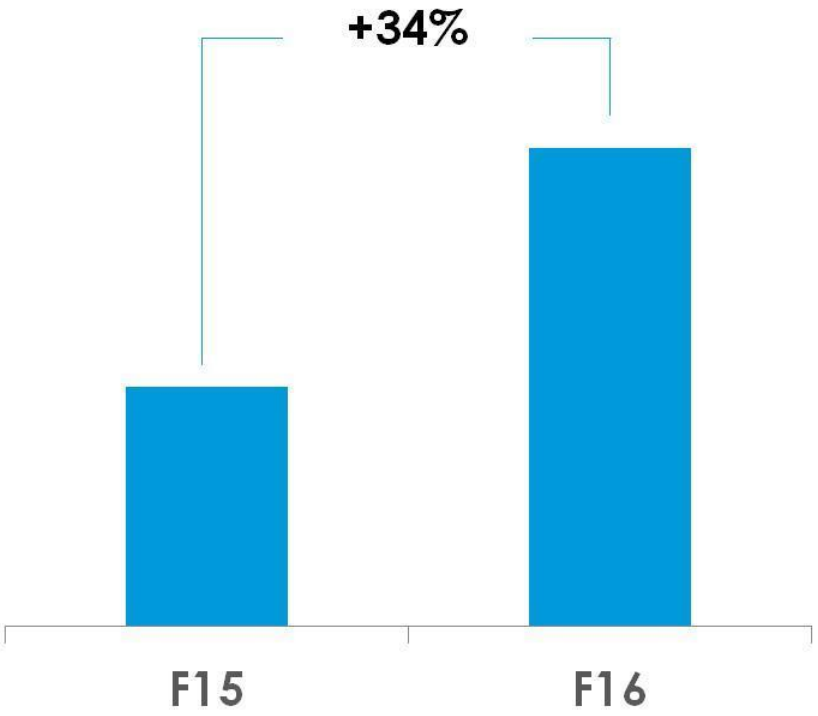
Annie's Brand is Stronger Than Ever

High Social Engagement



July 2016: Reached 1 Million Facebook Followers

Growing Household Penetration



Source: Nielsen

Balance is the Key to a Successful Integration

California HQ

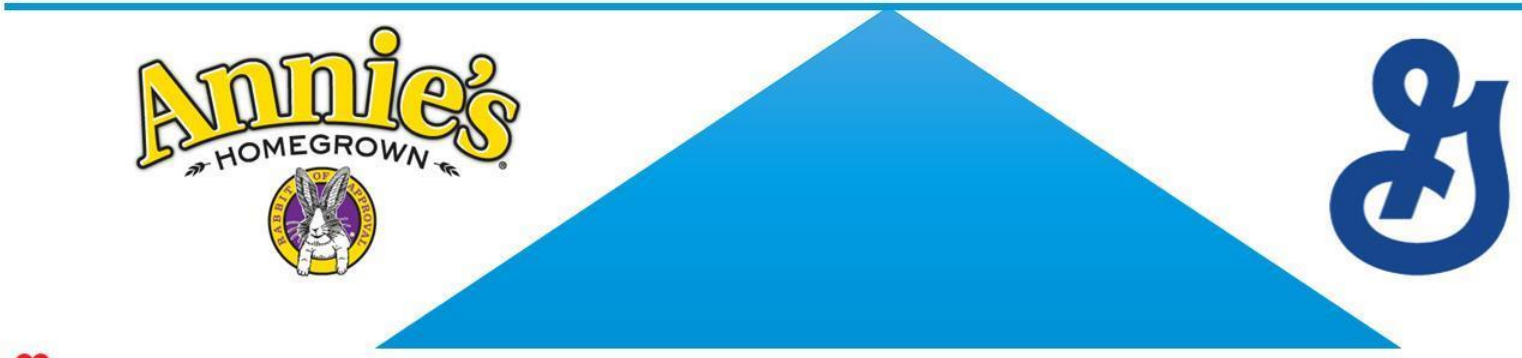
Consumer Engagement

Brand Decision Rights

Top-Ranked Sales Teams

Leading R&D Capabilities

World-class Supply Chain



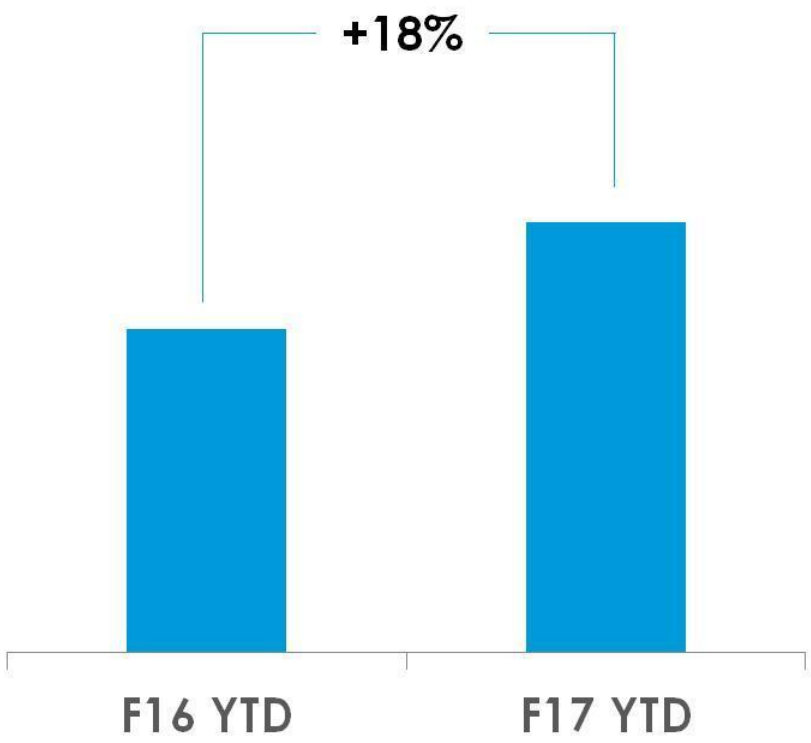
Annie's Growth Has Come From Established Products…

Distribution of Established Products
(Average Points of Distribution)



Source: Nielsen

Retail Sales of Established Products



Source: Nielsen
Note: Established Products = Annie's Categories as of 2014

…And Category Expansion

(Launches Since January 2016)



Cereal



Yogurt



Refrigerated Baked Goods



Granola Bars Relaunch

Driving Penetration with New Consumer Messaging



Significant Opportunities for Future Growth

- Further Distribution Growth
- Optimized Placement In Store
- New Categories
- New Geographies



General Mills
Natural & Organic Portfolio



















Distribution Opportunities for Natural & Organic Portfolio

	General Mills Priority 100 N&O SKUs	
	Current Average SKUs per Store	Average % ACV per Item
Annie's	13	35
Cascadian Farm	9	33
Lärabar	5	32
Muir Glen	3	35
Food Should Taste Good	1	23
Liberté	1	21
Mountain High	1	15
Total	**33**	**24**

Source: As of Q4 F16, Nielsen Grocery + Supercenters

Other F17 Natural & Organic News







Investing in Emerging Brands with 301 Inc.







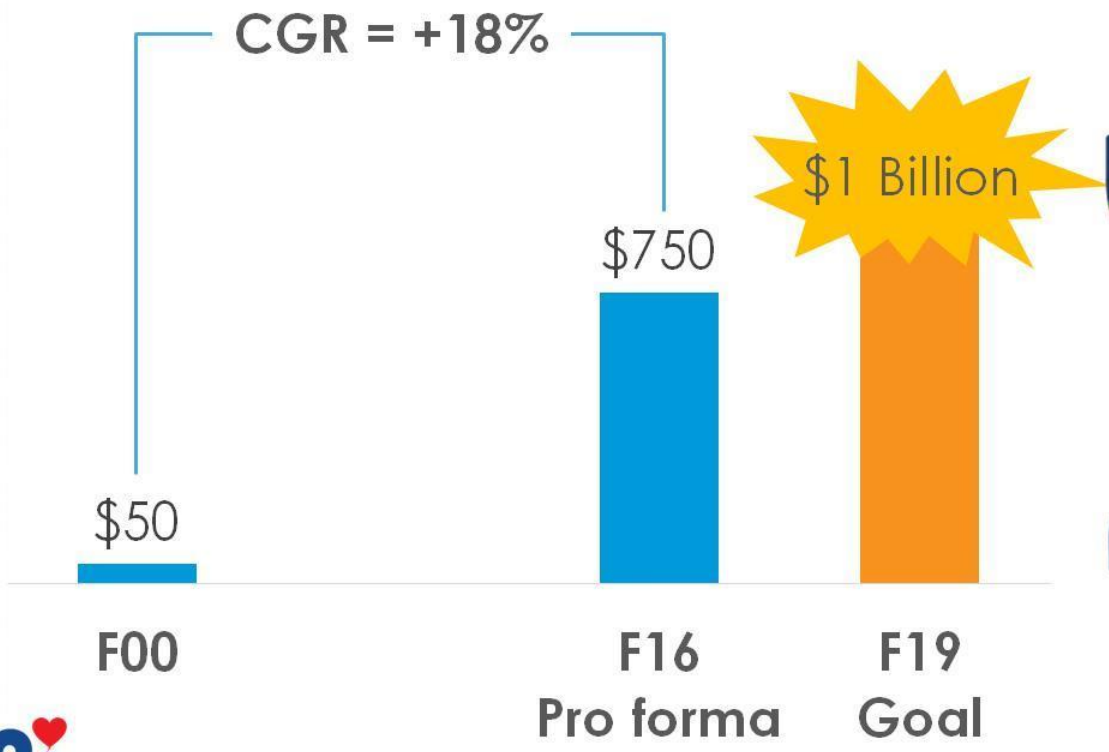




Targeting $1 Billion in Natural & Organic Sales by Fiscal 2019

General Mills Natural & Organic Net Sales

($ in Millions)





Note: F00 figure not restated for current classifications.
F16 pro forma includes 12 months of EPIC Provisions.
Includes net sales in U.S. Retail and CS&F segments.

Today's General Mills Summary

- Remain On Track to F17 Goals
- Important Consumer First Initiatives in F17 Across our Five Global Platforms
- Annie's is Thriving, With Excellent Prospects for Future Growth



General Mills

Barclays Global Consumer Staples Conference

September 7, 2016

Reconciliation of Fiscal 2016 Total Segment Operating Profit

($ in Millions)

	2016
U.S. Retail	$2,179
International	442
Convenience Stores & Foodservice	379
Total Segment Operating Profit	$3,000
Unallocated Corporate Items	289
(Gain) on Divestitures, Net	(148)
Restructuring, Impairment, and Other Exit Costs	151
Operating Profit	$2,707

Table does not foot due to rounding.

Reconciliation of Adjusted Operating Profit Margin

(Fiscal Years, % of Net Sales)

	2016	2015
Operating Profit Margin as Reported	16.3%	11.8%
Mark-to-market Effects	(0.4)	0.5
Divestitures (gain)	(0.9)	--
Acquisition Integration Costs	--	0.1
Restructuring Costs	1.4	1.9
Project-related Costs	0.4	0.1
Intangible Asset Impairment	--	1.5
Adjusted Operating Profit Margin	16.8%	15.9%

Reconciliation of Fiscal 2016 Adjusted Diluted EPS

	2016
Diluted EPS	$2.77
Mark-to-market Effects	(0.07)
Divestitures (gain)	(0.10)
Restructuring Costs	0.26
Project-related Costs	0.06
Adjusted Diluted EPS	$2.92

See reconciliation of tax rate excluding items for tax impact on adjusted diluted EPS.

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

(Fiscal Years)

	Q1		
	2016	2015	Change
Diluted EPS	$0.69	$0.55	+25%
Mark-to-market effects	--	.05	
Restructuring costs	.09	.01	
Project-related costs	.01	--	
Adjusted Diluted EPS	$0.79	$0.61	+30%
Impact of Foreign Currency Exchange			-6 pts
Adjusted Diluted EPS on a constant-currency basis			+36%

Reconciliation of Tax Rate Excluding Items

(Fiscal Years, $ in Millions)

	2016	
	Pre-tax Earnings*	**Income Taxes**
As Reported	$2,404	$755
Mark-to-market effects	(63)	(23)
Divestitures (gain)	(148)	(82)
Restructuring Costs	230	69
Project-related Costs	58	21
Tax Item	--	--
Intangible Asset Impairment	--	--
Acquisition Integration Costs	--	--
Venezuela Currency Devaluation	--	--
As Adjusted	$2,480	$740
Effective Tax Rate:		
As Reported		31.4%
As Adjusted		29.8%
Sum of Adjustments to Income Taxes		(16)
Average Number of Common Shares – Diluted EPS		612
Impact of Income Tax Adjustments on Diluted EPS Excluding Certain Items Affecting Comparability		$0.03

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