

General Mills

Fiscal 2017
First Quarter Results

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.



First Quarter Fiscal 2017 Financial Review

Don Mulligan

EVP, Chief Financial Officer

First Quarter Fiscal 2017 Summary

- Good Progress Against F17 Adjusted Operating Profit Margin* Expansion and Adjusted Diluted EPS* Goals
- Slower Start for Net Sales; Actions in Place to Improve Performance
- Additional Margin Expansion Initiatives Announced in July
- On Track to Deliver F17 Growth Goals

*Non-GAAP measures.

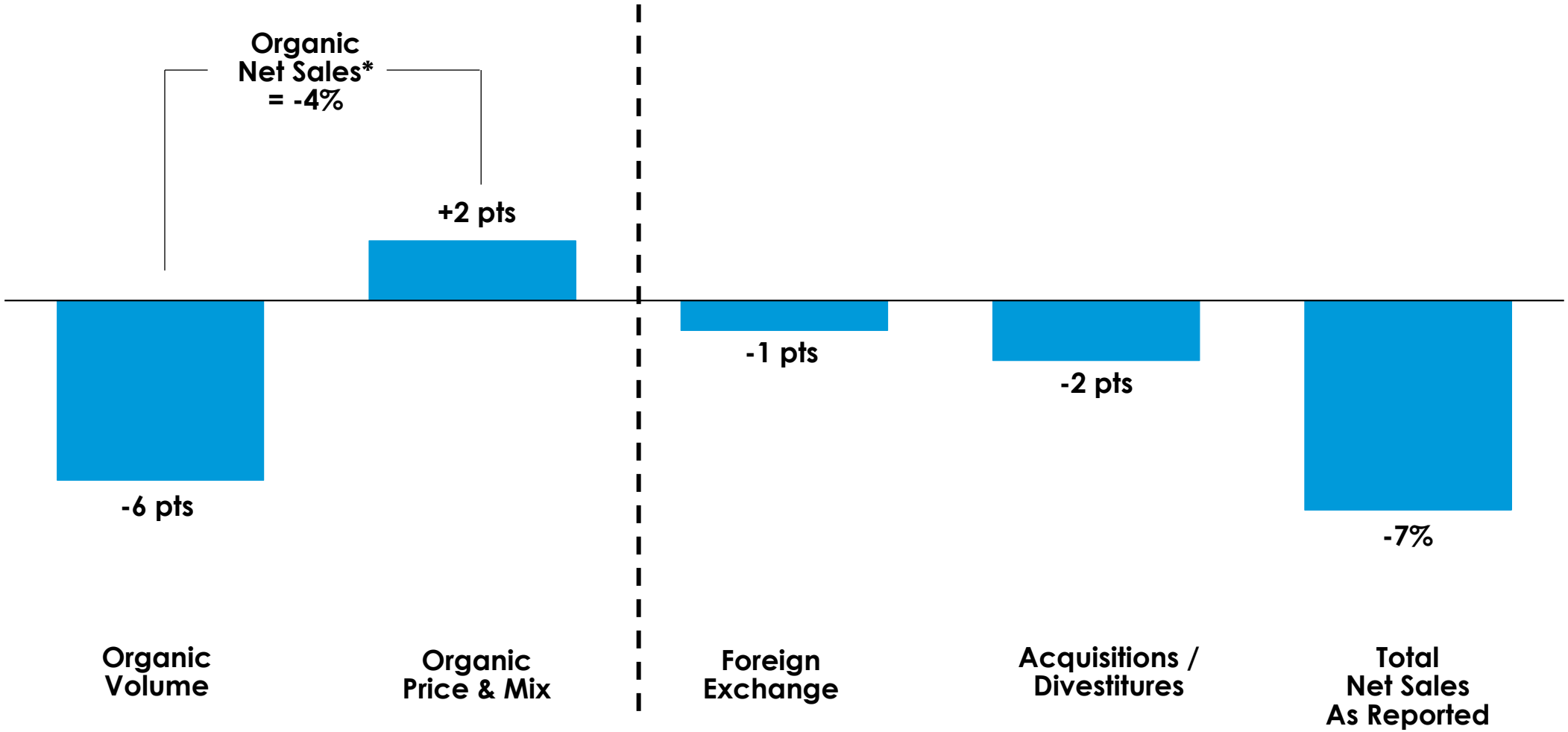
First Quarter Fiscal 2017 Financial Summary

($ in Millions, Except per Share)

	$	% Change	Organic % Change*	Constant-currency % Change*
Net Sales	$3,908	-7%	-4%	
Segment Operating Profit*	787	-5		-4%
Net Earnings Attributable to General Mills	409	-4		
Diluted EPS	$0.67	-3		
Certain Items Affecting Comparability	0.11			
Adjusted Diluted EPS*	$0.78	-1%		-1%

*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2017 Components of Net Sales Growth



*Non-GAAP measure.

First Quarter Fiscal 2017
U.S. Retail Segment

Q1 Net Sales Growth

Snacks	+2%
Cereal	-4
Baking Products	-4
Yogurt	-15
Meals	-19
Total U.S. Retail	-8%
Organic Growth*	-5%



*Non-GAAP measure. See appendix for reconciliation.

First Quarter Fiscal 2017
Convenience Stores & Foodservice Segment

Q1 Net Sales Growth

6 Focus Platforms	-1%
Other	-12
Total CS&F	-7%
Organic Growth*	-7%





Yoplait Parfait Pro™

*Non-GAAP measure. See appendix for reconciliation.

First Quarter Fiscal 2017 International Segment

Q1 Constant-currency Net Sales Growth by Region*

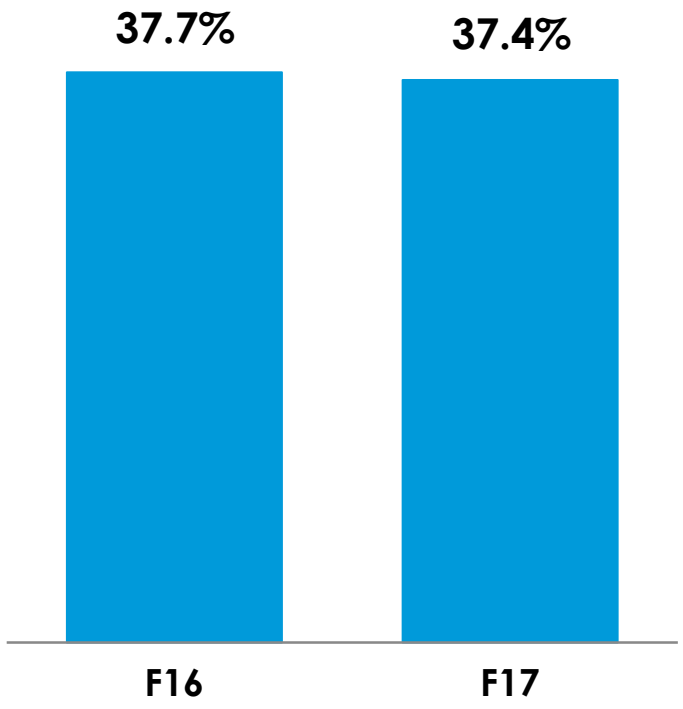
Latin America	+3%
Asia / Pacific	+1
Canada	-2
Europe	-6
Total International	-2%
Organic Growth*	-1%



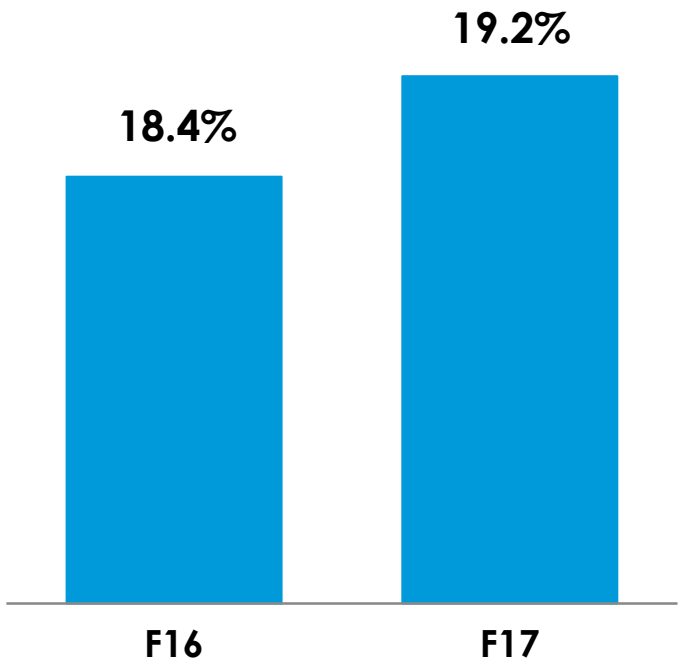
*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2017 Margin Results

Adjusted Gross Margin*
(% of Net Sales)



Adjusted Operating Profit Margin*
(% of Net Sales)



- Cost Savings Offsetting Input Cost Inflation
- Expect 2% Inflation for Full Year
- Media Declines and Cost Savings Initiatives Reducing SG&A

*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2017 Segment Operating Profit

($ in Millions)

	$	% Change	Constant-currency % Change*
Total Segment Operating Profit*	**$787**	**-5%**	**-4%**
U.S. Retail	594	-6	
International	100	-14	-11
Convenience Stores & Foodservice	93	+16	

*Non-GAAP measures. See appendix for reconciliation.

First Quarter Fiscal 2017 Joint Venture Results

*After-tax Earnings: $24MM; -10% vs. LY in Constant Currency**





Cereal Partners Worldwide
Net Sales +1%**



Häagen-Dazs Japan
Net Sales Flat**

*Non-GAAP measure. See appendix for reconciliation.
**Growth rates in constant currency.

First Quarter Fiscal 2017
Other Income Statement Items

- Restructuring & Project-related Charges of $86MM Pretax (Includes $27MM in Cost of Sales)
- Unallocated Corporate Expense Decreased Excluding Certain Items
- Net Interest Expense 2% Below Last Year
- Adjusted Effective Tax Rate 31.4% vs 32.3% LY*
- Average Diluted Shares Outstanding Down 1%

*Non-GAAP measure. See appendix for reconciliation.

Core Working Capital

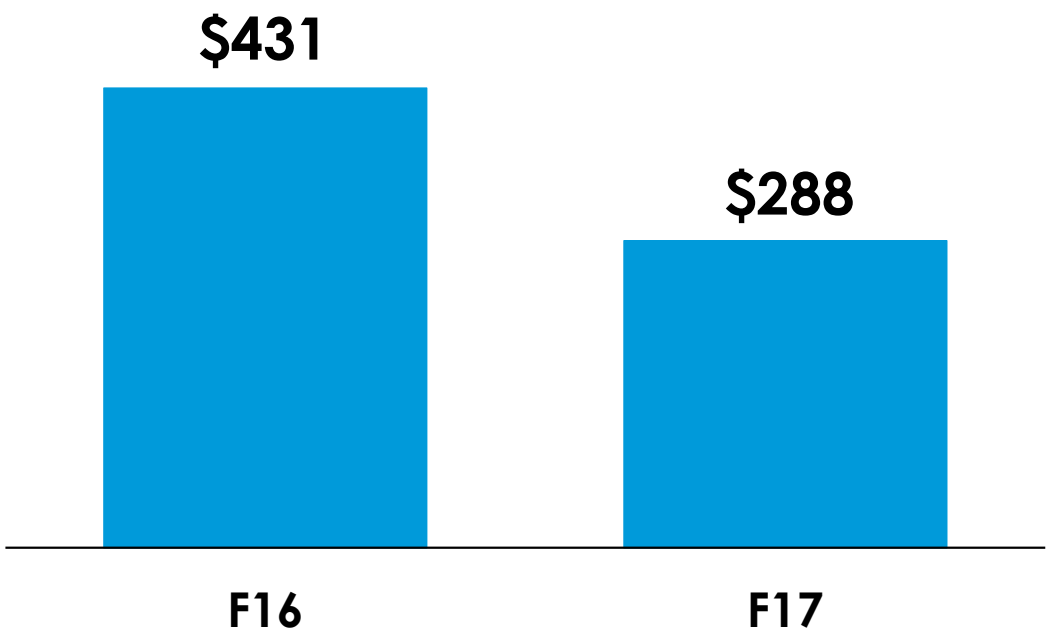
($ in Millions)

	Q1		
	F17	**F16**	**% Change**
Accounts Receivable	$1,446	$1,532	
Inventories	1,548	1,796	
Accounts Payable	1,945	1,760	
Total Core Working Capital	**$1,049**	**$1,568**	**-33%**

First Quarter Fiscal 2017 Cash Flow Highlights

Operating Cash Flow

($ in Millions)



- Operating Cash Flow Impacted by Timing of Payables
- Fixed Asset Investment = $154MM
- On Track to Grow F17 Free Cash Flow* +MSD
- Dividends Paid = $291MM
- Net Share Repurchases = $336MM

*Non-GAAP measure.

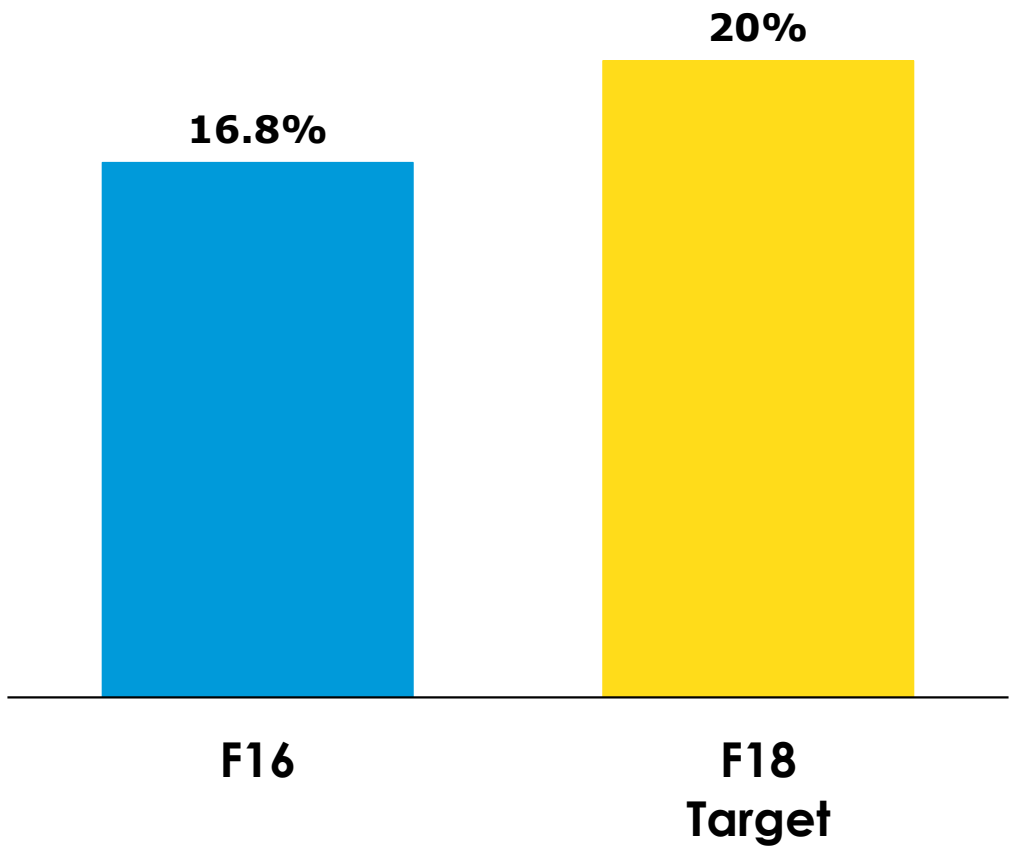
Incremental Restructuring Initiatives Announced in First Quarter 2017

- Soup Factory Closure in Vineland, NJ
- Snacks & Meals Supply Chain Restructuring in Brazil
- China Snacks Restructuring

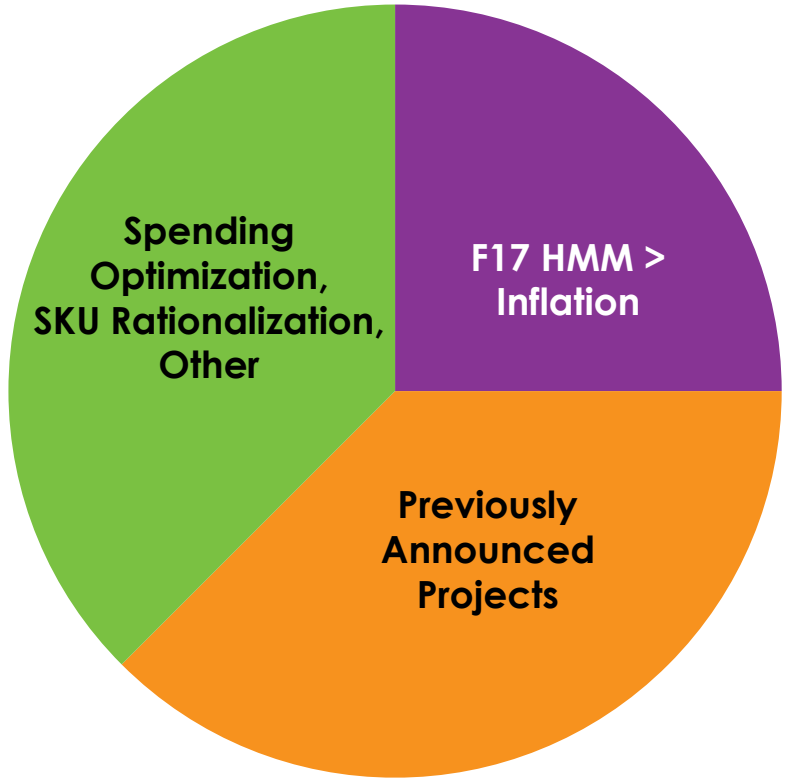
Remain on Track to Deliver 20% Adjusted Operating Profit Margin* by Fiscal 2018

Adjusted Operating Profit Margin*

(% of Net Sales)



Drivers of Margin Expansion



*Non-GAAP measures. See appendix for reconciliation.

Reaffirming Fiscal 2017 Guidance

	Fiscal 2017 vs. Fiscal 2016
Organic Net Sales*	-2% to Flat
Total Segment Operating Profit*	+6 to 8%[1]
Adjusted Operating Profit Margin*	+150bps
Adjusted Diluted EPS*	+6 to 8%[1]

*Non-GAAP measures.
[1]Constant-currency growth rate.



First Quarter Fiscal 2017 Operating Highlights

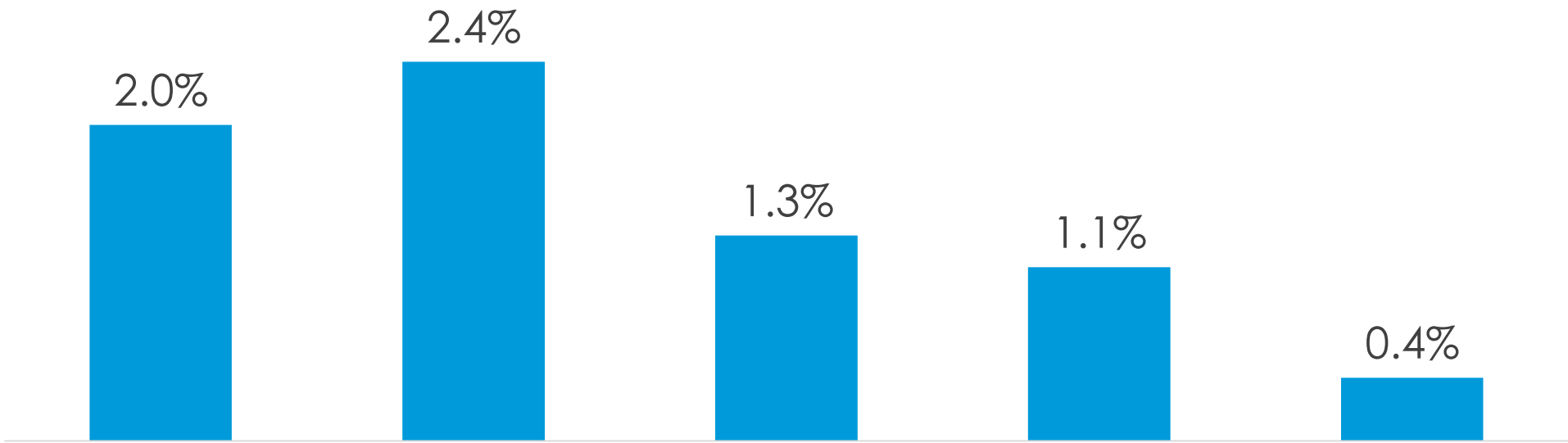
Ken Powell

Chairman and Chief Executive Officer

Update on U.S. Food and Beverage Retail Sales

Food and Beverage Retail Sales Growth

(% vs. LY)



	F16				F17
Units	Flat	0.2%	-0.2%	0.1%	0.1%
Price	2.0%	2.2%	1.4%	1.0%	0.4%

Source: Nielsen XAOC

General Mills First Quarter U.S. Retail Sales Performance

- Slower Start on Yoplait, Fiber One Bars, and Cereal
- Taking Actions to Improve Performance
- Foundation Businesses Largely on Track
- Excellent Momentum on Natural & Organic

Yoplait Light and Greek 100 Driving Majority of Declines in Yogurt



Yoplait Light
F17 Q1 Retail Sales: -29% vs. LY



Greek 100
F17 Q1 Retail Sales: -33% vs. LY

Source: Nielsen XAOC, Yoplait Light 6 oz. and Multipack

Source: Nielsen XAOC, Yoplait Greek 100 Single Serve and Multipack

Renovating 60% of Yogurt Portfolio in Fiscal 2017

Greek 100



Kid





Original Style Yoplait



U.S. Yogurt Innovation

Organic Yogurt





Beverage



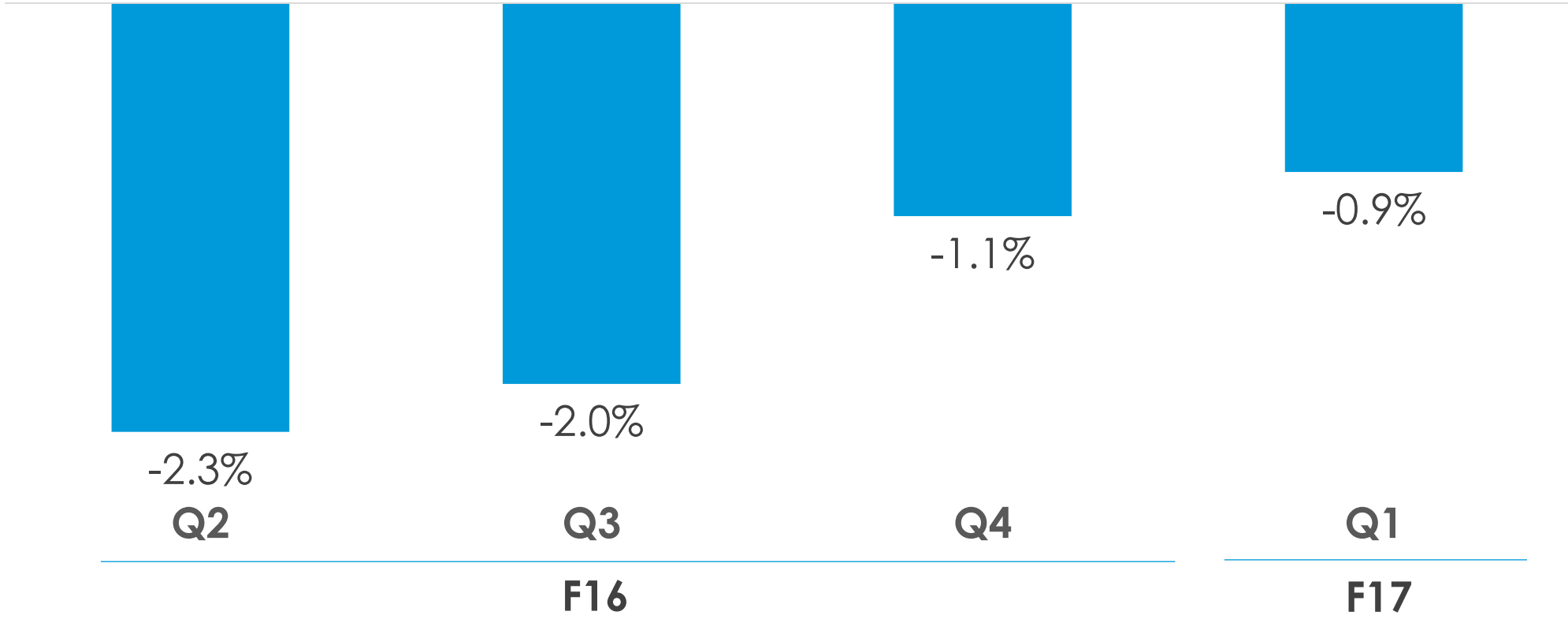
2% Greek Whips



General Mills Cereal Retail Sales Improving

General Mills Cereal Retail Sales Growth

(% vs. LY, Rolling 12 Months)



Source: Nielsen XAOC

Renovated Cereals Continue to Grow



NO HIGH FRUCTOSE CORN SYRUP

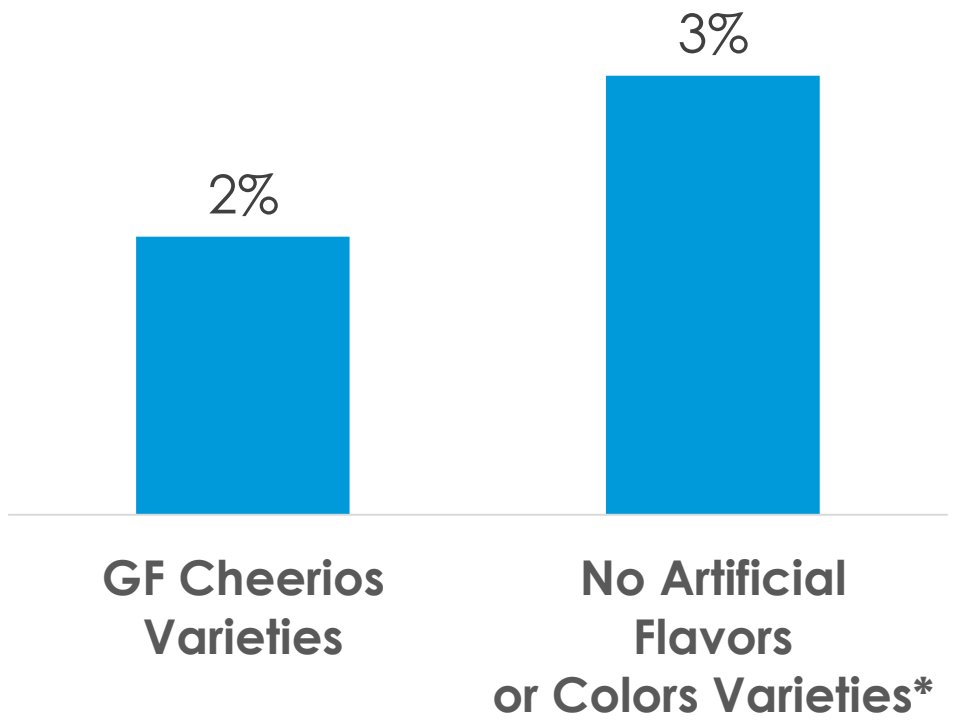
NO COLORS FROM ARTIFICIAL SOURCES

NO ARTIFICIAL FLAVORS



Fiscal 2017 First Quarter Cereal Retail Sales Growth

(% vs. LY)



*Includes 7 Featured Varieties Pictured at Left

Source: Nielsen XAOC

Strong Retailer Acceptance of Annie's Cereal

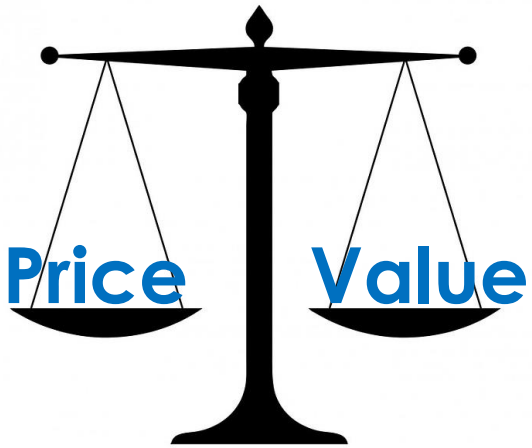






Strategic Revenue Management

Optimal Price



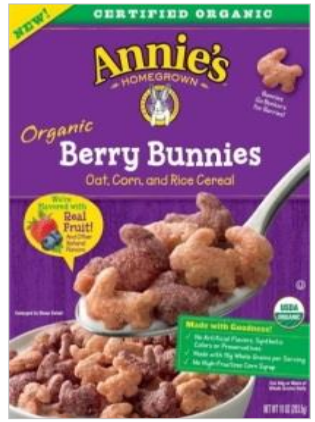
Capture Full Value of Our Brands in Each Channel

Price Pack Architecture



Deliver the Right Product For Each Occasion

Mix Management



Drive Mix to Maximize Profitable Growth

Promotion Management



Focus Spending On Highest Return Vehicles & Strategies

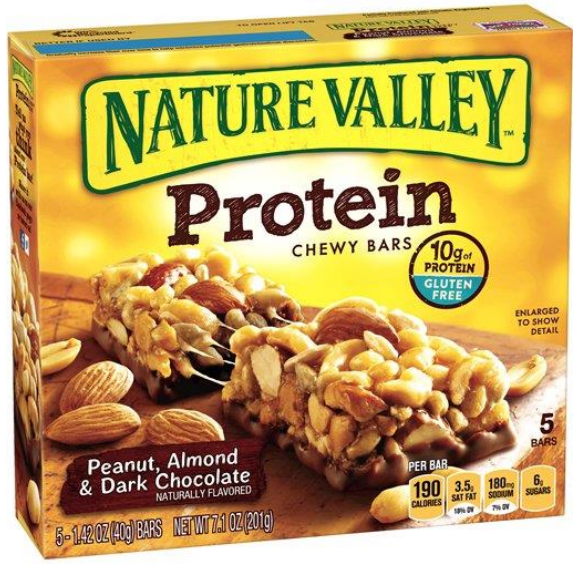
Nature Valley Renovation and Innovation Driving Growth

Crunchy Bars



F17 Q1 Retail Sales: +2% vs. LY

Gluten Free Protein



F17 Q1 Retail Sales: +5% vs. LY

Nut Butter Biscuits



Top-turning Item

Source: Nielsen XAOC

More Nature Valley News and Support in Fiscal 2017

Messaging



New Products



Bringing News to Improve Fiber One Trends

Messaging



New Media Campaign
Reinforcing Taste Messaging

New Products



Layered Bars

Renovation



No Artificial Flavors
or Colors
Reduced Sugar

Natural & Organic Portfolio Delivering Double-digit Growth

Retail Sales Growth: +12% vs. LY

EPIC
100% GRASS FED PROTEIN

Annie's

LÄRABAR

LIBERTÉ
YOGURT PERFECTION

MUIR GLEN Organic

FOOD SHOULD TASTE GOOD
BRAND

Cascadian Farm ORGANIC
FOUNDED IN SKAGIT VALLEY, WA
SINCE 1972

IMMACULATE
NATURALLY DELICIOUS

MOUNTAIN HIGH®

Source: Nielsen XAOC + Natural Supermarkets + Whole Foods for 3 months ending July

Annie's and Lärabar Leading Natural & Organic Growth

Annie's Established Business



F17 Q1 Retail Sales:
+20% vs. LY

Annie's Category Expansion



Yogurt, Cereal, Baked Goods, Snack Bars, Soup

Lärabar



F17 Q1 Retail Sales:
+48% vs. LY

Source: Nielsen XAOC

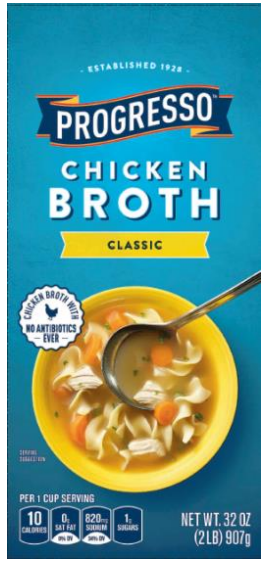
Bringing Targeted News to Foundation Businesses for Key Seasons

Refrigerated Dough



Renovated Shelf Set

Soup





Antibiotic-free Chicken

Baking Mixes



Renovated Brownies

Convenience Stores & Foodservice Highlights

Cereal





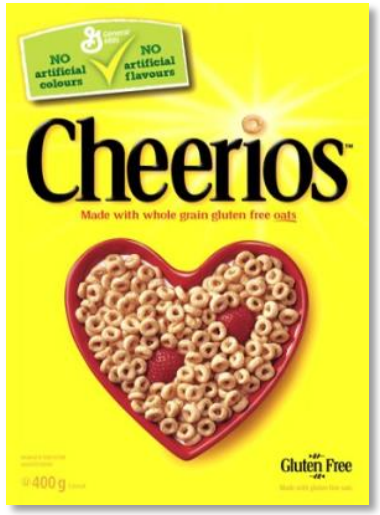
Yogurt



International Highlights - Canada

(F17 Q1 Retail Sales Growth)

Cereal



+6% vs. LY

Wholesome Snacks



+5% vs. LY

Mexican



+11% vs. LY

Source: Nielsen, 12 weeks ending July 2016

International Highlights - Europe

(F17 Q1 Retail Sales Growth)

Wholesome Snacks



+13% vs. LY

Old El Paso



+5% vs. LY

Source: Nielsen/IRI, 12 weeks ending July 2016

International Highlights - Asia/Pacific Region

China



Häagen-Dazs

Wanchai 湾仔码头 Ferry

- Yoplait Launch in Beijing
- Good Performance on Häagen-Dazs & Wanchai Ferry

AMEA

Häagen-Dazs





- Stick Bar Launch
- Continued Growth in India

International Highlights - Latin America

(F17 Q1 Retail Sales Growth)

Mexico





Wholesome Snacks
+15% vs. LY

Brazil



Snacks
+5% vs. LY

Source: Nielsen/IRI, 12 weeks ending July 2016

Focused on Improving Organic Net Sales Performance

- Easier Net Sales Comparisons in Remainder of Year
- Continue to Invest in What's Working
- Actions In Place to Improve Performance on Specific Businesses
- Implementing Strategic Revenue Management

General Mills
First Quarter Fiscal 2017 Summary

- Good Progress Against F17 Adjusted Operating Profit Margin* Expansion and Adjusted Diluted EPS* Goals
- Slower Start for Net Sales; Actions in Place to Improve Performance
- Additional Margin Expansion Initiatives Announced in July
- On Track to Deliver F17 Growth Goals

*Non-GAAP measures.

Reconciliation of First Quarter Fiscal 2017 Total Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q1		
	2017	**2016**	**% Change**
U.S. Retail	**$594.4**	$629.7	(6)%
International	**100.0**	117.0	(15)
Convenience Stores and Foodservice	**92.7**	79.8	16
Total segment operating profit	**$787.1**	$826.5	(5)%
Unallocated Corporate Items	82.4	83.1	(1)
Restructuring, impairment, and other exit costs	58.9	60.1	(2)
Operating Profit	**$645.8**	$683.3	(6)%

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

(Fiscal Years)

	Q1		
	Percentage Change in Total Segment Operating Profit as Reported	**Impact of Foreign Currency Exchange**	**Percentage Change in Total Segment Operating Profit on a Constant-Currency Basis**
F17	(5) %	(1) pt	(4) %
F16	20 %	(3) pts	23 %

Certain measures in this release are presented excluding the impact of foreign currency exchange (constant-currency). To present this information, current period results for entities reporting in currencies other than United States dollars are translated into United States dollars at the average exchange rates in effect during the corresponding period of the prior fiscal year, rather than the actual average exchange rates in effect during the current fiscal year. Therefore, the foreign currency impact is equal to current year results in local currencies multiplied by the change in the average foreign currency exchange rate between the current fiscal period and the corresponding period of the prior fiscal year.

Reconciliation of First Quarter Fiscal 2017 Adjusted Diluted EPS and Related Constant-currency Growth Rate

(Fiscal Years)

	Q1		
Per Share Data	**2017**	**2016**	**Change**
Diluted earnings per share, as reported	**$ 0.67**	$ 0.69	(3) %
Mark-to-market effects*	**0.02**	-	
Restructuring charges*	**0.08**	0.09	
Project-related costs *	**0.01**	0.01	
Diluted earnings per share, excluding certain items affecting comparability	**$ 0.78**	$ 0.79	(1) %
Foreign currency exchange impact			Flat
Diluted earnings per share growth, excluding certain items affecting comparability, on a constant-currency basis			(1) %

*See reconciliation of Tax Rate excluding items for tax impact of individual items.

Reconciliation of First Quarter Fiscal 2016 Adjusted Diluted EPS and Related Constant-currency Growth Rate

(Fiscal Years)

	Q1		
Per Share Data	**2016**	**2015**	**Change**
Diluted earnings per share, as reported	**$ 0.69**	$ 0.55	25 %
Mark-to-market effects*	**-**	0.05	
Restructuring charges*	**0.09**	0.01	
Project-related costs *	**0.01**	-	
Diluted earnings per share, excluding certain items affecting comparability	**$ 0.79**	$ 0.61	30 %
Foreign currency exchange impact			(6)
Diluted earnings per share growth, excluding certain items affecting comparability, on a constant-currency basis			36 %

*See reconciliation of Tax Rate excluding items for tax impact of individual items.

Reconciliation of First Quarter Fiscal 2017 Organic Net Sales Growth

(Fiscal Year)

	Q1 2017					
	Organic Volume	**Organic Price/Mix**	**Organic Net Sales**	**Foreign Exchange**	**Acquisitions & Divestitures**	**Reported Net Sales Growth**
U.S. Retail	(7) pts	2 pts	(5) %	--	(3) pts	(8) %
International	(4) pts	3 pts	(1) %	(4) pts	(1) pt	(6) %
Convenience Stores & Foodservice	(2) pts	(5) pts	(7) %	--	--	(7) %
Total	(6) pts	2 pts	(4) %	(1) pt	(2) pts	(7) %

Reconciliation of First Quarter Fiscal 2016 Organic Net Sales Growth

(Fiscal Year)

	Q1 2016					
	Organic Volume	**Organic Price/Mix**	**Organic Net Sales**	**Foreign Exchange**	**Acquisitions & Divestitures**	**Reported Net Sales Growth**
U.S. Retail	(1) pt	2 pts	1 %	--	3 pts	4 %
International	4 pts	1 pt	5 %	(16) pts	--	(11) %
Convenience Stores & Foodservice	1 pt	--	1 %	--	--	1 %
Total	1 pt	1 pt	2 %	(5) pts	2 pts	(1) %

Reconciliation of First Quarter Fiscal 2017 International Constant-Currency Net Sales Growth Rates

(Fiscal Year)

	Q1 2017		
	Percentage Change in Net Sales as Reported	**Impact of Foreign Currency Exchange**	**Percentage Change in Net Sales on Constant-Currency Basis**
Europe	(9) %	(3) pts	(6) %
Canada	(4)	(2)	(2)
Asia/Pacific	(3)	(4)	1
Latin America	(4)	(7)	3
Total International	(6) %	(4) pts	(2) %

Reconciliation of First Quarter Fiscal 2017 Adjusted Gross Margin

(Fiscal Years)

	Q1	
	2017	**2016**
	% of Net Sales	**% of Net Sales**
Gross margin as reported	**36.3%**	36.9%
Mark-to-market effects	0.4	-
Restructuring charges	0.3	0.5
Project-related costs	0.4	0.3
Adjusted gross margin	**37.4%**	37.7%

Reconciliation of First Quarter Fiscal 2016 Adjusted Gross Margin

(Fiscal Years)

	Q1	
	2016	**2015**
	% of Net Sales	**% of Net Sales**
Gross margin as reported	**36.9%**	33.7%
Mark-to-market effects	**-**	1.0
Restructuring charges	**0.5**	-
Project-related costs	**0.3**	-
Adjusted gross margin	**37.7%**	34.8%

Reconciliation of First Quarter Fiscal 2017 Adjusted Operating Profit Margin

(Fiscal Years)

	Q1	
	2017	**2016**
	% of Net Sales	**% of Net Sales**
Operating profit as reported	**16.5%**	16.2%
Mark-to-market effects	0.4	-
Restructuring charges	1.9	1.9
Project-related costs	0.4	0.3
Adjusted operating profit margin	**19.2%**	18.4%

Reconciliation of First Quarter Fiscal 2016 Total Segment Operating Profit

(Fiscal Years, $ in Millions)

	Q1		
	2016	**2015**	**% Change**
U.S. Retail	**$629.7**	$457.2	38%
International	**117.0**	146.0	(20)
Convenience Stores and Foodservice	**79.8**	87.3	(9)
Total segment operating profit	**$826.5**	$690.5	20%
Unallocated Corporate Items	83.1	119.0	(30)
Restructuring, impairment, and other exit costs	60.1	14.0	NM
Operating Profit	**$683.3**	$557.5	23%

Reconciliation of First Quarter Fiscal 2017 Constant-currency International Segment Operating Profit Growth

(Fiscal Year)

	2017		
	Percentage Change in International Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in International Segment Operating Profit on Constant-Currency Basis
Q1	(14) %	(3) pts	(11) %

Reconciliation of First Quarter Constant-currency After-tax JV Earnings

(Fiscal Years)

	Q1		
	Percentage Change in After-tax Earnings from Joint Ventures as Reported	**Impact of Foreign Currency Exchange**	**Percentage Change in After-tax Earnings from Joint Ventures on Constant-Currency Basis**
F17	(6) %	4 pts	(10) %
F16	(1) %	(17) pts	16 %

Reconciliation of First Quarter Fiscal 2017 Tax Rate Excluding Items

(Fiscal Years, $ in Millions)

	Q1			
	2017		2016	
	Pretax Earnings	Income Taxes	Pretax Earnings	Income Taxes
As reported	**$571.9**	**$176.6**	$608.0	$198.6
Mark-to-market effects	**16.6**	**6.1**	(2.7)	(1.0)
Restructuring charges	**72.5**	**24.2**	81.9	23.6
Project-related costs	**13.8**	**5.0**	13.1	4.9
As adjusted	**$674.8**	**$211.9**	$700.3	$226.1
Effective tax rate:				
As reported		**30.9 %**		32.7 %
As adjusted		**31.4 %**		32.3 %
Sum of adjustments to income taxes		**$35.3**		$27.5
Average number of common shares - diluted EPS		**612.4**		615.5
Impact of income tax adjustments on diluted EPS excluding certain items affecting comparability		**$0.06**		$0.04

Reconciliation of First Quarter Fiscal 2016 Tax Rate Excluding Items

(Fiscal Years, $ in Millions)

	Q1			
	2016		2015	
	Pretax Earnings	Income Taxes	Pretax Earnings	Income Taxes
As reported	**$608.0**	**$198.6**	$479.0	$152.6
Mark-to-market effects	**(2.7)**	**(1.0)**	49.2	18.2
Restructuring charges	**81.9**	**23.6**	14.0	4.6
Project-related costs	**13.1**	**4.9**	-	-
As adjusted	**$700.3**	**$226.1**	$542.2	$175.4
Effective tax rate:				
As reported		**32.7 %**		31.8%
As adjusted		**32.3 %**		32.3%
Sum of adjustments to income taxes		**$27.5**		$22.8
Average number of common shares - diluted EPS		**615.5**		629.1
Impact of income tax adjustments on diluted EPS excluding certain items affecting comparability		**$0.04**		$0.04

Reconciliation of Full Year Fiscal 2016 Adjusted Operating Profit Margin

(Fiscal Year)

	Full Year 2016 % of Net Sales
Operating profit as reported	**16.3** %
Mark-to-market effects	(0.4)
Divestitures (gain)	(0.9)
Restructuring charges	1.4
Project-related costs	0.4
Adjusted operating profit margin	**16.8** %