



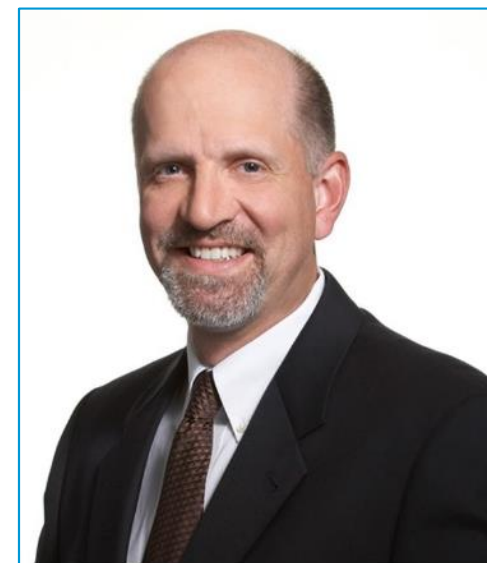
GENERAL MILLS
FISCAL 2019
FOURTH-QUARTER EARNINGS
JUNE 26, 2019

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, including our acquisition of Blue Buffalo and issues in the integration of Blue Buffalo and retention of key management and employees; unfavorable reaction to our acquisition of Blue Buffalo by customers, competitors, suppliers, and employees; changes in capital structure; changes in the legal and regulatory environment, including tax legislation, 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 saving 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.

GENERAL MILLS
FISCAL 2019
FOURTH-QUARTER RESULTS
JUNE 26, 2019



Jeff Harmening

Chairman and Chief Executive Officer



Today's Key Messages



- **Met or Exceeded F19 Targets for Sales, Profit, EPS, Cash, and Blue Buffalo**
- **Continuing to Pursue Consumer First Strategy and *Compete, Accelerate, Reshape* Global Growth Framework**
- **F20 Priorities: Accelerate Organic Sales Growth While Maintaining Strong Margins and Reducing Leverage**

Fiscal 2019 Financial Results



Dollars in millions except per share data

TOTAL GENERAL MILLS	Q4		ANNUAL	
	\$	VS LY ¹	\$	VS LY ¹
Net Sales	\$4,162	+9%	\$16,865	+9%
Organic Sales*		-1%		Flat
Adjusted Operating Profit*	\$722	+5%	\$2,858	+10%
Adjusted Diluted EPS*	\$0.83	+6%	\$3.22	+4%

*Non-GAAP measure. See appendix for reconciliation.

(1) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation

Our Fiscal 2019 Priorities



Grow The Core

Compete Effectively and Accelerate Growth Platforms



Transition Blue Buffalo

Successfully Transition Blue Buffalo and Maintain Momentum



Deliver Financial Commitments

Achieve Profit and Cash Flow Goals



Progress on Growing the Core in F19



- ✓ **Improve U.S. Yogurt**
- ✓ **Improve Emerging Markets**
- ✓ **Strengthen Innovation**
- ✓ **Stabilize U.S. Distribution**
- ✓ **Increase Benefits from Price/Mix**

General Mills U.S. Retail Market Share Performance

	F17	F18	F19
Cereal	—	+	+
Bars	—	+	—
Yogurt	—	—	+
Refrigerated Dough	—	—	+
Soup	—	+	—
Hot Snacks	+	+	+
Desserts	—	+	+
Mexican	+	+	+
Fruit Snacks	—	+	—
Natural & Organic	+	+	=
Top 10 Holding / Gaining Share	3 of 10	8 of 10	7 of 10

Top 10 categories represent approximately 85% of measured U.S. Retail Sales

Source: Nielsen xAOC, dollar share

Natural & Organic includes Nielsen XAOC tracked categories

Strong Global Cereal Performance in F19



BRAND BUILDING AND INNOVATION IN U.S. RETAIL



U.S. Retail Sales +0.2%
Share +0.3 pts

STRONG CONVENIENCE STORES & FOODSERVICE GROWTH



Net Sales +LSD

CEREAL PARTNERS WORLDWIDE



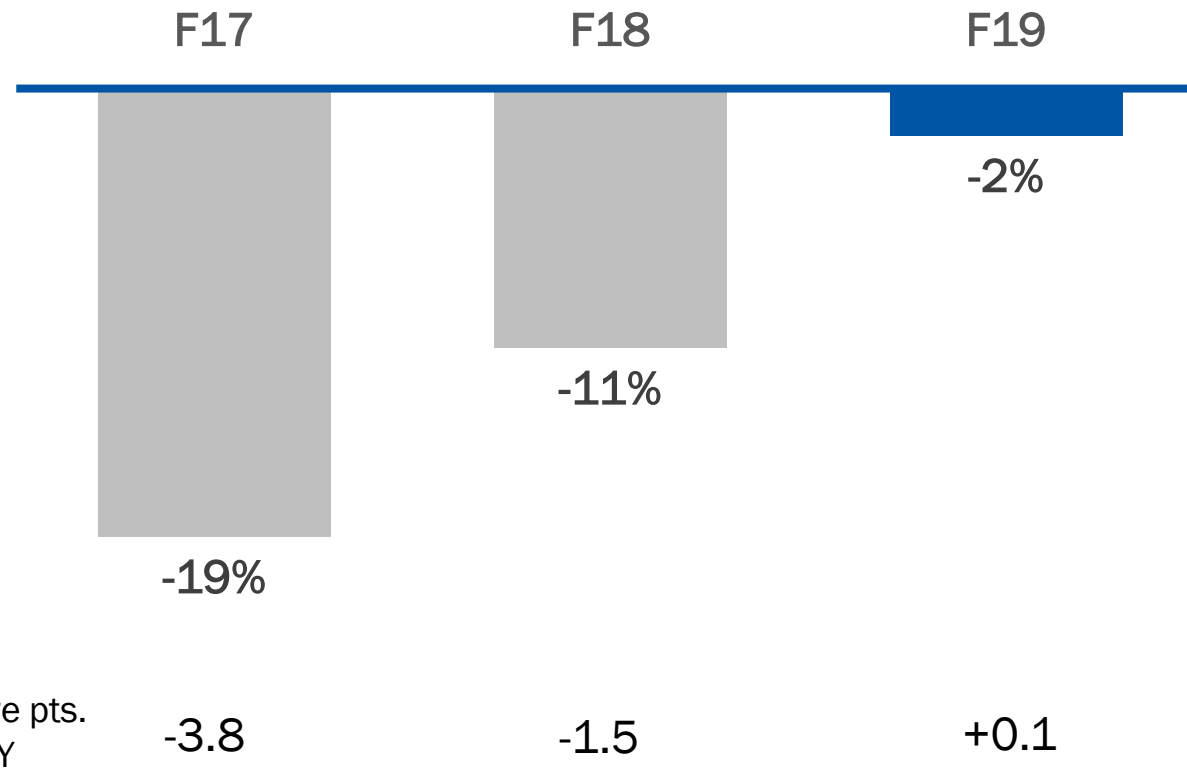
Net Sales +1%*



Improved U.S. Yogurt in F19

SIMPLY BETTER AND CORE PORTFOLIO DROVE U.S. RETAIL IMPROVEMENT

(Retail Sales % vs. LY)



Retail Sales Growth on 3 of 4 Accelerate Platforms



(% vs. LY)

- Double-Digit Häagen-Dazs Growth
- Old El Paso up LSD, Led by the U.S.
- U.S. Bars -MSD; International Bars +30%
- Natural & Organic +LSD



Successful Blue Buffalo Transition in F19



- **Delivered F19 Guidance**
 - ✓ Pro Forma Net Sales and SOP* +11% vs. LY
- **F19 Retail Sales +HSD**
- **Significant F19 Q4 FDM Expansion:**
 - ✓ Expanded BLUE to Walmart
 - ✓ Expanded Wilderness Product Line Across FDM

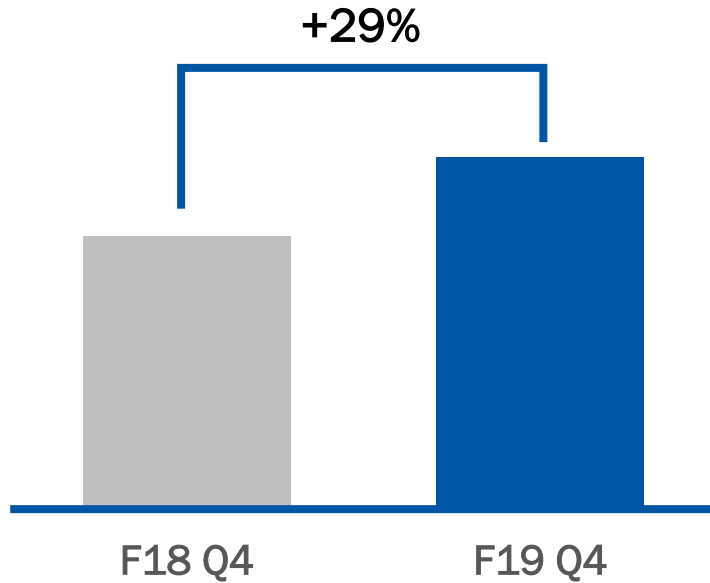


BLUE All-channel Retail Sales +HSD in F19



FDM

RETAIL SALES AT CUSTOMERS WITH BLUE MORE THAN 12 MONTHS



- Retail Sales +++
- Market Share Gains

PET SPECIALTY



- Retail Sales -DD
- Market Share Declines

E-COMMERCE



- Retail Sales +21%
- Market Share Gains

Delivered Financial Commitments in F19



- **SRM Generated 2 Points of Positive Organic Price/Mix**
- **Record-level COGS HMM Savings**
- **Strong Cash Conversion Drove Reduction in Net Debt-to-Adjusted EBITDA* to 3.9x**

Our Fiscal 2020 Priorities



1

Accelerate Organic Net Sales Growth

- *Improve Growth in North America Retail: Maintain Momentum on U.S. Cereal; Improve U.S. Yogurt and U.S. Snacks*
- *Drive Continued Growth on Blue Buffalo: +8 to 10% Like for Like Growth, +DD including Extra Period*

2

Maintain Strong Margins: HMM and SRM Fueling Growth Investments

3

Continue Cash Discipline to Achieve Deleveraging Goal

Fiscal 2020 Financial Outlook

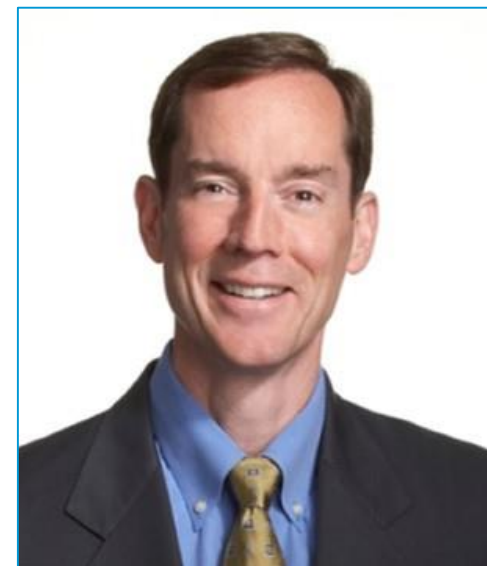


KEY FINANCIAL METRICS*	FISCAL 2020 OUTLOOK
Organic Net Sales Growth	+1 to +2%
Adjusted Operating Profit Growth	+2 to +4% ¹
Adjusted Diluted EPS Growth	+3 to +5% ¹
Free Cash Flow Conversion	>95%

*Non-GAAP measures.

(1) Constant-currency growth rate

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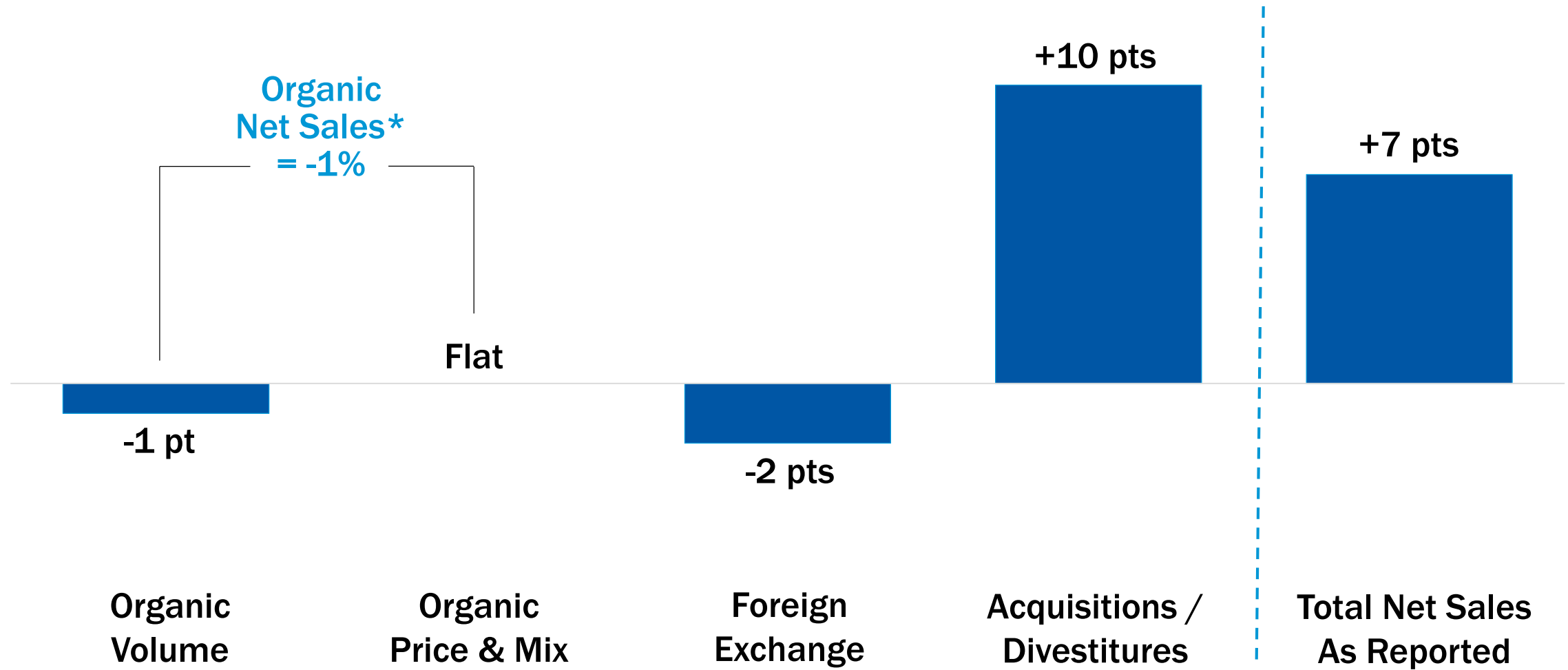


Don Mulligan

Chief Financial Officer



Fourth Quarter Fiscal 2019 Components of Net Sales Growth



*Non-GAAP measure.

Fiscal 2019 North America Retail



SEGMENT RESULTS	Q4	F19
Organic Net Sales	-2% ¹	-1% ¹
Segment Operating Profit	-2% ²	+3% ²

NET SALES GROWTH BY OPERATING UNIT

	Q4	F19
U.S. Cereal	Flat	Flat
U.S. Yogurt	Flat	-2
U.S. Meals & Baking	Flat	-1
Canada	-7	-7
<i>Constant-currency²</i>	-3	-4
U.S. Snacks	-5	-4

Highlights:

- Nielsen-measured U.S. retail sales slightly positive in Q4; Share gains in majority of top U.S. categories
- F19 organic sales lagged U.S. retail sales by 1 point, in line with initial expectations
- F19 profit growth driven by cost savings and lower SG&A expenses; Q4 profit lapping +HSD growth LY



(1) Non-GAAP measure. See appendix for reconciliation

(2) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation.

Source: Nielsen xAOC

Fiscal 2019 Convenience Stores & Foodservice



SEGMENT RESULTS

	<u>Q4</u>	<u>F19</u>
Organic Net Sales	+2% ¹	+2% ¹
Segment Operating Profit	-1%	+7%

NET SALES GROWTH BY PLATFORM

	<u>Q4</u>	<u>F19</u>
Focus 6	+4%	+4%
Other	-1%	Flat

Highlights:

- All Focus 6 platforms grew net sales in Q4 and F19
- Frozen Meals, Snacks, and Frozen Baked Goods platforms led Focus 6 growth
- F19 profit growth driven by cost savings and positive price/mix, partially offset by higher input costs
- Q4 profit lapping +DD growth last year



(1) Non-GAAP measure. See appendix for reconciliation

Fiscal 2019 Europe & Australia



SEGMENT RESULTS

Q4

F19

Organic Net Sales	-3% ¹	-1% ¹
Segment Operating Profit	-20% ²	-8% ²



Highlights:

- Net sales declines on Yogurt partially offset by growth on Snack Bars and Ice Cream
- Double-digit retail sales growth on Nature Valley, Fibre One, and Häagen-Dazs
- F19 and Q4 profit impacted by higher input costs, partially offset by lower SG&A expenses



(1) Non-GAAP measure. See appendix for reconciliation

(2) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation

Source: Nielsen/IRI. Retail sales growth, FYTD through April 2019.

Fiscal 2019 Asia & Latin America



SEGMENT RESULTS

Q4

F19

Organic Net Sales	+1% ¹	+6% ¹
Segment Operating Profit	+162% ²	+71% ²



Highlights:

- F19 net sales growth in China, Brazil, and India
- Snacks, Häagen-Dazs, and Wanchai Ferry led growth
- Q4 organic sales increase lapping +DD growth LY excluding reporting period difference
- Significant F19 profit increase driven by volume growth, positive price/mix, and lower SG&A expenses

(1) Non-GAAP measure. See appendix for reconciliation

(2) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation.

Fiscal 2019 Pet Segment



SEGMENT RESULTS

Q4

F19

Net Sales	+38% ¹	+11% ¹
Segment Operating Profit	+82% ¹	-11% ¹
<i>SOP ex. Purchase Accounting*</i>	+88% ¹	+11% ¹

Highlights:

- Delivered +DD top and bottom line growth in F19*
- Net sales increase driven by significant growth in FDM and E-commerce, partially offset by Pet Specialty declines
- Significant Q4 profit increase due to strong volume growth and positive price/mix



(1) Pro forma growth rates.

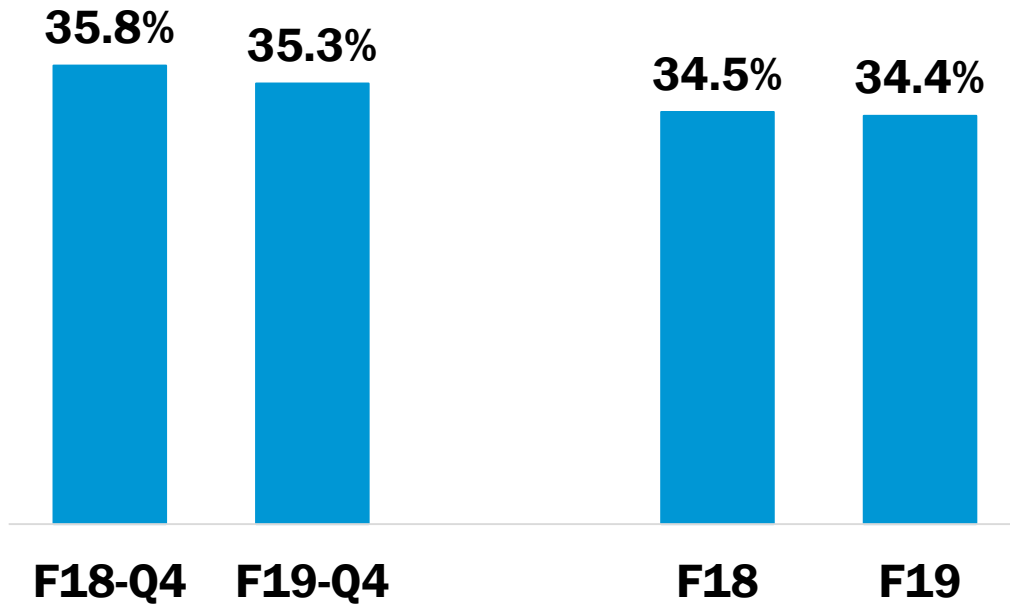
*Growth rates exclude Fiscal 2019 purchasing accounting charges of \$3MM in Q4 and \$66MM in full year. Fiscal 2019 full-year results include 7 days from the month of acquisition.

Fiscal 2019 Margin Results



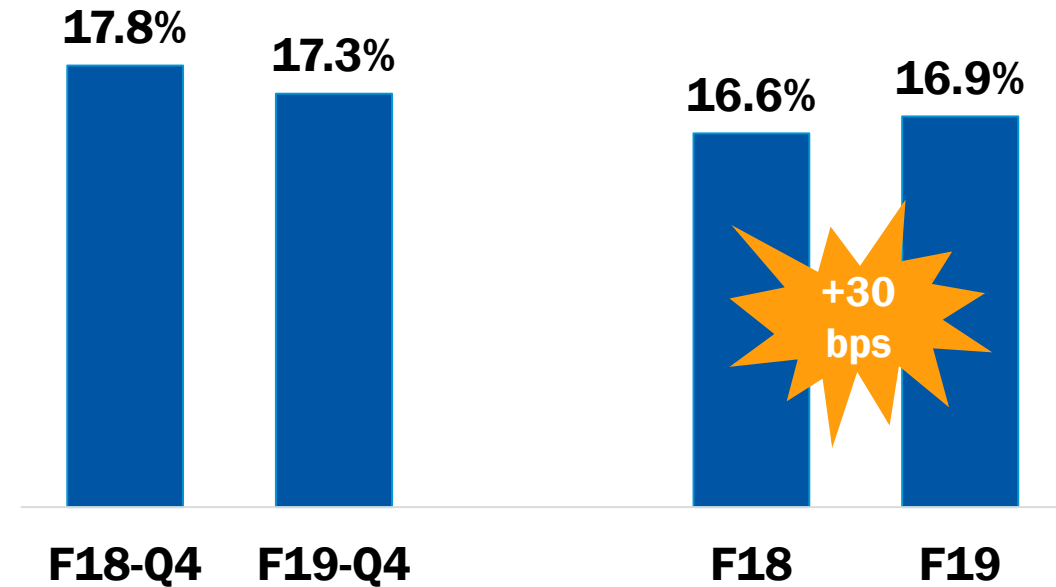
ADJUSTED GROSS MARGIN*

(% of Net Sales)



ADJUSTED OP PROFIT MARGIN*

(% of Net Sales)



- Q4 margins compare against significant margin expansion in prior-year period
- F19 op profit margin expansion driven by record COGS HMM savings, strong cost control, and Blue Buffalo

Fiscal 2019 Joint Ventures



AFTER-TAX EARNINGS: \$72MM VS. \$85MM LY

JV GROWTH

CPW

HDJ

Net Sales*

+1%

-7%

Highlights:

- CPW net sales increase driven by Asia, Middle East, and Africa and Europe regions, partially offset by LATAM
- HDJ net sales impacted by seasonal innovation timing and declines on mini cups and crispy sandwich varieties
- After-tax earnings driven by \$11MM of restructuring charges at CPW, lower net sales and higher input costs at HDJ



Fourth Quarter Fiscal 2019 Other Income Statement Items



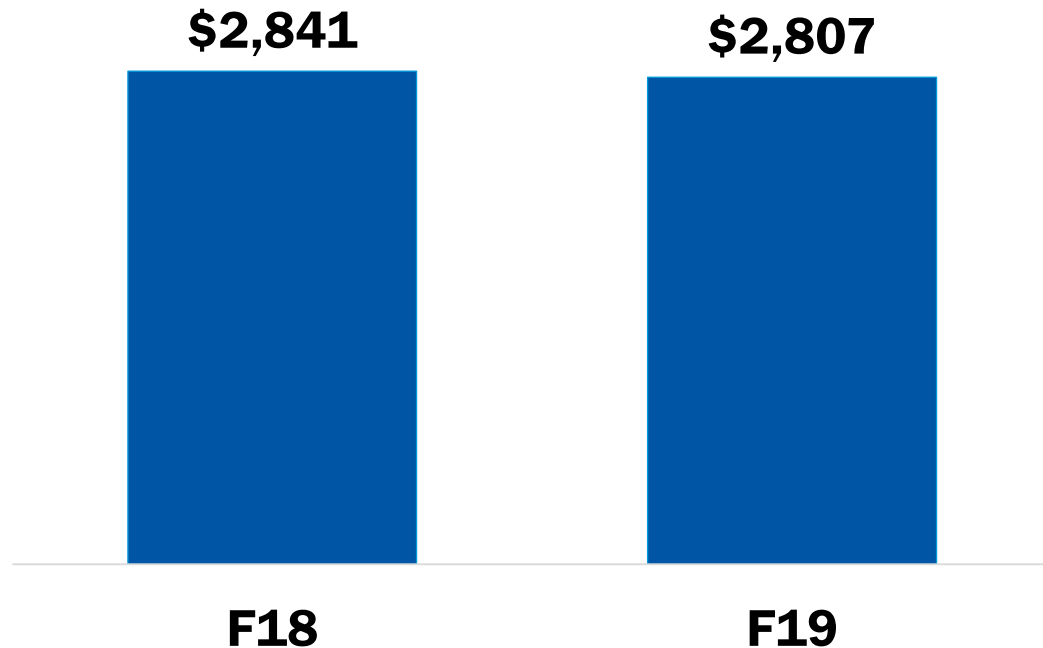
- **Unallocated Corporate Expense Increased \$62MM ex. Certain Items**
- **Net Interest Expense Decreased \$12MM**
- **Adjusted Effective Tax Rate 20.6% vs. 26.7% LY***
- **Average Diluted Shares Outstanding Up 3%**

Fiscal 2019

Balance Sheet and Cash Flow



FULL-YEAR OPERATING CASH FLOW (\$ IN MILLIONS)



- Core Working Capital -34% vs. LY
- Capital Investments = \$538MM
- FCF Conversion* = 115%
- Dividends Paid = \$1,182MM
- Total Debt Reduction = \$1,329MM

*Non-GAAP measure. See appendix for reconciliation.

Fiscal 2020 Plan Assumptions



- **53rd Week, F19 Divestitures, and FX Add 1 to 2 Points to F20 Net Sales**
- **Blue Buffalo Shifts to May Year-end (13 Months); Included in Organic Sales***
- **Increased Investment in Brand Building and Capabilities**
- **HMM Savings and Input Cost Inflation = ~4% of COGS**
- **Benefit Plan Non-service Income of ~\$120MM**
- **Net Interest Expense of ~\$500MM**
- **Adjusted Effective Tax Rate* in Line with F19**
- **Average Diluted Shares Outstanding +1%**

Fiscal 2020 Financial Outlook



KEY FINANCIAL METRICS*	FISCAL 2020 OUTLOOK
Organic Net Sales Growth	+1 to +2%
Adjusted Operating Profit Growth	+2 to +4% ¹
Adjusted Diluted EPS Growth	+3 to +5% ¹
Free Cash Flow Conversion	>95%

*Non-GAAP measures.

(1) Constant-currency growth rate

Today's Key Messages



- **Met or Exceeded F19 Targets for Sales, Profit, EPS, Cash, and Blue Buffalo**
- **Continuing to Pursue Consumer First Strategy and *Compete, Accelerate, Reshape* Global Growth Framework**
- **F20 Priorities: Accelerate Organic Sales Growth While Maintaining Strong Margins and Reducing Leverage**

Supplemental Information



(FISCAL YEARS, \$ IN MILLIONS)

	Q4		
	2019	2018	Change
Net sales:			
North America Retail	\$ 2,341.7	\$ 2,388.0	(2) %
Convenience Stores & Foodservice	519.0	510.6	2
Europe & Australia	499.5	556.2	(10)
Asia & Latin America	395.9	435.4	(9)
Pet	405.6	-	NM
Total net sales	\$ 4,161.7	\$ 3,890.2	7 %
Operating Profit:			
North America Retail	\$ 527.7	\$ 543.0	(3) %
Convenience Stores & Foodservice	116.1	117.0	(1)
Europe & Australia	41.9	57.3	(27)
Asia & Latin America	22.8	9.5	141
Pet	110.1	-	NM
Total segment operating profit	\$ 818.6	\$ 726.8	13 %

Supplemental Information



(FISCAL YEARS, \$ IN MILLIONS)

	Full Year		
	2019	2018	Change
Net sales:			
North America Retail	\$ 9,925.2	\$ 10,115.4	(2) %
Convenience Stores & Foodservice	1,969.1	1,930.2	2
Europe & Australia	1,886.7	1,984.6	(5)
Asia & Latin America	1,653.3	1,710.2	(3)
Pet	1,430.9	-	NM
Total net sales	\$ 16,865.2	\$ 15,740.4	7 %
Operating Profit:			
North America Retail	\$ 2,277.2	\$ 2,217.4	3 %
Convenience Stores & Foodservice	419.5	392.6	7
Europe & Australia	123.3	142.1	(13)
Asia & Latin America	72.4	39.6	83
Pet	268.4	-	NM
Total segment operating profit	\$ 3,160.8	\$ 2,791.7	13 %

A Reminder on Non-GAAP Guidance



Our fiscal 2020 outlook for organic net sales growth, adjusted operating profit, and adjusted diluted EPS are non-GAAP financial measures that exclude, or have otherwise been adjusted for, items impacting comparability, including the effect of foreign currency exchange rate fluctuations, restructuring charges and project-related costs, acquisition transaction and integration costs, and market-to-market effects. Our fiscal 2020 outlook for organic net sales growth also excludes the effect of a 53rd week, acquisitions, and divestitures. We are not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates and commodity prices or the timing of acquisitions, divestitures and restructuring actions throughout fiscal 2020. The unavailable information could have a significant impact on our fiscal 2020 GAAP financial results.

For fiscal 2020, we currently expect: foreign currency exchange rates (based on a blend of forward and forecasted rates and hedge positions), acquisitions, divestitures, and a 53rd week to increase net sales growth by approximately 1 to 2 percentage points; foreign currency exchange rates to have an immaterial impact on adjusted operating profit and adjusted diluted EPS growth; and restructuring charges and project-related costs related to actions previously announced to total approximately \$49 million.

Reconciliation of Fourth Quarter Fiscal 2019 Constant-currency Net Sales Growth



(FISCAL YEAR)

2019

	Percentage Change in Net Sales as Reported	Impact of Foreign Currency Exchange	Percentage Change in Net Sales on a Constant- currency Basis
Q4	7 %	(2) pts	9 %

Reconciliation of Fourth Quarter Fiscal 2019 Organic Net Sales Growth



(FISCAL YEAR)

	Q4 2019					
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales Growth
North America Retail	-	(2) pts	(2) %	-	-	(2) %
Convenience Stores & Foodservice	-	2 pts	2 %	-	-	2 %
Europe & Australia	(5) pts	2 pts	(3) %	(7) pts	-	(10) %
Asia & Latin America	1 pt	-	1 %	(6) pts	(4) pts	(9) %
Pet	-	-	-	-	-	-
Total	(1) pt	-	(1) %	(2) pts	10 pts	7 %

Reconciliation of Fourth Quarter Fiscal 2019 Adjusted Operating Profit Constant-currency Growth Rate



(FISCAL YEARS, \$ IN MILLIONS)

	Q4		
	2019	2018	Change
Operating profit as reported	\$ 716.1	\$ 536.1	34 %
Mark-to-market effects	(0.4)	(28.6)	
Investment valuation adjustments	(9.8)	-	
Restructuring charges	16.6	55.4	
Project-related costs	-	2.9	
Asset impairments	0.4	96.9	
Acquisition transaction and integration costs	4.3	30.5	
Divestiture loss	(5.4)	-	
Adjusted operating profit, excluding certain items affecting comparability	\$ 721.8	\$ 693.2	4 %
Foreign currency exchange impact			(1) pt
Adjusted operating profit growth, Excluding certain items affecting comparability, on a constant-currency basis			5 %

Reconciliation of Fourth Quarter Fiscal 2019 Adjusted Diluted EPS and Related Constant-currency Growth Rate



(FISCAL YEARS)

Per Share Data	Q4		
	2019	2018	Change
Diluted earnings per share, as reported	\$ 0.94	\$ 0.59	59 %
Net tax benefit	-	(0.03)	
Tax items	(0.12)	-	
Mark-to-market effects*	-	(0.04)	
Investment valuation adjustments*	(0.01)	-	
Acquisition transaction and integration costs*	-	0.08	
Restructuring charges*	0.02	0.08	
Asset impairments*	-	0.11	
Diluted earnings per share, excluding certain items affecting comparability	\$ 0.83	\$ 0.79	5 %
Foreign currency exchange impact			(1) pt
Diluted earnings per share growth, excluding certain items affecting comparability, on a constant-currency basis			6 %

*See reconciliation of tax rate excluding items for tax impact of individual items.

Reconciliation of Fiscal 2019 Constant-currency Net Sales Growth



(FISCAL YEAR)

	2019		
	Percentage Change in Net Sales as Reported	Impact of Foreign Currency Exchange	Percentage Change in Net Sales on a Constant- currency Basis
Full Year	7 %	(2) pts	9 %

Reconciliation of Fiscal 2019 Organic Net Sales Growth



(FISCAL YEAR)

	2019 Full Year					
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales Growth
North America Retail	(2) pts	1 pt	(1) %	(1) pt	-	(2) %
Convenience Stores & Foodservice	(2) pts	4 pts	2 %	-	-	2 %
Europe & Australia	(3) pts	2 pts	(1) %	(4) pts	-	(5) %
Asia & Latin America	3 pts	3 pts	6 %	(7) pts	(2) pts	(3) %
Pet	-	-	-	-	-	-
Total	(2) pts	2 pts	Flat	(2) pts	9 pts	7 %

Reconciliation of Fiscal 2019 Adjusted Operating Profit Constant-currency Growth Rate



(FISCAL YEARS, \$ IN MILLIONS)

	Full Year		
	2019	2018	Change
Operating profit as reported	\$ 2,515.9	\$ 2,419.9	4 %
Mark-to-market effects	36.0	(32.1)	
Investment valuation adjustments	(22.8)	-	
Legal recovery	(16.2)	-	
Restructuring charges	77.6	82.7	
Project-related costs	1.3	11.3	
Asset impairments	207.4	96.9	
Acquisition transaction and integration costs	25.6	34.0	
Divestiture loss	30.0	-	
Hyperinflationary accounting	3.2	-	
Adjusted operating profit, excluding certain items affecting comparability	\$ 2,858.0	\$ 2,612.7	9 %
Foreign currency exchange impact			(1) pt
Adjusted operating profit growth, Excluding certain items affecting comparability, on a constant-currency basis			10 %

Reconciliation of Fiscal 2019 Adjusted Diluted EPS and Related Constant-currency Growth Rate



(FISCAL YEARS)

Per Share Data	Full Year		
	2019	2018	Change
Diluted earnings per share, as reported	\$ 2.90	\$ 3.64	(20) %
Net tax benefit	(0.01)	(0.89)	
Tax items	(0.12)	0.07	
Mark-to-market effects*	0.05	(0.04)	
Investment valuation adjustments*	(0.03)	-	
Legal recovery*	(0.01)	-	
Divestitures loss*	0.03	-	
Acquisition transaction and integration costs*	0.03	0.10	
CPW restructuring charges*	0.02	-	
Restructuring charges*	0.10	0.11	
Project-related costs*	-	0.01	
Asset impairments*	0.26	0.11	
Diluted earnings per share, excluding certain items affecting comparability	\$ 3.22	\$ 3.11	4 %
Foreign currency exchange impact			Flat
Diluted earnings per share growth, excluding certain items affecting comparability, on a constant-currency basis			4 %

*See reconciliation of tax rate excluding items for tax impact of individual items.

Reconciliation of Fiscal 2019 Net Debt-to-Adjusted EBITDA Ratio



(FISCAL YEAR, \$ IN MILLIONS)

	Full Year 2019
Total Debt	\$14,490.0
Cash	450.0
Net Debt	\$14,040.0
Net earnings attributable to General Mills, as reported	\$1,752.7
Net earnings, attributable to redeemable and noncontrolling interests	33.5
After tax earnings from joint ventures	(72.0)
Income taxes	367.8
Earnings before income taxes and after tax earnings from joint ventures	\$2,082.0
Interest, net	521.8
Depreciation and amortization	620.1
EBITDA	\$3,223.9
Asset impairments	207.4
Restructuring charges	77.6
Project-related costs	1.3
Mark-to-market effects	36.0
Divestitures loss	30.0
Acquisition integration costs	25.6
Investment valuation adjustments	(22.8)
Legal recovery	(16.2)
Hyperinflationary accounting	3.2
Adjusted EBITDA	\$3,566.0
Net debt-to-adjusted EBITDA ratio	3.9

Reconciliation of Fourth Quarter Fiscal 2018 Organic Net Sales Growth



(FISCAL YEAR)

	Q4 2018					Reported Net Sales Growth
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	
North America Retail	(2) pts	1 pt	(1) %	1 pt	-	Flat
Convenience Stores & Foodservice	-	5 pts	5 %	-	-	5 %
Europe & Australia	(1) pt	5 pts	4 %	10 pts	-	14 %
Asia & Latin America	(7) pts	7 pts	Flat	(1) pt	-	(1) %
Total	(2) pts	3 pts	1 %	1 pt	-	2 %

Reconciliation of Fiscal 2018 Organic Net Sales Growth



(FISCAL YEAR)

	2018 Full Year					Reported Net Sales Growth
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	
North America Retail	Flat	(1) pt	(1) %	-	Flat	(1) %
Convenience Stores & Foodservice	1 pt	2 pts	3 %	-	-	3 %
Europe & Australia	(1) pt	3 pts	2 %	7 pts	-	9 %
Asia & Latin America	(10) pts	8 pts	(2) %	1 pt	-	(1) %
Total	(1) pt	1 pt	Flat	1 pt	Flat	1 %

Reconciliation of Fiscal 2019 Canada Operating Unit Constant-currency Net Sales Growth



(FISCAL YEAR)

	2019		
	Percentage Change in Net Sales as Reported	Impact of Foreign Currency Exchange	Percentage Change in Net Sales on a Constant- currency Basis
Q4	(7)%	(4) pts	(3) %
Full Year	(7)%	(3) pts	(4) %

Reconciliation of Fourth Quarter Fiscal 2019 Constant-currency Segment Operating Profit Growth



(FISCAL YEAR)

Q4 2019

	Percentage Change in Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Segment Operating Profit on a Constant-currency Basis
North America Retail	(3) %	(1) pt	(2) %
Europe & Australia	(27) %	(7) pts	(20) %
Asia & Latin America	141 %	(21) pts	162 %

Reconciliation of Fiscal 2019 Constant-currency Segment Operating Profit Growth



(FISCAL YEAR)

2019 Full Year

	Percentage Change in Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Segment Operating Profit on a Constant-currency Basis
North America Retail	3 %	Flat	3 %
Europe & Australia	(13) %	(5) pts	(8) %
Asia & Latin America	83 %	12 pts	71 %

Reconciliation of Fourth Quarter Fiscal 2019 Adjusted Gross Margin



(FISCAL YEARS)

	Q4	
	2019	2018
	% of Net Sales	% of Net Sales
Gross margin as reported	35.1 %	36.5 %
Mark-to-market effects	-	(0.8)
Restructuring charges	0.2	-
Project-related costs	-	0.1
<u>Adjusted gross margin</u>	<u>35.3 %</u>	<u>35.8 %</u>

Reconciliation of Fourth Quarter Fiscal 2019 Adjusted Operating Profit Margin



(FISCAL YEARS)

	Q4	
	2019	2018
	% of Net Sales	% of Net Sales
Operating profit margin as reported	17.2 %	13.8 %
Mark-to-market effects	-	(0.8)
Investment valuation adjustments	(0.3)	-
Restructuring charges	0.4	1.4
Project-related costs	-	0.1
Asset impairments	-	2.5
Acquisition transaction and integration costs	0.1	0.8
Divestiture gain	(0.1)	-
Adjusted operating profit margin	17.3 %	17.8 %

Reconciliation of Fiscal 2019 Adjusted Gross Margin



(FISCAL YEARS)

	Full Year	
	2019	2018
	% of Net Sales	% of Net Sales
Gross margin as reported	34.1 %	34.5 %
Mark-to-market effects	0.2	(0.2)
Restructuring charges	0.1	0.1
Project-related costs	-	0.1
<u>Adjusted gross margin</u>	34.4 %	34.5 %

Reconciliation of Fiscal 2019 Adjusted Operating Profit Margin



(FISCAL YEARS)

	Full Year	
	2019	2018
	% of Net Sales	% of Net Sales
Operating profit margin as reported	14.9 %	15.4 %
Mark-to-market effects	0.2	(0.2)
Investment valuation adjustments	(0.1)	-
Legal recovery	(0.1)	-
Restructuring charges	0.5	0.5
Project-related costs	-	0.1
Asset impairments	1.2	0.6
Acquisition transaction and integration costs	0.1	0.2
Divestiture loss	0.2	-
Adjusted operating profit margin	16.9 %	16.6 %

Reconciliation of Fourth Quarter Fiscal 2019 Tax Rate Excluding Items



(FISCAL YEARS, \$ IN MILLIONS)

	Q4			
	2019		2018	
	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes
As reported	\$615.9	\$54.7	\$423.9	\$86.4
Net tax benefit	-	-	-	19.7
Tax items	-	72.9	-	(0.4)
Mark-to-market effects	(0.4)	(0.1)	(28.6)	(8.9)
Investment valuation adjustments	(9.8)	(2.2)	-	-
Divestiture gain	(5.4)	-	-	-
Acquisition transaction and integration costs	4.3	1.0	64.5	19.8
Restructuring charges	16.6	2.1	55.4	14.7
Project-related costs	-	(0.1)	2.9	0.8
Asset impairments	0.4	-	96.9	32.0
As adjusted	\$621.6	\$128.3	\$615.0	\$164.1
Effective tax rate:				
As reported		8.9%		20.4 %
As adjusted		20.6%		26.7 %
Sum of adjustments to income taxes		\$73.6		\$77.7
Average number of common shares - diluted EPS		609.3		593.5
Impact of income tax adjustments on diluted EPS excluding certain items affecting comparability		\$(0.12)		\$(0.13)

*Earnings before income taxes and after-tax earnings from joint ventures.

Reconciliation of Fiscal 2019 Free Cash Flow and Free Cash Flow Conversion



(FISCAL YEAR, \$ IN MILLIONS)

	<u>Full Year 2019</u>
Net earnings, including earnings attributable to redeemable and noncontrolling interests	<u>\$1,786.2</u>
Net tax benefit	(7.2)
Tax item	(72.9)
Mark-to-market effects*	27.7
Investment valuation adjustments*	(17.6)
Legal recovery*	(10.8)
Hyperinflationary accounting*	3.2
Acquisition integration costs*	19.7
Divestiture loss*	16.4
Restructuring charges*	63.0
Project-related costs	1.1
Asset impairments*	159.7
CPW restructuring costs*	11.1
Adjusted net earnings, including earnings attributable to redeemable and noncontrolling interests	<u>\$1,979.6</u>
Net cash provided by operating activities, as reported	<u>\$2,807.0</u>
Purchases of land, buildings, and equipment	<u>(537.6)</u>
Free cash flow	<u>\$2,269.4</u>
Free cash flow conversion rate	<u>115%</u>

*See reconciliation of Income Taxes on Adjusting Items.
Adjusted for the adoption of new accounting requirements