



Fiscal 2007 Year-end Results



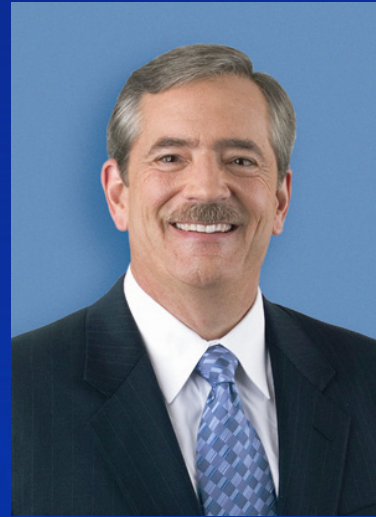
.....
GENERAL MILLS

This press release 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, including the statements under the caption "Outlook" and statements made by Mr. Sanger, 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 or tax rates; 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; impairments in the carrying value of goodwill, other intangible assets; or other long-lived assets; changes in laws and regulations, including labeling and advertising regulations; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in customer 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; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; resolution of uncertain income tax matters; 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 future events or circumstances.



Quality Growth

**Strong
Fundamentals**



Steve Sanger

**Chairman and
Chief Executive Officer**



GENERAL MILLS

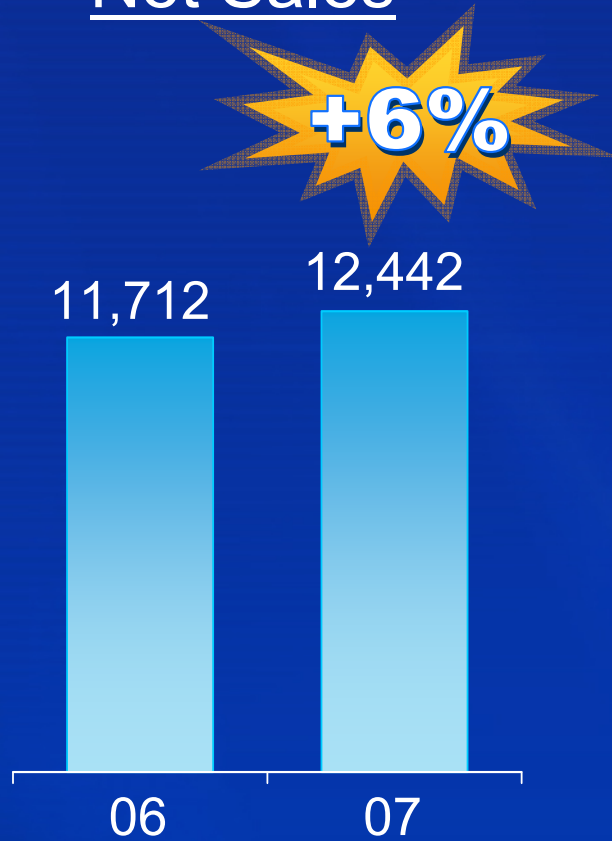
Our Long-Term Growth Model

	<u>Compound Growth Rate</u>
Net Sales	Low Single-digit
Segment Operating Profit*	Mid Single-digit
Diluted EPS	High Single-digit
+ Dividend Yield	
<hr/>	
Total Shareholder Return	Double-digit

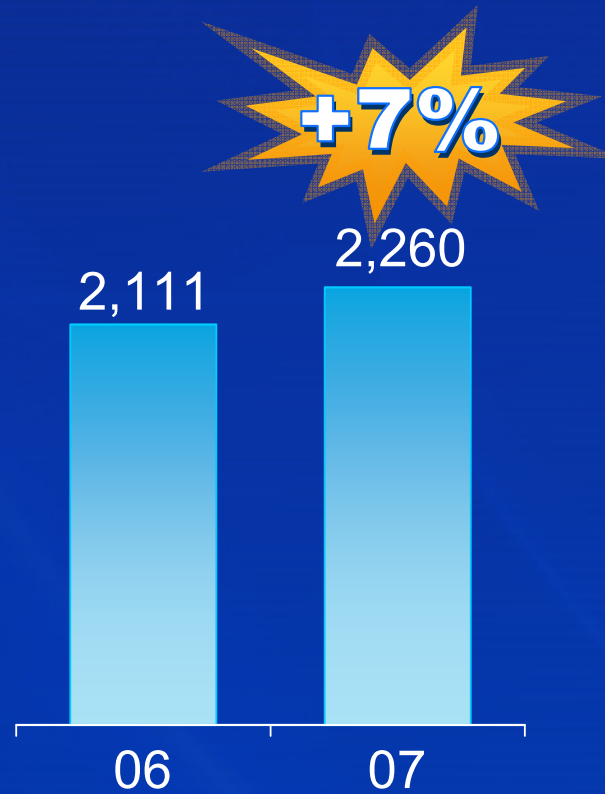
Strong Results

(\$ in Millions, Except per Share)

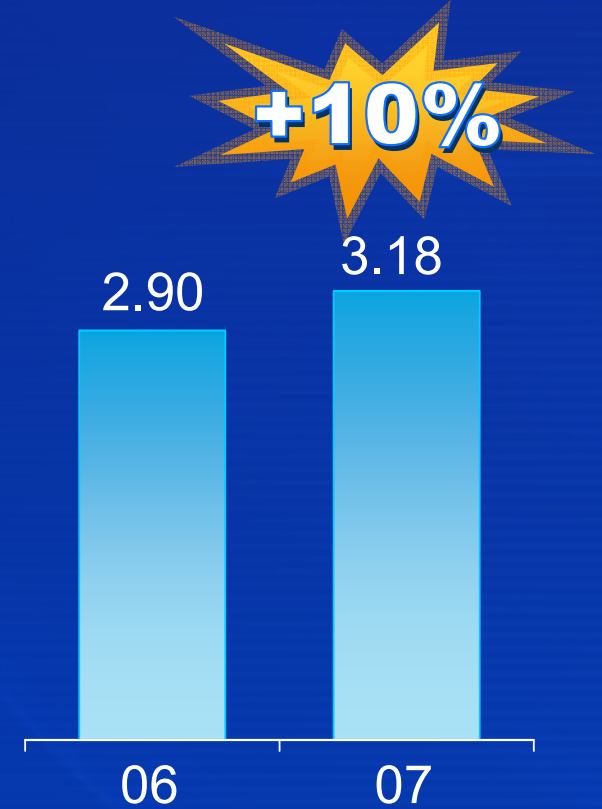
Net Sales



Segment Operating Profit*



Diluted EPS



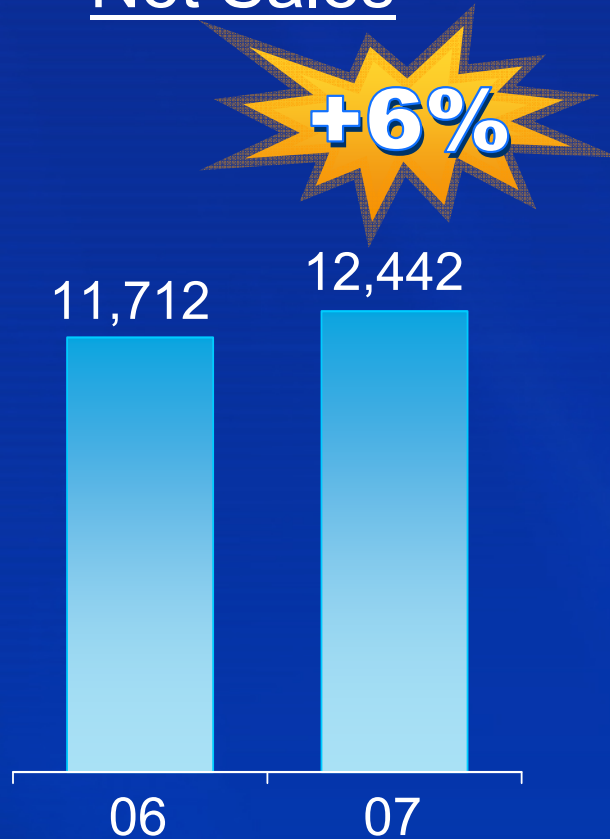
GENERAL MILLS

* Non-GAAP Measure; See Reconciliation in Appendix

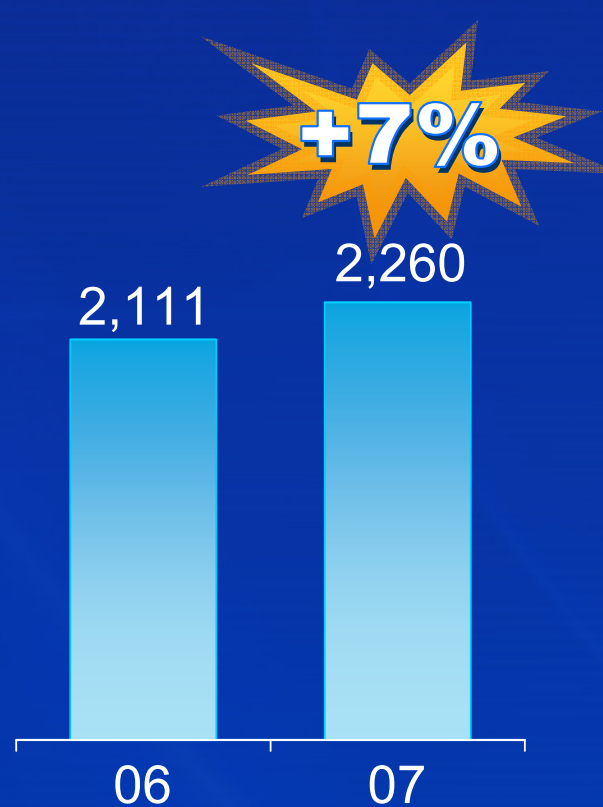
Strong Results

(\$ in Millions, Except per Share)

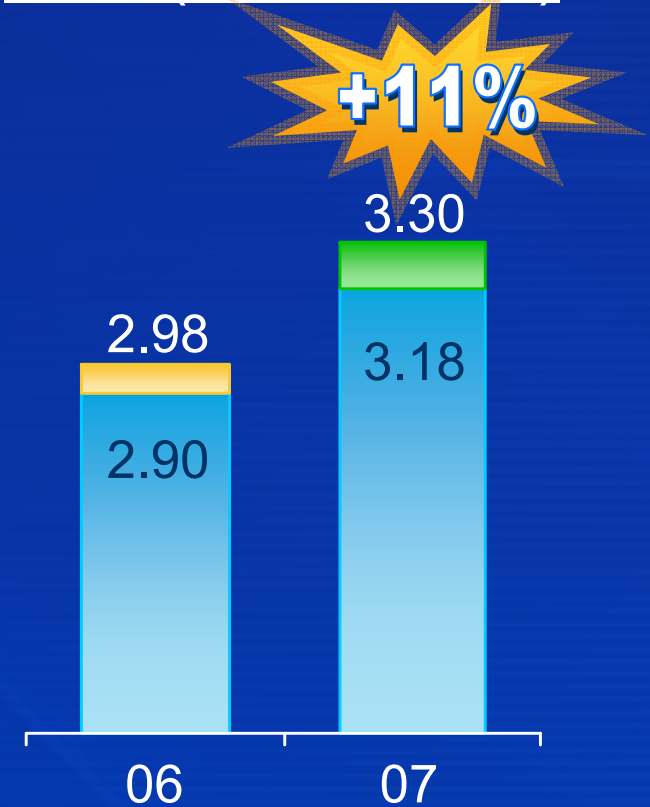
Net Sales





Segment Operating Profit*



Comparable EPS (Non-GAAP)



-  Dilutive Impact of CoCo Accounting
-  SFAS 123R Incremental Impact



GENERAL MILLS

* Non-GAAP Measure; See Reconciliation in Appendix

2007 Operating Objectives Met

- ✓ Renew Net Sales Growth for Big G & Pillsbury USA
- ✓ Achieve Stronger Contribution from New Products
- ✓ Capitalize on Opportunities in New Channels and International Markets
- ✓ Continue to Expand Margins



Sales Growth Across the Board

	Fiscal 2007 <u>% Growth</u>
Big G	+2%
Pillsbury USA	+3
Baking Products	+3
Meals	+5
Bakeries & Foodservice Segment	+5
Yoplait	+6
Snacks	+10
International Segment	+16
Small Planet Foods	+21



Strong New Product Innovation



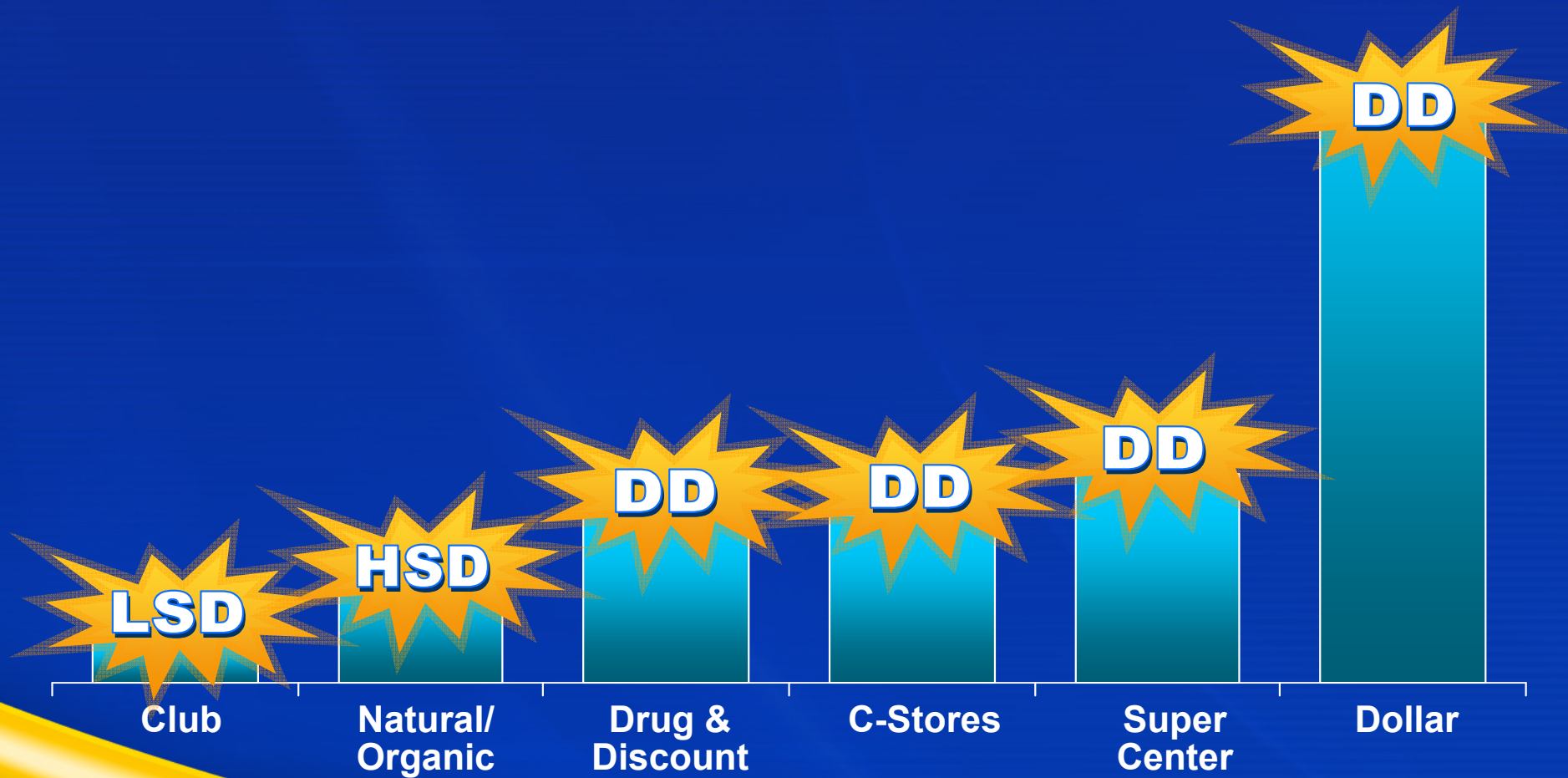
2007 New Products = 5% of Volume



GENERAL MILLS

Growing Beyond Supermarkets

(General Mills Volume Growth, Fiscal 2007)



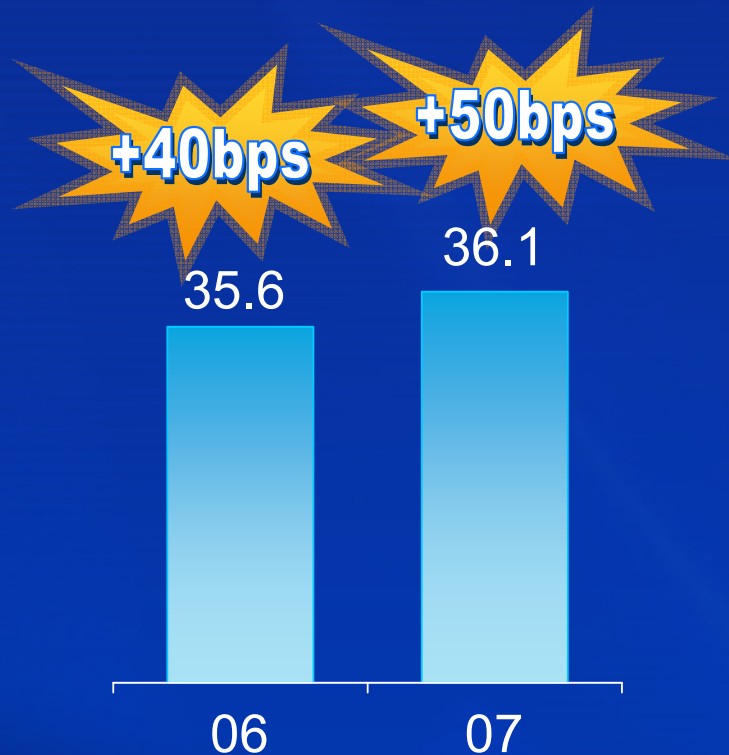
Growing in International Markets

	<u>2007 Net Sales Growth at Constant FX</u>
Canada	+5 %
Europe	+13
Asia-Pacific	+12
Latin America	+21
<hr/>	<hr/>
Total – at Constant FX	+12 %
– as Reported	+16 %

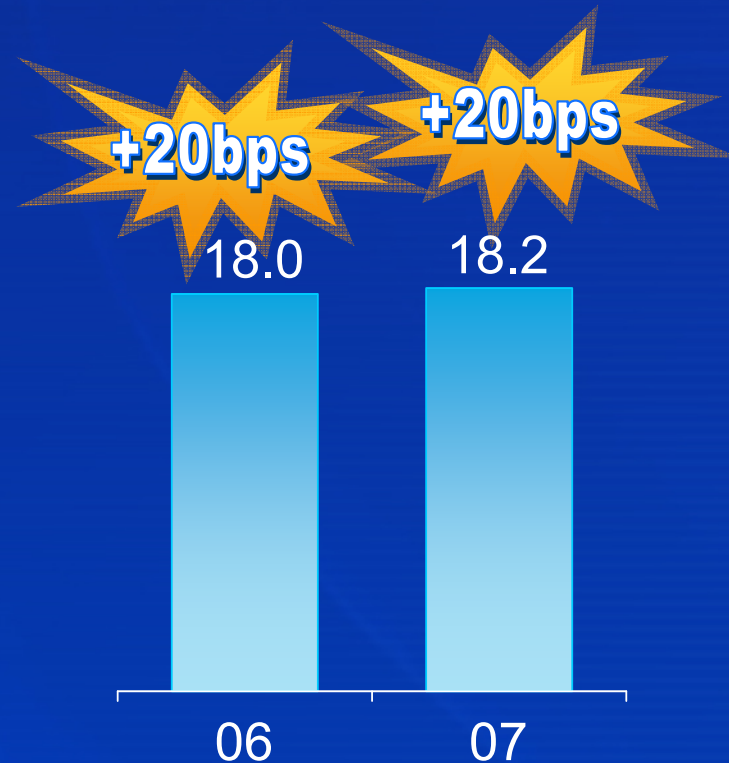


Growing Margins...

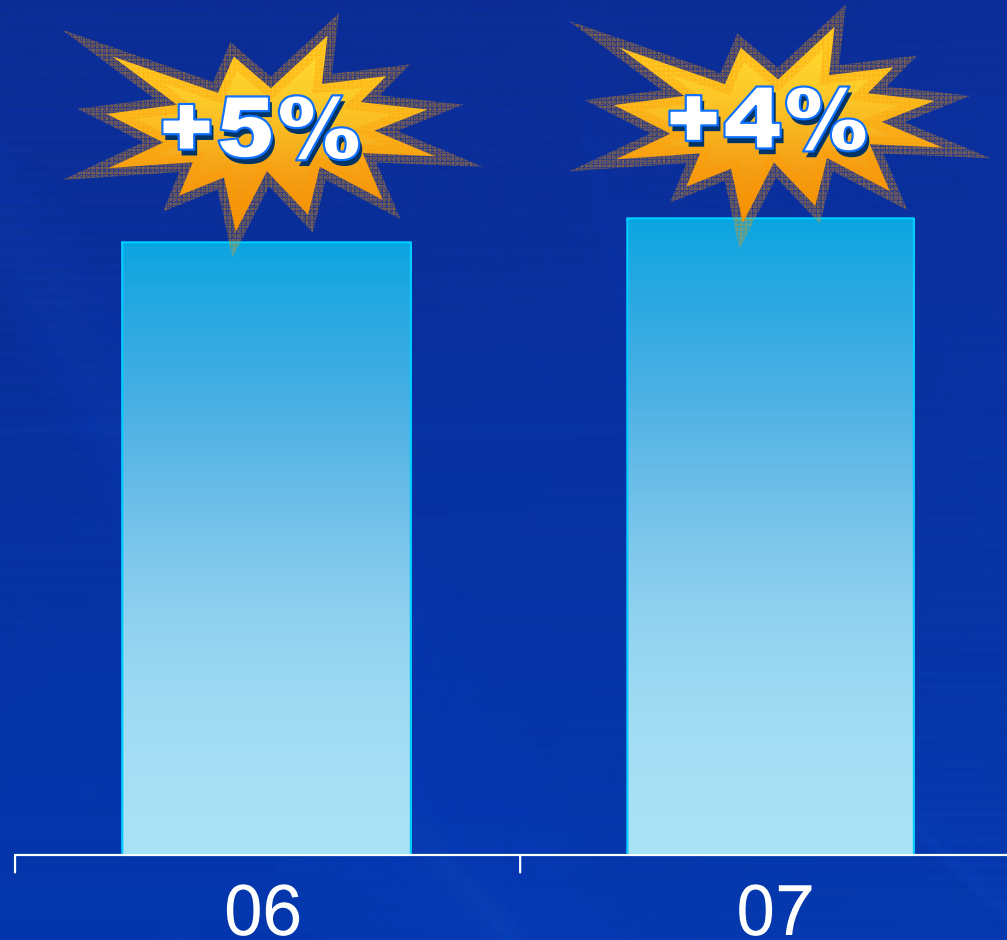
Gross Margin



Segment Operating Margin*



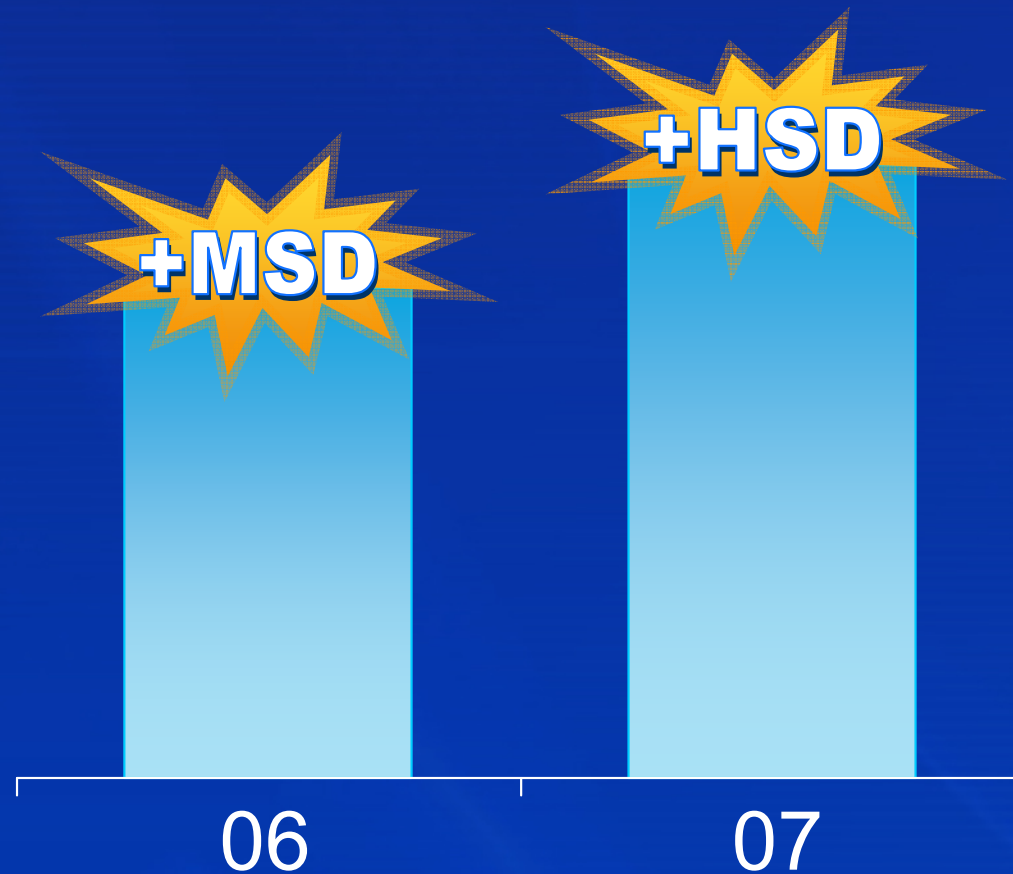
...Despite Input Cost Inflation



Includes Raw Materials, Energy, Labor Expense, Carrier Rates, Storage and Handling



...and With Increased Consumer Marketing Investment

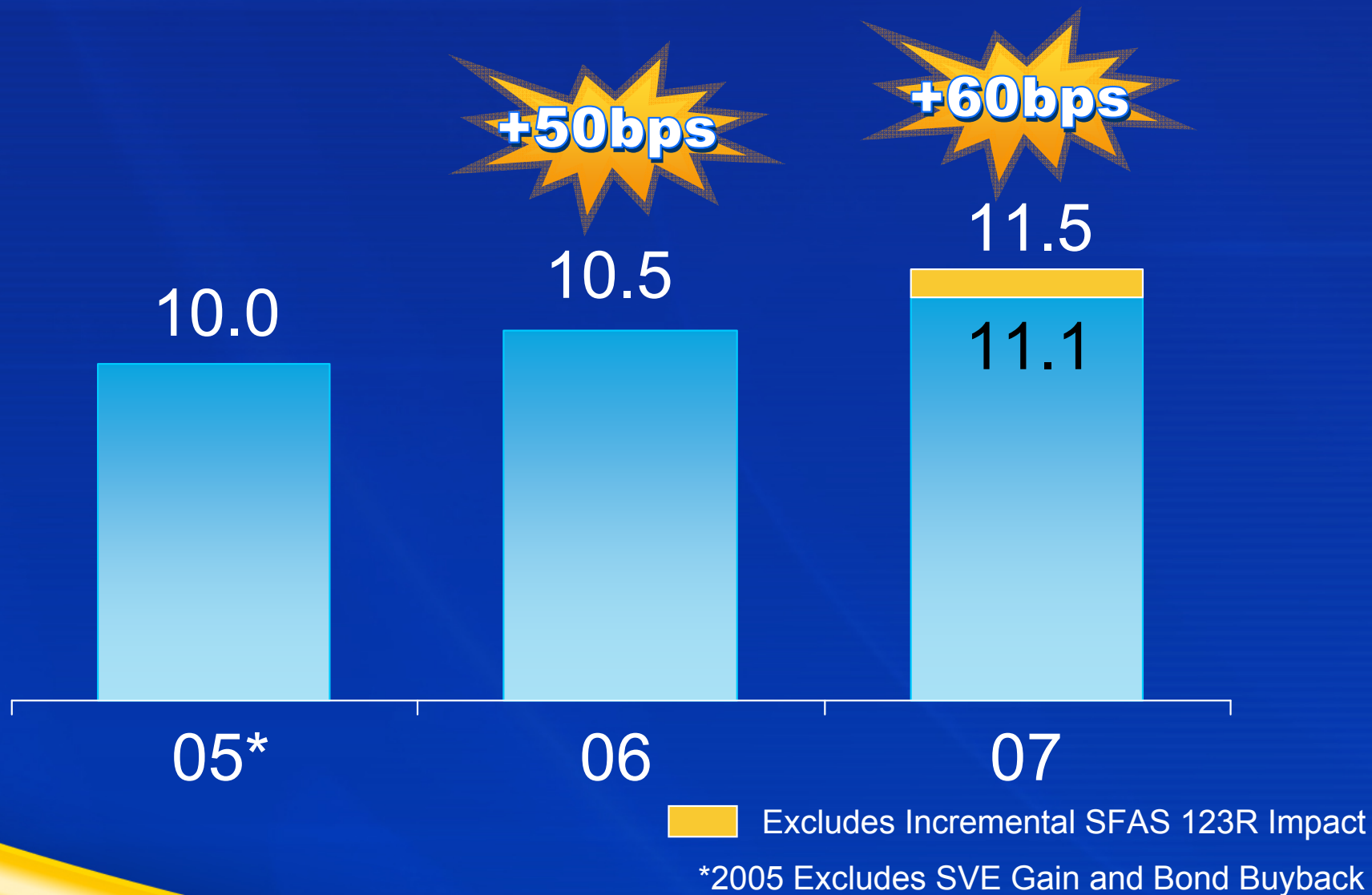


2007 Operating Objectives Met

- ✓ Renew Net Sales Growth for Big G & Pillsbury USA
- ✓ Achieve Stronger Contribution from New Products
- ✓ Capitalize on Opportunities in New Channels and International Markets
- ✓ Continue to Expand Margins



Increasing Returns on Average Total Capital



Cash Returned to Shareholders in 2007

Share Repurchases	\$1,321 Million
-------------------	-----------------

Dividends	\$506 Million
-----------	---------------

Total	\$1,827 Million
-------	-----------------



Total Return to GIS Shareholders

Fiscal 2007 19.2%

Last 3 Years (CGR) 12.3%



Fiscal 2007 Summary

- Broad-based Unit Volume and Net Sales Growth
- Margin Expansion
- Double-digit EPS Growth and Shareholder Return
- Positioned to Deliver Good Growth and Returns Again in Fiscal 2008



Quality Growth on Strong Fundamentals

- A Strategically Advantaged Business Portfolio
 - Well-positioned Categories
 - Leading Brand Positions
- Mainstream Consumer-focused Innovation
- Stronger Brand-building Investment
- Broad-based Margin Strength and Profit Growth Opportunity



2007 Financial Review

2008 Guidance



Jim Lawrence

Vice Chairman and
Chief Financial Officer



Fourth Quarter 2007 Financial Summary

	<u>% Change</u>
Net Sales	+7%
Segment Operating Profit*	+0
Earnings After Tax	+1
Diluted EPS	+2



Fourth Quarter 2007 Segment Results

	<u>Net Sales % Change</u>	<u>Operating Profit % Change</u>
U.S. Retail	+6%	-2%
International	+19	+24
Bakeries & Foodservice	+1	-3
Total Segments	<u>+7%</u>	<u>+0%</u>



Fourth Quarter 2007 Income Statement Items

	<u>% Change vs YA</u>
Cost of Goods	+6%
Consumer Marketing Expense	+16
Restructuring Expense	+NM
Corporate Unallocated Expense	-31



Restructuring, Impairment and Exit Costs

(Pretax, \$ in Millions)

	<u>Fiscal 2007</u>
Q4 Restructuring and Impairment Expenses	\$(41)
Loss on Par-baked Bread Divestiture	(6)
Adjustments to Prior Reserves	1
Gain on Sale of Facility	<u>7</u>
Net Expense	\$(39)



Pension Performance

07 Return on Plan Assets

18%

Funded Status of Pensions

Fully Funded



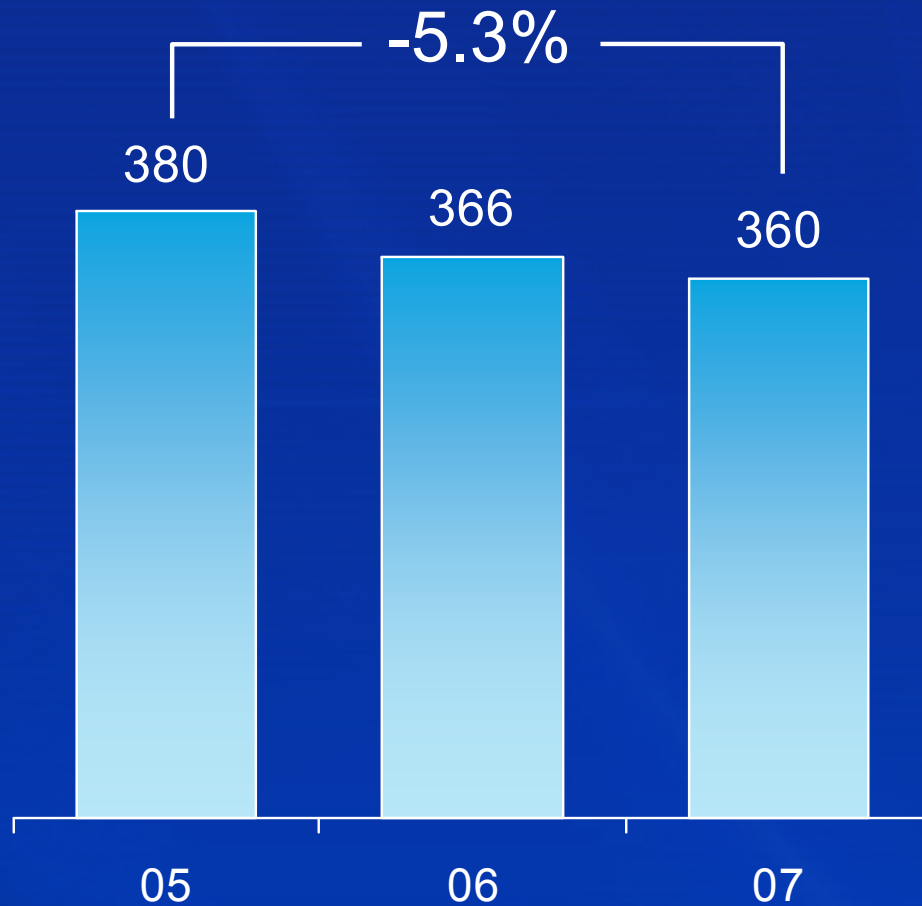
Joint Venture Earnings

(\$ After Tax, in Millions)

	4Q		Annual	
	07	06	07	06
JV Earnings	\$15	\$12	\$73	\$69
CPW Restructuring	1	8	8	8
JV Earnings before CPW Restructuring	\$16	\$20	\$81	\$77



Average Shares Outstanding



2007 Repurchases

24 Million Shares

\$54.41 Average Price

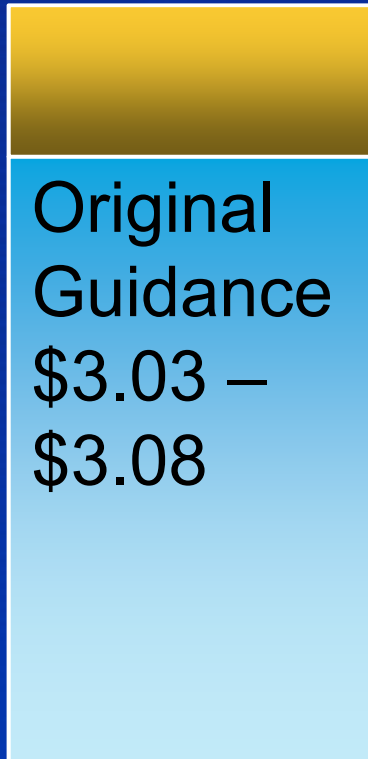


GENERAL MILLS

2005 and 2006 exclude CoCo Accounting Impact;
See Reconciliation in Appendix

Earnings per Share Above Plan

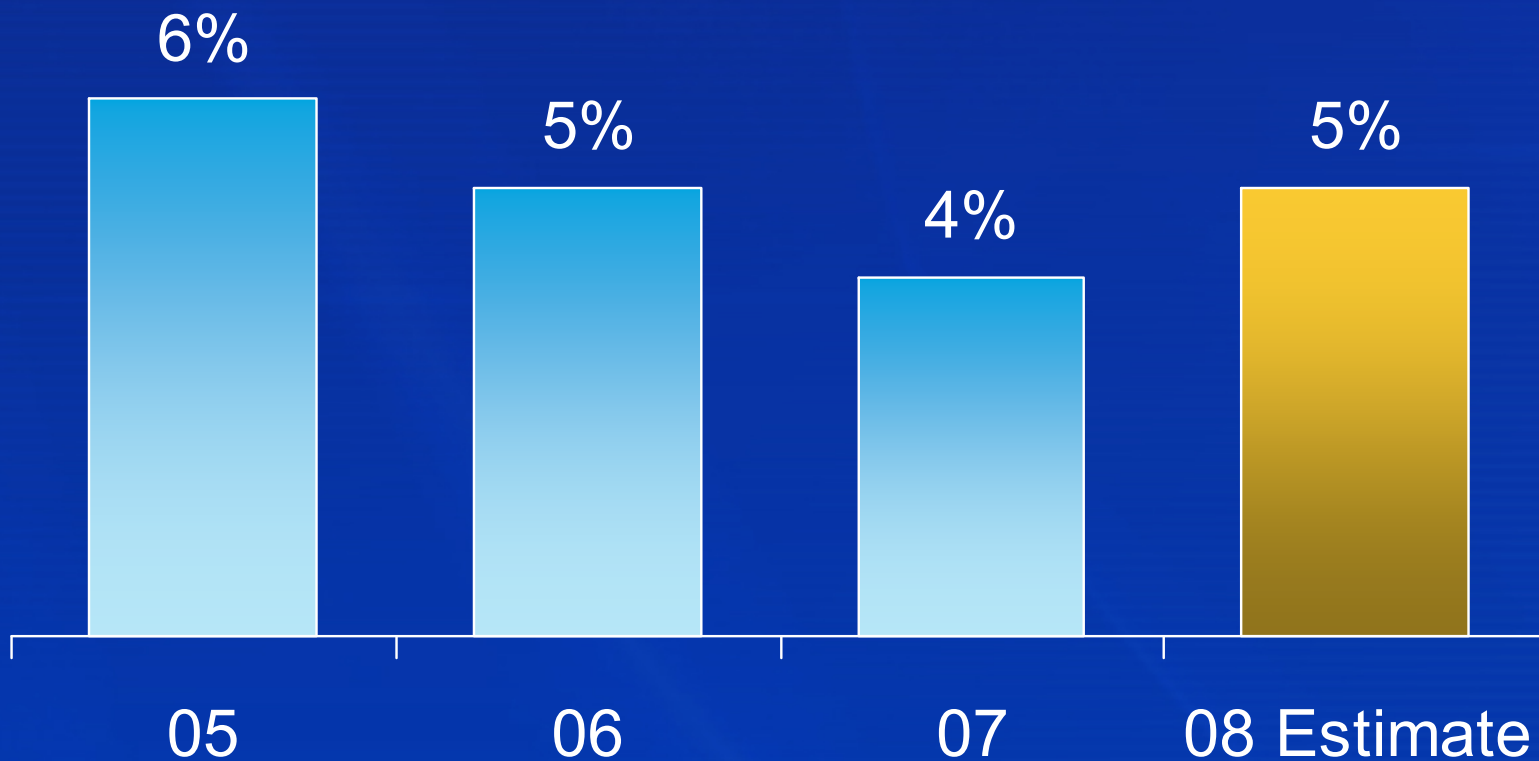
\$3.18



- Sales Growth Above Estimate
- Input Cost Inflation Below Estimate
- Strong Plant Performance and Productivity



Fiscal 2008 Outlook Total Input Cost Inflation



Includes Raw Materials, Energy, Labor Expense, Carrier Rates, Storage and Handling



Fiscal 2008 Outlook

Commodities and Energy Inflation Only

2007 Estimate	\$145 Million
2007 Actual	\$115 Million
2008 Estimate	\$250 Million



Fiscal 2008 Outlook Cost Inflation Offsets

- Net Price Realization
 - Pricing
 - Trade
 - Mix
- Productivity Savings Through Holistic Margin Management Approach



2008 Guidance Summary

(In Millions, Except per Share)

	<u>2007</u>	<u>2008 Guidance</u>
Net Sales	\$12,442	Up Low Single-digit
Segment Op Profits	\$2,260	Up Mid Single-digit
Restructuring Expense	\$39	Comparable
Interest Expense	\$427	Up Mid Single-digit
Tax Rate	34.3%	34.5 – 35.0%
JV Income	\$73	Up
Avg. Diluted Shares	360	353
EPS	\$3.18	\$3.39 – 3.43

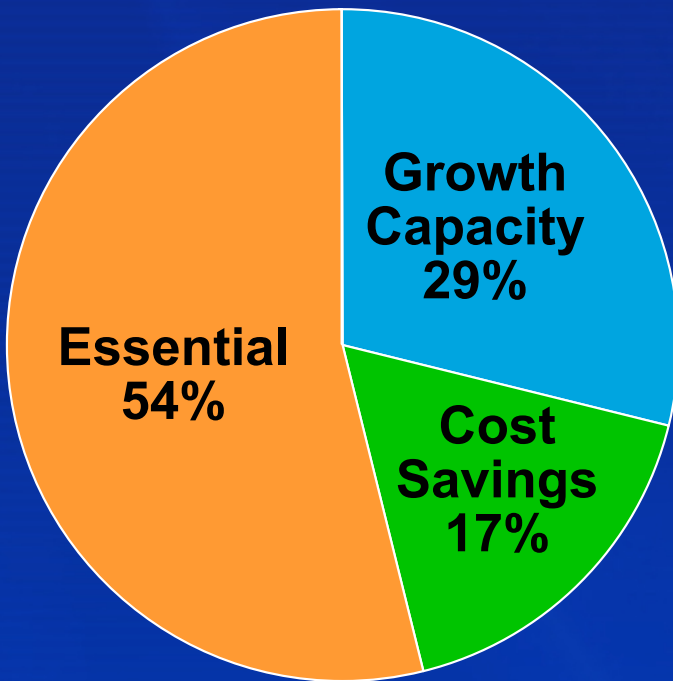


Cash Flow from Operations

(\$ in Millions)

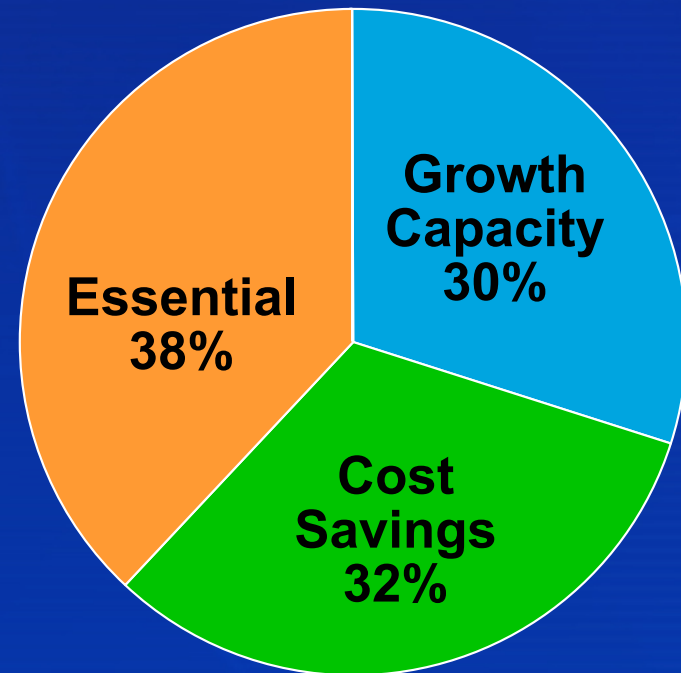


Capital Expenditures



2007

\$460 Million



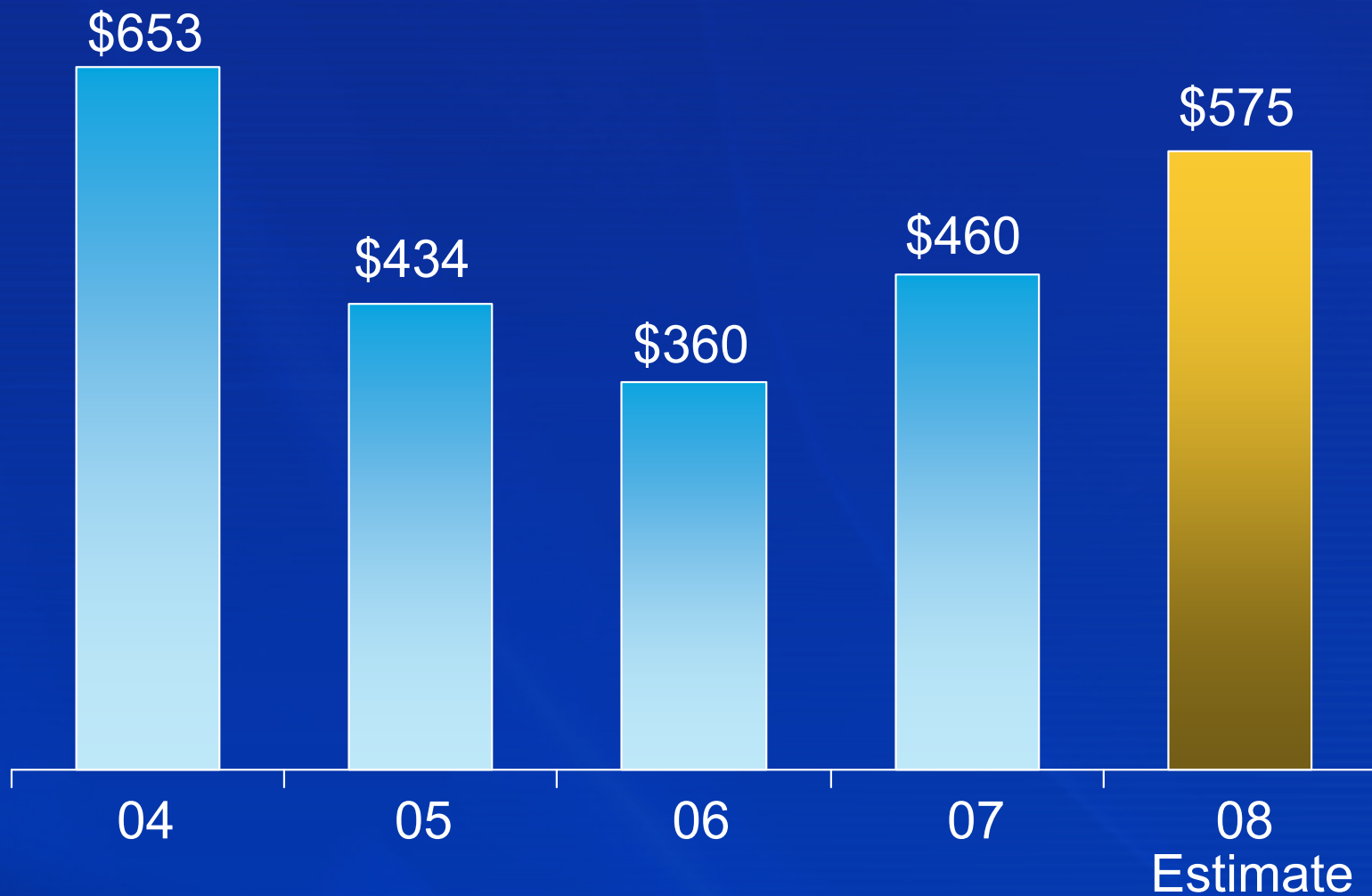
2008 Plan

\$575 Million



Capital Expenditures

(\$ in Millions)

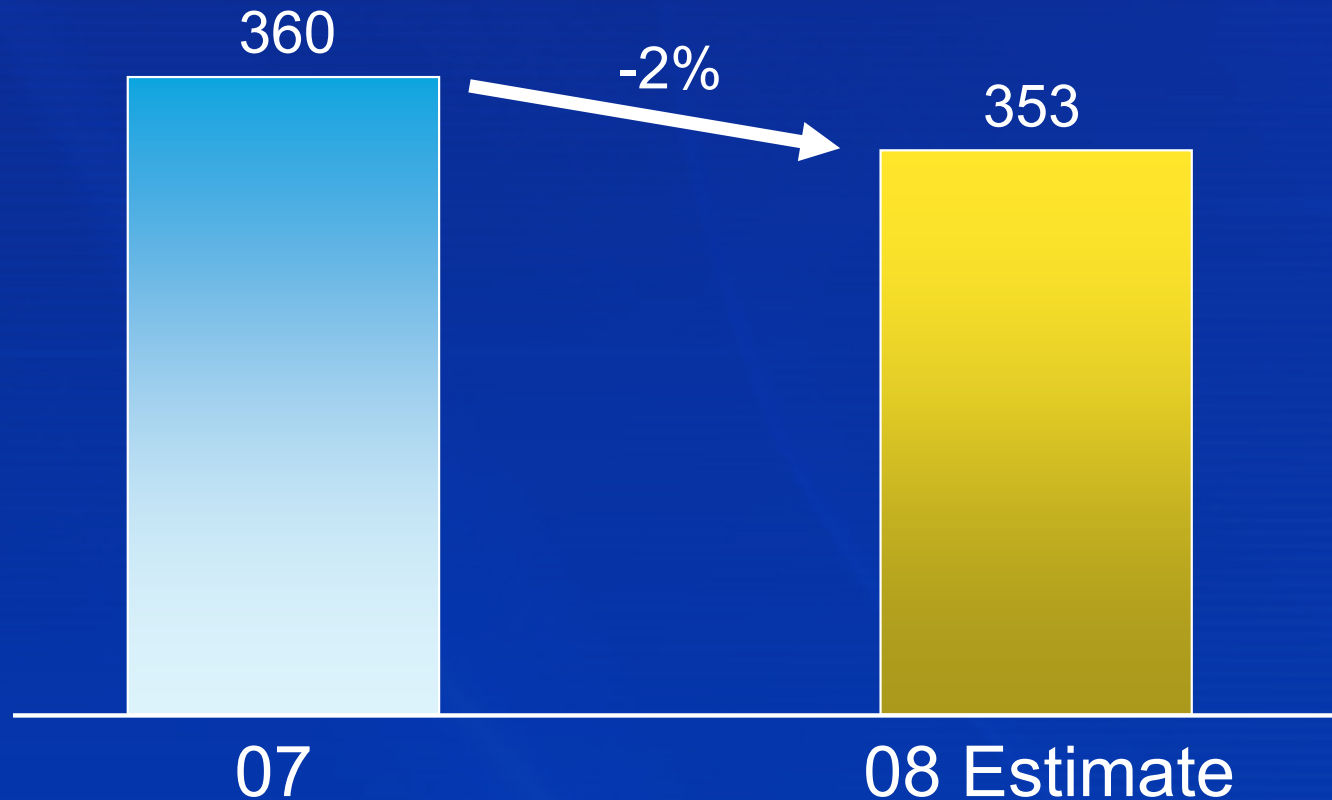


Dividends



Share Repurchases

(Average Diluted Shares Outstanding in Millions)



Includes Estimated 14.3 Million Shares
to be Issued October 2007



Lehman Transaction Update

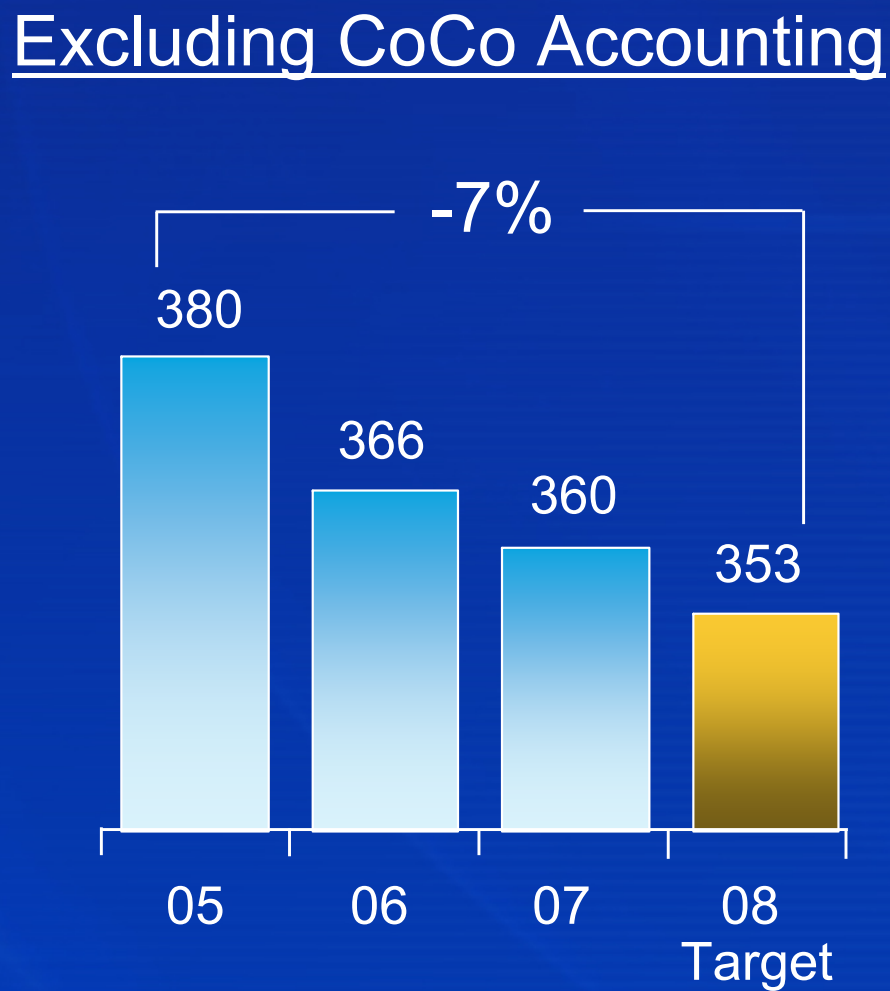
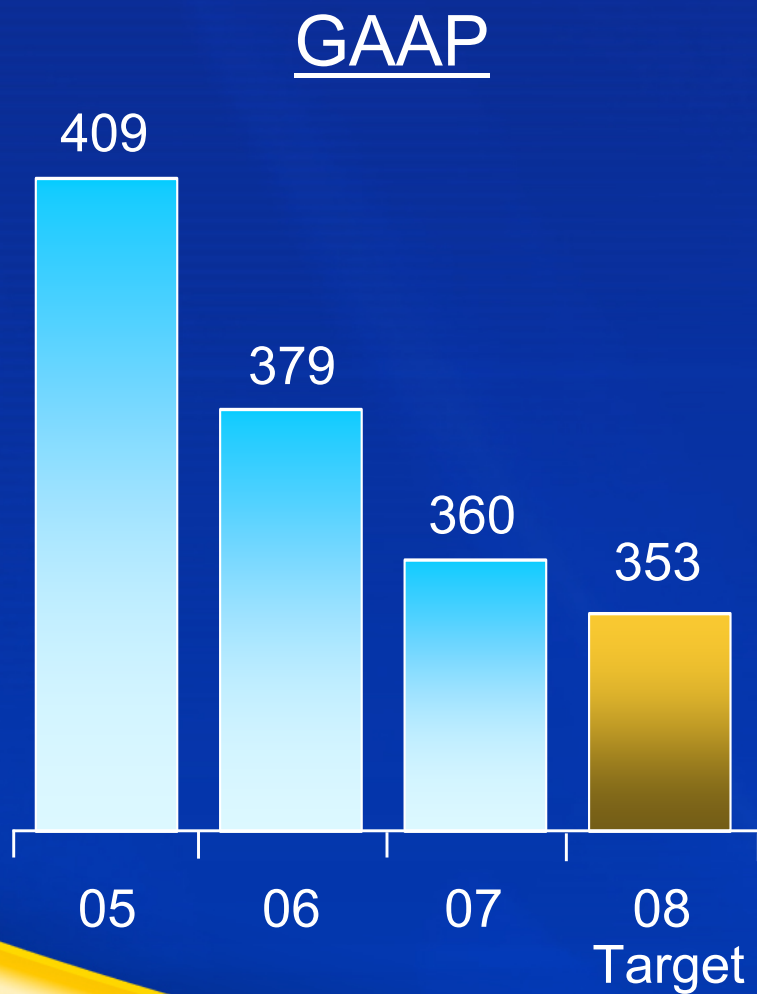
- Original 2004 Transaction Created Debt-market Participation in Sale of 50MM GIS Shares by Diageo
 - 16.6MM Shares to General Mills Treasury
- 3-Year Lehman Notes Exchange to GIS Shares in October 2007
 - Lehman to Pay General Mills \$750MM
 - General Mills Issues 14.3MM* Shares to Lehman

*At Market Price of \$54.24 or Higher for 20 Trading Days Beginning Sept. 10, 2007



Average Diluted Shares Outstanding

(in Millions)



Financial Summary

- Above-plan Results with Added Marketing Investment in 2007
- 2008 Plan Consistent with Long-term Goals
- Priority Uses of Cash are Capital Investment, Dividend Growth and Share Repurchases



Operating Review

2008 Highlights



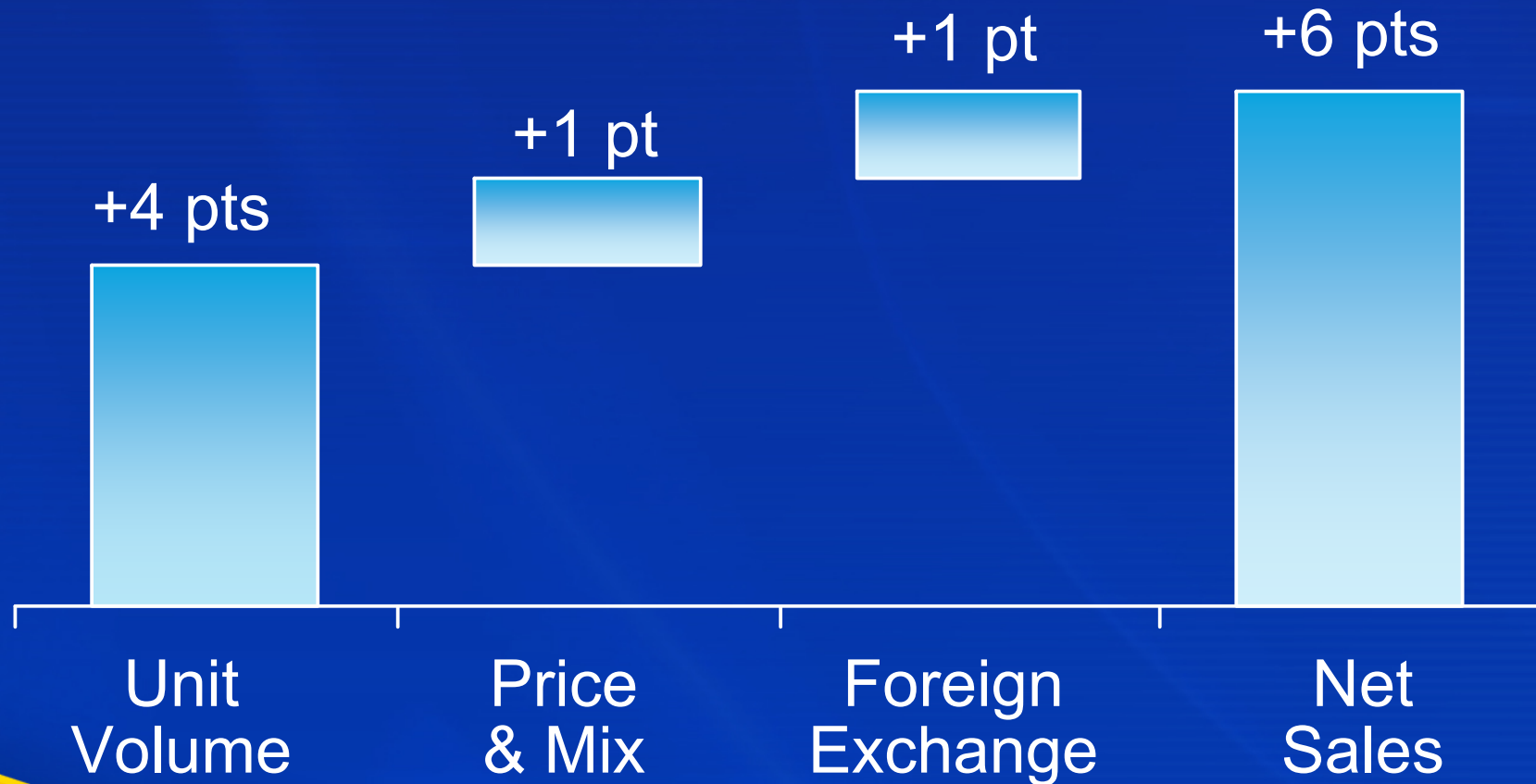
Ken Powell

President and
Chief Operating Officer



Fiscal 2007 Topline Results Strong

Components of Net Sales



Fiscal 2007 Topline Results Strong

	<u>Unit Volume Growth</u>	<u>Net Sales Growth</u>
U.S. Retail	+4%	+4%
International	+8	+16
B&FS	+1	+5
<hr/>		
Total Company	+4%	+6%



Our Biggest Global Business RTE Cereal – Grew Worldwide

	Fiscal 2007 <u>Net Sales Growth</u>
Big G Division	+2%
Cascadian Farm Organic Cereals	+53
B&FS Cereals	-2
Canada Cereals	+6
CPW	+18
<hr/>	
Worldwide Cereal Net Sales	+6%

**\$3.1
Billion**



2007 Operating Highlights Health & Wellness Initiatives



Whole
Grain



Reduced Sugar
Omega-3



High Fiber



Lower
Sodium



2007 Operating Highlights Convenience Innovation



U.S. Retail



Bakeries & Foodservice



International

2007 Operating Highlights

Effective Mix Management



Pillsbury
Refrigerated Dough

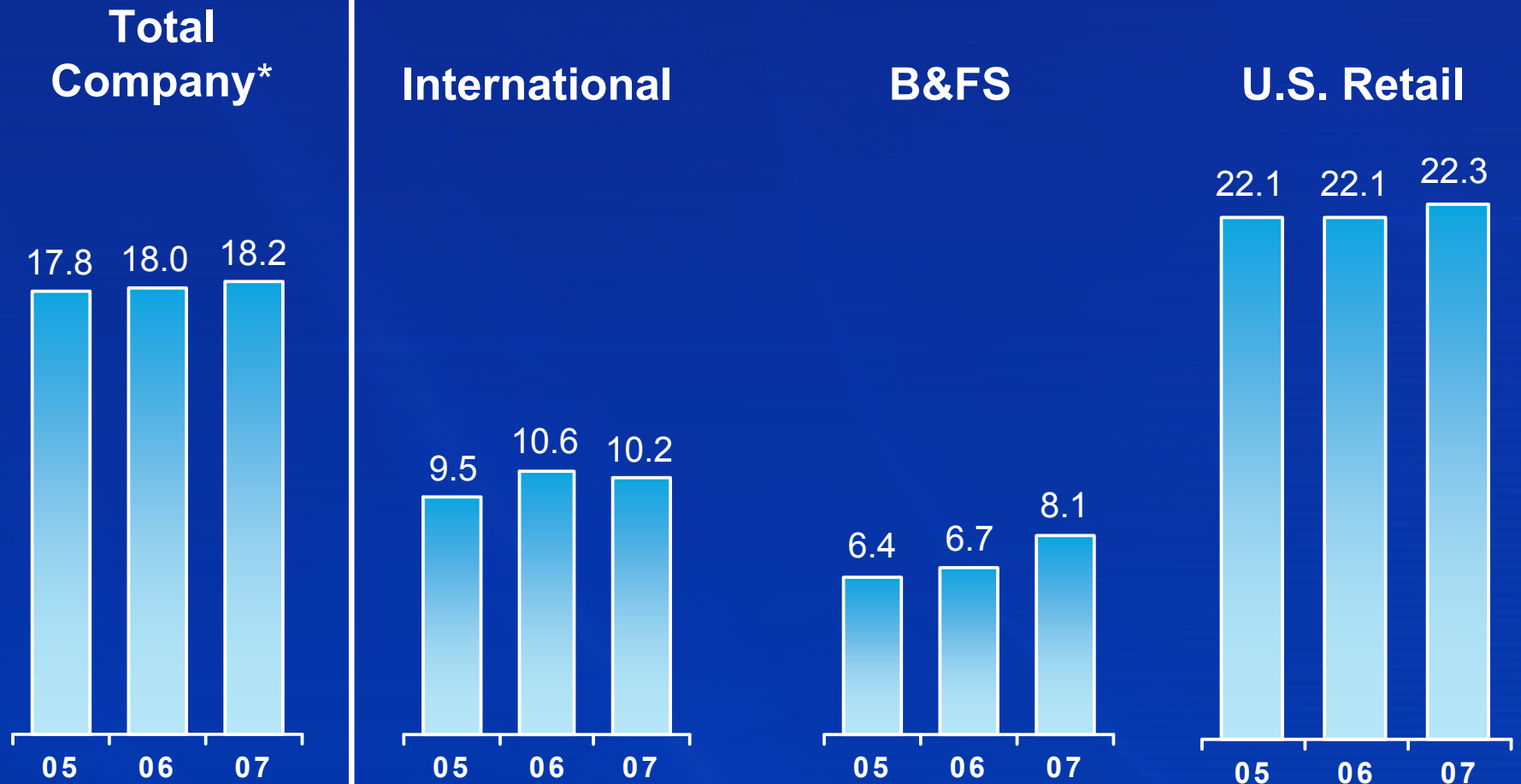


Baking
Products



GENERAL MILLS

Segment Operating Margins Expanded



* Non-GAAP Measure; See Reconciliation in Appendix



2008 Operating Performance Key Objectives

- Drive Net Sales Growth with Volume Gains, Mix and Price Realization
- Fuel Continued Channel Expansion
- Sustain Sales and Profit Growth in International Businesses
- Maintain Focus on Holistic Margin Management
- Reinvest in Consumer-directed Marketing



Big G Cereals Right Size, Right Price

- Low Single-digit Price Increase Effective June 25
- Package Size and Price Adjustments Will Improve Everyday Price Comparisons
- Strong Retailer Alignment on Baseline Focused Initiative
- One-time Conversion Costs in 2008; Ongoing Cost Savings



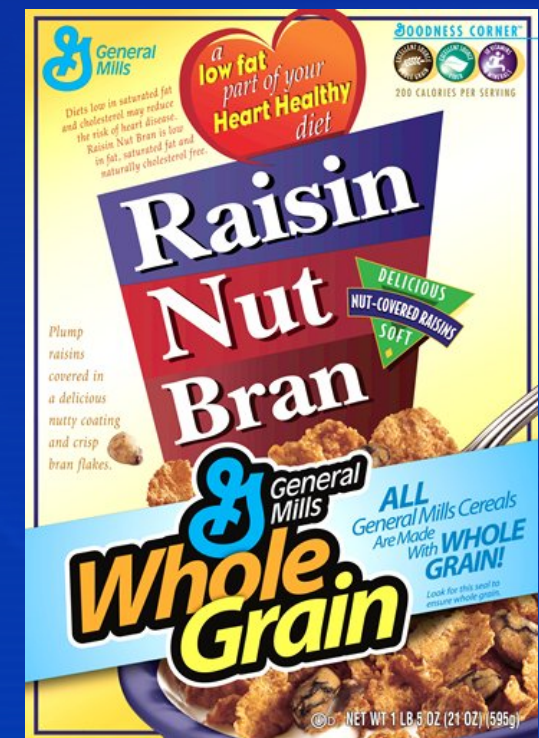
U.S. RTE Cereal Category Package Size Trend

	<u>Change in Avg. oz/unit 2000 - 2006</u>
Big G	+.3 oz.
Largest Competitor	-.4 oz.
Top 3 Branded Competitors	-.1 oz.



Most Consumers Compare Price per Box

15.2	Oz per Package	21.0
\$3.89	Avg Non Merch Retail Price	\$4.69
\$.26	Price per Oz	\$.22



Category Pricing Overview

Average Non Merch Price per Unit



Right Size, Right Price

Average Non Merch Price per Unit



GENERAL MILLS

Source: ACNielsen 2006 and General Mills Study

Retailers Moving Quickly

- New Prices on Shelf Today at Accounts Representing About 45% of U.S. Retail Sales

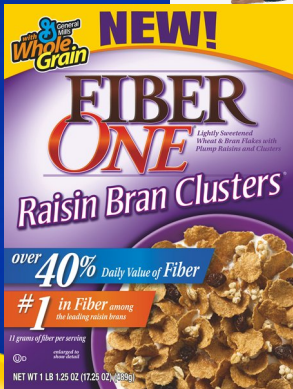
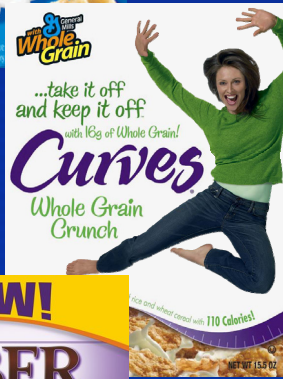


One-time Execution Costs, Ongoing Savings

- \$30 Million Conversion Costs, Majority in First Half of 2008
 - Packaging Equipment
 - Merchandising Funds for Customer Transition
- \$20 Million Annualized Savings



Big G 2008 Plan Summary



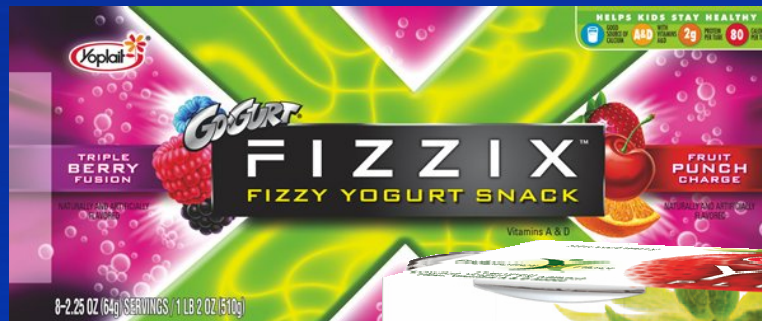
- Low Single-digit Sales Growth
- Profit Growth and Margin Expansion, Driven by Pricing, Mix and Productivity
- Health News and New Product Innovation



GENERAL MILLS

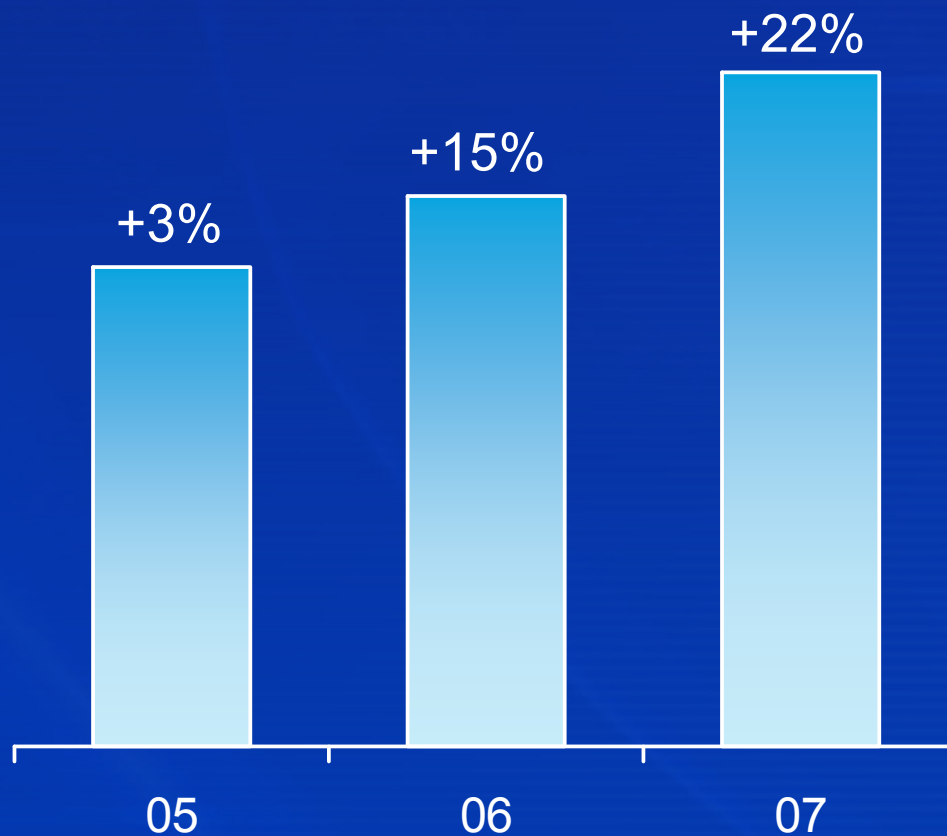
Yoplait Yogurt 2008 Plans

- Mid Single-digit Price Increase Effective July 2
- Positive Mix from New Products



Grain Snacks Momentum

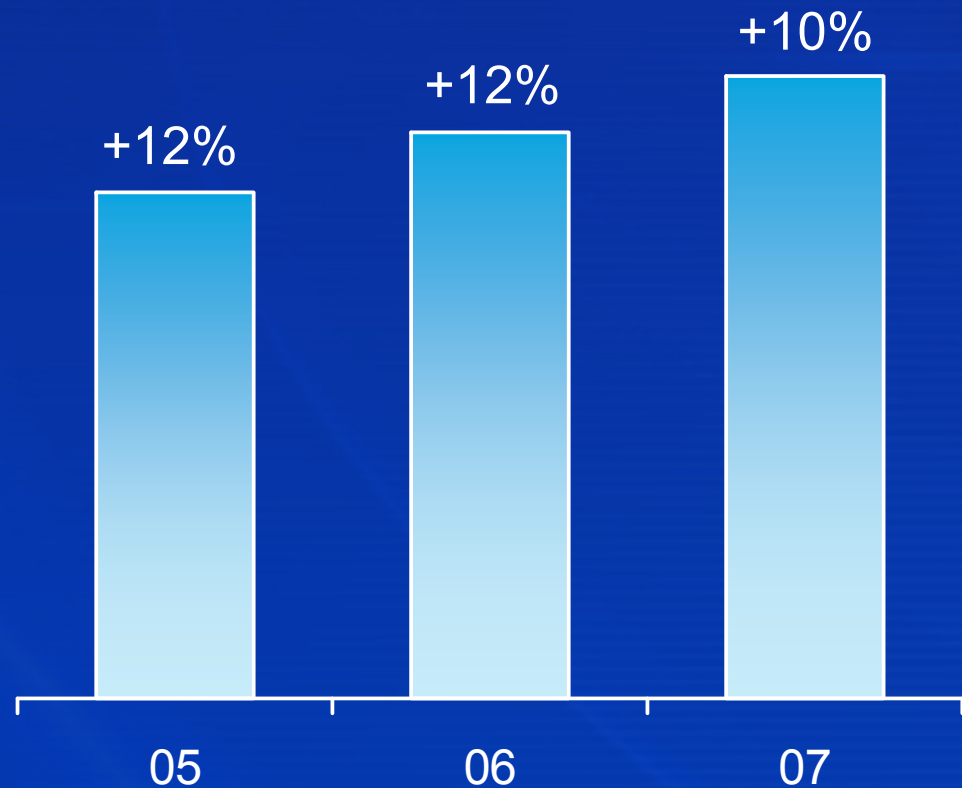
Retail Sales in Select Channels



Soup Momentum

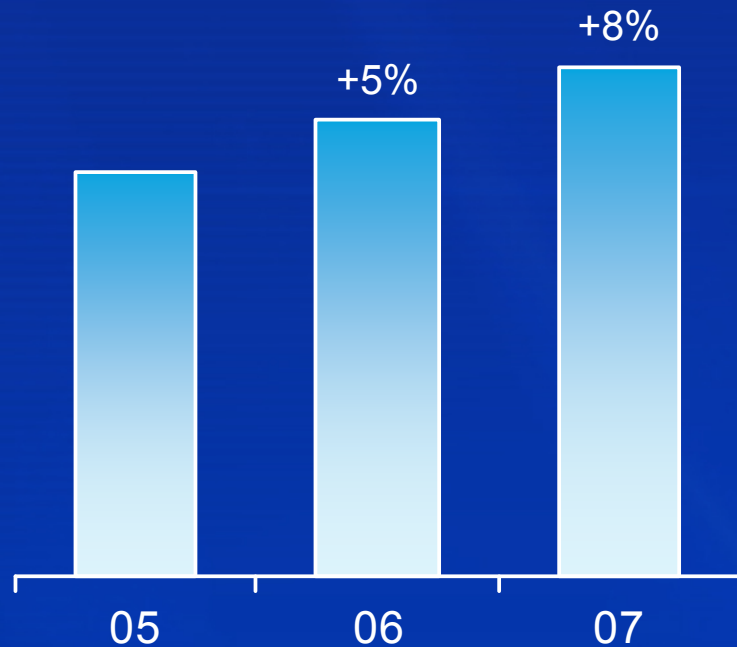


Retail Sales in Select Channels



Dinner Mix Momentum

Helper Skillet & Microwave Retail Sales



New Wanchai Ferry Chinese Dinner Kits



Shipped Nationally in June

2008 Operating Performance Key Objectives

- Drive Net Sales Growth with Volume Gains, Mix and Price Realization
- Fuel Continued Channel Expansion
- Sustain Sales and Profit Growth in International Businesses
- Maintain Focus on Holistic Margin Management
- Reinvest in Consumer-directed Marketing



Channel Expansion

Organic/Natural



Club Stores



Convenience Stores



Bakeries & Foodservice



Healthier Snacking Portfolio



Breakfast Solutions



Channel Expansion

International Growth Platforms

Häagen-Dazs



World Cuisine



Healthy Snacking



International Cereals



Canada



CPW



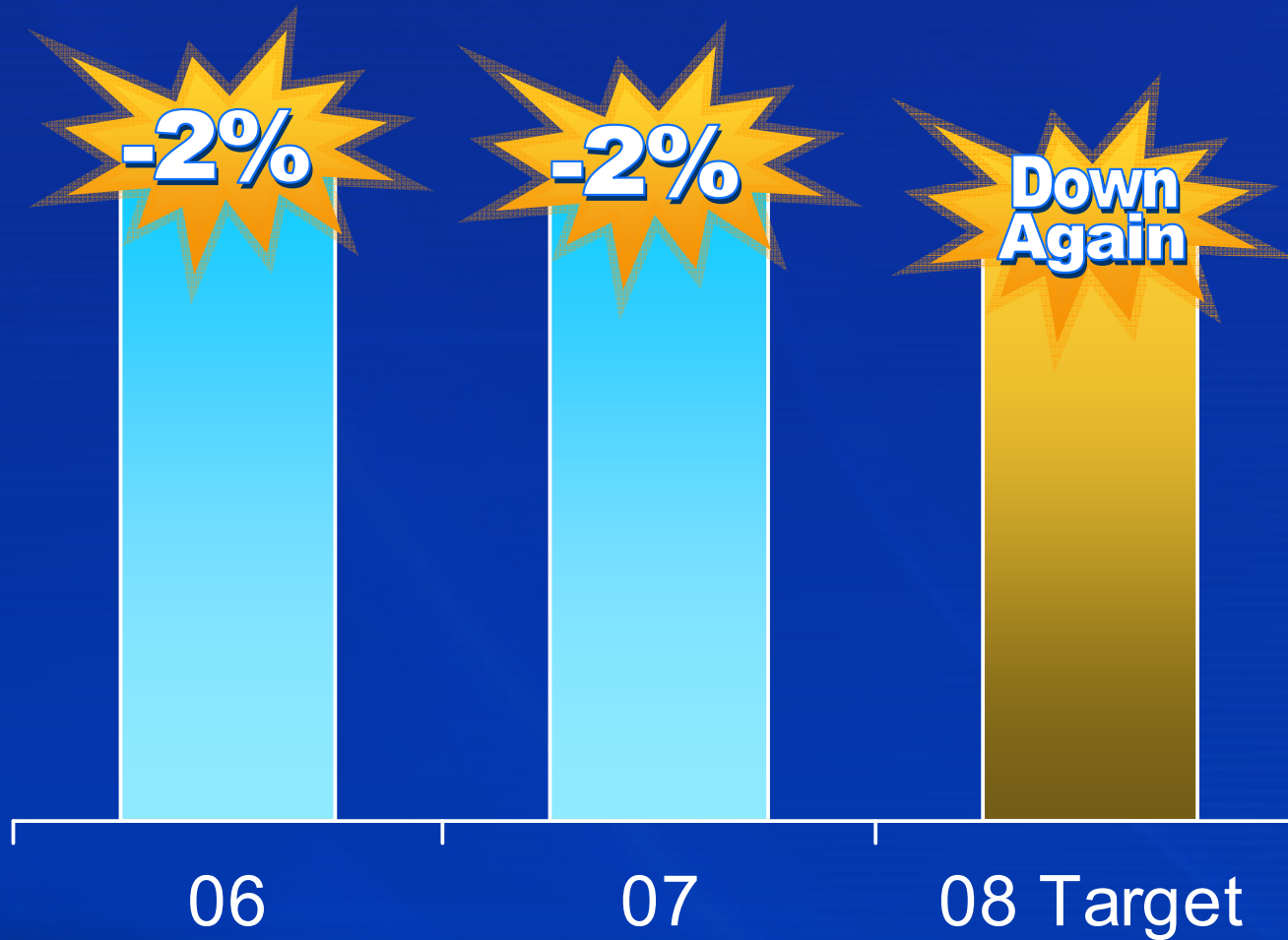
GENERAL MILLS

Holistic Margin Management

- Sales Mix Opportunities
- Trade Spending Efficiency
- SKU Rationalization
- Product Simplification
- Technology Investment
- Global Sourcing

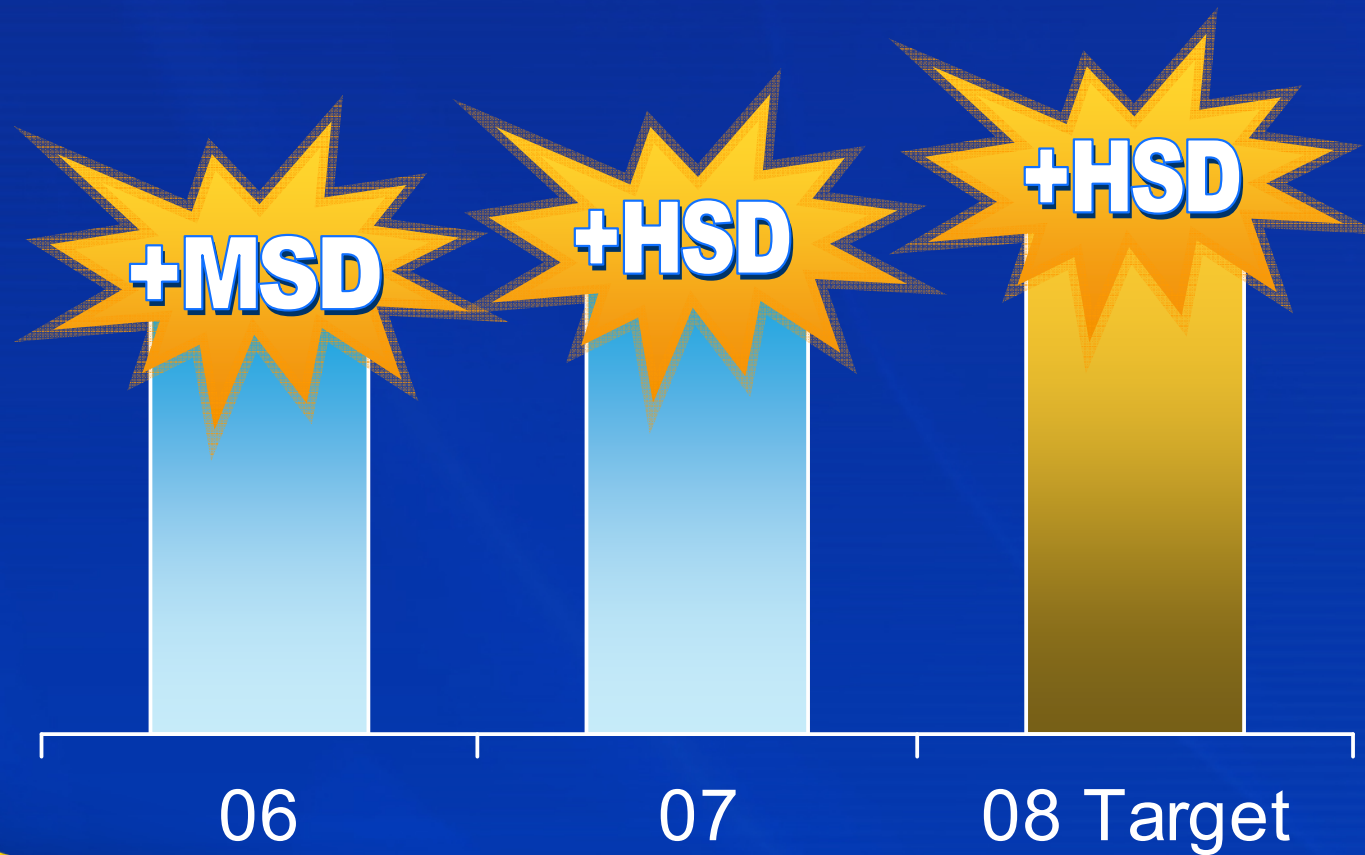


Trade Cost Per Case Declined U.S. Retail Segment



Brand Building Investment

(Consumer Marketing, \$ in Millions)



2008 Operating Outlook

- Continued Broad-based Unit Volume and Sales Growth
- Margin Expansion Driven by Holistic Margin Management
- Continued Strong Consumer Marketing Investment to Fuel Baseline Sales



Reconciliation of Segment Operating Profit

(In Millions)

	Q4		Annual	
	2007	2006	2007	2006
U.S. Retail	\$406	\$414	\$1,896	\$1,801
International	56	45	216	194
Bakeries & Foodservice	30	31	148	116
Segment Operating Profit	492	490	2,260	2,111
Corporate Unallocated Expense	45	65	163	123
Restructuring, Impairment and Other Exit Costs	41	14	39	30
Operating Profit	\$406	\$411	\$2,058	\$1,958



Reconciliation of Non-GAAP EPS to Diluted EPS

	Q4		Annual	
	2007	2006	F07	F06
Diluted EPS	\$0.62	\$0.61	\$3.18	\$2.90
Effect of Accounting for Stock-based Compensation	0.01	-	0.12	-
Effect of Accounting for Contingent Convertible Debt	-	-	-	0.08
Diluted EPS excluding Stock-based Compensation and CoCos	\$0.63	\$0.61	\$3.30	\$2.98



Reconciliation of Average Diluted Shares Outstanding

(In Millions)

	Q4		Annual		
	2007	2006	2007	2006	2005
Average Diluted Shares Outstanding	360	364	360	379	409
Incremental Share Effect from Contingent Convertible Debt	-	-	-	(13)	(29)
Average Diluted Shares Outstanding, Excluding CoCos	360	364	360	366	380



Return on Average Total Capital

					2007 Pro Forma (1)		2005 Pro Forma (2)	
	2007	2006	2005	2004	2007	2006	2005	2004
Net earnings	\$ 1,144	\$ 1,090	\$ 1,240		\$ 1,144		\$ 1,240	
Interest expense, net, after-tax	281	261	289		281		289	
Incremental SFAS 123R effect, after-tax					45			
Divestitures gain, after-tax							(284)	
Debt repurchase cost, after-tax							87	
Earnings before interest after tax	1,425	1,351	1,529		1,470		1,332	
Current portion of long-term debt	1,734	2,131	1,638	233	1,734	2,131	1,638	233
Notes payable	1,254	1,503	299	583	1,254	1,503	299	583
Long-term debt	3,218	2,415	4,255	7,410	3,218	2,415	4,255	7,410
Total debt	6,206	6,049	6,192	8,226	6,206	6,049	6,192	8,226
Minority interests	1,139	1,136	1,133	299	1,139	1,136	1,133	299
Stockholders' equity	5,319	5,772	5,676	5,248	5,319	5,772	5,676	5,248
Total capital	12,664	12,957	13,001	13,773	12,664	12,957	13,001	13,773
2007 Incremental SFAS 123R effect, after-tax					45			
2005 divestiture gain, net of debt repurchase cost							(197)	
Accumulated other comprehensive (loss) income	120	(125)	(8)	144	120	(125)	(8)	144
Adjusted total capital	12,784	12,832	12,993	13,917	12,828	12,832	12,796	13,917
Average adjusted total capital	12,808	12,913	13,455		12,830		13,357	
Return on invested capital	11.1%	10.5%	11.4%		11.5%		10.0%	

(1) Excluding incremental SFAS 123R effect

(2) Excluding divestitures gain and debt repurchase cost

