



Second Quarter Fiscal 2009 Investor Update

December 17, 2008



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GENERAL MILLS

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 laws and regulations, including labeling and advertising regulations; 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; volatility in the market value of derivatives used to hedge price risk for certain commodities; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure of our information technology systems; 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 any future events or circumstances.





Financial Review

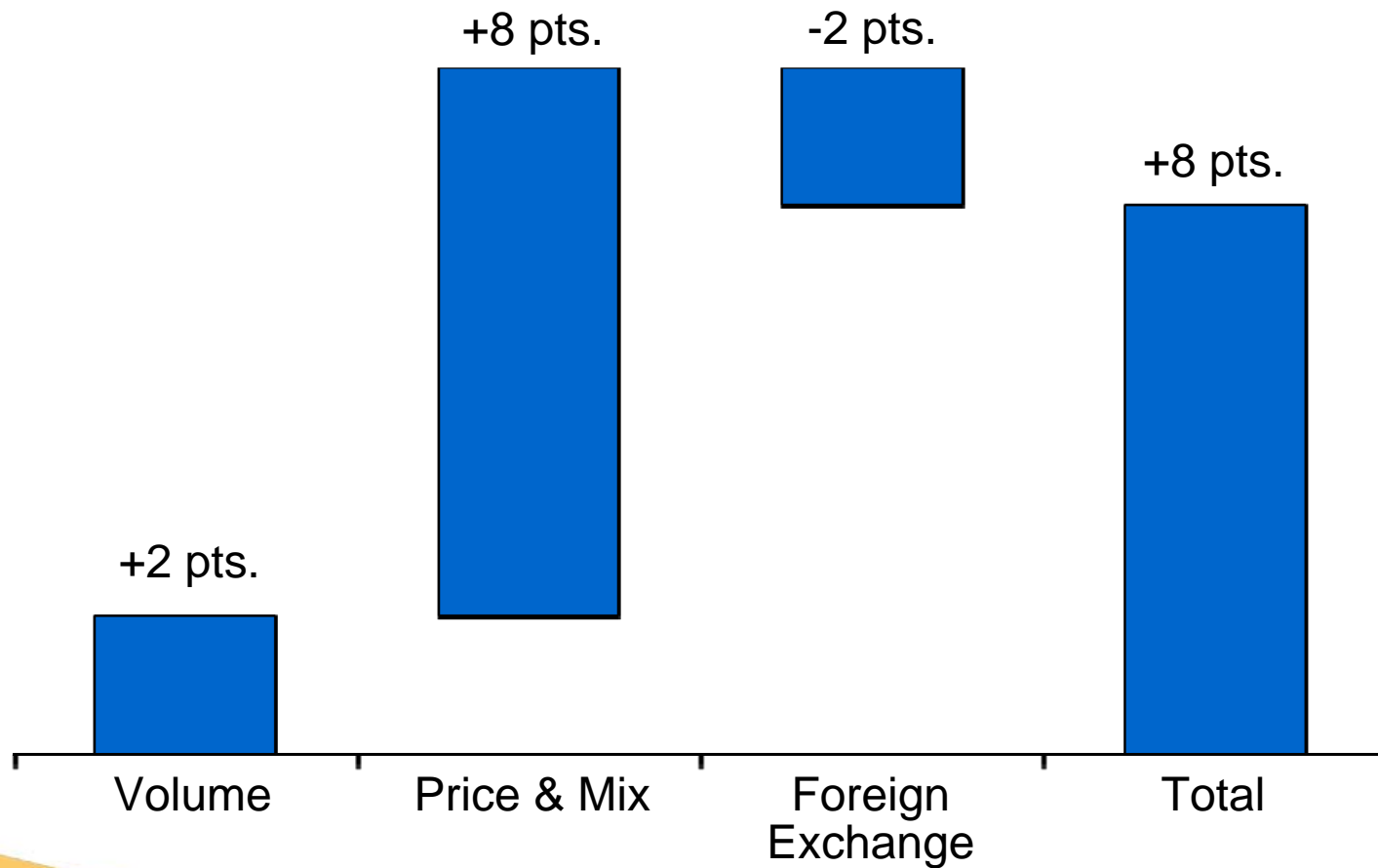
Don Mulligan
Executive Vice President and
Chief Financial Officer

Second Quarter 2009 Financial Summary

(\$ in Millions, Except per Share)

	<u>\$</u>	<u>% Change</u>
Net Sales	\$4,011	+8%
Segment Operating Profit*	782	+9
Earnings After Tax	378	-3
Diluted EPS	1.09	-4
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Mark-to-market Impact**	-.49	
Gain on Sale of Pop Secret	+.22	
EPS Excluding Mark-to-market and Divestiture Gain*	1.36	+23

Second Quarter 2009 Components of Net Sales Growth

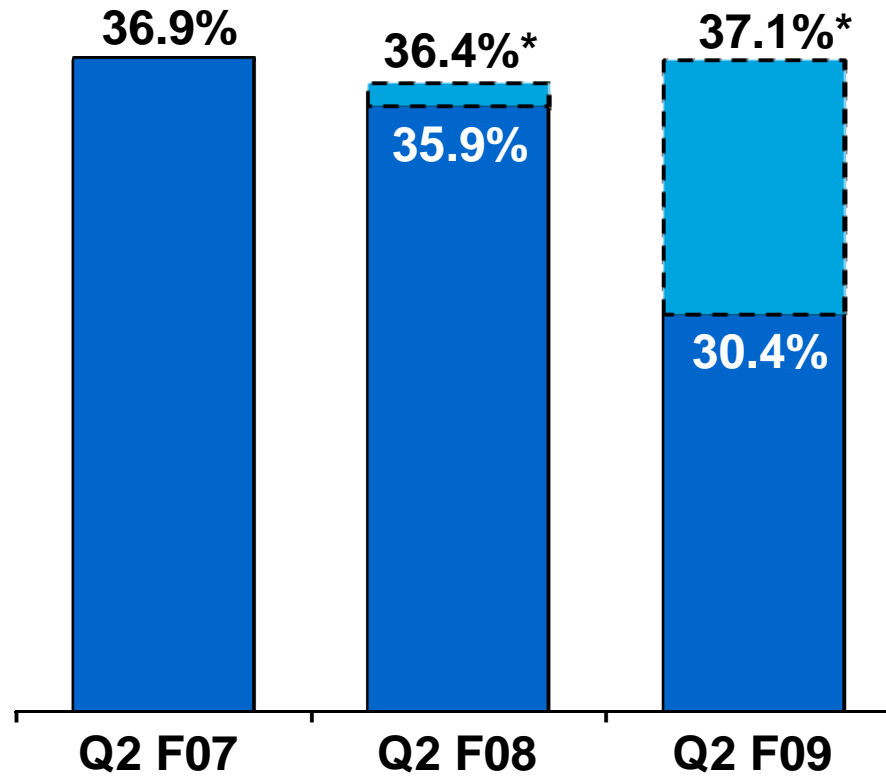


Second Quarter 2009 Net Sales by Segment

(\$ in Millions)

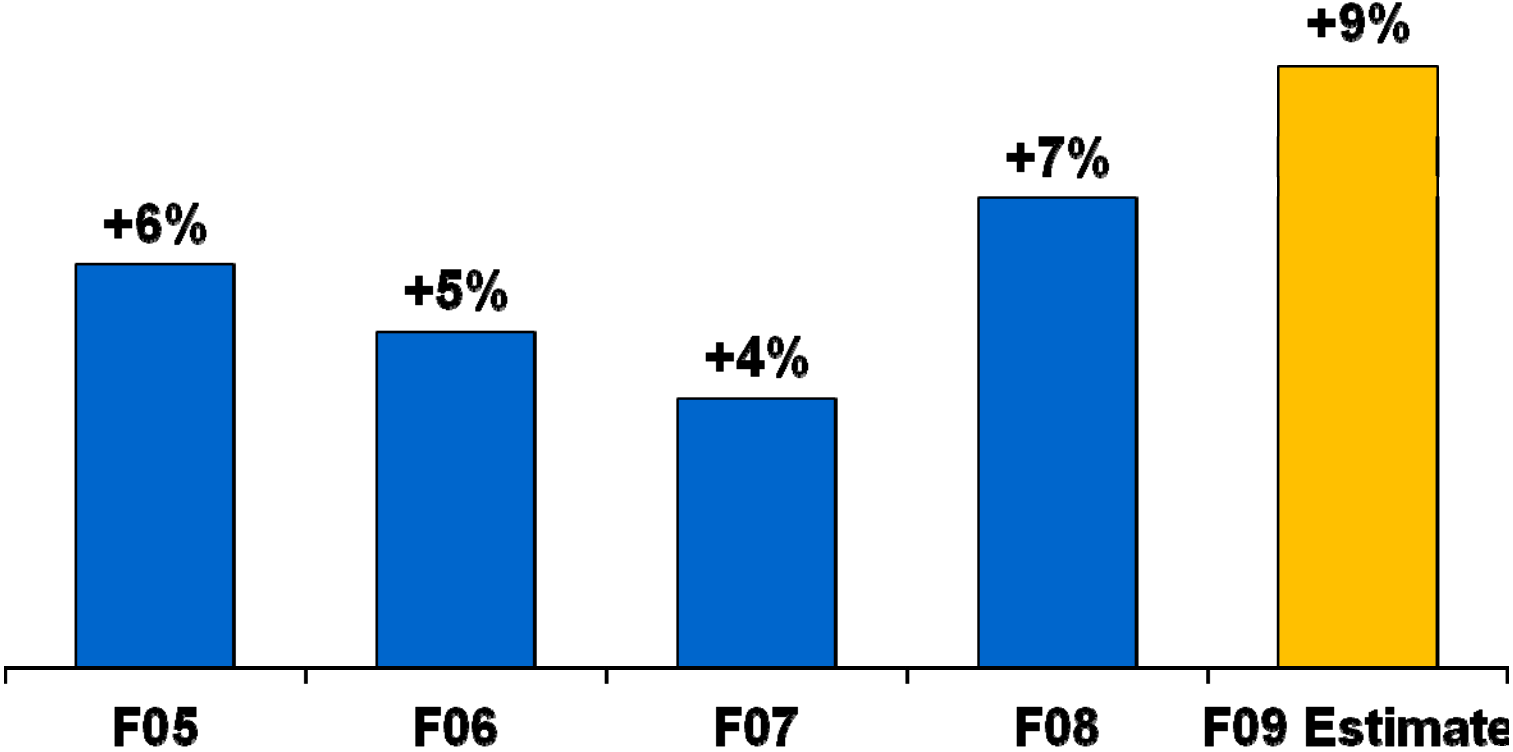
	<u>\$</u>	<u>% Change</u>
Total Net Sales	\$4,011	+8%
U.S. Retail	2,785	+10
International	676	+2
<i>memo: constant currency growth*</i>		<i>+10</i>
Bakeries & Foodservice	550	+6

Gross Margin Trend



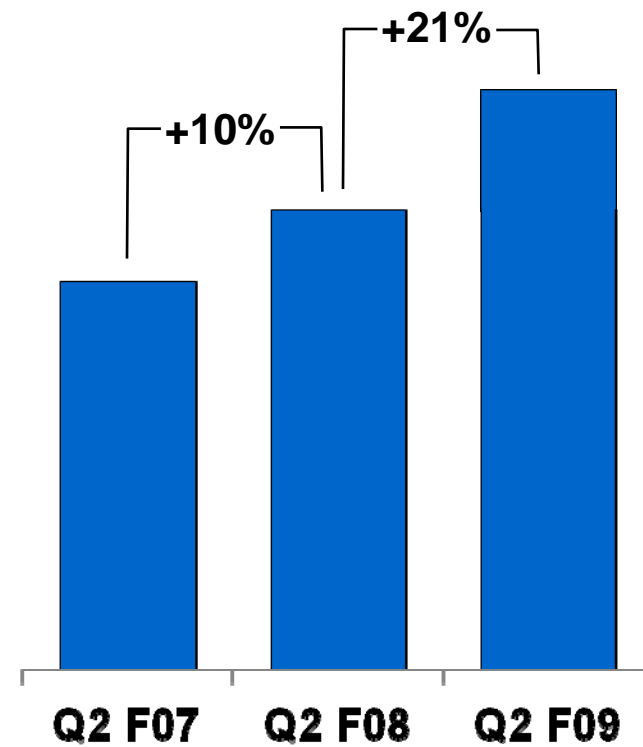
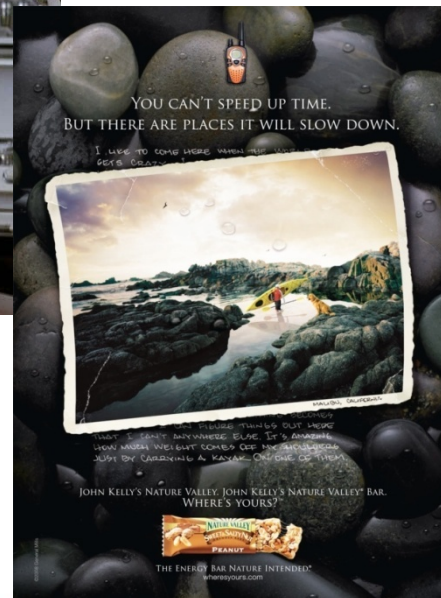
* Q2 09 excludes mark-to-market impact. Q2 08 excludes mark-to-market impact, product recall expense and accelerated depreciation from restructuring actions. See appendix for reconciliation.

General Mills Input Cost Inflation

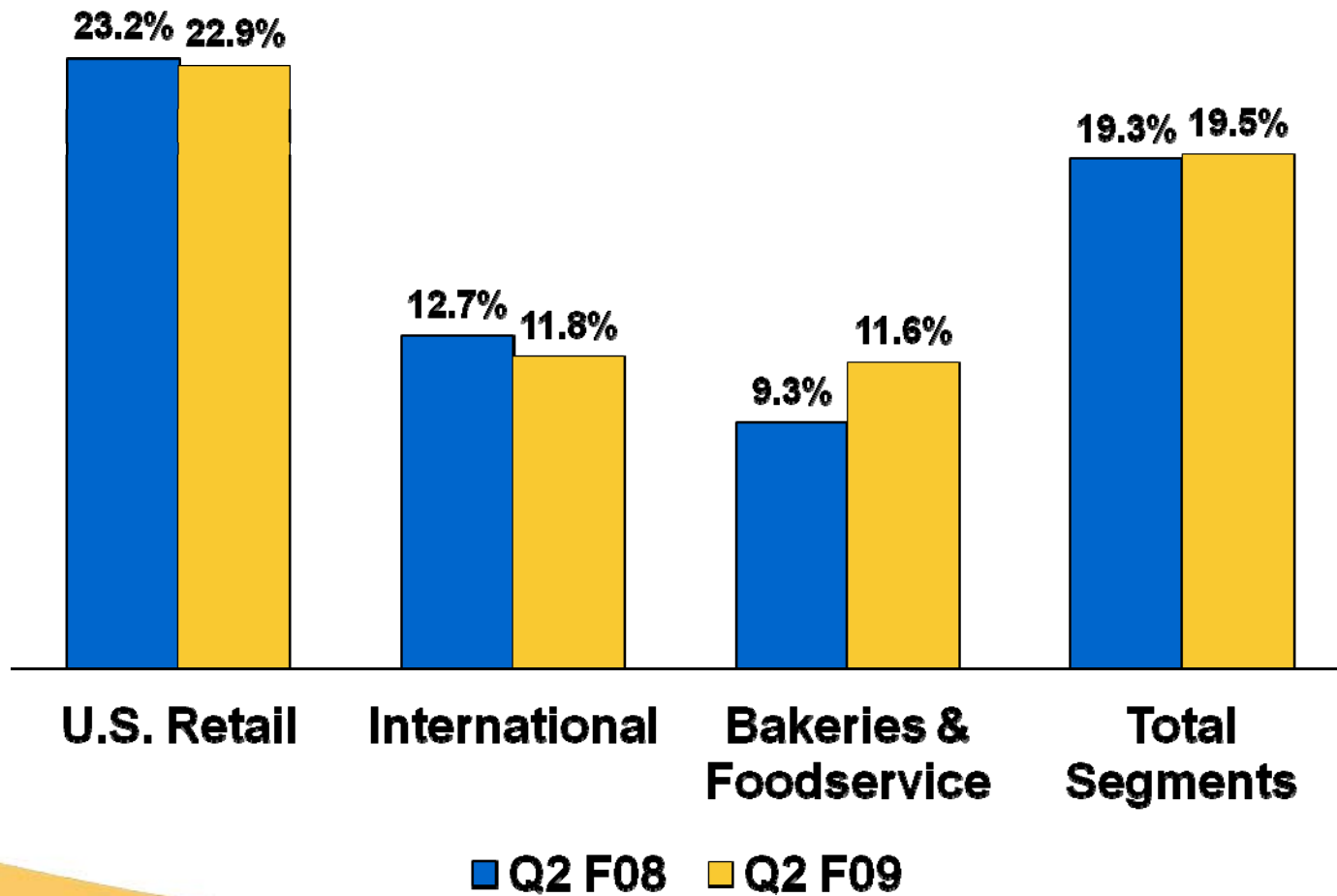


Includes Raw Materials, Energy, Labor Expense, Carrier Rates and Storage & Handling.

Strong Consumer Marketing Support



Second Quarter 2009 Segment Operating Margins



Second Quarter 2009 Segment Operating Profit

(\$ in Millions)

	<u>\$</u>	<u>% Change</u>
Total Segment Operating Profit*	\$782	+9%
U.S. Retail	638	+9
International	80	-5
<i>memo: constant currency growth*</i>		+5
Bakeries & Foodservice	64	+33

Joint Venture Earnings

(\$ in Millions)

	<u>2nd Quarter</u>	
	<u>F09</u>	<u>F08</u>
Earnings After Tax from JVs	\$33	\$28
CPW Restructuring Expense	<u>--</u>	<u>1</u>
Earnings from JVs before Restructuring	\$33	\$29

Core Working Capital

(\$ in Millions)

	<u>2nd Quarter</u>	
	<u>F09</u>	<u>F08</u>
Accounts Receivable	\$1,234	\$1,222
Inventories	1,583	1,567
Accounts Payable	840	786

Uses of Cash

(\$ in Millions)

	<u>Fiscal 2009</u>	
	<u>Q2</u>	<u>First Half</u>
Capital Expenditures	\$113	\$241
Dividends	146	294
Share Repurchases*	708	1,227
<i>memo: shares in millions</i>	10.6	18.8

*Including current liabilities settled after the end of the quarter.

First Half 2009 Strong Net Sales Growth

(\$ in Millions)

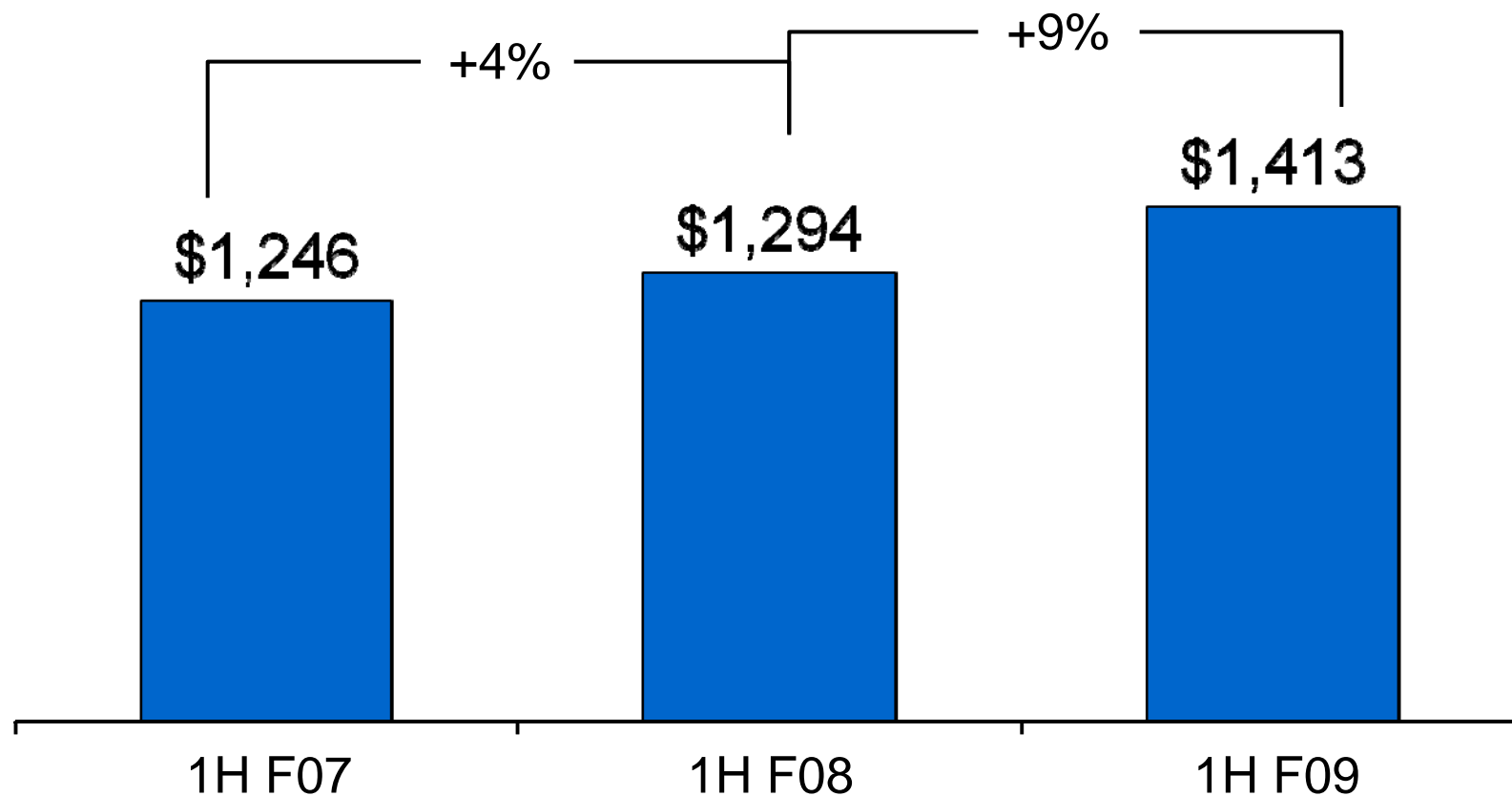
	<u>\$</u>	<u>% Change</u>
U.S. Retail	\$5,075	+11%
International	1,366	+8
<i>memo: constant currency growth*</i>		+9
Bakeries & Foodservice	<u>1,066</u>	<u>+11</u>
Total	\$7,508	+11%

Table doesn't add due to rounding.

* Non-GAAP measure. See Appendix for Reconciliation.

Segment Operating Profit* Growth

(\$ in Millions)



Raising 2009 Guidance

- Mid Single-digit Net Sales Growth
- Mid Single-digit Segment Operating Profit Growth
- Diluted EPS \$3.83 – 3.87*
(+9 – 10%)



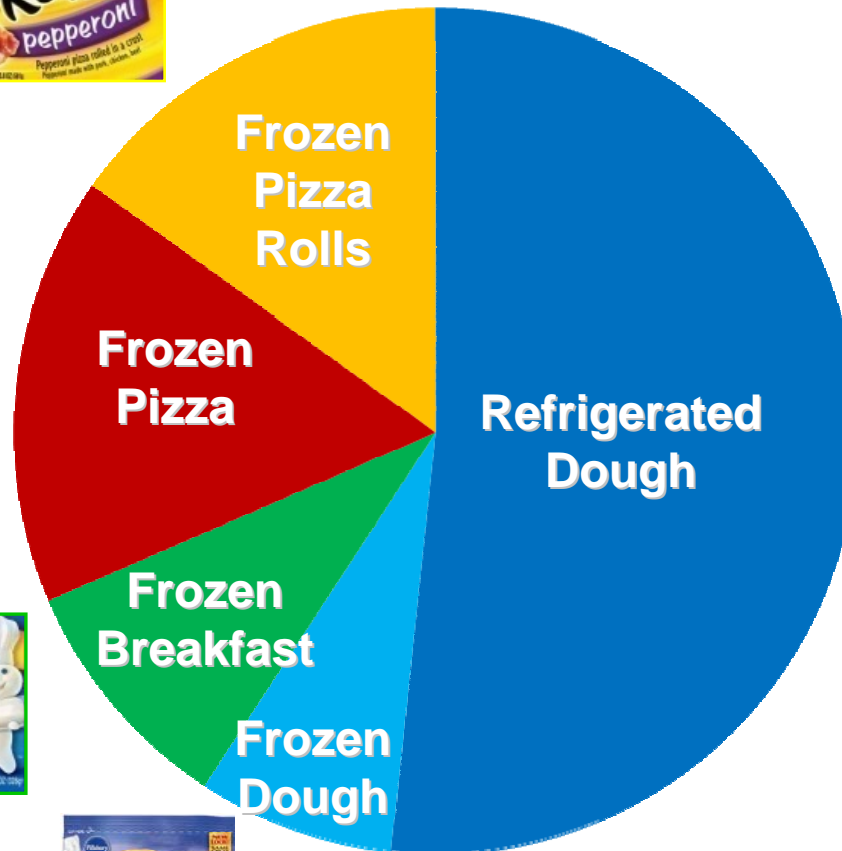
Pillsbury USA Update

Juliana Chugg
Senior Vice President;
President, Pillsbury USA



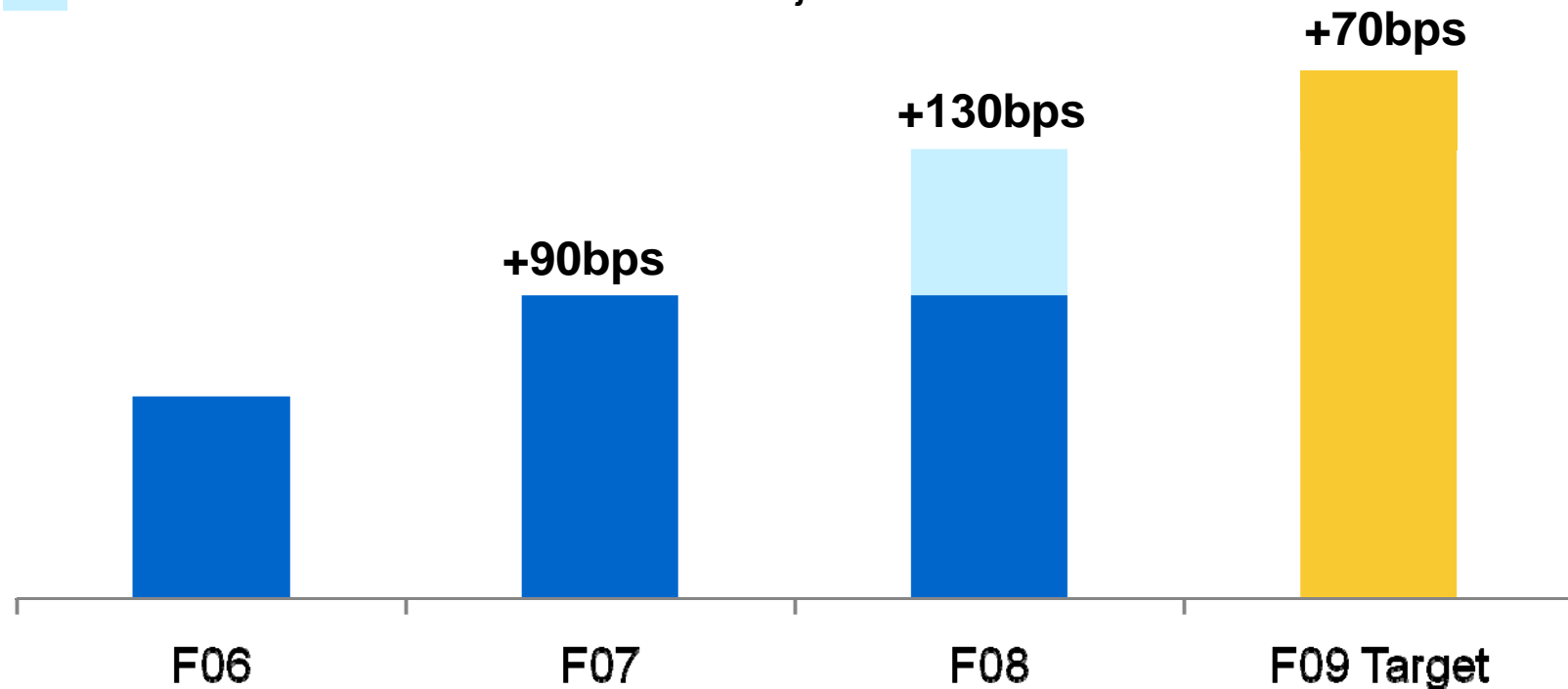
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Pillsbury Division: \$1.7B Net Sales



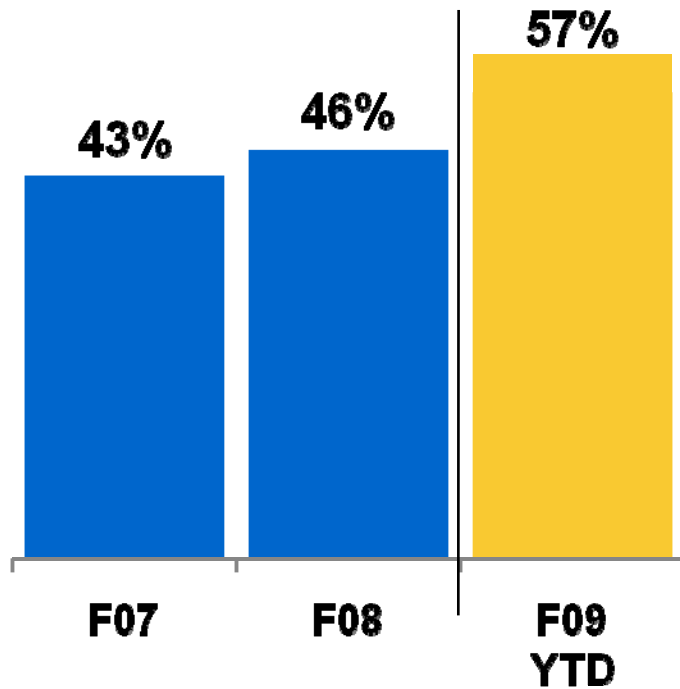
Pillsbury Division Gross Margin Improvement

■ Denotes Totino's Pizza Recall Adjustment

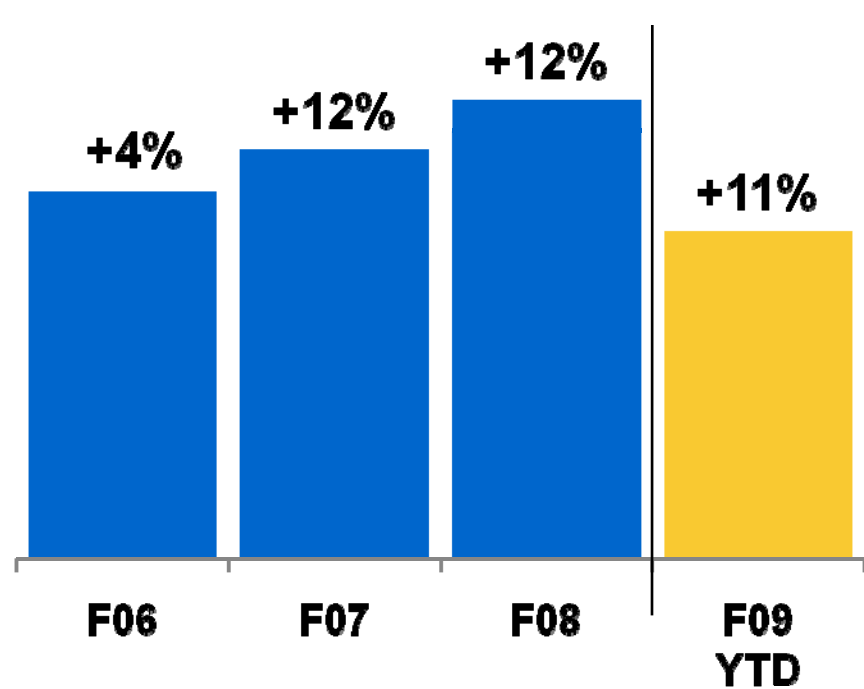


Mix Management Driving Results

Lead Growth Businesses
% of Portfolio



Lead Growth Businesses
Net Sales Growth



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Pillsbury Division 2009 Performance

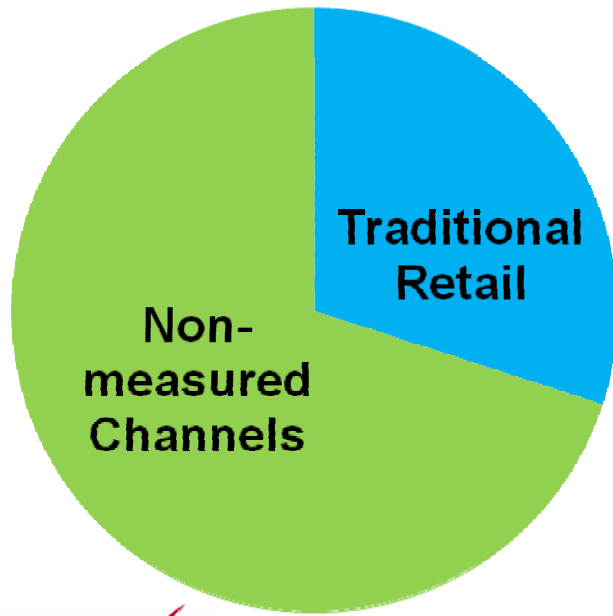
	<u>Q2</u>	<u>First Half</u>
Net Sales	+12%	+9%
Gross Margin	+	+
Consumer Spending	+	+
EBIT	+	+

Dollar Share in Measured Channels

	FYTD	
	Dollar Share	Change vs. YA
Refrigerated Dough	69%	-0.6 pts.
Frozen Pizza	7%	-0.4 pts.
Frozen Hot Snacks	27%	-0.3 pts.
Frozen Breakfast	13%	-0.2 pts.

First-half Fiscal 2009 Source of Sales Growth

Retail Sales



Totino's Performance

(First-half F09 Retail Sales Growth)



+10%



+11%



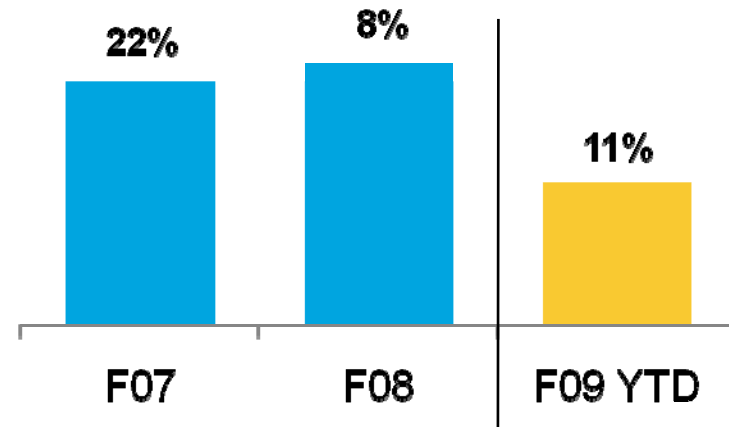
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Source: ACNielsen plus Wal-Mart

Pillsbury Performance: Frozen



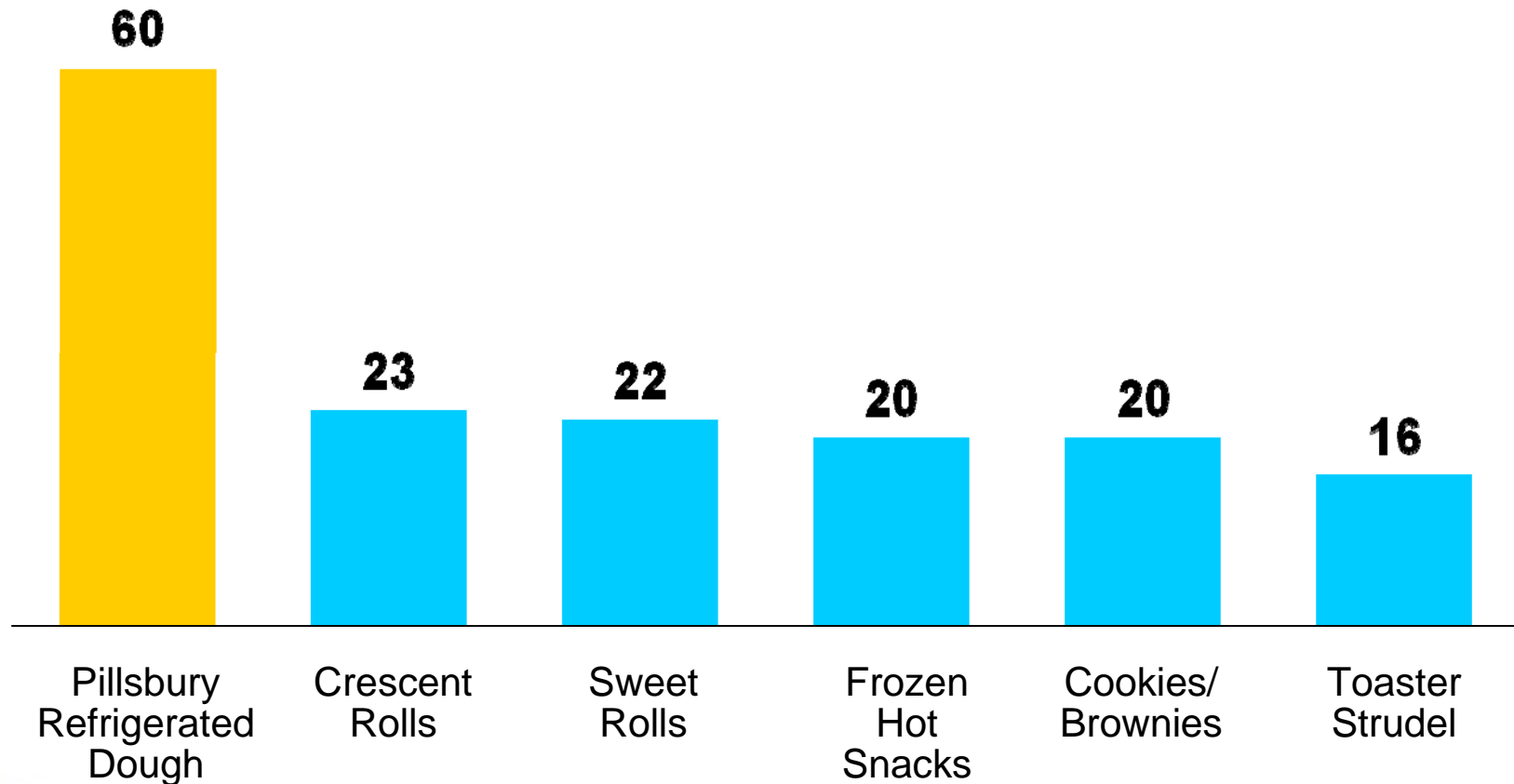
Toaster Strudel
Retail Sales Growth



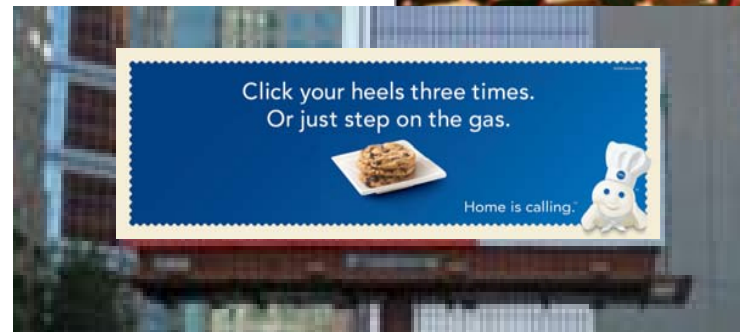
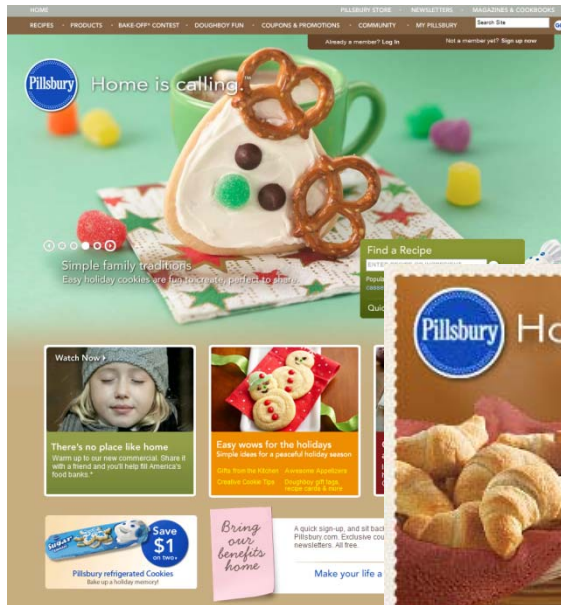
Turning in the Top 1/3
of Frozen Hot Snacks Category
Latest share +3.9pts.

Plenty of Opportunity for Growth

(% of Households Purchasing Pillsbury Products Annually)



“Home is Calling” Campaign



Pillsbury Performance: Refrigerated



Retail Sales Growth

Grands! Sweet Rolls	+16%
Crescents	+9%
Grands! Biscuits	+9%
Cookies	+2%



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Source: ACNielsen plus Wal-Mart through 11/29/08

Fiscal 2009 Innovation

Core Line Extensions



Brand Expansion



New Platforms



Highly Incremental with Attractive Margins



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Pillsbury Division Summary

Continued Focus on Net Sales and Earnings Growth:

- Effectively Manage Margins
- Continue to Grow through Consumer Spending
- Leverage Innovation for Incremental Sales and Earnings





Operating Highlights

Ken Powell
Chairman and
Chief Executive Officer

Broad-based Sales Momentum

(First Half Net Sales Growth)

	<u>1H F09</u>
Small Planet Foods	+38%
Baking	+19
Yoplait	+16
Bakeries & Foodservice Segment	+11
Meals	+10
Big G	+9
Pillsbury USA	+9
International Segment	+8
Snacks	+7
General Mills	<u>+11%</u>



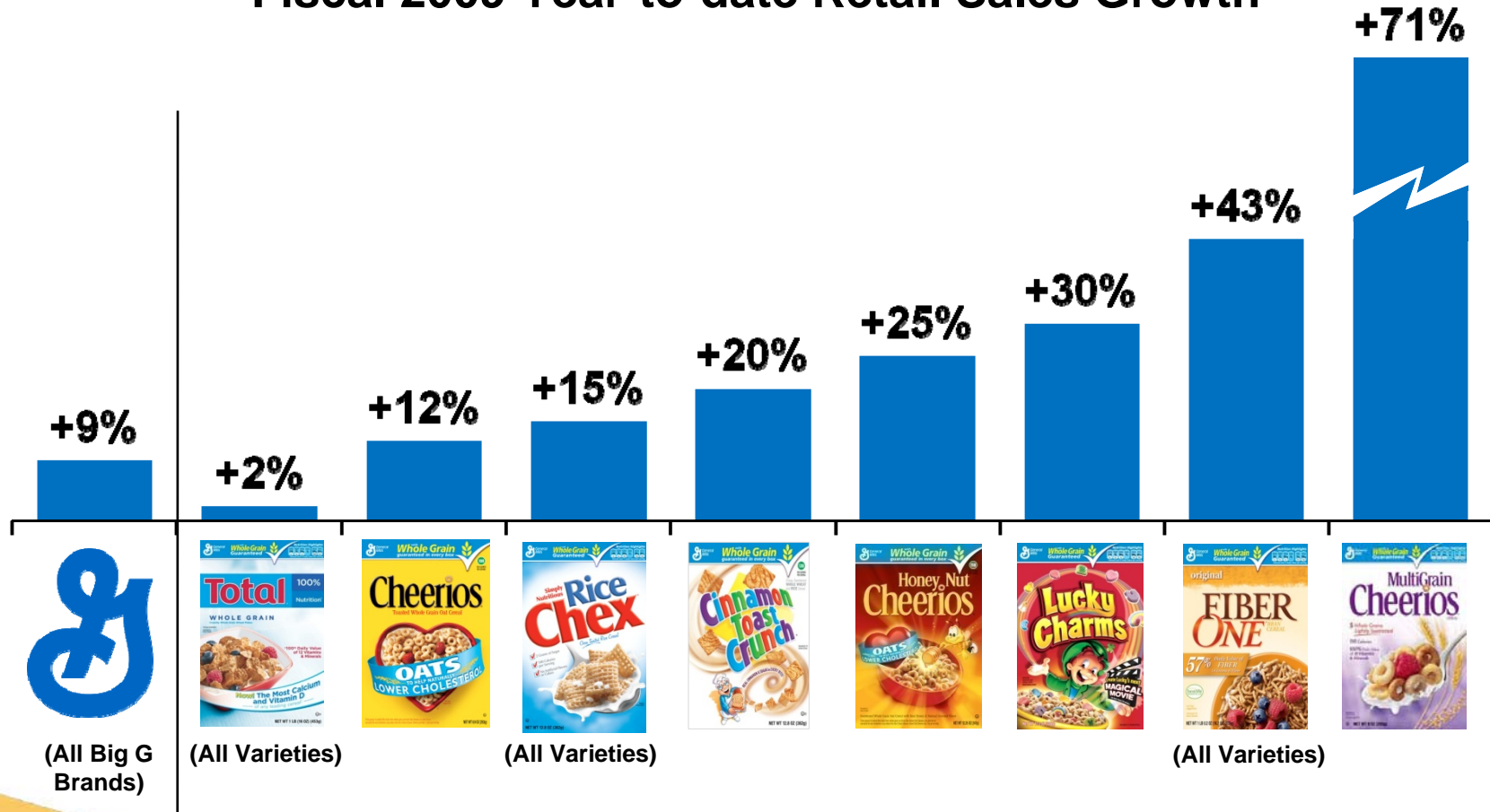
Strong Cereal Fundamentals

ACNielsen Measured Channels

	<u>FYTD</u>
Retail Dollar Sales	+9 %
Baseline Growth	+3 %
% Dollar Volume Sold on Deal	
General Mills	45 %
Other Branded Manufacturers	46 %
Share Growth	+1.9 pts

Big G Broad-based Strength

Fiscal 2009 Year-to-date Retail Sales Growth



Progresso

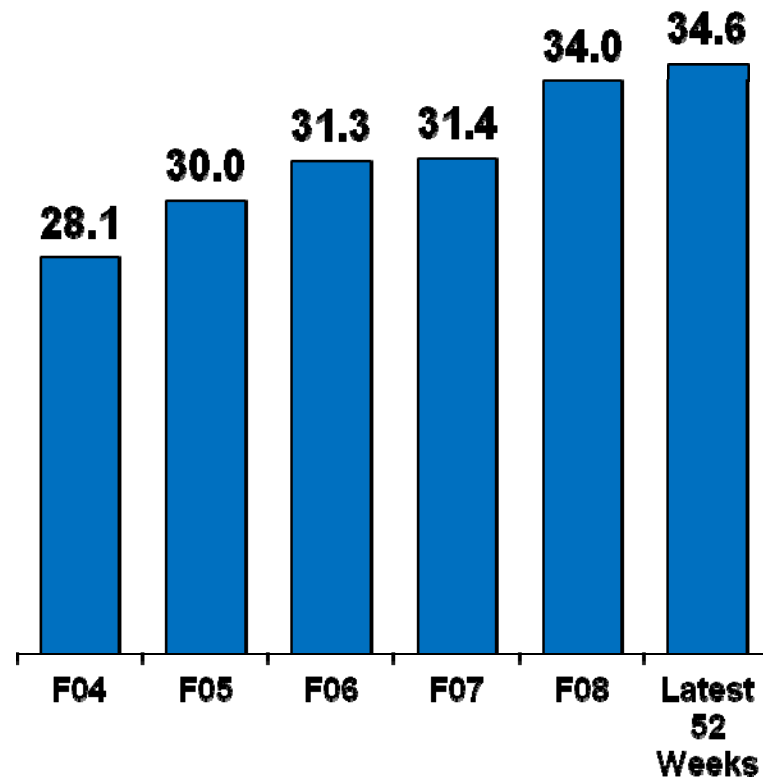


Recent Market Shares

November +1.1 pts
 FYTD +1.6 pts

RTS Soup

Dollar Share



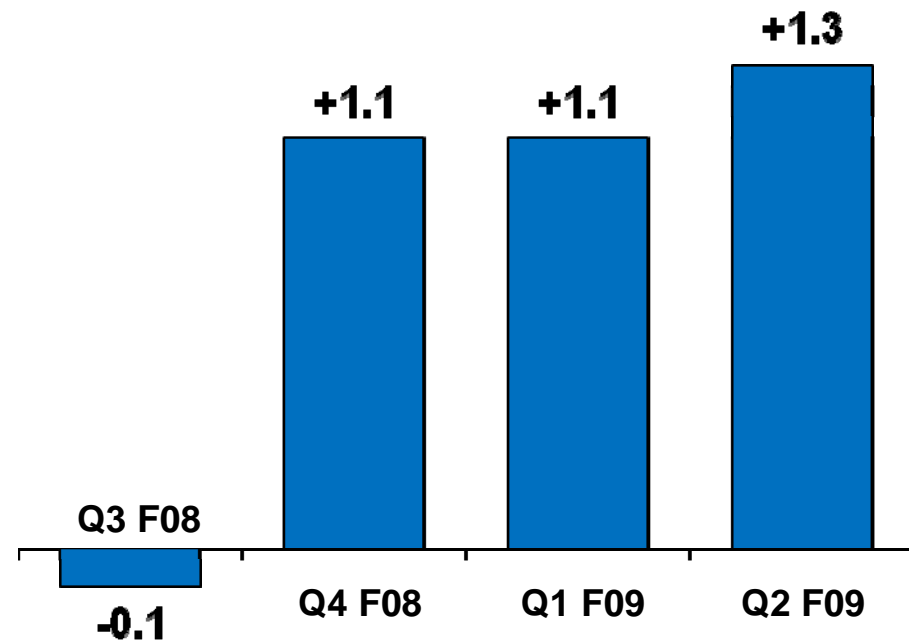
Source: ACNielsen, 52 wks ended 11/22/08

Yoplait



FYTD
Light Retail Sales: +23%

Yoplait Dollar Share +/- LY

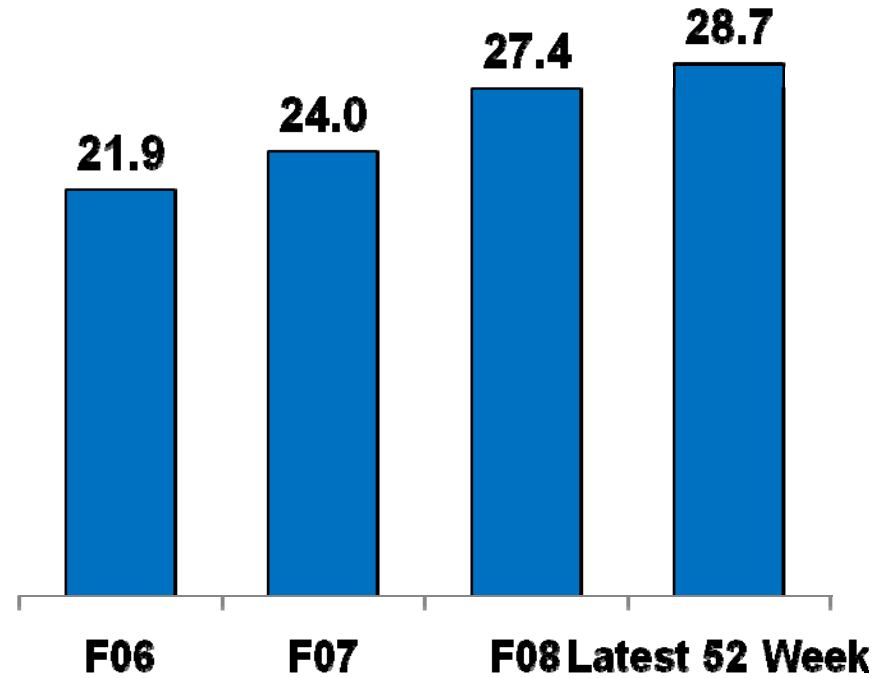


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Source: For Share, ACNielsen; For Sales, ACNielsen plus Wal-Mart through 11/29/08

Grain Snacks

Dollar Share



Source: ACNielsen, 52 wks ended 11/22/08

Bakeries & Foodservice

Q2 F09 Branded Net Sales Growth

Yogurt	+9%
Cereal	+13%
Snacks	+14%



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Bakeries & Foodservice Customer Segment

Q2 F09 Net Sales Growth

Foodservice Distributors and Restaurants	+4%
Convenience Stores and Vending	+4
Bakeries	+10

International Sales Growth

<u>At Constant FX</u>	<u>Q2 F09</u>
Europe	+3 %
Canada	Flat
Latin America/South Africa	15
Asia/Pacific	25
<hr/>	<hr/>
Total – at Constant FX	+10 %
FX Effects	-8
<hr/>	<hr/>
Total – as Reported	+2 %



International Growth Drivers



Canada



Asia/Pacific



Latin America



Europe

Cereal Partners Worldwide



- Q2 Net Sales +4%
- Continued Strong Growth on Core Brands
- Price Increases Offsetting Rising Input Costs



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Our Categories Are Growing

Dollar Sales Growth in ACNielsen Measured Channels

	<u>1st Half F09</u>
Yogurt	+7%
Frozen Vegetables	+6
Mexican Aisle Products	+6
Frozen Hot Snacks	+6
Dessert Mixes	+5
Refrigerated Dough	+4*
Grain Snacks	+3
RTE Cereal	+3
RTS Soup	+2
Dinner Mixes	-2
Fruit Snacks	-2
General Mills Major Categories	+5%

Source: ACNielsen, 6 mos ended 11/22/08

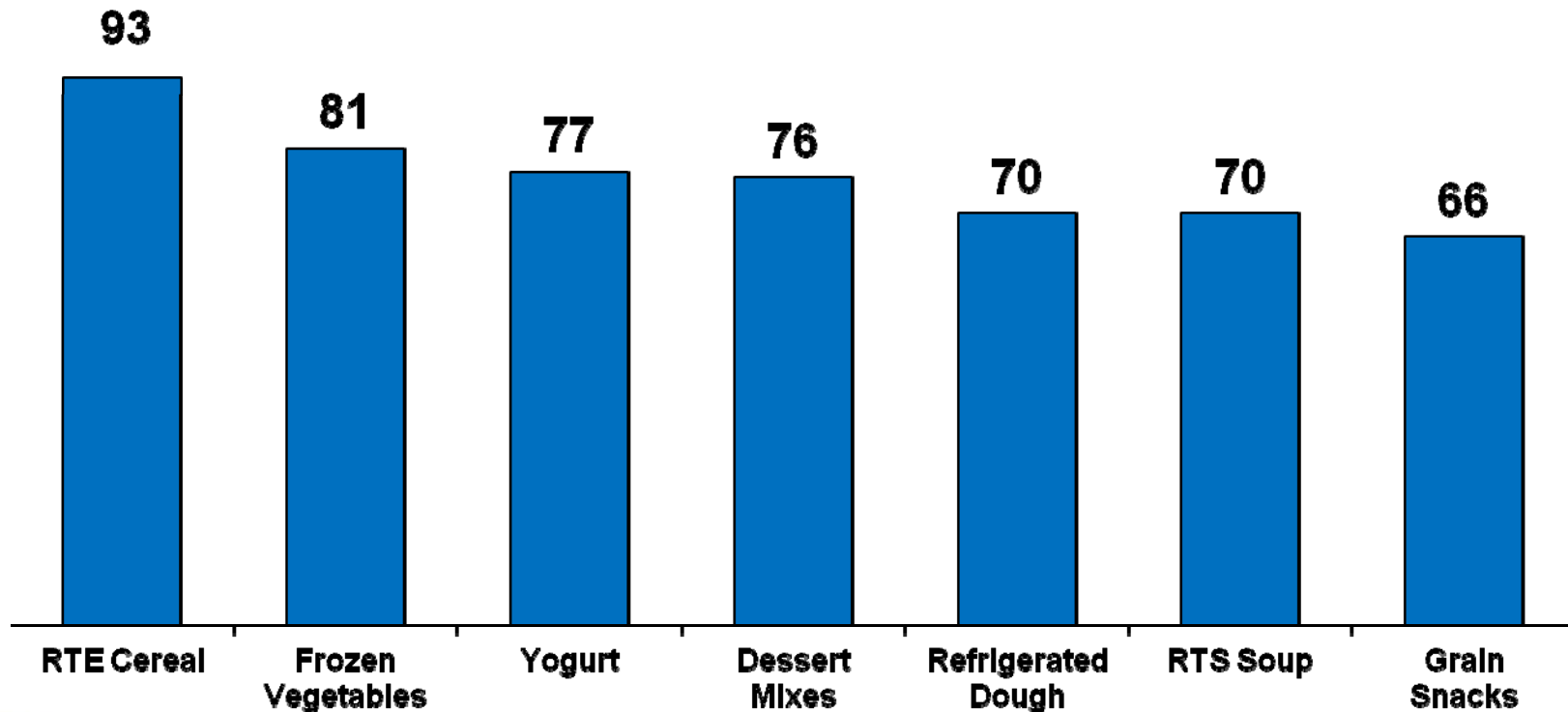
*6 mos ended 11/29/08



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Our Categories are Household Staples

% of Households Purchasing



Our Brands Hold Leading Market Positions

<u>General Mills Category</u>	<u>Last 52 Weeks Dollar Share</u>	<u>Rank</u>
Dry Dinner Mixes	79%	1
Refrigerated Dough	69	1
Fruit Snacks	54	1
Dessert Mixes	42	1
Grain Snacks	29	1
Refrigerated Yogurt	36	2
Ready-to-serve Soup	35	2
Ready-to-eat Cereal	31	2
Frozen Hot Snacks	26	2
Frozen Vegetables	19	2
Mexican Aisle Products	18	2

Our Products Deliver Value

Average Non-promoted Price/Serving



\$1.16



\$.71



\$.53



\$.37



\$.30



\$.26



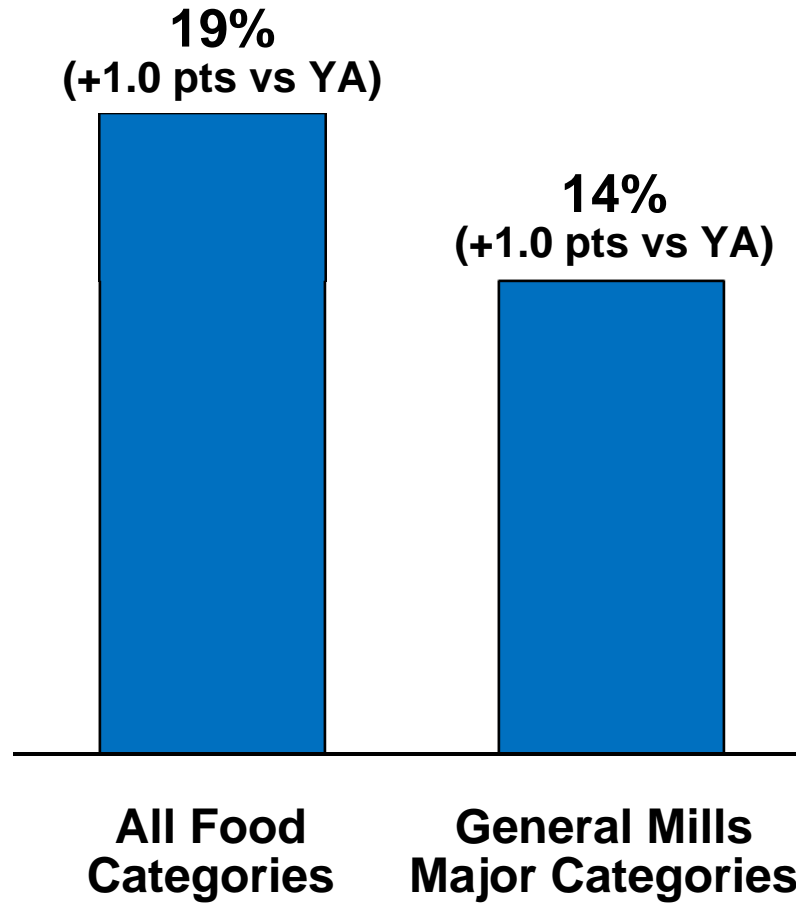
\$.38



\$.72

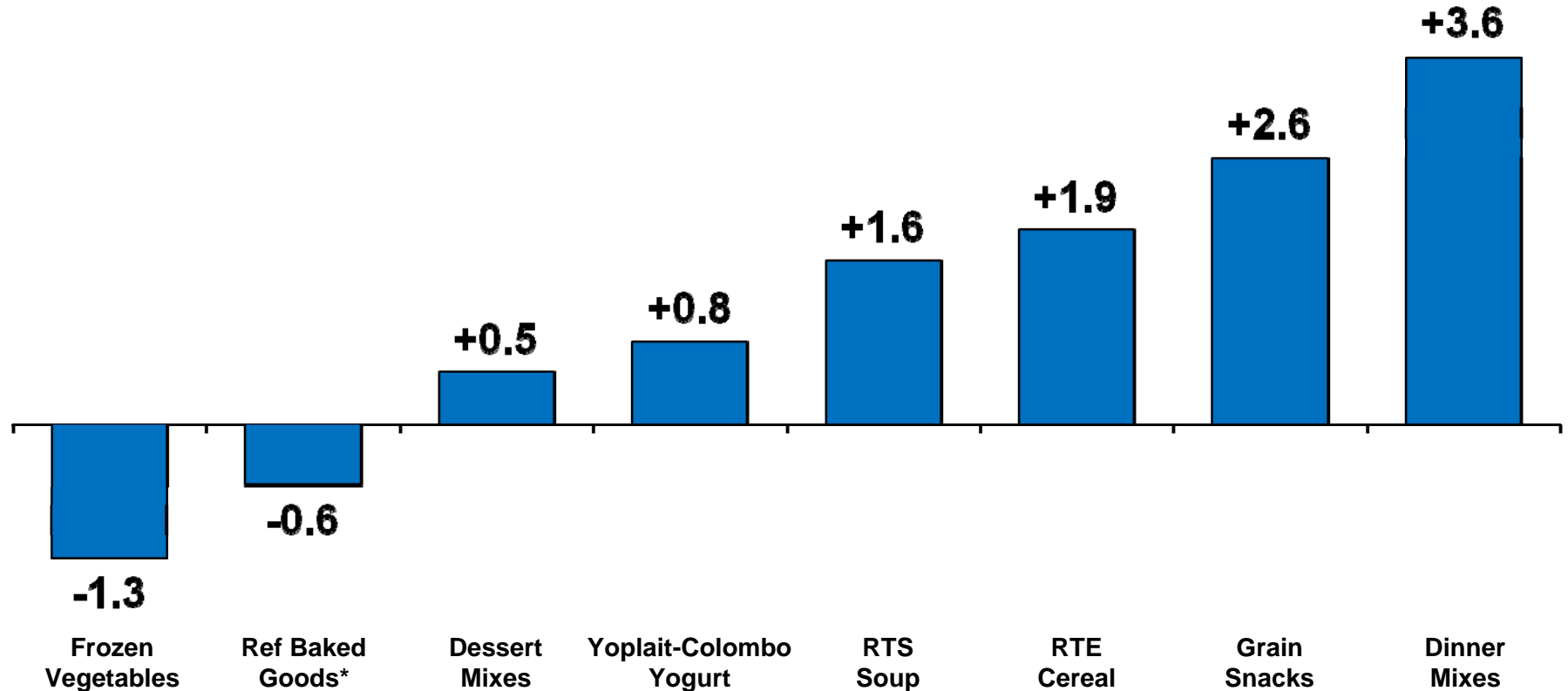
PRIVATE LABEL SHARE

Fiscal 2009 YTD Dollar Share



Recent General Mills Market Shares

Fiscal 2009 First-half Dollar Share +/- LY



New Products Coming in the Second Half



First-half 2009 Summary

- Continued Strong Topline Growth
- Consumer Marketing Investment Up 21%
- Protecting Margins Despite Annual 9% Input Cost Inflation
- Strong Prospects for Continued Growth





Second Quarter Fiscal 2009 Investor Update

December 17, 2008



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Reconciliation of Segment Operating Profit

(\$ in Millions)

	Q2		First Half	
	2009	2008	2009	2008
U.S. Retail	\$638	\$584	\$1,165	\$1,057
International	80	84	158	155
Bakeries & Foodservice	64	48	91	82
Segment Operating Profit	<u>\$782</u>	<u>\$716</u>	<u>\$1,413</u>	<u>\$1,294</u>
Corporate Unallocated Expense	292	26	451	80
Divestiture (Gain)	(129)	--	(129)	--
Restructuring, Impairment and Other Exit Costs (Income)	<u>2</u>	<u>3</u>	<u>5</u>	<u>17</u>
Operating Profit	\$617	\$687	\$1,086	\$1,197

Reconciliation of Non-GAAP EPS to Diluted EPS

	Second Quarter		First Half		Full Year
	2009	2008	2009	2008	2008
Diluted EPS	\$ 1.09	\$ 1.14	\$ 1.88	\$ 1.95	\$ 3.71
Mark-to-market Impact*	(.49)	.03	(.65)	.03	.10
Reduction in Tax Reserve					.09
Gain on Sale of Pop Secret	.22	--	.21	--	--
Diluted EPS Excluding Mark-to-market Impact, Reduction in Tax Reserve and Gain on Sale of Pop Secret	\$ 1.36	\$ 1.11	\$ 2.32	\$ 1.92	\$ 3.52

*Impact of Mark-to-market Valuation of Certain Commodity Positions.

Reconciliation of Gross Margin

(\$ in Millions)

	Q2 F09		Q2 F08		Q2 F07	
	\$	% of Net Sales	\$	% of Net Sales	\$	% of Net Sales
Net Sales	\$4,011		\$3,703		\$3,467	
Gross Margin as Reported	1,220	30.4%	1,331	35.9%	1,280	36.9%
Mark-to-market Impact*	269		(18)		--	
Recall Expense	--		19		--	
Accelerated Depreciation from Restructuring Actions	--		17		--	
	\$1,489	37.1%	\$1,349	36.4%	\$1,280	36.9%

*Impact of Mark-to-market Valuation of Certain Commodity Positions.

Reconciliation of International Currency Effect

	<u>Net Sales Growth</u>		<u>Segment Operating Profit Growth</u>
	<u>Q2 F09</u>	<u>1H F09</u>	<u>Q2 F09</u>
As Reported	2 pts	8 pts	-5 pts
Foreign Currency Effect	(8 pts)	(1 pt)	(10 pts)
Results in Constant Currency	<u>10 pts</u>	<u>9 pts</u>	<u>5 pts</u>