



# General Mills

Fiscal 2009

Midyear Update

# Today's Agenda

1H 2009 Summary..... Don Mulligan

International..... Chris O'Leary

Yoplait Division..... Bob Waldron

U.S. Retail..... Ian Friendly

Outlook & Wrap-up..... Don Mulligan



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.





# **Fiscal 2009 Midyear Update**

**Don Mulligan**  
Executive Vice President and  
Chief Financial Officer



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# First Half 2009 Financial Summary

(\$ in Millions, Except per Share)

	\$	% Change
Net Sales	\$7,508	+11%
Segment Operating Profit*	1,413	+9
Earnings After Tax	657	-3
Diluted EPS	1.88	-4
<hr style="border-top: 1px dashed black;"/>		
Mark-to-market Impact**	-.65	
Gain on Sale of Pop Secret	+.21	
EPS Excluding Mark-to-market and Divestiture Gain*	2.32	+21



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\* Non-GAAP measure. See appendix for reconciliation.

\*\* Impact of mark-to-market valuation of certain commodity positions.

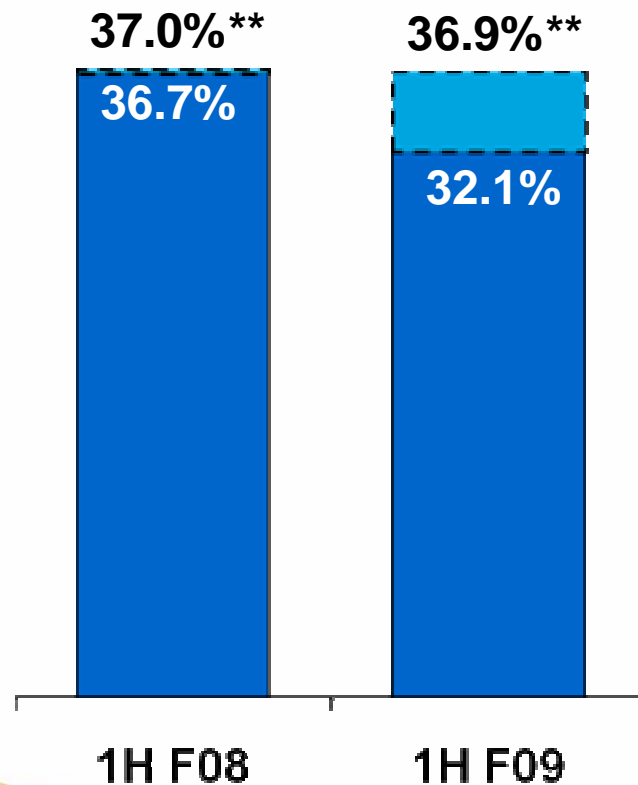
# Strong Topline Momentum

	Fiscal 2009 <u>1H Net Sales Growth</u>
Small Planet Foods	+38%
Baking Products	+19
Yoplait	+16
Bakeries & Foodservice Segment	+11
Meals	+10
Big G	+9
Pillsbury USA	+9
International Segment	+8
Snacks	+7
<b>General Mills</b>	<b>+11%</b>

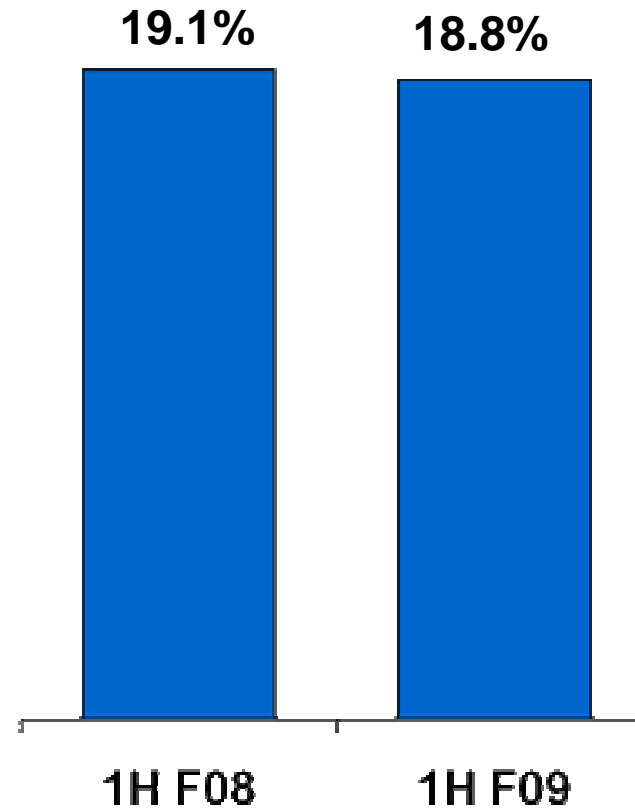


# Protecting Margins

## Gross Margin



## Segment Operating Profit\*



\* Non-GAAP measure. See appendix for reconciliation.

\*\* Excludes Mark-to-market impact in both years and product recall expense and accelerated depreciation from restructuring actions in F08. Non-GAAP measure. See appendix for reconciliation.

# Raised 2009 Guidance

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

\* Non-GAAP measure. Before any impact of mark-to-market valuation in both years, a tax item in 2008, and the gain on the sale of Pop Secret in 2009.

# Momentum Continuing in Q3

- December Net Sales and Consumer Takeaway Up vs. Prior Year
- Strong Holiday Season Performance by Pillsbury and Baking Products
- Innovation Fueling Growth



# Fiscal 2009 Second Half Priorities

- Deliver Product News and Innovation
- Protect Our Margins
- Invest in Our Brands





# International Update

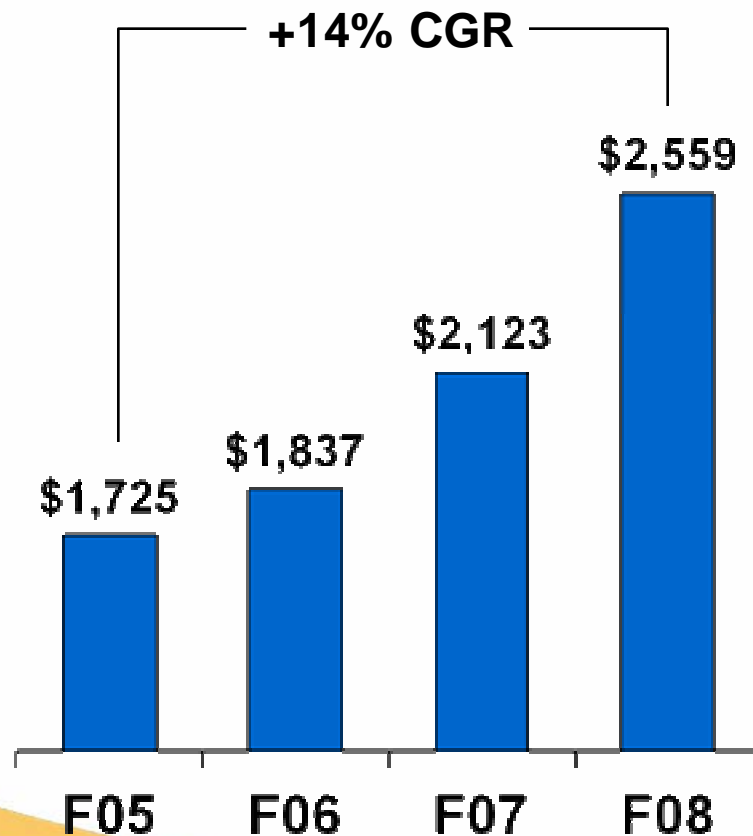
**Chris O'Leary**  
Executive Vice President;  
Chief Operating Officer,  
International



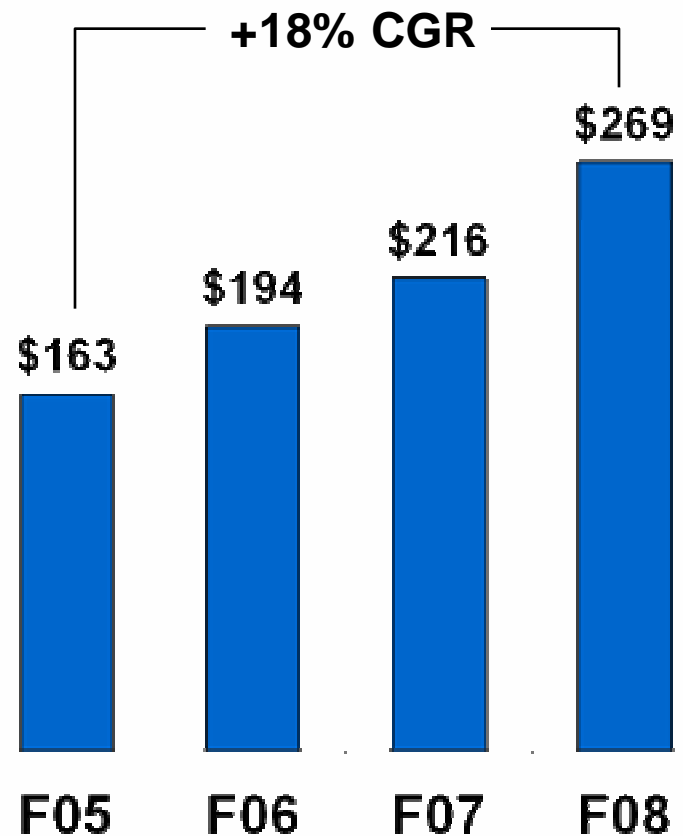
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# International Segment Strong Track Record of Growth

Net Sales  
(\$ in Millions)

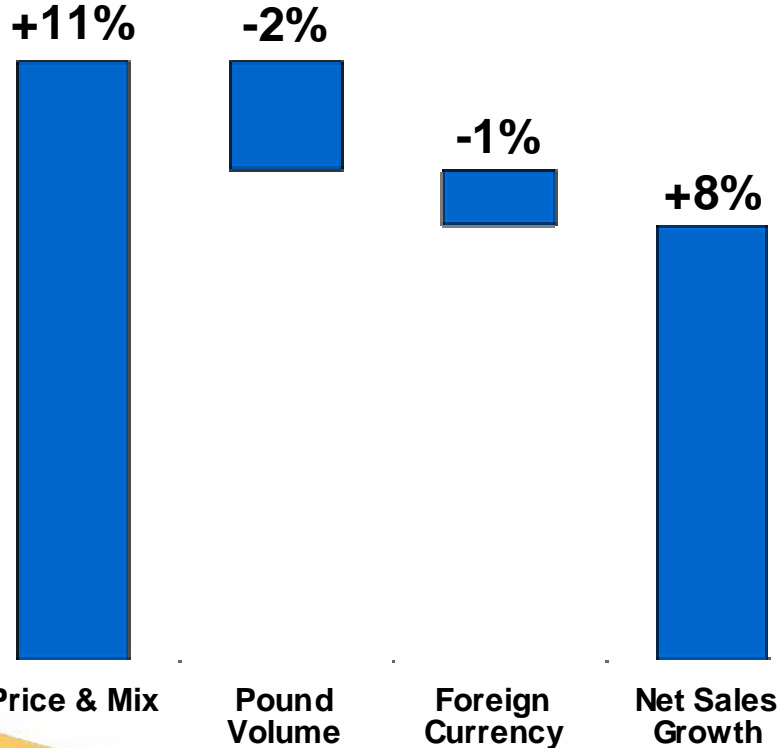


Segment Operating Profit  
(\$ in Millions)

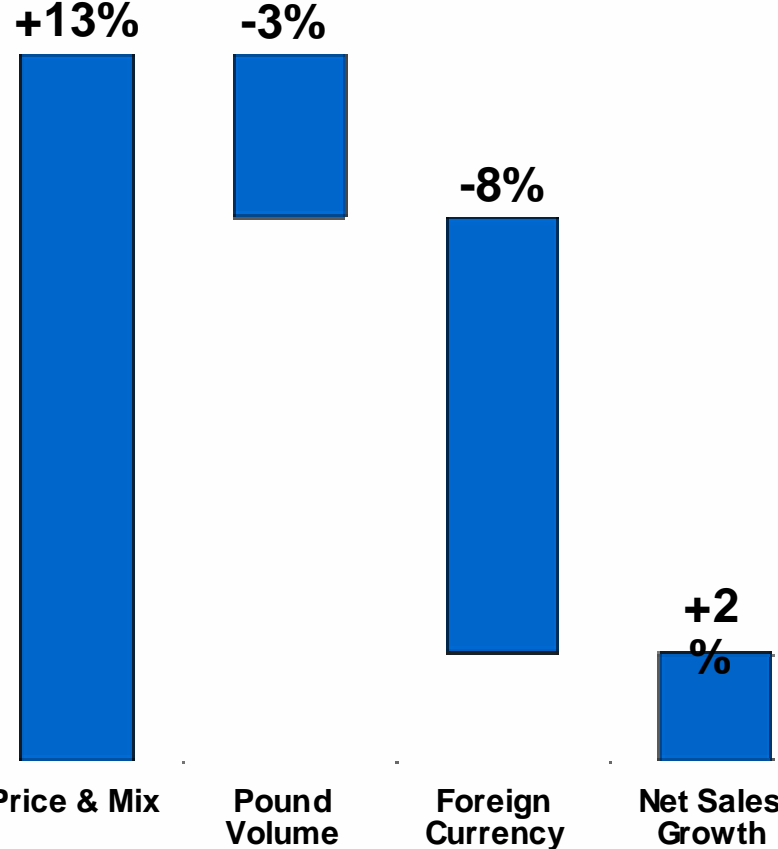


# International Segment Components of 2009 Net Sales Growth

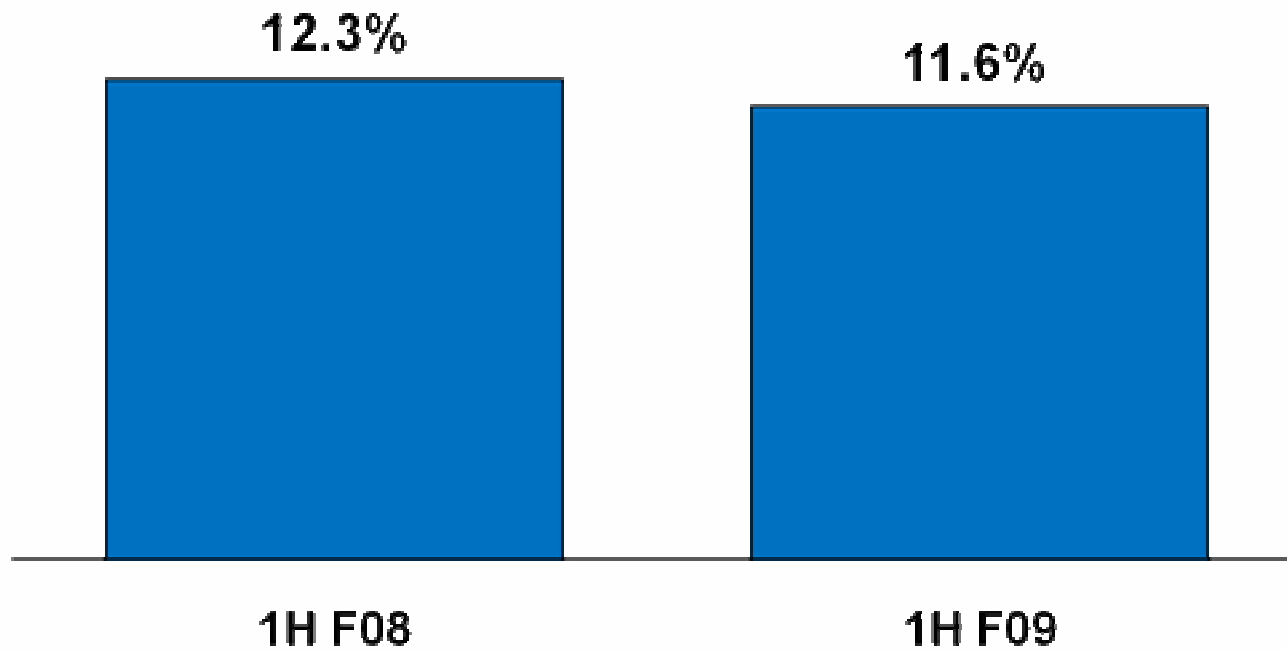
## First Half



## Second Quarter



# International Segment Operating Profit Margin



# Foreign Exchange

- Translation and Transaction Effects
- Will Reduce Reported F09 Sales and Operating Profit Results
- Constant Currency Basis – On Track to Targets



# International Growth Strategies

- Drive Topline Growth
  - Innovate to Build Core Business and Extend Brands
  - Expand Geographically
- Expand Margins
- Strengthen Infrastructure and Develop People



# Four Global Platforms

## Cereal



## Super-premium Ice Cream



## Convenience Meals



## Healthy Snacking



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# Cereal Partners Worldwide



- Calendar 2008 Organic Sales up 8%
- Continued Strong Growth on Core Brands
- Good Growth Opportunities Remain

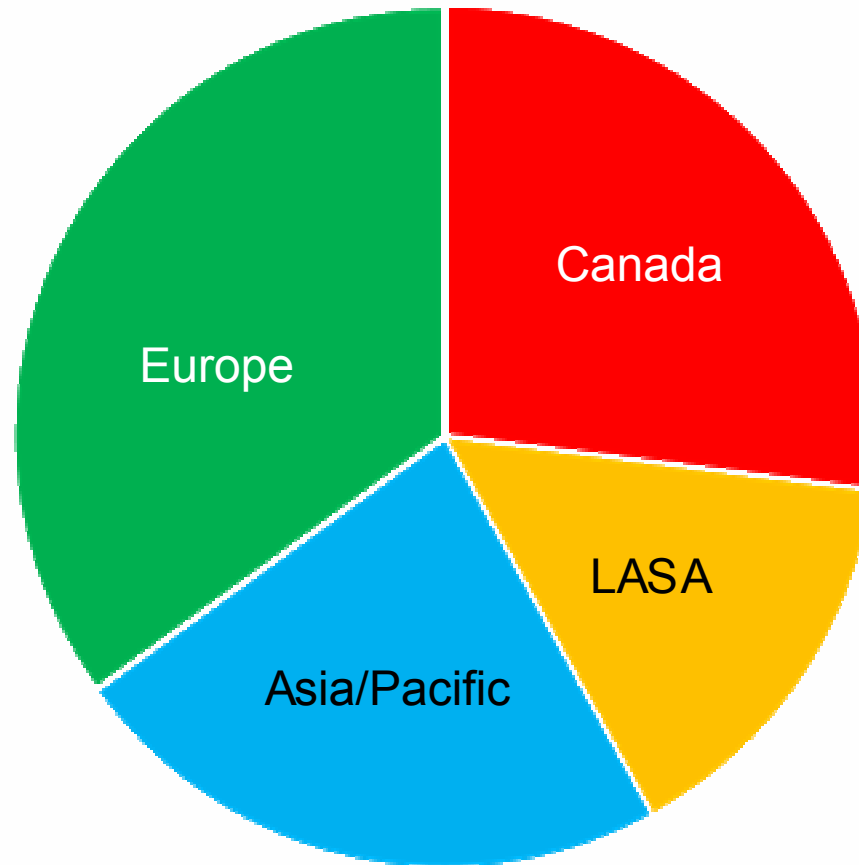
# Cereal Partners Worldwide Top 10 Markets

		<u>Value Share</u>	<u>Market Position</u>
1.	UK	23	2
2.	Australia	21	2
3.	France	23	2
4.	Mexico	17	2
5.	Poland	64	1
6.	Italy	25	2
7.	Russia	51	1
8.	Brazil	35	2
9.	Portugal	51	1
10.	Spain	17	2

Source: ACNielsen YTD through October, top 10 CPW markets by tonnage

# International Segment Sales by Region

Fiscal 2008 Net Sales = \$2.6 Billion



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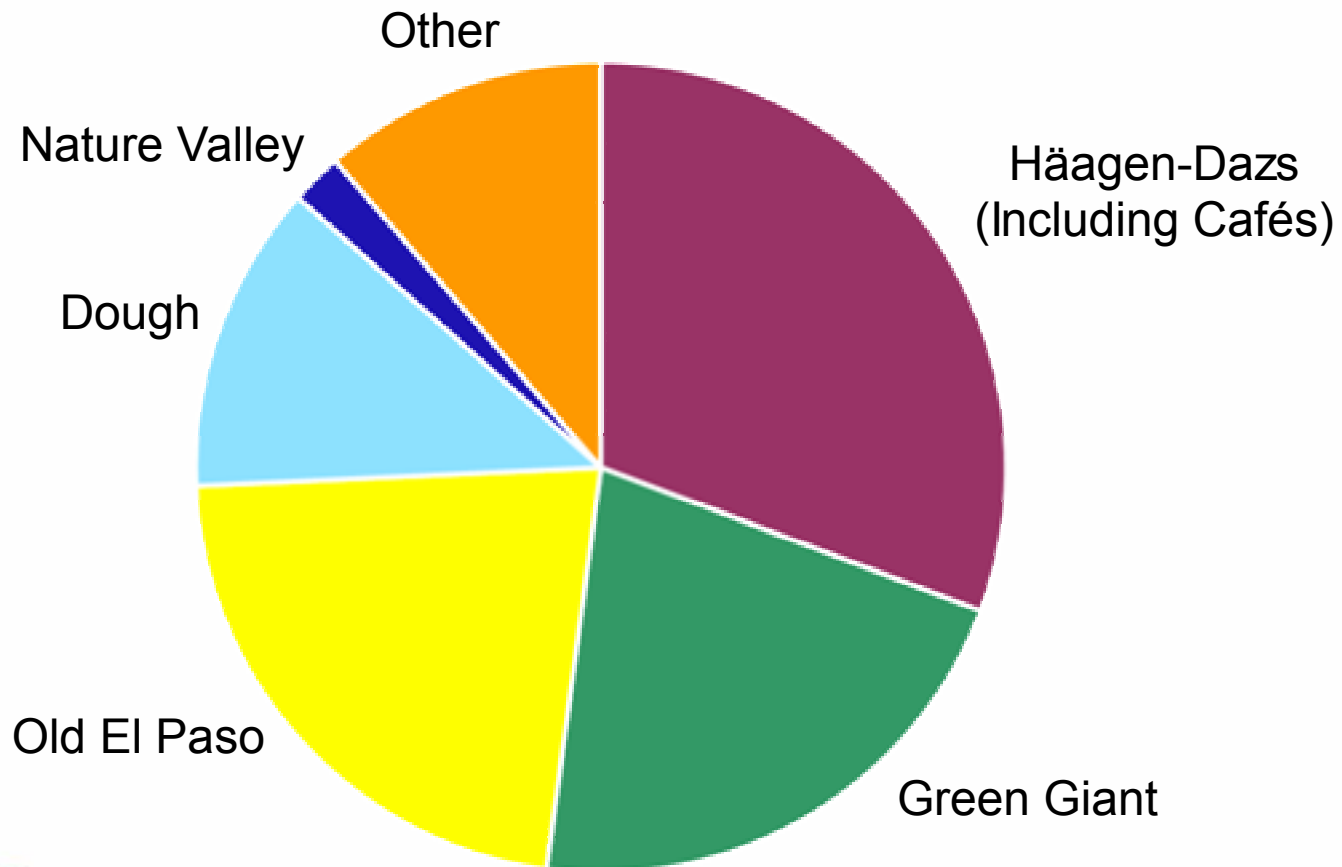
# Fiscal 2009 International Sales Growth



1H F09 Net Sales Growth at Constant FX

# General Mills Europe Brand Portfolio

Fiscal 2008 Net Sales = \$900 Million



# Old El Paso in Spain



	<u>2005</u>	<u>2008</u>
Weighted Distribution	33	80
Household Penetration	4	10
Dollar Market Share	44%	56%

Source: ACNielsen

# Europe Product News



Western Europe



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# Europe Product News



United Kingdom



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# Leading Market Positions in Canada

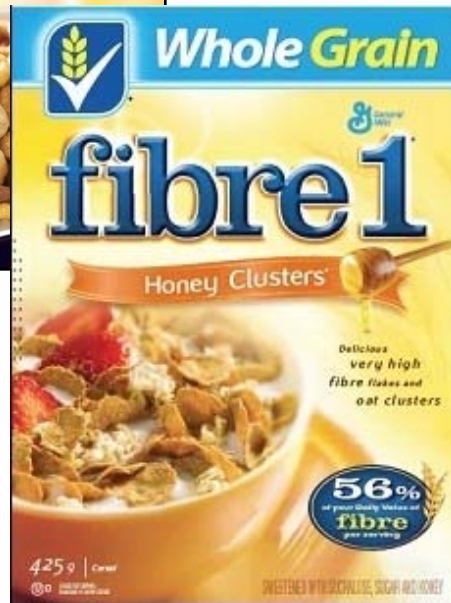
<u>Category</u>	<u>Market Share</u>	<u>Rank</u>
Refrigerated Baked Goods	89	1
Mexican Meals	79	1
Baking Mixes	53	1
Pizza Snacks	50	1
Instant Potatoes	46	1
Canned Vegetables	37	2
Fruit Snacks	37	1
Frozen Vegetables	30	2
RTE Cereal	26	2
Grain Snacks	24	2
Dinners	14	3



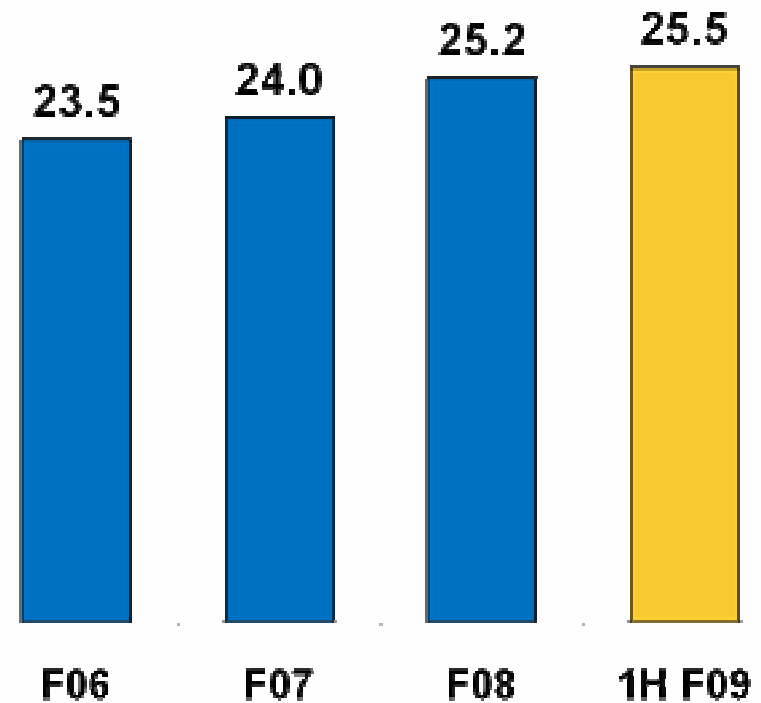
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Source: ACNielsen, 52 weeks ending 11/22/08

# Canada RTE Cereal



## Dollar Share



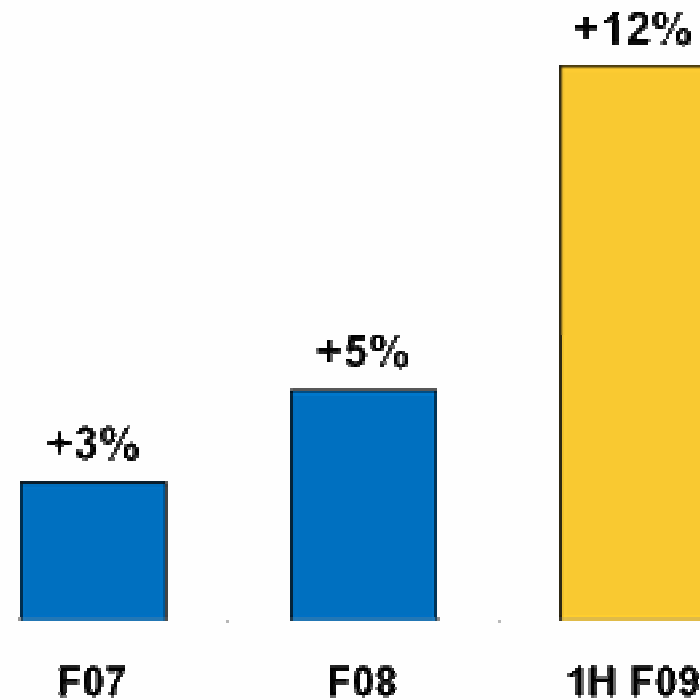
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Source: ACNielsen, period ending 11/22/08

# Canada Refrigerated Baked Goods



## Retail Sales Growth



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Source: ACNielsen, period ending 11/22/08

# Latin America

## Local Brands



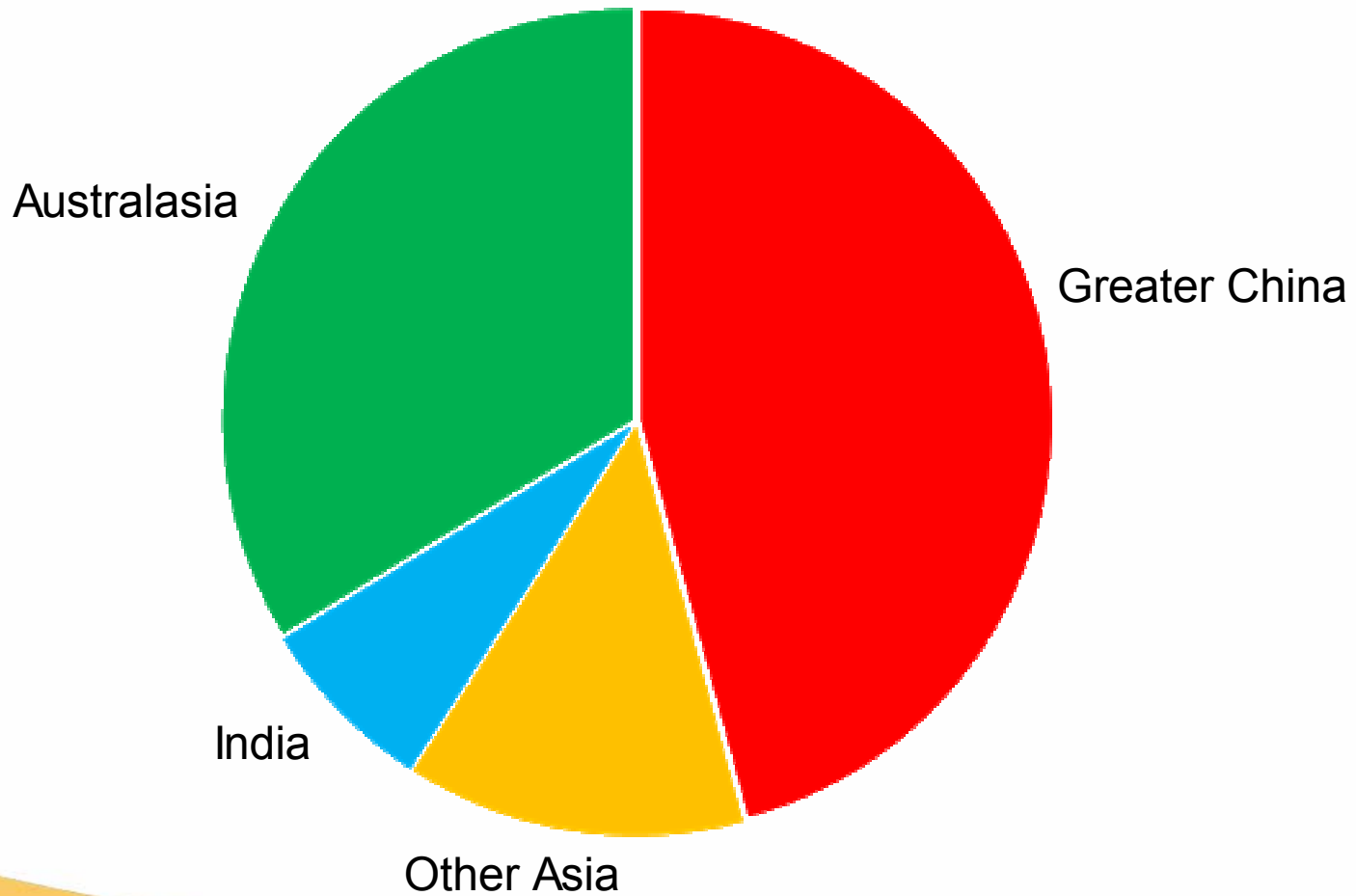
## Global Brands



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# Asia/Pacific

Fiscal 2008 Net Sales = \$580 Million



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# Australia and New Zealand Portfolio

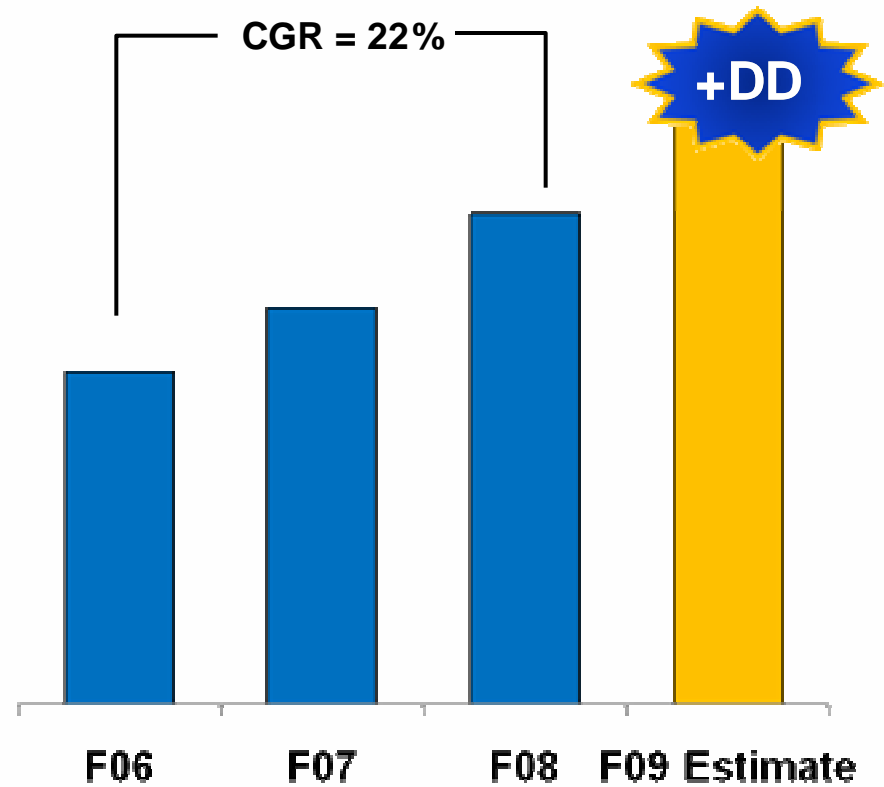


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# Greater China



## Net Sales Growth



# Wanchai Ferry in China



- #1 Dumpling Share in Top Markets
  - Shanghai 49 Value Share
  - Beijing 34 Value Share
  - Guangzhou 51 Value Share



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Source: ACNielsen

# Wanchai Ferry News



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# Häagen-Dazs in China



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# Häagen-Dazs News



**FOUR SEASONS**  
*Hotels and Resorts*



# International Summary

- Strong Brands with Niche Market Positions
- Good Growth Opportunities through Distribution and Household Penetration Gains
- HMM Efforts Just Beginning – Will Fuel Future Margin Expansion
- Foreign Exchange Will Impact 2009 Reported Results
- Excellent Long-term Growth Opportunities



# Yoplait Update

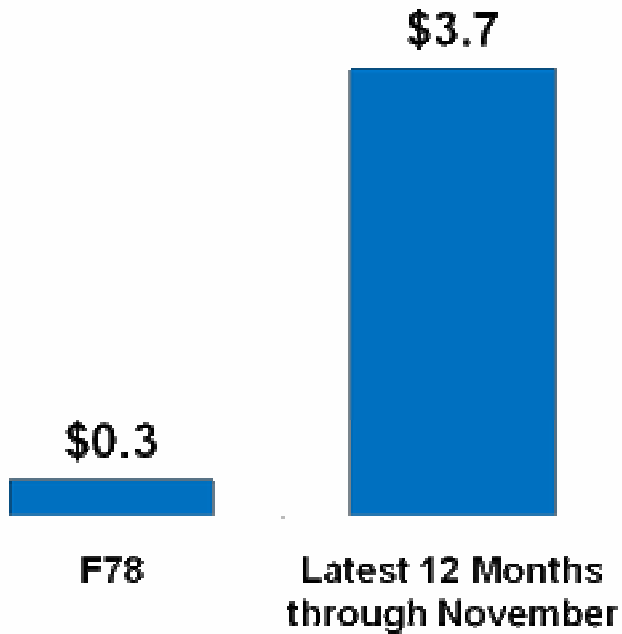
**Bob Waldron**  
Senior Vice President;  
President, Yoplait



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# U.S. Yogurt Category

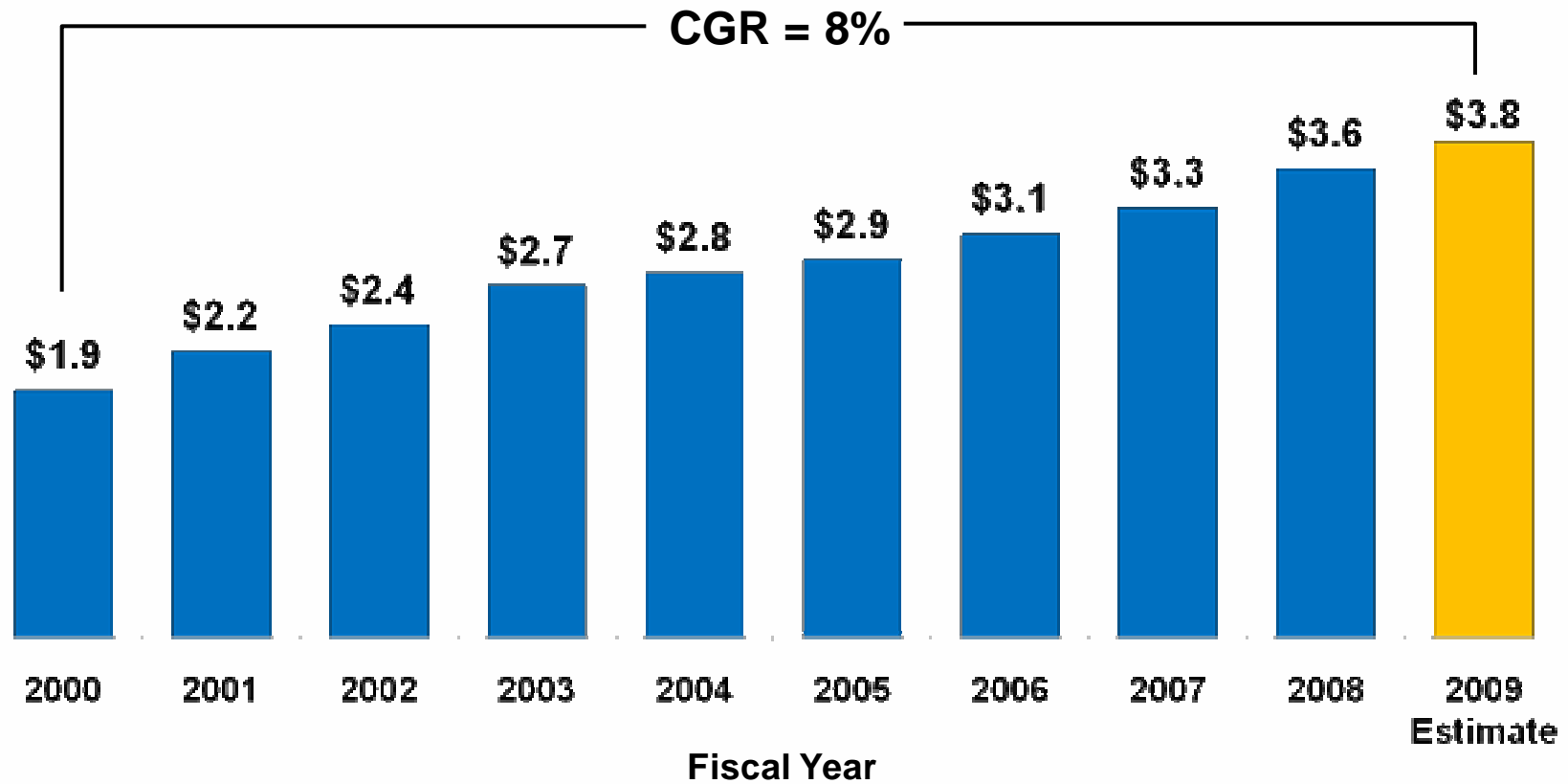
## Retail Sales (\$ in Billions)



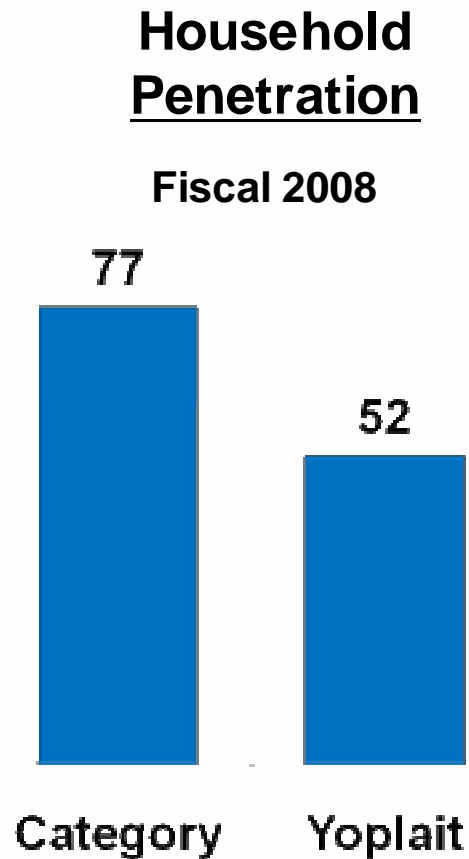
- Health
- Taste
- Convenience

# U.S. Yogurt Category

AC Nielsen Retail Sales (\$ in Billions)

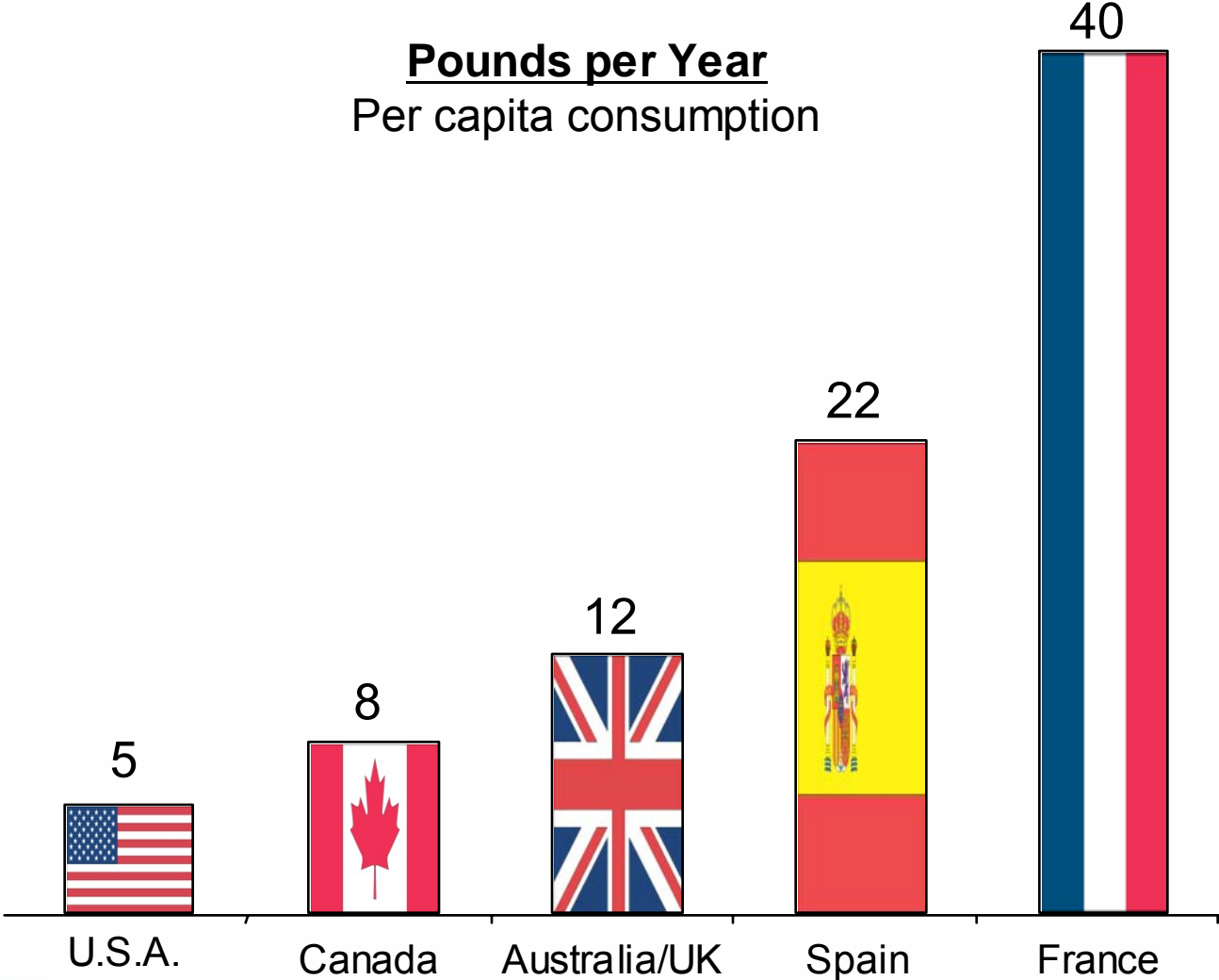


# Upside with Today's Consumers



- Kids
- Baby Boomers
- Multicultural Consumers

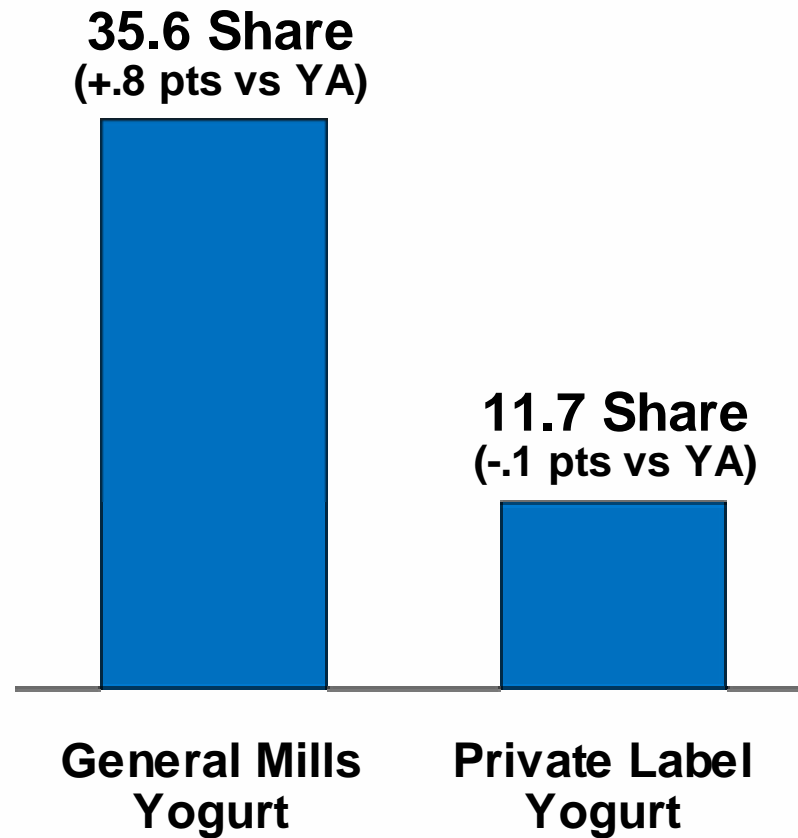
# Upside in Buying Rate



Source: Sodima Country Franchises

# Private Label Presence

## Dollar Share



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

# Our Yogurt Portfolio

## All-family



## Kid



## Adult



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# Yoplait Growth Drivers

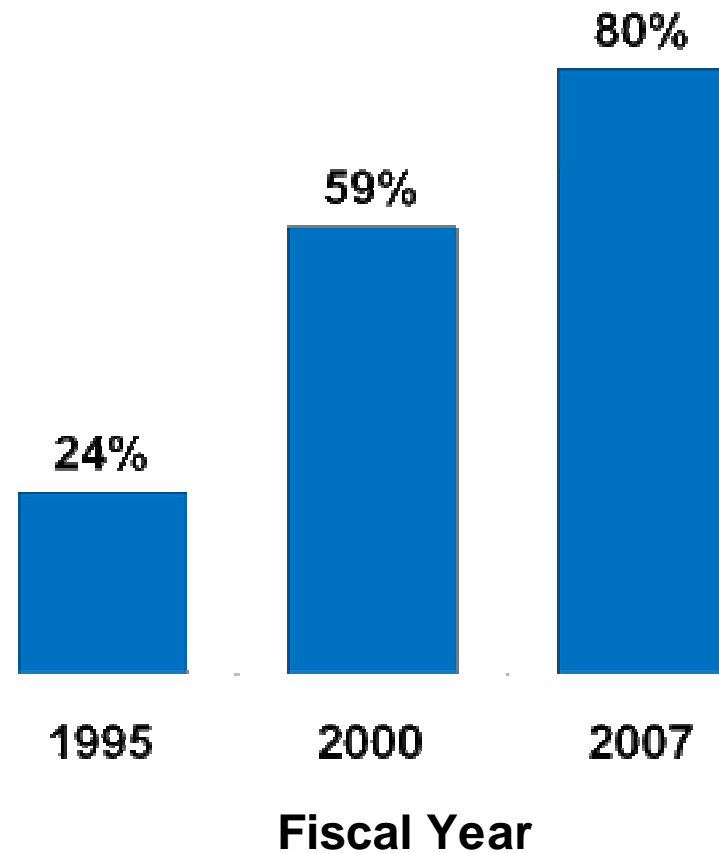
- Superior Product Quality and Taste
- Transformational Productivity
- Continuous Product Innovation
- Brand-building Support



# Commitment to Taste Superiority



## % Products Tested Superior



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# Productivity Fuels Growth



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# Yoplait Product News



**Core Cup Retail Sales +11% FYTD**



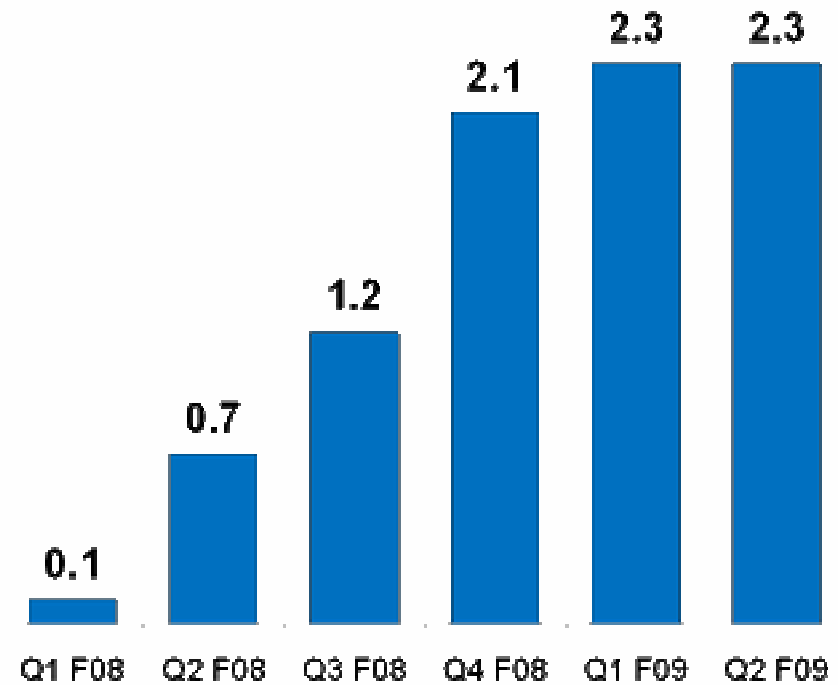
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Source: ACNielsen plus Wal-Mart, period ending 12/27/08

# Specialized Health



## Dollar Share

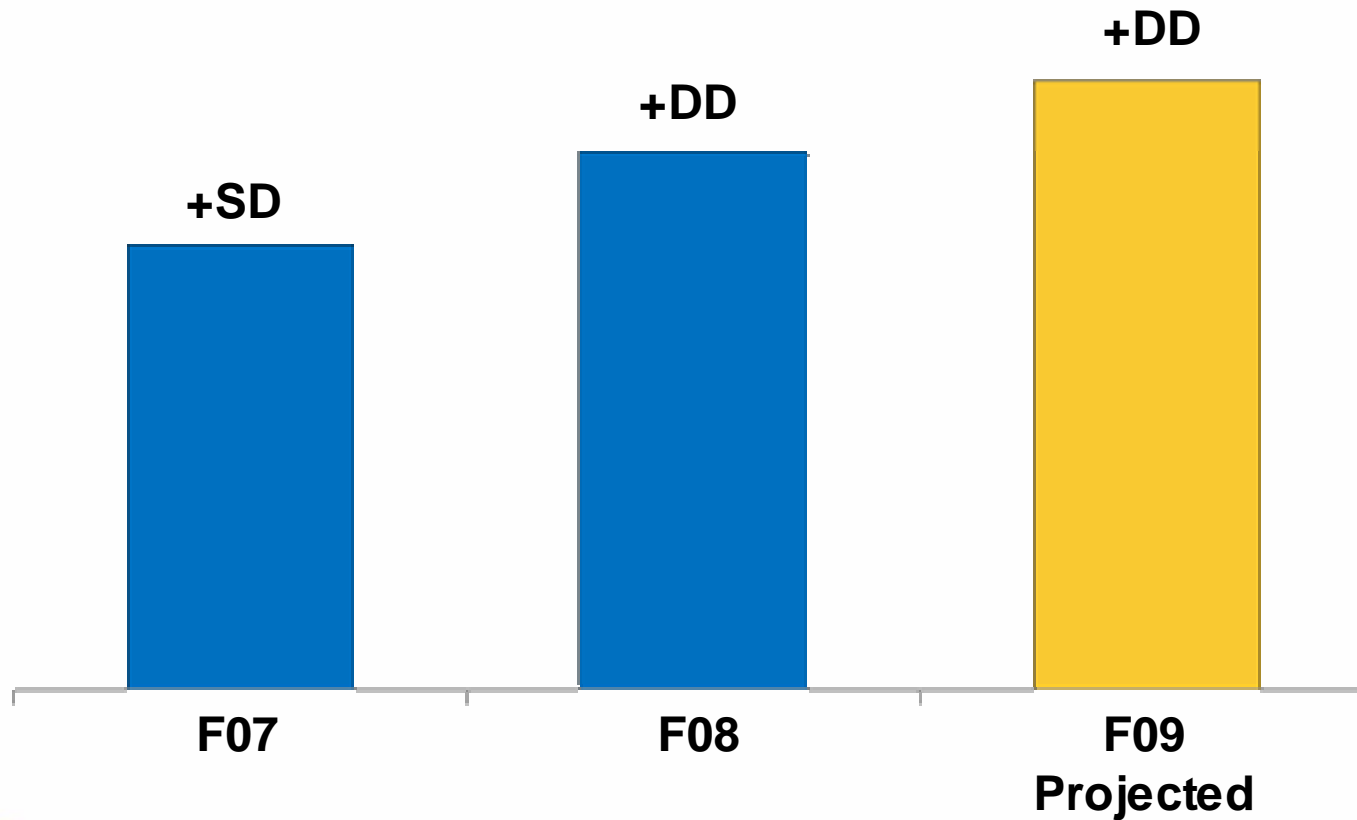


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Source: ACNielsen, period ending 11/22/08

# Yoplait Brand-building Spending

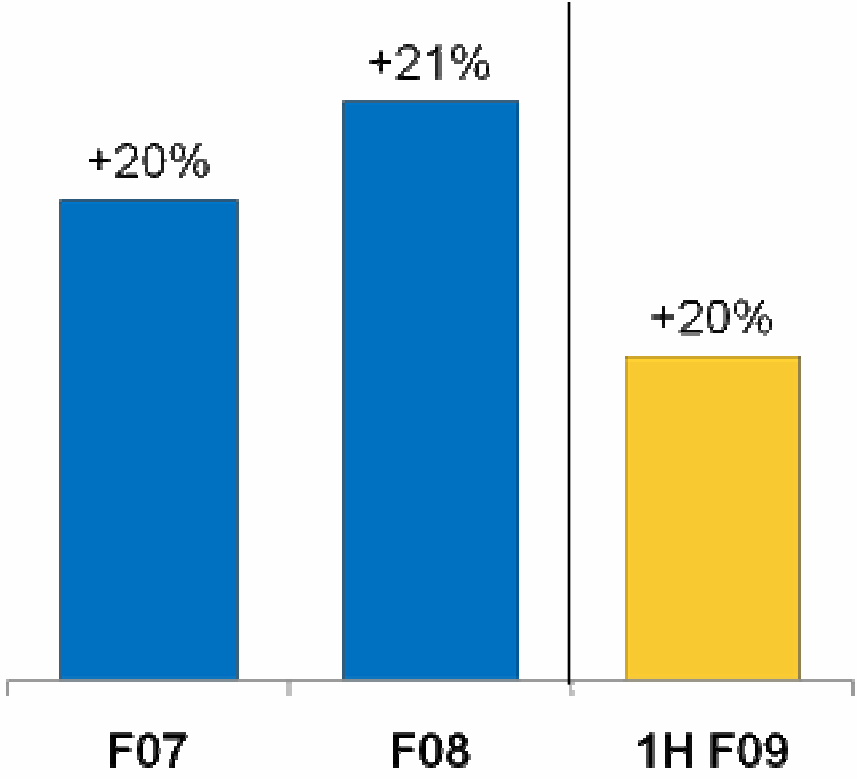
## Consumer Spending



# Yoplait Light



## Retail Sales



# Yoplait Light Brand Building



TV Advertising

Online Advertising



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# Kid Innovation & Brand Building



**25% Less Sugar**  
Than the Leading Kids' Yogurt



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# Multicultural Initiatives



**QUE RICA VIDA**

Sobremesa - Historias - Eventos - Recetas - Productos - Suscripción

Yoplait

Yoplait®  
Saborea lo bueno

Satisfacción completa en cada vaso. Yoplait® es un yogurt delicioso. Su textura cremosita y gran variedad de sabores lo encantarán. Con Yoplait® podrás satisfacer tu anhelo de algo nutritivo, ya que tiene vitamina D en cada vasito para ayudarte a que tu cuerpo absorba el calcio que necesita.

¡Descarga los cupones!  
y obtén importantes descuentos  
Comienza a ahorrar!

¡Disfruta de los productos Yoplait®!

- Yoplait® Harvest Peach
- Yoplait® Light Apple Turnover
- Yoplait® Thick & Creamy Vanilla
- Yoplait® Strawberry Banana

No te podrás contener.  
Disfruta del delicioso sabor y la textura cremosita de Yoplait. Además, contiene Vitamina D para ayudarte a que tu cuerpo absorba el calcio que tanto necesita. Eso es satisfacción completa. Yoplait. Saborea lo bueno.



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# Current Yoplait Advertising



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# “Pound for Pound” Promotion

**POUND FOR POUND CHALLENGE**

**LOSE WEIGHT & HELP FEED AMERICA**

**THE BIGGEST LOSER COUPLES**

**ALI**  
STARTING WEIGHT  
**234**  
CURRENT WEIGHT  
**122**  
DIFFERENCE  
**-112**

**POUND FOR POUND CHALLENGE**

**Yoplait Light Fat Free**

The graphic features a central blue banner with a white scale icon on the left and the text 'LOSE WEIGHT & HELP FEED AMERICA' in white and orange. To the right of the banner is the 'THE BIGGEST LOSER COUPLES' logo. Below the banner is a photo of a man and a woman. To the right of the photo is a digital scale display showing 'ALI' with a starting weight of 234, a current weight of 122, and a difference of -112. Below the scale display is a photo of a woman on a stage. To the right of the stage photo is a container of Yoplait Light Fat Free yogurt. A scale icon with 'POUND FOR POUND CHALLENGE' text is also positioned below the couple's photo.

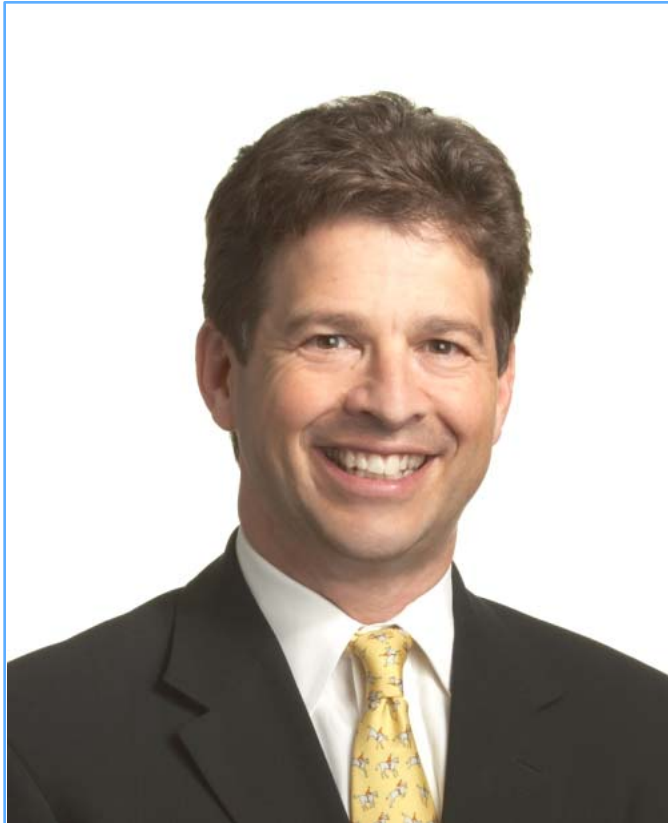


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# Yoplait Division Outlook

- On Trend Category
- Proven Growth Drivers
- Great Innovation Opportunities





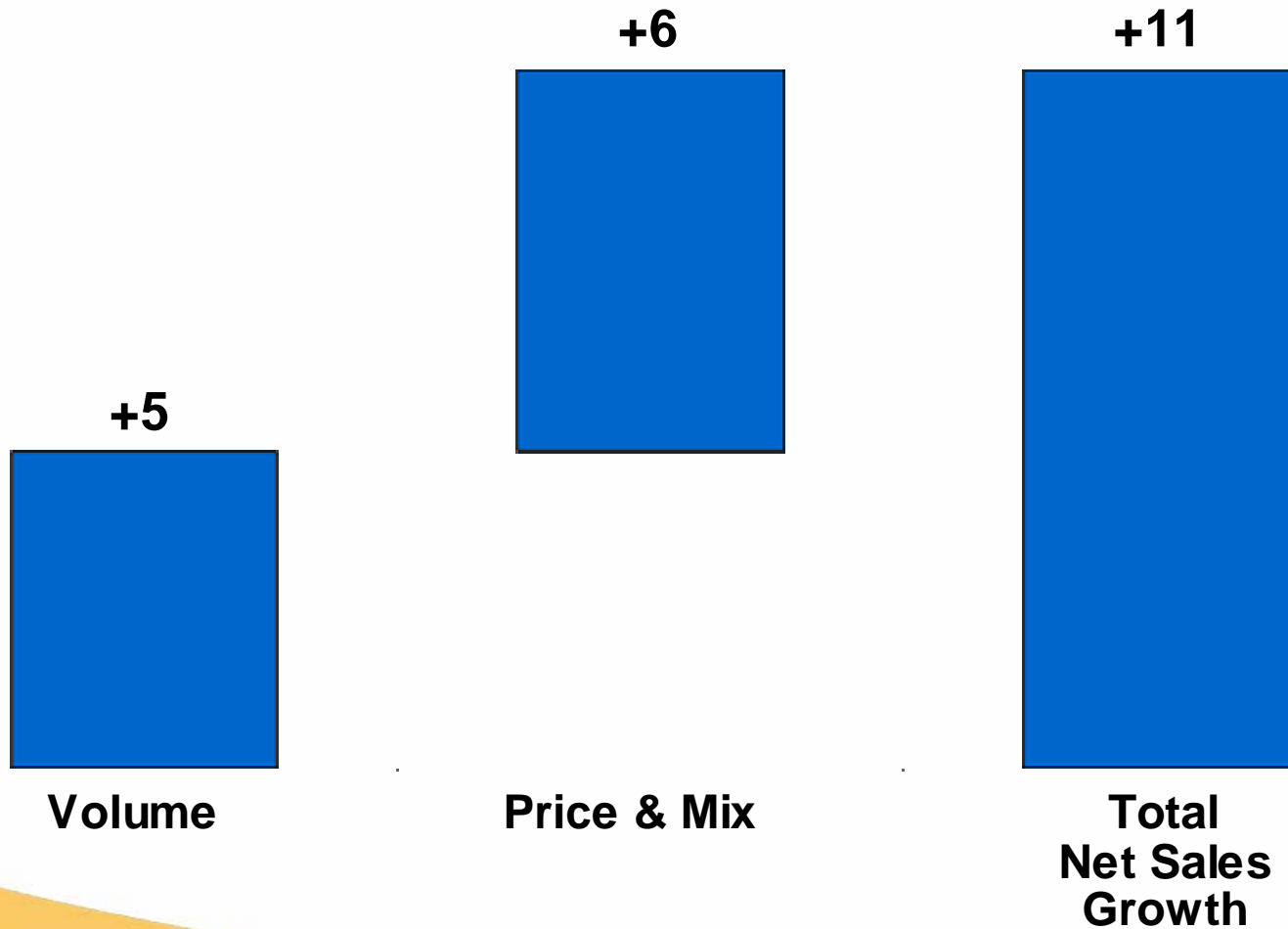
# U.S. Retail Update

**Ian Friendly**  
Executive Vice President;  
Chief Operating Officer,  
U.S. Retail



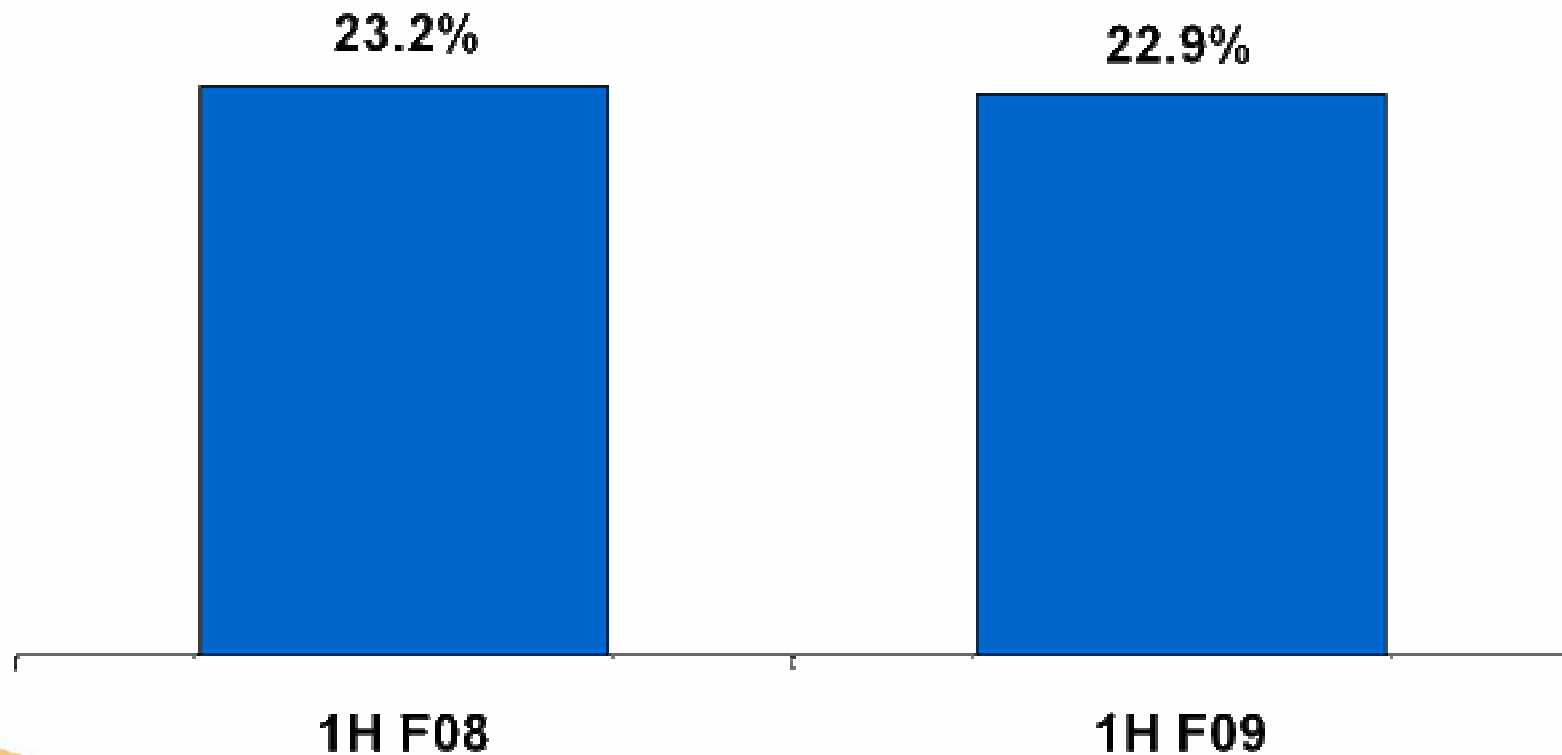
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# U.S. Retail 1H F09 Components of Net Sales Growth

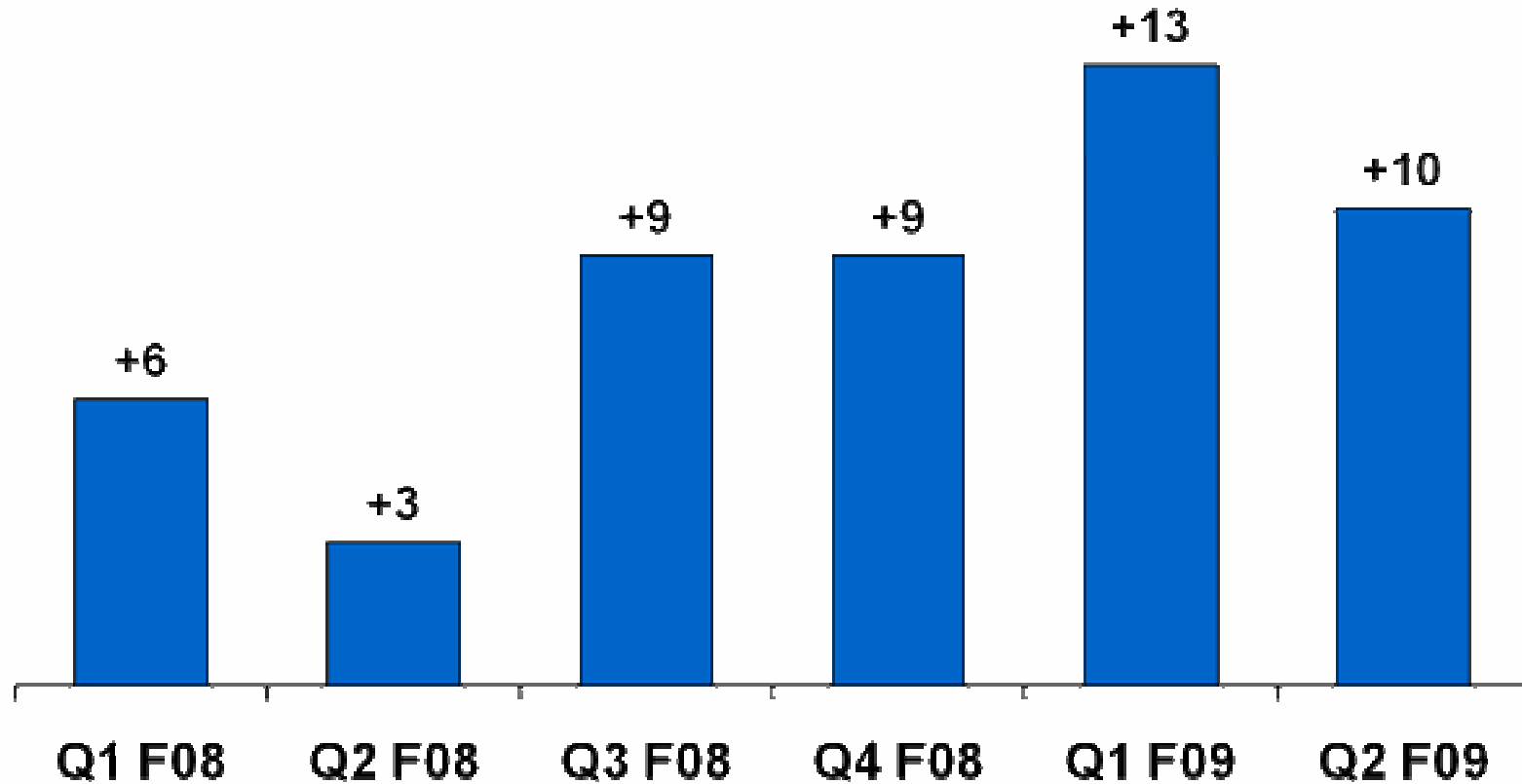


# U.S. Retail 1H Margin Performance

## Segment Operating Profit Margin



# U.S. Retail Net Sales Growth Trend



# A Portfolio for All Seasons



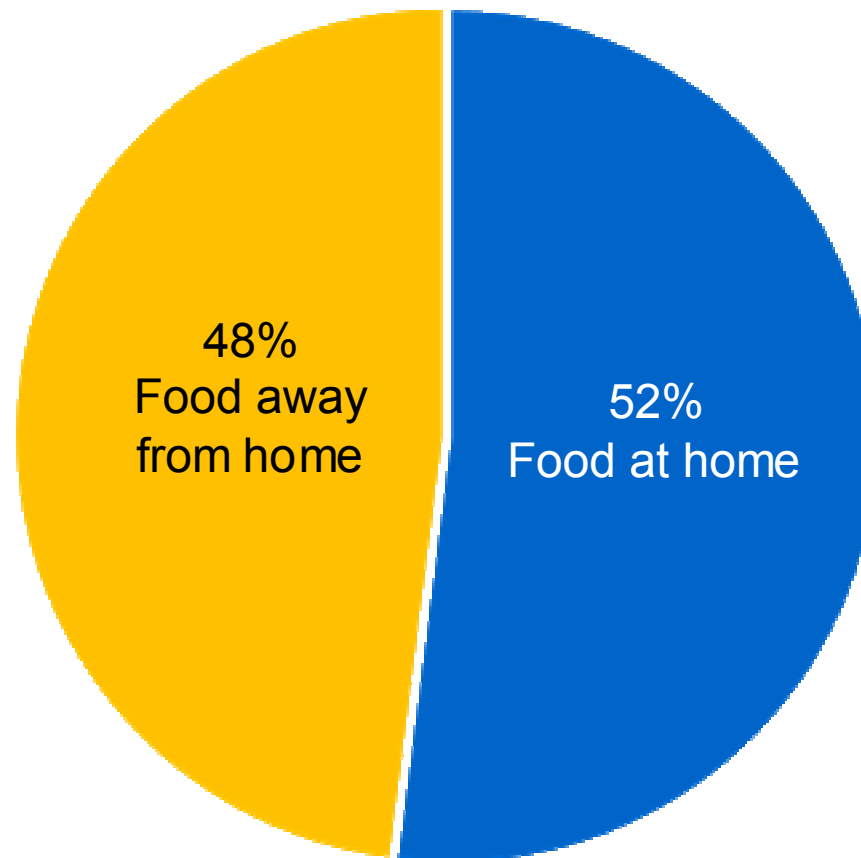
- Great Categories
- Leading Brands
- Strong Consumer Marketing



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# U.S. Food Expenditures

Calendar 2008 = \$1 Trillion in Sales



# Our Categories are Large and Mainstream

	<u>Retail Dollar Sales (\$MM)</u>
RTE Cereal	\$6,500
Yogurt	3,700
Frozen Vegetables	2,200
RTS Soup	1,700
Grain Snacks	1,700
Mexican Aisle Products	1,600
Refrigerated Dough	1,400
Dessert Mixes	1,200
Frozen Hot Snacks	900
Fruit Snacks	500
Dinner Mixes	400

# Our Categories Are Growing

## Dollar Sales Growth in ACNielsen Measured Channels

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

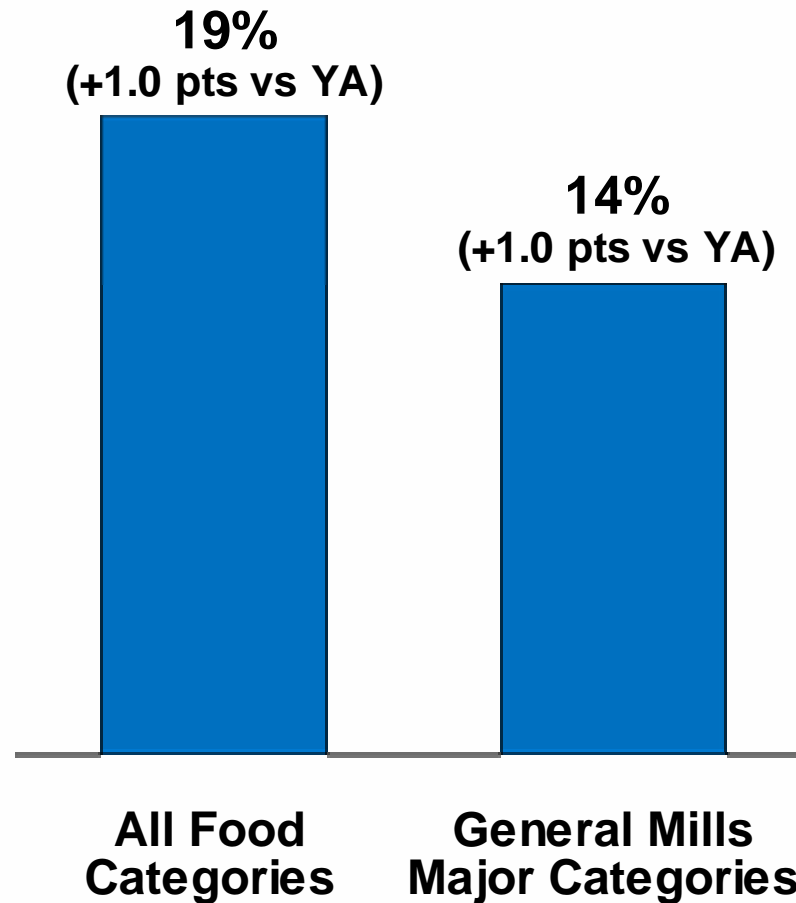


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Source: ACNielsen

# Our Categories Have Lower Private Label Penetration

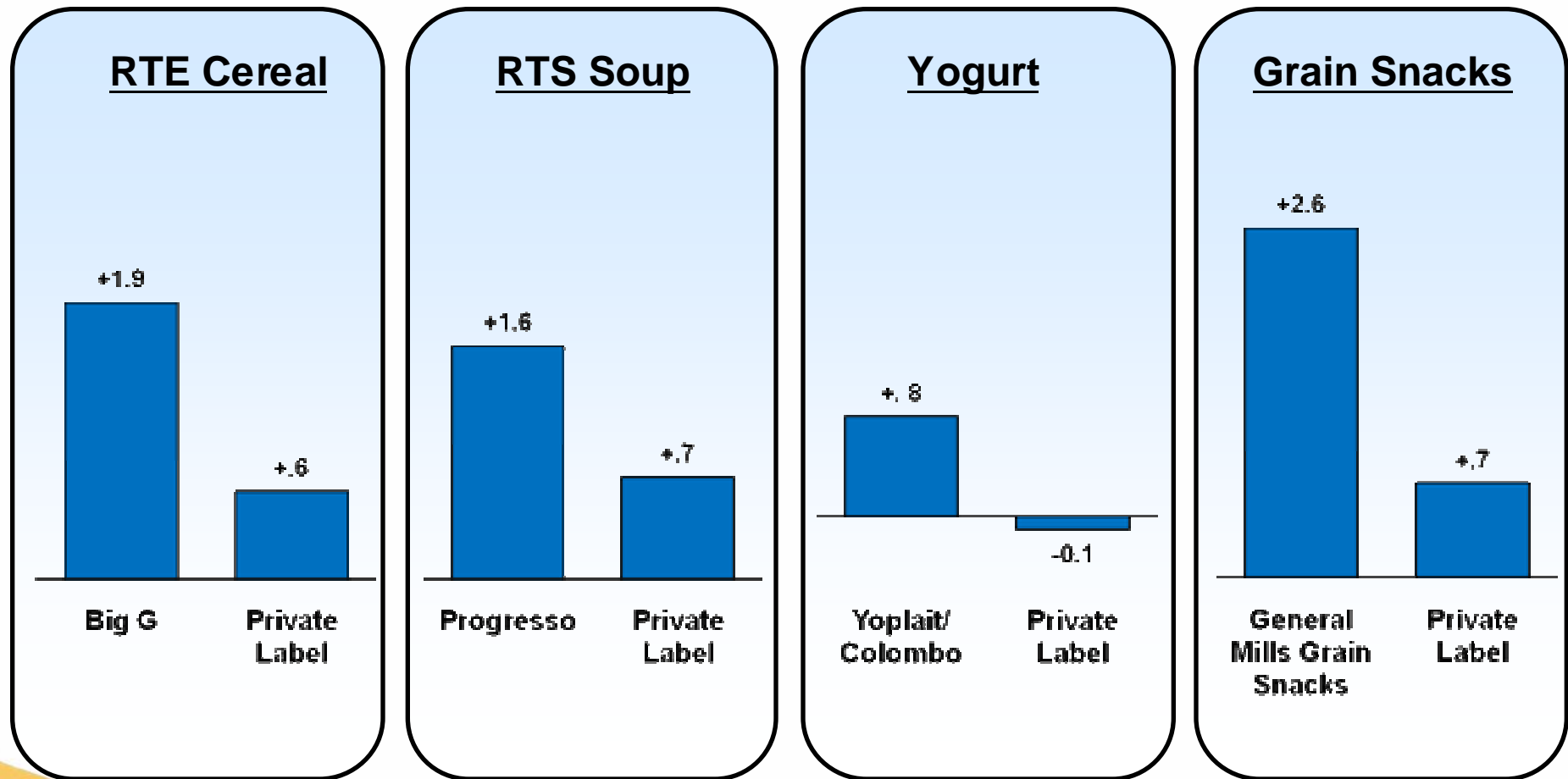
1H Fiscal 2009 Dollar Share



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

# Gaining Share in Key Categories

1H Fiscal 2009 Dollar Share Change



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

# Our Products Deliver What Consumers Demand

- Great Taste
- Convenience
- Health and Wellness Benefits
- Value



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# Our Products Deliver Value

Average Non-promoted Price/Serving



**\$1.16**



**\$.71**



**\$.53**



**\$.37**



**\$.30**



**\$.26**



**\$.38**



**\$.72**



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Source: ACNielsen, 4 wks ending 11/22/08

# Hamburger Helper



1971



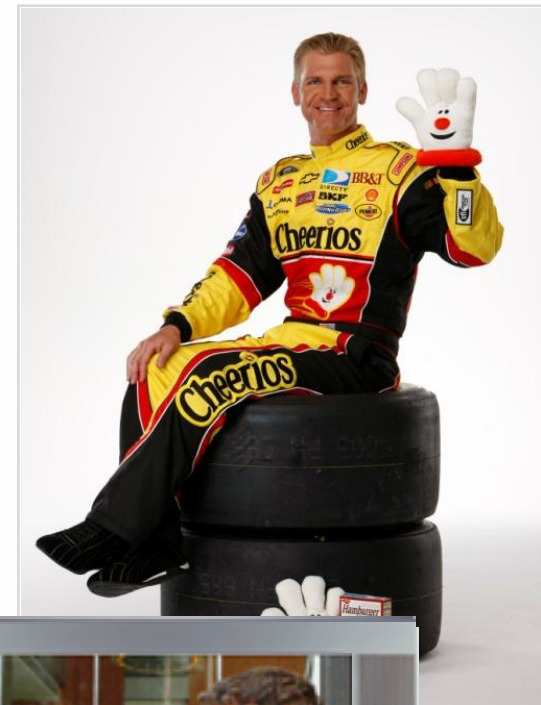
Today

- “One Pan, One Pound, One Happy Family”
- Dinner for 5 for ~ \$1 per Serving Including Ground Beef



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# A Meal You're Sure to Love



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# Macaroni Grill



- Launched in June
- Highly Incremental
- Dollar Turns Near Top 1/3 of Category
- Projected Year 1 Retail Sales = \$40 Million



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# Totino's



\$1.44

72¢ per Serving



\$4.05

58¢ per Serving

Average Non-promoted Price



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Source: ACNielsen, 4 wks ending 11/22/08

# Totino's Growth



## 1H F09 Retail Sales

Pizza	+11%
Pizza Rolls	+10%

# Bisquick



- Launched in 1931
- Delivers Convenience and Value
- FYTD Retail Sales +24%



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Source: ACNielsen plus Wal-Mart, period ending 12/27/08

# Betty Crocker Desserts



## F09 Retail Sales

	<u>1H</u>	<u>Dec</u>
BC Desserts	+7%	+13%
Cake	+7	+16
Brownies	+20	+29
Cookies	+5	+6
Muffins	+17	+30



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Source: ACNielsen

# Refrigerated Baked Goods



## F09 Retail Sales

	<u>1H</u>	<u>Dec</u>
RBG	+4%	+20%
Sweet Rolls	+5	+15
Crescents	+4	+20
Biscuits	+3	+17
Cookies	-1	+9



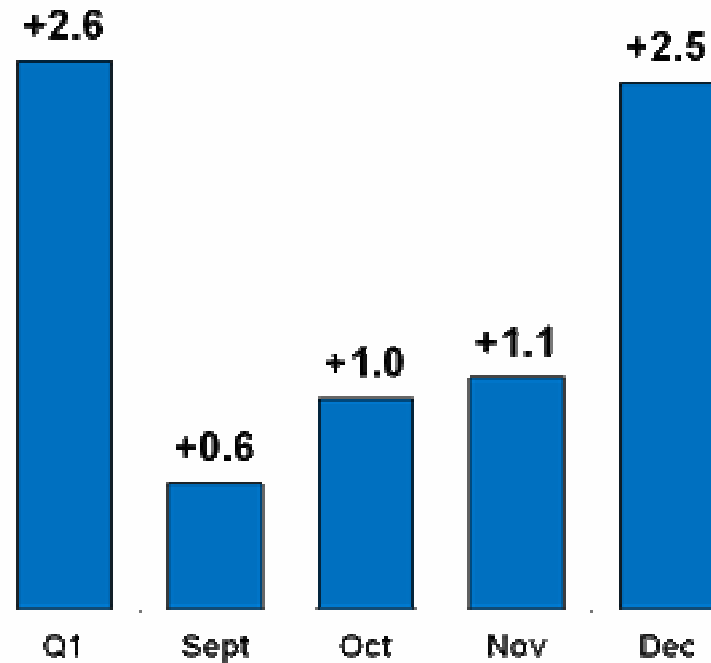
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Source: ACNielsen

# Progresso



## RTS Soup Dollar Share Growth



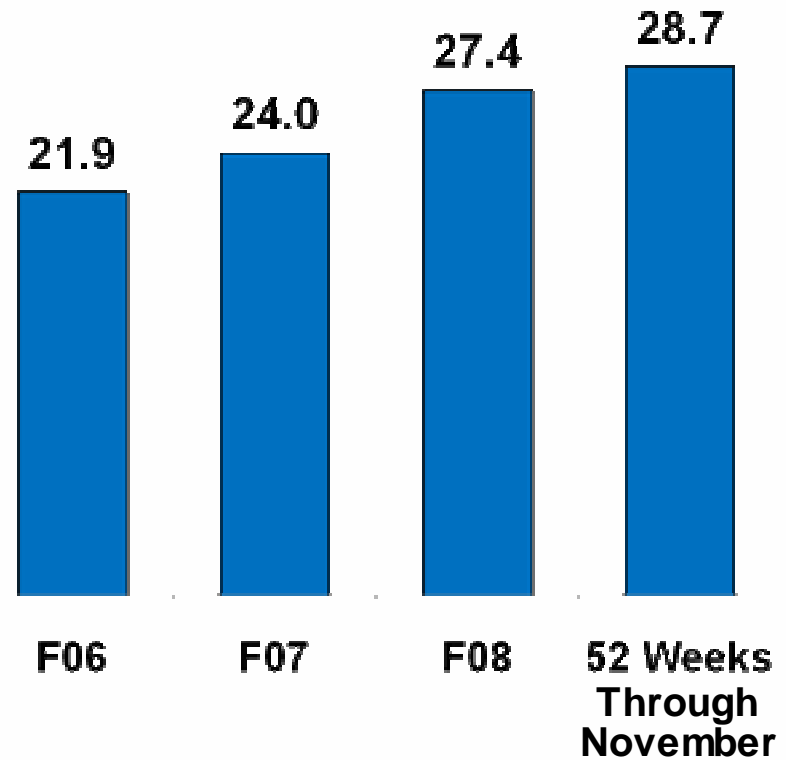
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Source: ACNielsen

# Grain Snacks



## Dollar Share



# Grain Snacks New Products



# Big G Cereal



- A Great Breakfast Choice
  - High in Nutrients
  - Low in Calories
- 50 Cents per Serving (Including Milk)
- Innovation and Marketing Driving Growth



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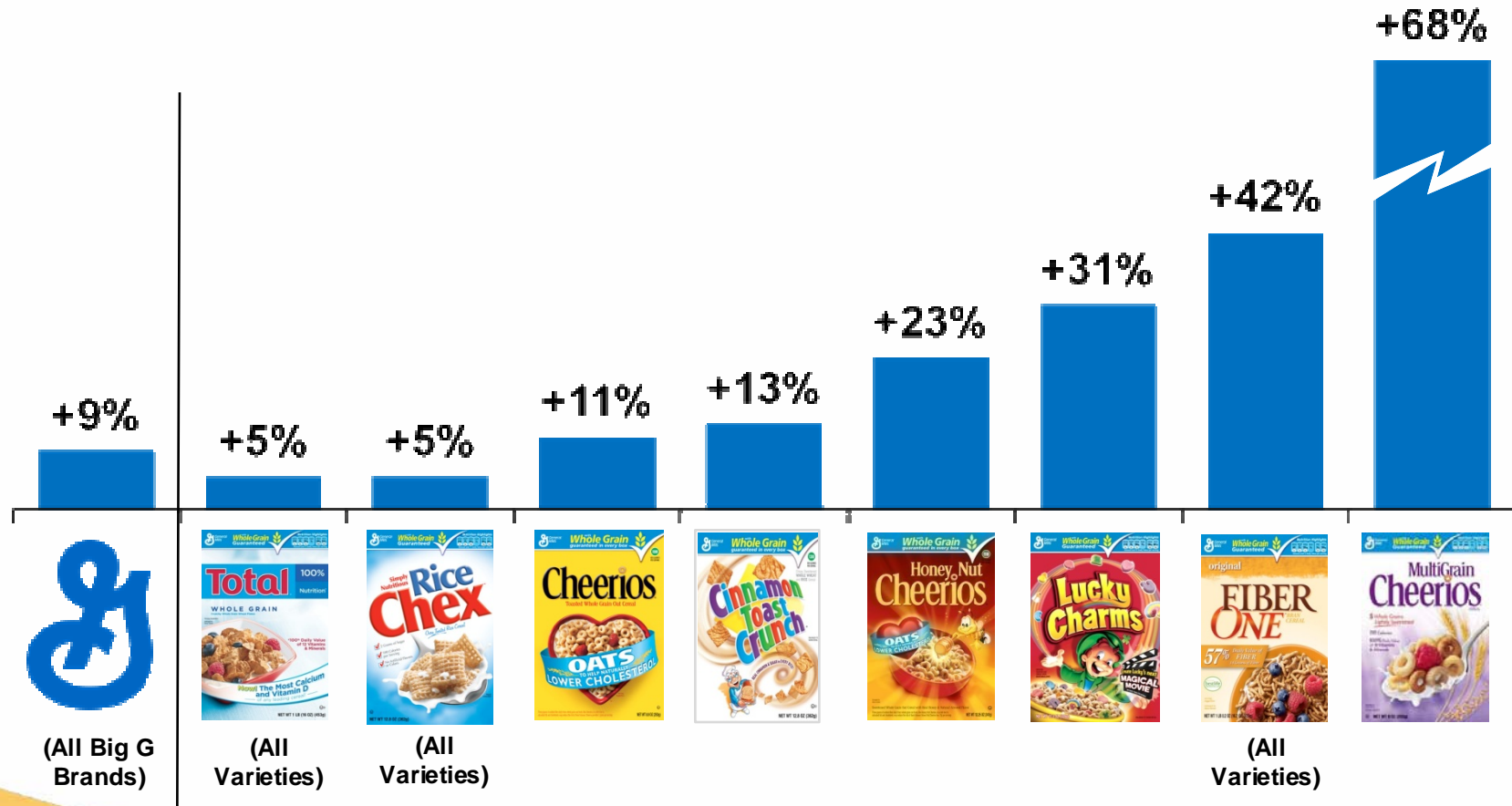
# Strong Big G Cereal Fundamentals

## ACNielsen Measured Channels

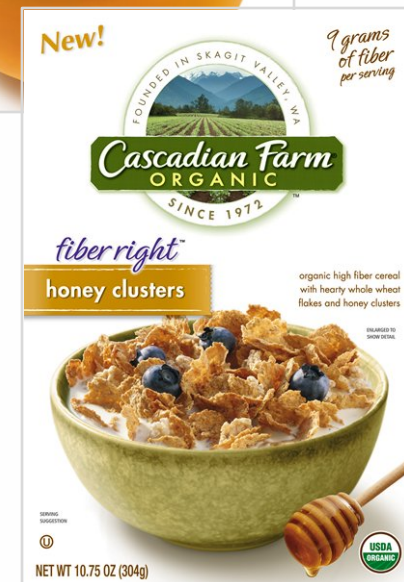
	<u>1H F09</u>
Retail Dollar Sales	+9 %
Baseline Growth	+3 %
% Dollar Volume Sold on Deal	
General Mills	45 %
Other Branded Manufacturers	46 %
Share Growth	+1.9 pts

# Big G Cereal Broad-based Strength

1H 2009 Retail Sales in ACNielsen Outlets

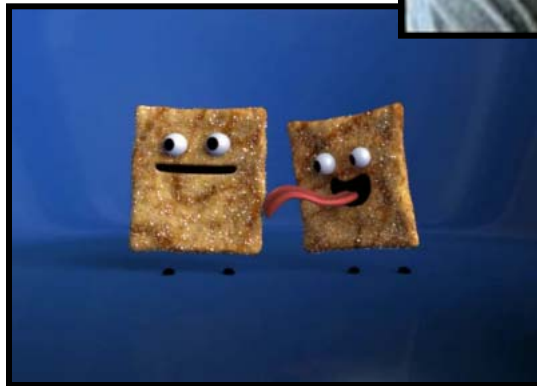


# Big G New Products



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# Big G Brand-building

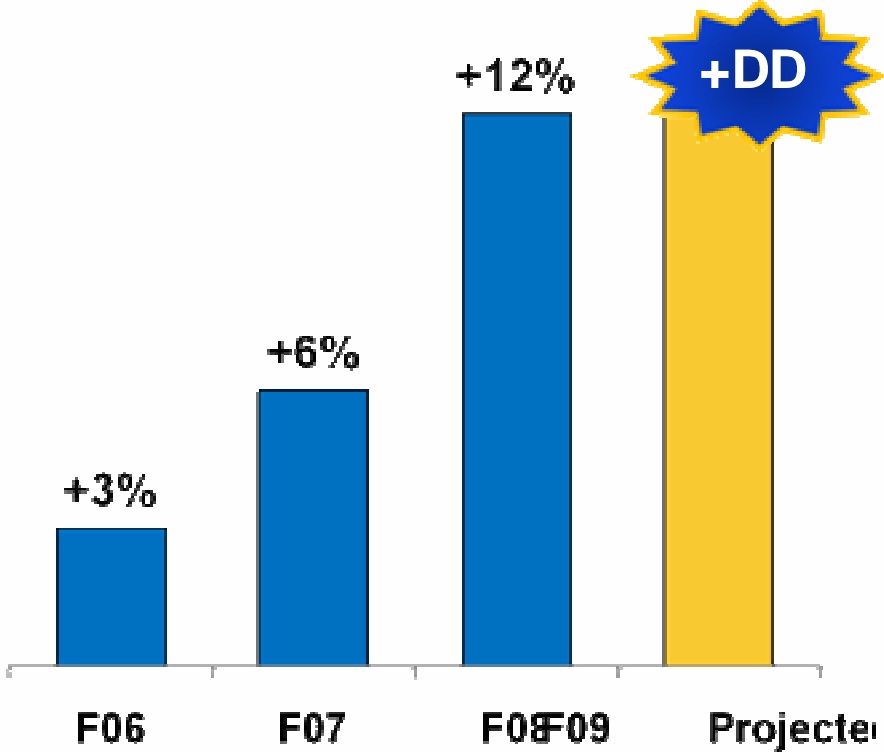


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# Brand-building Investment



## U.S. Retail Consumer Marketing Spending Growth



# Multicultural Consumers



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# Digital Advertising



Savings Alerts | Forum | Contact Us | Help

What is Cellfire Get Cellfire Now Deals

Phone #  Year of Birth

Introducing **Digital Coupons**  
**No Clipping. No Printing. No Forgetting!**<sup>™</sup>  
 Savings in your area on shopping, restaurants, grocery and entertainment. **Find Deals Near You**  
 Easy access to offers on the go with your mobile phone or at home with your PC. **See How it Works**

**Get Cellfire Now**

**Deal Spotlight**  
 Buy one, get one FREE Chili Cheese Dog

**What's New**  
 Grocery coupons available nationwide

**Browse the Savings**



**shortcuts.com**<sup>™</sup>  
 A Free Service of AOL



**Bisquick**  
 Red, White and Blue Shortcake Stars  
 Celebrate Flag Day with red, white and blueberry shortcakes.  
 Get the recipe See all shortcake recipes

Get the new Bisquick Cookbook

**Top 5 Recipes**  
 from the NEW Ultimate Bisquick Cookbook  
**Impossibly Easy Toffee Ric Cheesecake**  
 Find this new cheesecake along with hundreds of other new recipes.  
 Buy it now →

- Coconut Shrimp
- Easy Mexican Bake
- Chicken-Vegete Casserole
- Mintique-Topped Strawberry Shortcake

**eat better america**<sup>™</sup>

way to go, women! celebrate your health and life.  
 Wow! Men with whole-grain cookies and cakes.

**NEW! Healthified Oatmeal-Raisin Cookies**  
 Oatmeal cookies get healthier with the goodness of whole wheat flour and oats. Just as tasty!  
 37% less fat  
 30% less sat. fat  
 28% fewer calories\*

**Yogurt. surrender your spoon.**  
 \*Yoplait yogurt contains calcium and vitamin D that can help boost the nutrition of your dishes. Eating has never tasted so good!  
 \*Yogurt is a healthy substitute for sour cream and can replace fat in recipes.  
 More tips for recipe substitutions

**@healthified**  
 simple ways to eat healthy  
 More recipes made with **Great Melli's** whole wheat flour:  
 Fresh Apple Cake  
 • 21% fewer calories  
 • 52% less fat  
 Carrot Cake  
 • 53% fewer calories  
 • 72% less fat

**link together**  
 General Mills is donating \$2 million to Susan G. Komen for the Cure!  
 Visit [PinkTogether.com](http://PinkTogether.com)

**help us create a new magazine!**  
 Vote for your favorite cover now and the winning design will be featured on an upcoming magazine.  
 Take survey

**save lids to save lives**<sup>®</sup>  
 Yoplait yogurt gives you the chance to take part in the search for a cure, one little lid at a time.  
 Learn how to do your part | Save \$1 now

Help us improve our newsletter. How would you rate the usefulness of this email?  
 Not useful | Useful

**Pillsbury** Home is calling.

Bacon, Caesar and Mozzarella Panini  
 A spicy twist on a classic BLT.

**Find a Recipe**  
 Enter recipe or ingredient  
 Popular searches: croissants, appetizers, chicken, pizza, sushi

**You could win \$1,000,000**  
 Enter your original recipe in the Bake-Off Contest, and you could be a millionaire!  
 Share inspiring recipes | Contest details | Stand prize: winning tickets

**Great game get-togethers**  
 Paper plates for having a ball!  
 Quick recipes | Games they'll love | Make ahead party food

**Pizza Pizzazz**  
 Refrigerated pizza crust makes dinner quick, affordable and just the way you like it!  
 Family favorites | All pizza recipes | Gourmet pizzas | Get coupon

**Toaster Strudel**<sup>™</sup> frozen pastries  
 The one little twist to eat!  
 Save \$1

**Bring our benefits home**  
 A quick sign-up, and sit back and enjoy the benefits of joining Pillsbury.com. Exclusive coupons. Your own online recipe box. Online newsletters. All free.  
 Make your life a little easier. **Join now**

# Pillsbury Digital Media

The screenshot displays the Pillsbury website's 'appetizers' section. At the top, a banner for 'Crescent Danish Rolls' features the Pillsbury Doughman character and the text 'Create an easy wow!'. Below the banner is a navigation bar with links for 'Recipes & Cooking', 'Shows', and 'Chefs'. A search bar is located below the navigation bar. The main content area is titled 'appetizers' and includes a sub-header 'small bites to start your meal'. A large image of appetizers is shown, with a text box titled 'Elegant Appetizers' describing them. To the right, there is a list of 'Inside Appetizers' including 'Elegant Appetizers', 'Easy Appetizers', 'Garden of Eatin''s', 'Garden of Eatin''s', 'Single Small Bites', 'Garden of Eatin''s', 'Garden of Eatin''s', and 'Garden of Eatin''s'. Below this, there is a 'Most Popular' section with a list of recipes. The website also features a 'My Recipe Box' and 'Sign In/Register' links.

**appetizers** small bites to start your meal

Serve big flavor in small, bite-sized foods. Our easy appetizers are perfect for setting out with cocktails, whetting your appetite for dinner or even just making a meal of them.

**Elegant Appetizers**  
Delight guests with these impressive hors d'oeuvres. Try cured salmon crostini or rich artichoke, potato and egg tortitas for a tapas party or provide real Tex-Mex finger sandwiches, which fit every occasion. Browse 3 more recipes

**Inside Appetizers**

- Elegant Appetizers
- Easy Appetizers
- Garden of Eatin''s
- Garden of Eatin''s
- Single Small Bites
- Garden of Eatin''s
- Garden of Eatin''s
- Garden of Eatin''s

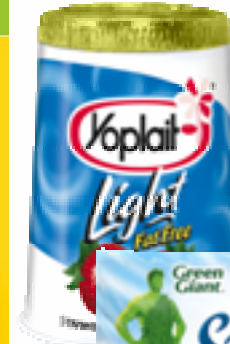
**Most Popular**

- Recipes
- VIDEO
- Photo Galleries
- Topics

# Leveraging Our Portfolio Pound for Pound Challenge



THE  
**BIGGEST  
LOSER**



GENERAL MILLS

# U.S. Retail Outlook

- Our Categories are Growing
- Our Brands are Posting Sales and Market Share Gains
- We're Supporting Our Brands with Strong Consumer Marketing Efforts
- Excellent Growth Prospects in 2009 and Longer-term



# Bakeries & Foodservice Update

- 1H Sales Up 11% Reflecting Pricing and Effective Mix Management
- 1H Operating Profits Up 10%
- 2H Profit Comparisons Challenging
- Continue to Target Flat Profits for F09 Full Year





# Focused on Execution

- Protect Margins Through HMM
  - Productivity
  - Mix Management
  - Price Realization
- Disciplined Cash Use
  - Focused Capital Investment
  - Strong Cash Returns to Shareholders



# Fiscal 2009 Guidance

(\$ in Millions, Except per Share)

	<u>Original 2009 Target</u>	<u>Revised 2009 Target</u>
Net Sales	+MSD	+MSD to HSD
Segment Operating Profit*	+MSD	+MSD to HSD
Restructuring Expense**	Comparable	Comparable
Interest Expense	+LSD	Comparable
Tax Rate	35%	34 - 34.5%
JV Earnings After-Tax	Comparable	Comparable
EPS Excluding Certain Non-cash Items*	\$3.78 - 3.83	\$3.83 - 3.87

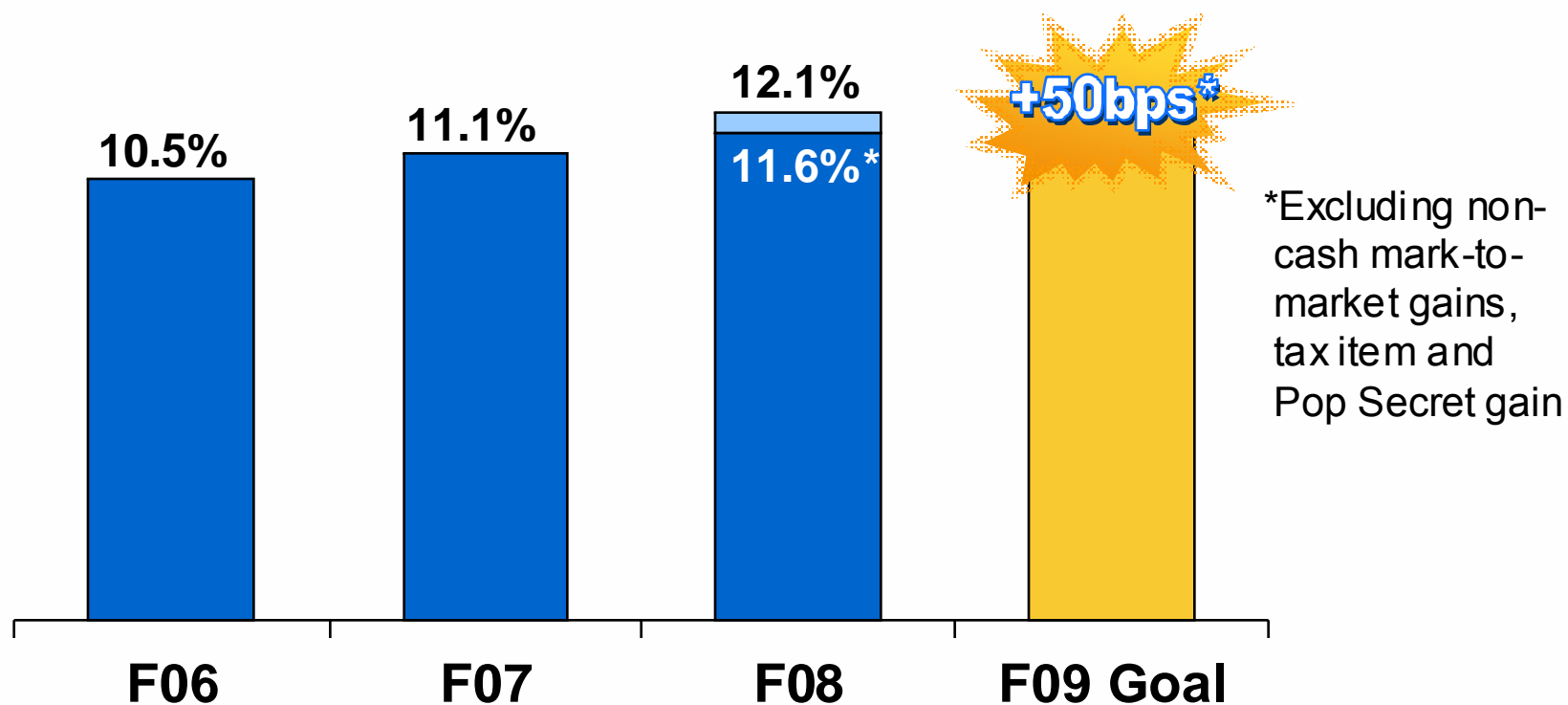
\* Non-GAAP measure. Before any impact of mark-to-market valuation in both years, a tax item in 2008, and the gain on the sale of Pop Secret in 2009.

\*\* Including accelerated depreciation reported in cost of sales.



GENERAL MILLS

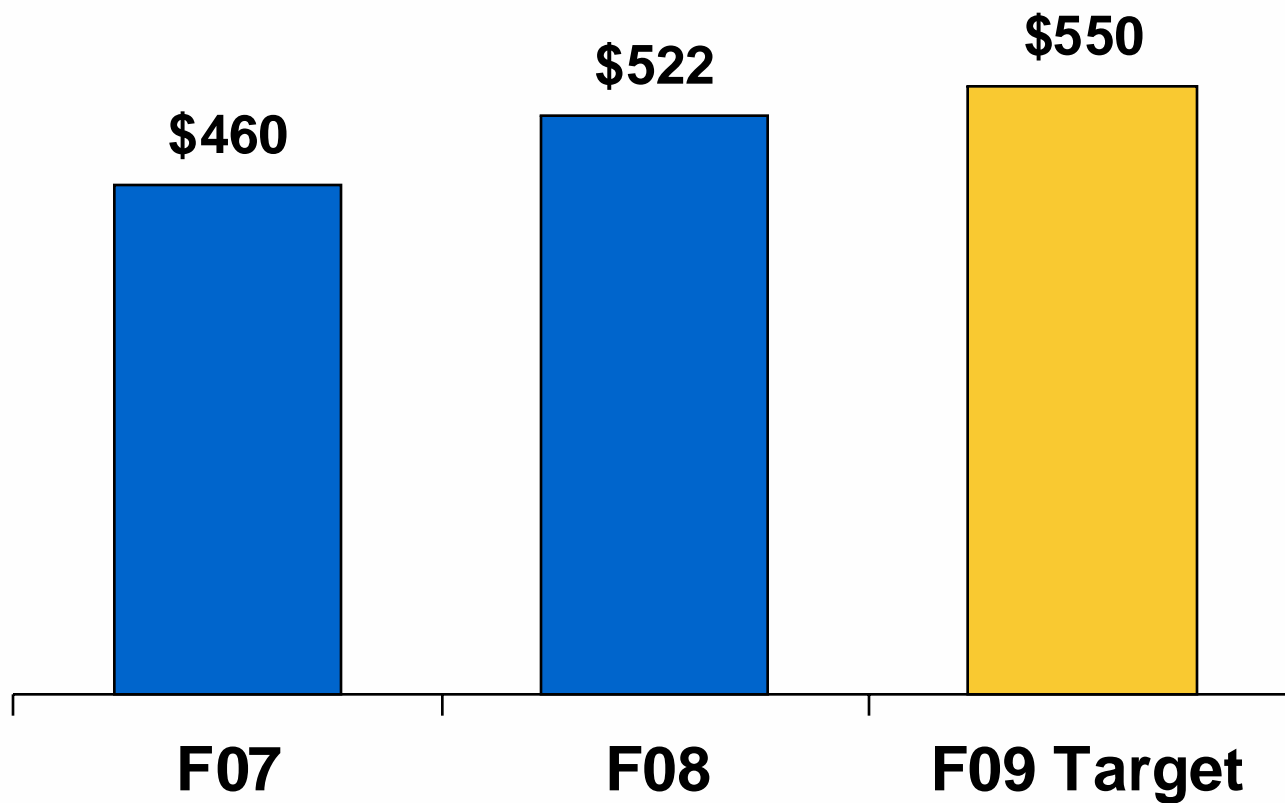
# Return on Total Capital



\*Excluding non-cash mark-to-market gains, tax item and Pop Secret gain

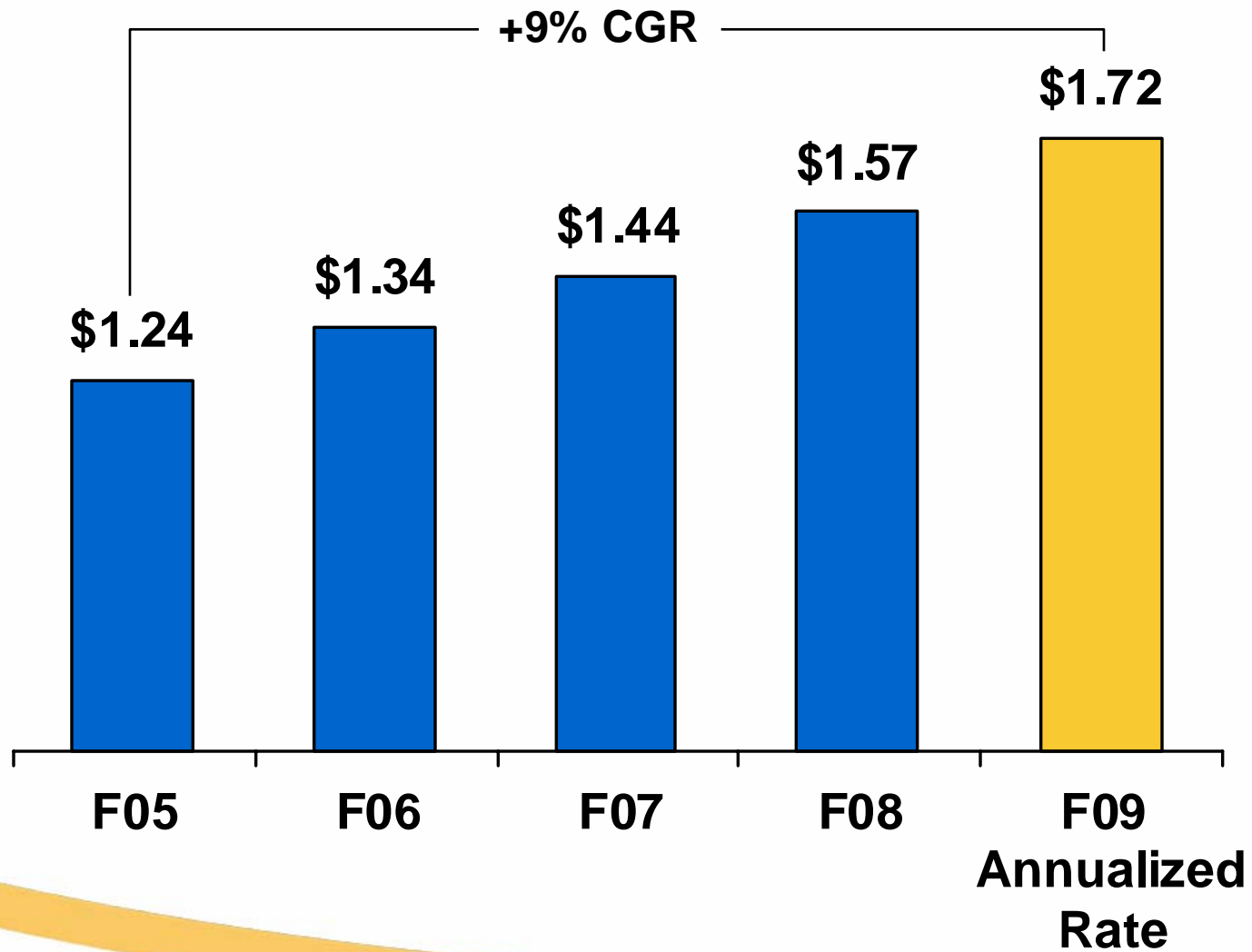
# Capital Expenditure Trend

(\$ in Millions)



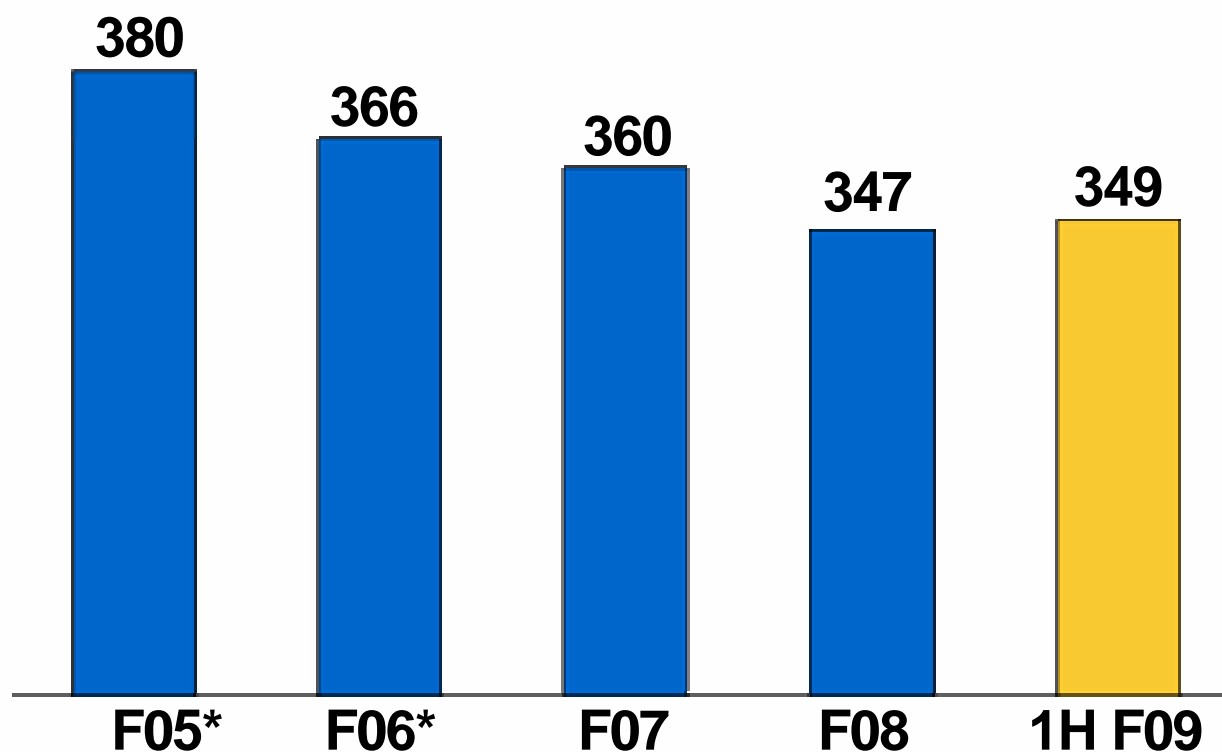
GENERAL MILLS

# Dividends



# Average Diluted Shares Outstanding

(Shares in Millions)



\*2005 and 2006 exclude CoCo accounting impact.  
Non-GAAP measure. See appendix for reconciliation.

# General Mills Long-term Growth Model

## Compound Growth Rate

Net Sales

Low Single-digit

Segment Operating Profit

Mid Single-digit

Diluted EPS

High Single-digit

+ Dividend Yield

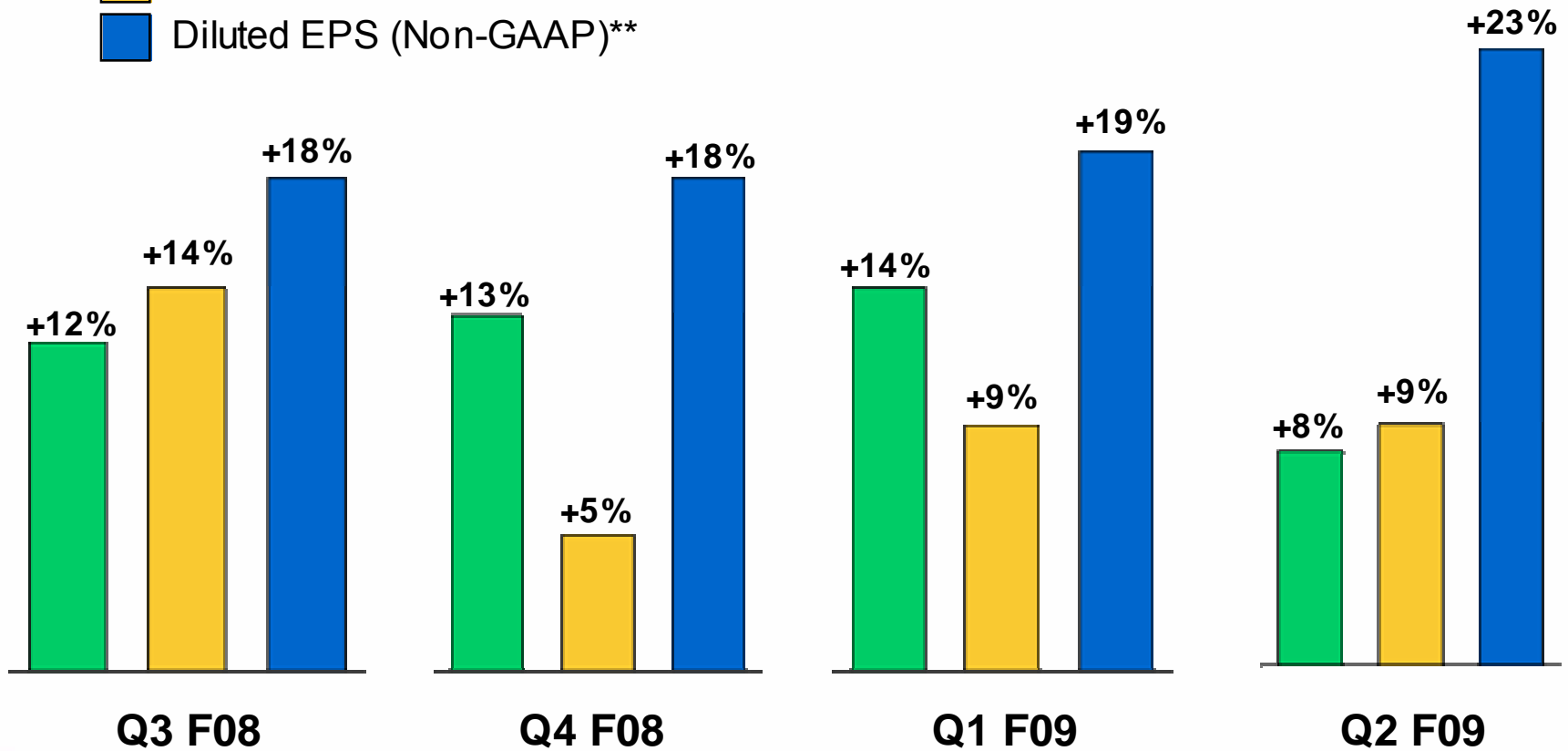
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Total Shareholder Return

Double-digit

# General Mills Recent Growth

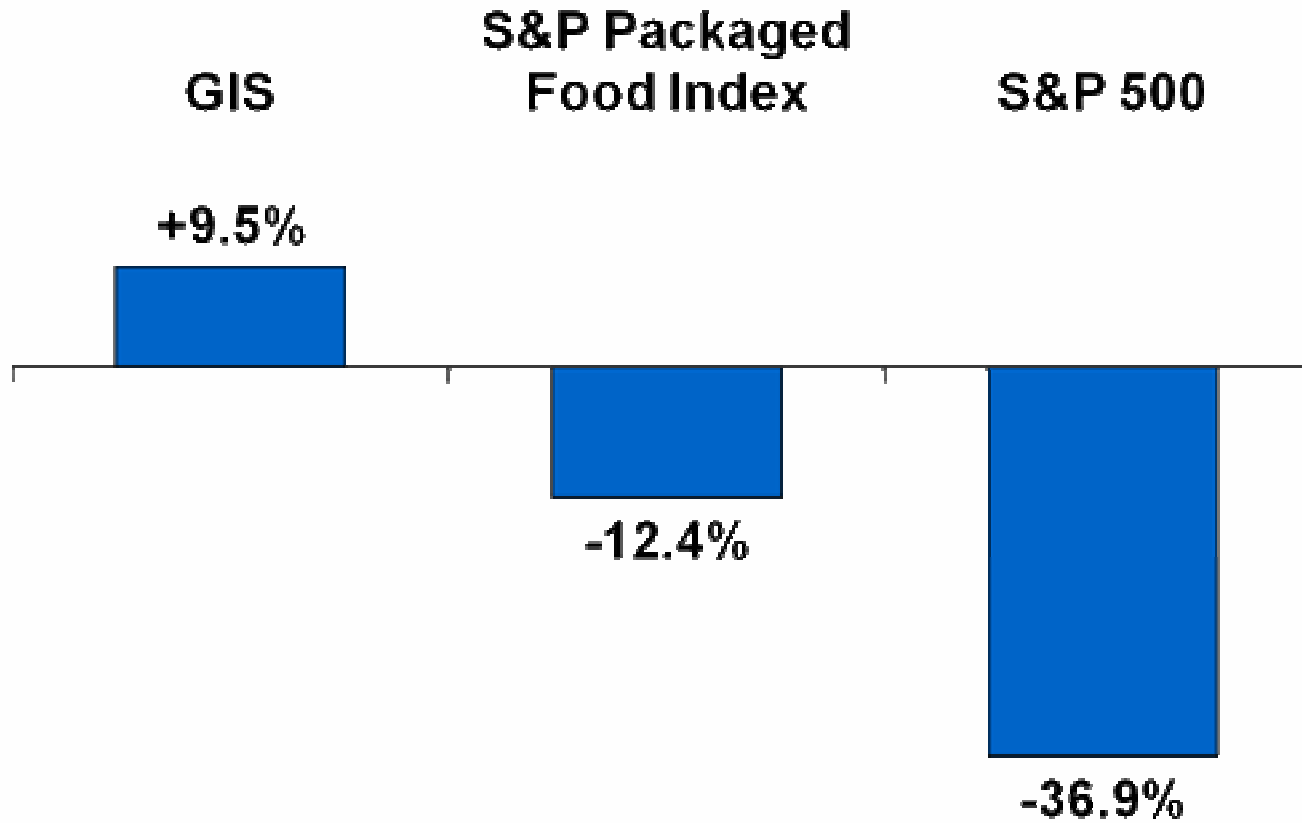
- Net Sales
- Segment Operating Profits\*
- Diluted EPS (Non-GAAP)\*\*



\* Non-GAAP measure. See appendix for reconciliation.

\*\*Excludes Mark-to-market impact in both years, a tax item in 2008, and Pop Secret gain in 2009.

# Calendar 2008 Total Return to Shareholders



# General Mills Summary

- Strong Business Momentum
  - Growing Categories
  - Leading Brand Positions
  - Effective Consumer Marketing
- Effective Business Model
  - HMM Protects Margins and Fuels Topline
  - Disciplined Uses of Cash
- Excellent Prospects for Continued Superior Growth and Returns





# A Portfolio for All Seasons

# Reconciliation of Segment Operating Profit

(\$ in Millions)

	First Half	
	2009	2008
U.S. Retail	\$1,165	\$1,057
International	158	155
Bakeries & Foodservice	91	82
Segment Operating Profit	\$1,413	\$1,294
Corporate Unallocated Expense	451	80
Divestiture (Gain)	(129)	--
Restructuring, Impairment and Other Exit Costs (Income)	5	17
Operating Profit	\$1,086	\$1,197

Note: table does not add due to rounding.

# Reconciliation of Segment Operating Profit

(\$ in Millions)

	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
U.S. Retail	\$638	\$526	\$428	\$486	\$584	\$473	\$407	\$447
International	80	79	62	52	84	71	56	42
Bakeries & Foodservice	64	27	27	56	48	34	29	34
Segment Operating Profit	\$782	\$632	\$517	\$594	\$716	\$578	\$492	\$523
Corporate Unallocated Expense	292	159	183	(106)	26	54	44	36
Divestiture (Gain)	(129)	--	--	--	--	--	--	--
Restructuring, Impairment and Other Exit Costs (Income)	2	3	(1)	5	3	15	42	1
Operating Profit	\$617	\$470	\$335	\$695	\$687	\$510	\$406	\$486

Note: table does not add due to rounding.

# Reconciliation of Non-GAAP EPS to Diluted EPS

	First Half	
	2009	2008
Diluted EPS	\$1.88	\$1.95
Mark-to-market impact*	(.65)	.03
Reduction in tax reserve	--	--
Gain on sale of Pop Secret	.21	--
Diluted EPS excluding mark-to-market impact, reduction in tax reserve and gain on sale of Pop Secret	\$2.32	\$1.92

\*Impact of mark-to-market valuation of certain commodity positions.

# Reconciliation of Non-GAAP EPS to Diluted EPS

	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Diluted EPS	\$1.09	\$0.79	\$0.53	\$1.23	\$1.14	\$0.81	\$0.62	\$0.74
Mark-to-market impact*	(.49)	(.17)	(.20)	.27	.03	--	--	--
Reduction in tax reserve	--	--	--	.09	--	--	--	--
Gain on sale of Pop Secret	.22	--	--	--	--	--	--	--
Diluted EPS excluding mark-to-market Impact, reduction in tax reserve and gain on sale of Pop Secret	\$1.36	\$0.96	\$0.73	\$0.87	\$1.11	\$0.81	\$0.62	\$0.74

\*Impact of mark-to-market valuation of certain commodity positions.

# Reconciliation of International Sales

<u>At Constant FX</u>	<u>1H F09</u>
Europe	+4 %
Canada	+2
Latin America/South Africa	+12
Asia/Pacific	+23
<hr/>	<hr/>
Total – at Constant FX	+9 %
FX Effects	-1
<hr/>	<hr/>
Total – as Reported	+8 %



# Reconciliation of Gross Margin

(\$ in Millions)

	1H F09		1H F08	
	<u>\$</u>	<u>% of Net Sales</u>	<u>\$</u>	<u>% of Net Sales</u>
Net Sales	\$7,508		\$6,775	
Gross Margin as Reported	2,411	32.1%	2,487	36.7%
Mark-to-market Impact*	361		(17)	
Recall Expense	--		19	
Accelerated Depreciation from Restructuring Actions	--		17	
	<u>\$2,772</u>	<u>36.9%</u>	<u>\$2,506</u>	<u>37.0%</u>

\*Impact of mark-to-market valuation of certain commodity positions.

# Return on Total Capital

	2008 Adjusted (2)	2008	2007	2006	2005	2005 Adjusted (1)
Net earnings	\$1,295	\$1,295	\$1,144	\$1,090	\$1,240	\$1,240
Interest expense, net, after-tax	276	276	280	262	288	288
2008 tax adjustment and mark-to-market gain, after-tax	(66)					
Divestitures gain, after-tax						(284)
Debt repurchase cost, after-tax						87
Earnings before interest after tax	\$1,505	\$1,571	\$1,424	\$1,352	\$1,528	\$1,331
Current portion of long-term debt	\$442	\$442	\$1,734	\$2,132	\$1,639	\$1,639
Notes payable	2,209	2,209	1,254	1,503	299	299
Long-term debt	4,349	4,349	3,218	2,415	4,255	4,255
Total debt	7,000	7,000	6,206	6,049	6,193	6,193
Minority interests	242	242	1,139	1,136	1,133	1,133
Stockholders' equity	6,216	6,216	5,319	5,772	5,676	5,676
Total capital	13,458	13,458	12,664	12,958	13,003	13,003
2008 tax adjustment and mark-to-market gain, after-tax	(66)					
2005 divestiture gain, net of debt repurchase cost						(197)
Accumulated other comprehensive income	(177)	(177)	120	(125)	(8)	(8)
Adjusted total capital	\$13,215	\$13,281	\$12,784	\$12,833	\$12,995	\$12,798
Average adjusted total capital	\$12,999	\$13,032	\$12,808	\$12,914	\$13,456	\$13,357
Return on capital	11.6%	12.1%	11.1%	10.5%	11.4%	10.0%

(1) Excluding divestitures gain and debt repurchase cost, after-tax.

(2) Excluding tax adjustment and mark-to-market gain, after-tax.

Note: table may not add due to rounding.

# Reconciliation of Average Diluted Shares Outstanding

Shares in Millions

	Fiscal Year			
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Average Diluted Shares Outstanding	347	360	379	409
Incremental Share Effect from Contingent Convertible Debt	<u>—</u>	<u>—</u>	<u>(13)</u>	<u>(29)</u>
Average Diluted Shares Outstanding, Excluding CoCos	347	360	366	380