

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED November 27, 2011
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number: 001-01185

GENERAL MILLS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-0274440
(I.R.S. Employer
Identification No.)

Number One General Mills Boulevard
Minneapolis, Minnesota
(Address of principal executive offices)

55426
(Zip Code)

(763) 764-7600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of Common Stock outstanding as of December 9, 2011: 644,651,180 (excluding 109,962,148 shares held in the treasury).

General Mills, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Statements of Earnings
GENERAL MILLS, INC. AND SUBSIDIARIES
(Unaudited) (In Millions, Except per Share Data)

| | Quarter Ended | | Six-Month Period Ended | |
|--|--------------------------|--------------------------|-----------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Net sales | \$4,623.8 | \$4,066.6 | \$8,471.4 | \$7,599.7 |
| Cost of sales | 3,029.1 | 2,432.6 | 5,430.2 | 4,441.4 |
| Selling, general, and administrative expenses | 877.1 | 810.1 | 1,684.6 | 1,573.0 |
| Restructuring, impairment, and other exit costs | 0.7 | 1.0 | 0.8 | 2.0 |
| Operating profit | 716.9 | 822.9 | 1,355.8 | 1,583.3 |
| Interest, net | 87.2 | 81.6 | 172.6 | 171.9 |
| Earnings before income taxes and after-tax earnings from joint ventures | 629.7 | 741.3 | 1,183.2 | 1,411.4 |
| Income taxes | 209.4 | 160.7 | 386.9 | 383.7 |
| After-tax earnings from joint ventures | 28.9 | 34.7 | 57.2 | 61.2 |
| Net earnings, including earnings attributable to redeemable and noncontrolling interests | 449.2 | 615.3 | 853.5 | 1,088.9 |
| Net earnings attributable to redeemable and noncontrolling interests | 4.4 | 1.4 | 3.1 | 2.9 |
| Net earnings attributable to General Mills | \$ 444.8 | \$ 613.9 | \$ 850.4 | \$1,086.0 |
| Earnings per share—basic | \$ 0.69 | \$ 0.96 | \$ 1.31 | \$ 1.68 |
| Earnings per share—diluted | \$ 0.67 | \$ 0.92 | \$ 1.28 | \$ 1.63 |
| Dividends per share | \$ 0.305 | \$ 0.280 | \$ 0.610 | \$ 0.560 |

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
GENERAL MILLS, INC. AND SUBSIDIARIES
(In Millions, Except Par Value)

| | <u>Nov. 27, 2011</u> | <u>May 29, 2011</u> |
|--|--------------------------|-------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 509.1 | \$ 619.6 |
| Receivables | 1,510.4 | 1,162.3 |
| Inventories | 1,628.7 | 1,609.3 |
| Deferred income taxes | 20.2 | 27.3 |
| Prepaid expenses and other current assets | <u>353.2</u> | <u>483.5</u> |
| Total current assets | 4,021.6 | 3,902.0 |
| Land, buildings, and equipment | 3,507.4 | 3,345.9 |
| Goodwill | 8,115.9 | 6,750.8 |
| Other intangible assets | 4,795.5 | 3,813.3 |
| Other assets | <u>1,026.4</u> | <u>862.5</u> |
| Total assets | <u>\$ 21,466.8</u> | <u>\$18,674.5</u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,096.5 | \$ 995.1 |
| Current portion of long-term debt | 1,732.4 | 1,031.3 |
| Notes payable | 849.0 | 311.3 |
| Other current liabilities | <u>1,464.1</u> | <u>1,321.5</u> |
| Total current liabilities | 5,142.0 | 3,659.2 |
| Long-term debt | 5,247.6 | 5,542.5 |
| Deferred income taxes | 1,374.1 | 1,127.4 |
| Other liabilities | <u>1,818.4</u> | <u>1,733.2</u> |
| Total liabilities | <u>13,582.1</u> | <u>12,062.3</u> |
| Redeemable interest | 831.6 | — |
| Stockholders' equity: | | |
| Common stock, 754.6 shares issued, \$0.10 par value | 75.5 | 75.5 |
| Additional paid-in capital | 1,318.8 | 1,319.8 |
| Retained earnings | 9,642.2 | 9,191.3 |
| Common stock in treasury, at cost, shares of 109.7 and 109.8 | (3,254.6) | (3,210.3) |
| Accumulated other comprehensive loss | <u>(1,204.6)</u> | <u>(1,010.8)</u> |
| Total stockholders' equity | 6,577.3 | 6,365.5 |
| Noncontrolling interests | <u>475.8</u> | <u>246.7</u> |
| Total equity | <u>7,053.1</u> | <u>6,612.2</u> |
| Total liabilities and equity | <u>\$ 21,466.8</u> | <u>\$18,674.5</u> |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Total Equity, Comprehensive Income, and Redeemable Interest
GENERAL MILLS, INC. AND SUBSIDIARIES
(Unaudited) (In Millions, Except per Share Data)

| | \$.10 Par Value Common Stock (One Billion Shares Authorized) | | | | | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Non- controlling Interests | Total Equity | Redeemable Interest | Total Comprehensive Income (Loss) |
|--|---|-----------------------|---|---------------|---------------|------------------------------|--|---|-------------------------|--------------------------------|--|
| | Issued | | Treasury | | | | | | | | |
| | Shares | Par Amount | Additional Paid-In Capital | Shares | Amount | | | | | | |
| Balance as of May 30, 2010 | 754.6 | \$ 75.5 | \$ 1,307.1 | (98.1) | \$(2,615.2) | \$ 8,122.4 | \$ (1,486.9) | \$ 245.1 | \$ 5,648.0 | | |
| Comprehensive income: | | | | | | | | | | | |
| Net earnings, including earnings attributable to redeemable and noncontrolling interests | | | | | | 1,798.3 | | 5.2 | 1,803.5 | | \$ 1,803.5 |
| Other comprehensive income | | | | | | | 476.1 | 0.7 | 476.8 | | 476.8 |
| Total comprehensive income | | | | | | | | | 2,280.3 | | 2,280.3 |
| Cash dividends declared (\$1.12 per share) | | | | | | (729.4) | | | (729.4) | | (729.4) |
| Shares purchased | | | | (31.8) | (1,163.5) | | | | (1,163.5) | | |
| Stock compensation plans (includes income tax benefits of \$106.2) | | | (22.2) | 20.1 | 568.4 | | | | 546.2 | | |
| Unearned compensation related to restricted stock unit awards | | | (70.4) | | | | | | (70.4) | | |
| Earned compensation | | | 105.3 | | | | | | 105.3 | | |
| Distributions to noncontrolling interest holders | | | | | | | | (4.3) | (4.3) | | |
| Balance as of May 29, 2011 | 754.6 | 75.5 | 1,319.8 | (109.8) | (3,210.3) | 9,191.3 | (1,010.8) | 246.7 | 6,612.2 | | |
| Comprehensive income: | | | | | | | | | | | |
| Net earnings, including earnings attributable to redeemable and noncontrolling interests | | | | | | 850.4 | | 0.9 | 851.3 | \$ 2.2 | 853.5 |
| Other comprehensive loss | | | | | | | (193.8) | (32.3) | (226.1) | (71.3) | (297.4) |
| Total comprehensive income (loss) | | | | | | | | | 625.2 | (69.1) | 556.1 |
| Cash dividends declared (\$0.610 per share) | | | | | | (399.5) | | | (399.5) | | (399.5) |
| Shares purchased | | | | (5.7) | (210.8) | | | | (210.8) | | |
| Stock compensation plans (includes income tax benefits of \$31.1) | | | 17.0 | 5.8 | 166.5 | | | | 183.5 | | |
| Unearned compensation related to restricted stock unit awards | | | (87.9) | | | | | | (87.9) | | |
| Earned compensation | | | 66.2 | | | | | | 66.2 | | |

| | | | | | | | | | | | |
|--|-------|---------|------------|---------|-------------|------------|----|-----------|----------|------------|----------|
| Addition of redeemable and noncontrolling interest from acquisitions | | | | | | | | | 263.8 | 263.8 | 904.4 |
| Increase (decrease) in fair value of redeemable interest | | | 3.7 | | | | | | | 3.7 | (3.7) |
| Distributions to noncontrolling interest holders | | | | | | | | | (3.3) | (3.3) | |
| Balance as of Nov. 27, 2011 | 754.6 | \$ 75.5 | \$ 1,318.8 | (109.7) | \$(3,254.6) | \$ 9,642.2 | \$ | (1,204.6) | \$ 475.8 | \$ 7,053.1 | \$ 831.6 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
GENERAL MILLS, INC. AND SUBSIDIARIES
(Unaudited) (In Millions)

| | Six-Month Period Ended | |
|--|-------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 |
| Cash Flows—Operating Activities | | |
| Net earnings, including earnings attributable to redeemable and noncontrolling interests | \$ 853.5 | \$1,088.9 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 263.3 | 230.2 |
| After-tax earnings from joint ventures | (57.2) | (61.2) |
| Stock-based compensation | 66.2 | 59.7 |
| Deferred income taxes | 39.7 | 78.5 |
| Tax benefit on exercised options | (31.1) | (56.4) |
| Distributions of earnings from joint ventures | 36.4 | 24.3 |
| Pension and other postretirement benefit plan contributions | (8.5) | (5.9) |
| Pension and other postretirement benefit plan expense | 38.9 | 36.7 |
| Restructuring, impairment, and other exit costs (income) | (1.8) | (1.4) |
| Changes in current assets and liabilities, excluding the effects of acquisitions | (26.6) | (736.4) |
| Other, net | (19.6) | (57.5) |
| Net cash provided by operating activities | 1,153.2 | 599.5 |
| Cash Flows—Investing Activities | | |
| Purchases of land, buildings, and equipment | (264.8) | (284.3) |
| Acquisitions, net of cash acquired | (900.1) | — |
| Investments in affiliates, net | (22.1) | (1.9) |
| Proceeds from disposal of land, buildings, and equipment | 1.3 | 7.2 |
| Exchangeable note | (131.6) | — |
| Other, net | 6.6 | 12.6 |
| Net cash used by investing activities | (1,310.7) | (266.4) |
| Cash Flows—Financing Activities | | |
| Change in notes payable | 548.8 | 117.8 |
| Issuance of long-term debt | — | 500.0 |
| Payment of long-term debt | (9.1) | (3.6) |
| Proceeds from common stock issued on exercised options | 99.2 | 185.1 |
| Tax benefit on exercised options | 31.1 | 56.4 |
| Purchases of common stock for treasury | (210.8) | (963.6) |
| Dividends paid | (399.5) | (366.3) |
| Other, net | (0.4) | (8.5) |
| Net cash provided (used) by financing activities | 59.3 | (482.7) |
| Effect of exchange rate changes on cash and cash equivalents | (12.3) | 42.7 |
| Decrease in cash and cash equivalents | (110.5) | (106.9) |
| Cash and cash equivalents - beginning of year | 619.6 | 673.2 |
| Cash and cash equivalents - end of period | \$ 509.1 | \$ 566.3 |
| Cash Flow from Changes in Current Assets and Liabilities, excluding the effects of acquisitions: | | |
| Receivables | \$ (205.6) | \$ (235.3) |
| Inventories | (1.3) | (348.0) |
| Prepaid expenses and other current assets | 146.0 | (33.2) |
| Accounts payable | 11.1 | 16.8 |
| Other current liabilities | 23.2 | (136.7) |
| Changes in current assets and liabilities | \$ (26.6) | \$ (736.4) |

See accompanying notes to consolidated financial statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Background

The accompanying Consolidated Financial Statements of General Mills, Inc. (we, us, our, General Mills, or the Company) have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include certain information and disclosures required for comprehensive financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal recurring nature, including the elimination of all intercompany transactions and any noncontrolling and redeemable interests' share of those transactions. Operating results for the quarterly and six-month periods ended November 27, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending May 27, 2012.

These statements should be read in conjunction with the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the fiscal year ended May 29, 2011. The accounting policies used in preparing these Consolidated Financial Statements are the same as those described in Note 2 to the Consolidated Financial Statements in that Form 10-K, in addition to the policy noted below.

Redeemable Interest

Sodiaal International (Sodiaal) holds a 49 percent redeemable interest in Yoplait S.A.S., a consolidated entity. Sodiaal has the ability to put a limited portion of its redeemable interest to us at fair value once per year up to a maximum of 9 years. This put option requires us to classify Sodiaal's interest as a redeemable interest outside of equity on our consolidated balance sheets for as long as the put is exercisable by Sodiaal. When the put is no longer exercisable, the redeemable interest will be reclassified to noncontrolling interests on our consolidated balance sheets. We adjust the value of the redeemable interest through additional paid-in capital on our consolidated balance sheets quarterly to the redeemable interest's redemption value, which approximates its fair value. The significant assumptions used to estimate the redemption value include projected revenue growth and profitability from our long range plan, capital spending, depreciation and taxes, foreign currency rates, and a discount rate.

(2) Acquisitions and Divestitures

On July 1, 2011, we acquired a 51 percent controlling interest in Yoplait S.A.S. and a 50 percent interest in Yoplait Marques S.A.S. from PAI Partners and Sodiaal for an aggregate purchase price of \$1.2 billion. Yoplait S.A.S. operates yogurt businesses in several countries, including France, Canada, and the United Kingdom, and oversees franchise relationships around the world. Yoplait Marques S.A.S. holds the worldwide rights to *Yoplait* and related trademarks. We consolidated both entities into our consolidated balance sheets and recorded goodwill of \$1.5 billion. Indefinite lived intangible assets acquired include brands of \$437.3 million and \$119.2 million of other intangible assets. Finite lived intangible assets acquired include franchise agreements of \$440.2 million and customer relationships of \$130.9 million. In addition, we purchased a zero coupon exchangeable note due in 2016 from Sodiaal with a notional amount of \$131.6 million and a fair value of \$110.9 million. As of the date of the acquisition, the pro forma effects of this acquisition were not material.

We have conducted a preliminary assessment of certain assets and liabilities related to the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S. We are continuing our review of these items during the measurement period, and if new information is obtained about facts and circumstances that existed at the acquisition date, the acquisition accounting will be revised to reflect the resulting adjustments to current estimates of these items. During the second quarter of fiscal 2012, we recorded adjustments to certain purchase accounting liabilities that resulted in a \$51.9 million decrease in goodwill.

(3) Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill during fiscal 2012 were as follows:

| In Millions | U.S. Retail | International | Bakeries and Foodservice | Joint Ventures | Total |
|--|--------------------|----------------------|---|---------------------------|------------------|
| Balance as of May 29, 2011 | \$ 5,142.9 | \$ 162.6 | \$ 921.1 | \$ 524.2 | \$6,750.8 |
| Acquisitions | 562.1 | 982.6 | — | — | 1,544.7 |
| Purchase accounting adjustments (a) | — | (51.9) | — | — | (51.9) |
| Other activity, primarily foreign currency translation | — | (88.2) | — | (39.5) | (127.7) |
| Balance as of Nov. 27, 2011 | \$ 5,705.0 | \$ 1,005.1 | \$ 921.1 | \$ 484.7 | \$8,115.9 |

(a) See Note 2.

The changes in the carrying amount of other intangible assets during fiscal 2012 were as follows:

| In Millions | U.S. Retail | International | Joint Ventures | Total |
|--|--------------------|----------------------|---------------------------|------------------|
| Balance as of May 29, 2011 | \$ 3,242.5 | \$ 497.9 | \$ 72.9 | \$3,813.3 |
| Acquisitions | — | 1,127.6 | — | 1,127.6 |
| Other activity, primarily foreign currency translation | (1.8) | (138.0) | (5.6) | (145.4) |
| Balance as of Nov. 27, 2011 | \$ 3,240.7 | \$ 1,487.5 | \$ 67.3 | \$4,795.5 |

(4) Inventories

The components of inventories were as follows:

| In Millions | Nov. 27, 2011 | May 29, 2011 |
|--|--------------------------|-------------------------|
| Raw materials and packaging | \$ 349.1 | \$ 286.2 |
| Finished goods | 1,341.8 | 1,273.6 |
| Grain | 175.3 | 218.0 |
| Excess of FIFO or weighted-average cost over LIFO cost | (237.5) | (168.5) |
| Total | \$1,628.7 | \$1,609.3 |

(5) Financial Instruments, Risk Management Activities, and Fair Values

Financial Instruments. The carrying values of cash and cash equivalents, receivables, accounts payable, other current liabilities, and notes payable approximate fair value. Marketable securities are carried at fair value. As of November 27, 2011, and May 29, 2011, a comparison of cost and market values of our marketable debt and equity securities is as follows:

| In Millions | Cost | | Market Value | | Gross Gains | | Gross Losses | |
|---------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | Nov. 27, 2011 | May 29, 2011 |
| Available for sale: | | | | | | | | |
| Debt securities | \$ 8.3 | \$ 8.9 | \$ 8.4 | \$ 9.0 | \$ 0.1 | \$ 0.1 | \$ — | \$ — |
| Equity securities | 2.0 | 2.0 | 5.1 | 6.0 | 3.1 | 4.0 | — | — |
| Total | \$ 10.3 | \$ 10.9 | \$ 13.5 | \$ 15.0 | \$ 3.2 | \$ 4.1 | \$ — | \$ — |

For the second quarter of fiscal 2012, there were no gains or losses from sales of available-for-sale marketable securities. Gains and losses are determined by specific identification. Classification of marketable securities as current or noncurrent is dependent upon our intended holding period, the security's maturity date, or both. The aggregate unrealized gains and losses on available-for-sale securities, net of tax effects, are classified in accumulated other comprehensive loss (AOCI) within stockholders' equity. Scheduled maturities of our marketable securities are as follows:

| In Millions | Available for Sale | |
|------------------------|---------------------------|---------------------|
| | Cost | Market Value |
| Under 1 year (current) | \$ 2.3 | \$ 2.3 |
| From 1 to 3 years | 0.8 | 0.8 |
| From 4 to 7 years | 5.0 | 5.1 |
| Over 7 years | 0.2 | 0.2 |
| Equity securities | 2.0 | 5.1 |
| Total | \$ 10.3 | \$ 13.5 |

Cash, cash equivalents, and marketable securities totaling \$32.9 million as of November 27, 2011, were pledged as collateral for certain derivative contracts.

The fair values and carrying amounts of long-term debt, including the current portion, were \$7,687.1 million and \$6,980.0 million, respectively, as of November 27, 2011. The fair value of long-term debt was estimated using market quotations and discounted cash flows based on our current incremental borrowing rates for similar types of instruments.

Risk Management Activities. As a part of our ongoing operations, we are exposed to market risks such as changes in interest rates, foreign currency exchange rates, and commodity prices. To manage these risks, we may enter into various derivative transactions (e.g., futures, options, and swaps) pursuant to our established policies.

Commodity Price Risk. Many commodities we use in the production and distribution of our products are exposed to market price risks. We utilize derivatives to manage price risk for our principal ingredients and energy costs, including grains (oats, wheat, and corn), oils (principally soybean), non-fat dry milk, natural gas, and diesel fuel. Our primary objective when entering into these derivative contracts is to achieve certainty with regard to the future price of commodities purchased for use in our supply chain. We manage our exposures through a combination of purchase orders, long-term contracts with suppliers, exchange-traded futures and options, and over-the-counter options and swaps. We offset our exposures based on current and projected market conditions and generally seek to acquire the inputs at as close to our planned cost as possible.

We use derivatives to manage our exposure to changes in commodity prices. We do not perform the assessments required to achieve hedge accounting for commodity derivative positions. Accordingly, the changes in the values of these derivatives are recorded currently in cost of sales in our Consolidated Statements of Earnings.

Although we do not meet the criteria for cash flow hedge accounting, we nonetheless believe that these instruments are effective in achieving our objective of providing certainty in the future price of commodities purchased for use in our supply chain. Accordingly, for purposes of measuring segment operating performance these gains and losses are reported in unallocated corporate items outside of segment operating results until such time that the exposure we are managing affects earnings. At that time we reclassify the gain or loss from unallocated corporate items to segment operating profit, allowing our operating segments to realize the economic effects of the derivative without experiencing any resulting mark-to-market volatility, which remains in unallocated corporate items.

Unallocated corporate items for the quarterly and six-month periods ended November 27, 2011, and November 28, 2010, included:

| In Millions | Quarter Ended | | Six-Month Period Ended | |
|--|--------------------------|--------------------------|-----------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Net gain (loss) on mark-to-market valuation of commodity positions | \$ (93.1) | \$ 49.7 | \$ (108.5) | \$ 89.8 |
| Net (gain) loss on commodity positions reclassified from unallocated corporate items to segment operating profit | 11.6 | (20.3) | (0.8) | (13.1) |
| Net mark-to-market revaluation of certain grain inventories | (12.9) | (1.4) | (22.8) | 23.2 |
| Net mark-to-market valuation of certain commodity positions recognized in unallocated corporate items | \$ (94.4) | \$ 28.0 | \$ (132.1) | \$ 99.9 |

As of November 27, 2011, the net notional value of commodity derivatives was \$384.0 million, of which \$224.9 million related to agricultural inputs and \$159.1 million related to energy inputs. These contracts relate to inputs that generally will be utilized within the next 12 months.

Interest Rate Risk. We are exposed to interest rate volatility with regard to future issuances of fixed-rate debt, and existing and future issuances of floating-rate debt. Primary exposures include U.S. Treasury rates, LIBOR, Euribor, and commercial paper rates in the United States and Europe. We use interest rate swaps and forward-starting interest rate swaps to hedge our exposure to interest rate changes, to reduce the volatility of our financing costs, and to achieve a desired proportion of fixed versus floating-rate debt, based on current and projected market conditions. Generally under these swaps, we agree with a counterparty to exchange the difference between fixed-rate and floating-rate interest amounts based on an agreed upon notional principal amount.

Floating Interest Rate Exposures — Floating-to-fixed interest rate swaps are accounted for as cash flow hedges, as are all hedges of forecasted issuances of debt. Effectiveness is assessed based on either the perfectly effective hypothetical derivative method or changes in the present value of interest payments on the underlying debt. Effective gains and losses deferred to AOCI are reclassified into earnings over the life of the associated debt. Ineffective gains and losses are recorded as net interest. The amount of hedge ineffectiveness was less than \$1 million for the period ended November 27, 2011.

Fixed Interest Rate Exposures — Fixed-to-floating interest rate swaps are accounted for as fair value hedges with effectiveness assessed based on changes in the fair value of the underlying debt and derivatives, using incremental borrowing rates currently available on loans with similar terms and maturities. Ineffective gains and losses on these derivatives and the underlying hedged items are recorded as net interest. The amount of hedge ineffectiveness was less than \$1 million for the period ended November 27, 2011.

During the fourth quarter of fiscal 2011, first quarter of fiscal 2012 and second quarter of fiscal 2012, we entered into \$500.0 million, \$300.0 million, and \$200.0 million of forward starting swaps with average fixed rates of 3.9 percent, 2.7 percent, and 2.4 percent, respectively, in advance of a planned debt financing. All of these forward

starting swaps were cash settled for \$100.4 million coincident with the issuance of our \$1.0 billion 10-year fixed rate notes on November 28, 2011, subsequent to the end of the second quarter of fiscal 2012. As of November 27, 2011, there was a \$99.5 million pre-tax loss in AOCI, which will be reclassified to earnings over the term of the underlying debt.

During the fourth quarter of fiscal 2011, we entered into swaps to convert \$300.0 million of 1.55 percent fixed-rate notes due May 16, 2014, to floating rates.

During the fourth quarter of fiscal 2010, in advance of a planned debt financing, we entered into \$500 million of treasury lock derivatives with an average fixed rate of 4.3 percent. All of these treasury locks were cash settled for \$17.1 million during the first quarter of fiscal 2011, coincident with the issuance of our \$500 million 30-year fixed-rate notes. As of November 27, 2011, a \$16.0 million pre-tax loss remained in AOCI, which will be reclassified to earnings over the term of the underlying debt.

As of November 27, 2011, an \$11.6 million pre-tax loss on cash settled interest rate swaps for our \$1.0 billion 10-year fixed rate notes issued January 24, 2007 remained in AOCI, which will be reclassified to earnings over the term of the underlying debt.

The following table summarizes the notional amounts and weighted-average interest rates of our interest rate swaps. Average floating rates are based on rates as of the end of the reporting period.

| In Millions | Nov. 27, 2011 | May 29, 2011 |
|--|--------------------------|-------------------------|
| Pay-floating swaps - notional amount | \$ 834.6 | \$ 838.0 |
| Average receive rate | 1.7 % | 1.8 % |
| Average pay rate | 0.3 % | 0.2 % |
| Pay-fixed swaps - notional amount | \$ 12.3 | \$ — |
| Average receive rate | 0.4 % | — % |
| Average pay rate | 8.3 % | — % |
| Pay-fixed forward starting swaps - notional amount | \$ — | \$ 500.0 |

The swap contracts mature at various dates from fiscal 2012 to 2014 as follows:

| In Millions | Pay Floating | Pay Fixed |
|--------------------|---------------------|------------------|
| 2012 | \$ — | \$ 12.3 |
| 2013 | 534.6 | — |
| 2014 | 300.0 | — |
| Total | \$ 834.6 | \$ 12.3 |

Foreign Exchange Risk. Foreign currency fluctuations affect our net investments in foreign subsidiaries and foreign currency cash flows related to foreign-denominated debt, third party purchases, intercompany loans, and product shipments. We are also exposed to the translation of foreign currency earnings to the U.S. dollar. Our principal exposures are to the Australian dollar, British pound sterling, Canadian dollar, Chinese renminbi, euro, Japanese yen, Swiss franc, and Mexican peso. We mainly use foreign currency forward contracts to selectively hedge our foreign currency cash flow exposures. We also generally swap our foreign-dominated commercial paper borrowings and nonfunctional currency intercompany loans back to U.S. dollars or the functional currency; the gains or losses on these derivatives offset the foreign currency revaluation gains or losses recorded in earnings on the associated borrowings. We generally do not hedge more than 18 months forward.

As of November 27, 2011, the notional value of foreign exchange derivatives was \$1,076.7 million. The amount of hedge ineffectiveness was less than \$1 million for the period ended November 27, 2011.

We also have many net investments in foreign subsidiaries that are denominated in euros. We hedged a portion of these net investments by issuing euro-denominated commercial paper and foreign exchange forward contracts. As of November 27, 2011, we had deferred net foreign currency transaction losses of \$95.7 million in AOCI associated with hedging activity.

Fair Value Measurements and Financial Statement Presentation

We categorize assets and liabilities into one of three levels based on the assumptions (inputs) used in valuing the asset or liability. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's assumptions about the inputs used in pricing the asset or liability.

The fair values of our assets, liabilities, and derivative positions recorded at fair value as of November 27, 2011 and May 29, 2011, were as follows:

| In Millions | Nov. 27, 2011 | | | | Nov. 27, 2011 | | | |
|---|-----------------------|----------------|-------------|---------------|----------------------------|------------------|-------------|------------------|
| | Fair Values of Assets | | | | Fair Values of Liabilities | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Derivatives designated as hedging instruments: | | | | | | | | |
| Interest rate contracts (a) (b) | \$ — | \$ 7.9 | \$ — | \$ 7.9 | \$ — | \$(100.4) | \$ — | \$(100.4) |
| Foreign exchange contracts (c) (d) | — | 16.1 | — | 16.1 | — | (7.2) | — | (7.2) |
| Total | — | 24.0 | — | 24.0 | — | (107.6) | — | (107.6) |
| Derivatives not designated as hedging instruments: | | | | | | | | |
| Interest rate contracts (a) (b) | — | 1.0 | — | 1.0 | — | (0.4) | — | (0.4) |
| Foreign exchange contracts (c) (d) | — | 15.1 | — | 15.1 | — | (1.6) | — | (1.6) |
| Commodity contracts (c) (e) | 3.0 | — | — | 3.0 | — | (14.1) | — | (14.1) |
| Grain contracts (c) (e) | — | 17.0 | — | 17.0 | — | (42.3) | — | (42.3) |
| Total | 3.0 | 33.1 | — | 36.1 | — | (58.4) | — | (58.4) |
| Other assets and liabilities reported at fair value: | | | | | | | | |
| Marketable investments (a) (f) | 5.1 | 8.4 | — | 13.5 | — | — | — | — |
| Total | 5.1 | 8.4 | — | 13.5 | — | — | — | — |
| Total assets, liabilities, and derivative positions recorded at fair value | \$ 8.1 | \$ 65.5 | \$ — | \$73.6 | \$ — | \$(166.0) | \$ — | \$(166.0) |

| In Millions | May 29, 2011 | | | | May 29, 2011 | | | |
|---|-----------------------|-----------------|-------------|-----------------|----------------------------|------------------|-------------|-----------------|
| | Fair Values of Assets | | | | Fair Values of Liabilities | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Derivatives designated as hedging instruments: | | | | | | | | |
| Interest rate contracts (a) (b) | \$ — | \$ 11.2 | \$ — | \$ 11.2 | \$ — | \$ (21.3) | \$ — | \$(21.3) |
| Foreign exchange contracts (c) (d) | — | 10.1 | — | 10.1 | — | (14.9) | — | (14.9) |
| Total | — | 21.3 | — | 21.3 | — | (36.2) | — | (36.2) |
| Derivatives not designated as hedging instruments: | | | | | | | | |
| Interest rate contracts (a) (b) | — | 2.2 | — | 2.2 | — | (0.9) | — | (0.9) |
| Foreign exchange contracts (c) (d) | — | 57.1 | — | 57.1 | — | (19.9) | — | (19.9) |
| Commodity contracts (c) (e) | 14.6 | 16.3 | — | 30.9 | — | — | — | — |
| Grain contracts (c) (e) | — | 61.1 | — | 61.1 | — | (29.0) | — | (29.0) |
| Total | 14.6 | 136.7 | — | 151.3 | — | (49.8) | — | (49.8) |
| Other assets and liabilities reported at fair value: | | | | | | | | |
| Marketable investments (a) (f) | 5.9 | 9.1 | — | 15.0 | — | — | — | — |
| Total | 5.9 | 9.1 | — | 15.0 | — | — | — | — |
| Total assets, liabilities, and derivative positions recorded at fair value | \$ 20.5 | \$ 167.1 | \$ — | \$ 187.6 | \$ — | \$ (86.0) | \$ — | \$(86.0) |

- (a) These contracts and investments are recorded as other assets or as other liabilities, as appropriate, based on whether in a gain or loss position. Certain marketable investments are recorded as cash and cash equivalents.
- (b) Based on LIBOR and swap rates.
- (c) These contracts are recorded as prepaid expenses and other current assets or as other current liabilities, as appropriate, based on whether in a gain or loss position.
- (d) Based on observable market transactions of spot currency rates and forward currency prices.
- (e) Based on prices of futures exchanges and recently reported transactions in the marketplace.
- (f) Based on prices of common stock and bond matrix pricing.

We did not significantly change our valuation techniques from prior periods.

Information related to our cash flow hedges, fair value hedges, and other derivatives not designated as hedging instruments for the quarterly and six-month periods ended November 27, 2011 and November 28, 2010, were as follows:

| In Millions | Interest Rate Contracts | | Foreign Exchange Contracts | | Commodity Contracts | | Total | |
|--|----------------------------|------------------|-------------------------------|------------------|------------------------|------------------|------------------|------------------|
| | Quarter Ended | | Quarter Ended | | Quarter Ended | | Quarter Ended | |
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Derivatives in Cash Flow Hedging Relationships: | | | | | | | | |
| Amount of gain (loss) recognized in other comprehensive income (OCI) (a) | \$ (27.6) | \$ — | \$ 13.3 | \$ — | \$ — | \$ — | \$ (14.3) | \$ — |
| Amount of loss reclassified from AOCI into earnings (a) (b) | (0.7) | (3.3) | (1.2) | (3.9) | — | — | (1.9) | (7.2) |
| Amount of gain (loss) recognized in earnings (c) (d) | (0.3) | — | 0.1 | — | — | — | (0.2) | — |
| Derivatives in Fair Value Hedging Relationships: | | | | | | | | |
| Amount of net gain (loss) recognized in earnings (e) | (0.1) | 1.2 | — | — | — | — | (0.1) | 1.2 |
| Derivatives Not Designated as Hedging Instruments: | | | | | | | | |
| Amount of gain (loss) recognized in earnings (e) | — | 3.3 | 36.3 | 17.0 | (93.1) | 49.7 | (56.8) | 70.0 |

| In Millions | Interest Rate Contracts | | Foreign Exchange Contracts | | Commodity Contracts | | Total | |
|--|----------------------------|------------------|-------------------------------|------------------|---------------------------|------------------|---------------------------|------------------|
| | Six-Month Period Ended | | Six-Month Period Ended | | Six-Month Period Ended | | Six-Month Period Ended | |
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Derivatives in Cash Flow Hedging Relationships: | | | | | | | | |
| Amount of gain (loss) recognized in other comprehensive income (OCI) (a) | \$ (78.6) | \$ — | \$ 11.0 | \$ (7.4) | \$ — | \$ — | \$ (67.6) | \$ (7.4) |
| Amount of loss reclassified from AOCI into earnings (a) (b) | (1.9) | (6.6) | (5.1) | (9.5) | — | — | (7.0) | (16.1) |
| Amount of gain (loss) recognized in earnings (c) (d) | (0.5) | — | — | 0.3 | — | — | (0.5) | 0.3 |
| Derivatives in Fair Value Hedging Relationships: | | | | | | | | |
| Amount of net gain (loss) recognized in earnings (e) | (0.2) | 1.2 | — | — | — | — | (0.2) | 1.2 |
| Derivatives Not Designated as Hedging Instruments: | | | | | | | | |
| Amount of gain (loss) recognized in earnings (e) | — | (0.9) | 17.9 | 13.4 | (108.5) | 89.8 | (90.6) | 102.3 |

- (a) Effective portion.
- (b) Loss reclassified from AOCI into earnings is reported in interest, net for interest rate swaps and in cost of sales and SG&A expenses for foreign exchange contracts.
- (c) All gain (loss) recognized in earnings is related to the ineffective portion of the hedging relationship. No amounts were reported as a result of being excluded from the assessment of hedge effectiveness.
- (d) Gain (loss) recognized in earnings is reported in SG&A expenses for foreign exchange contracts.
- (e) Gain (loss) recognized in earnings is reported in interest, net for interest rate contracts, in cost of sales for commodity contracts, and in SG&A expenses for foreign exchange contracts.

Amounts Recorded in Accumulated Other Comprehensive Loss. Unrealized losses from interest rate cash flow hedges recorded in AOCI as of November 27, 2011, totaled \$77.6 million after tax. These deferred losses are primarily related to interest rate swaps we entered into in contemplation of future borrowings and other financing requirements and are being reclassified into net interest over the lives of the hedged forecasted transactions. Unrealized gains from foreign currency cash flow hedges recorded in AOCI as of November 27, 2011, were \$8.0 million after-tax. The net amount of pre-tax gains and losses in AOCI as of November 27, 2011, that we expect to be reclassified into net earnings within the next 12 months is \$4.8 million of expense.

Credit-Risk-Related Contingent Features. Certain of our derivative instruments contain provisions that require us to maintain an investment grade credit rating on our debt from each of the major credit rating agencies. If our debt were to fall below investment grade, the counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position on November 27, 2011, was \$47.6 million. We have posted collateral of \$29.7 million in the normal course of business associated with these contracts. If the credit-risk-related contingent features underlying these agreements were triggered on November 27, 2011, we would be required to post an additional \$17.9 million of collateral to counterparties.

Counterparty Credit Risk. We enter into interest rate, foreign exchange, and certain commodity and equity derivatives, primarily with a diversified group of highly rated counterparties. We continually monitor our positions and the credit ratings of the counterparties involved and, by policy, limit the amount of credit exposure to any one party. These transactions may expose us to potential losses due to the risk of nonperformance by these counterparties; however, we have not incurred a material loss. We also enter into commodity futures transactions through various regulated exchanges.

The amount of loss due to the credit risk of the counterparties, should the counterparties fail to perform according to the terms of the contracts, is \$14.1 million against which we do not hold any collateral. Under the terms of master swap agreements, some of our transactions require collateral or other security to support financial instruments subject to threshold levels of exposure and counterparty credit risk. Collateral assets are either cash or U.S. Treasury instruments and are held in a trust account that we may access if the counterparty defaults.

(6) Debt

The components of notes payable were as follows:

| In Millions | Nov. 27, 2011 | May 29, 2011 |
|------------------------|--------------------------|-------------------------|
| U.S. commercial paper | \$ 707.0 | \$ 192.5 |
| Financial institutions | 142.0 | 118.8 |
| Total | \$ 849.0 | \$ 311.3 |

To ensure availability of funds, we maintain bank credit lines sufficient to cover our outstanding short-term borrowings. Commercial paper is a continuing source of short-term financing. We issue commercial paper in the United States and Europe. Our commercial paper borrowings are supported by \$2.9 billion of fee-paid committed credit lines, consisting of a \$1.8 billion facility expiring in October 2012 and a \$1.1 billion facility expiring in October 2013. We also have \$436.4 million in uncommitted credit lines that support our foreign operations. As of November 27, 2011, there were no amounts outstanding on the fee-paid committed credit lines and \$142.0 million was drawn on the uncommitted lines.

On November 28, 2011, subsequent to the end of our second quarter of fiscal 2012, we issued \$1.0 billion aggregate principal amount of 3.15 percent notes due in 2021. We intend to use the net proceeds to repay a portion of our 6.0 percent notes due February 15, 2012, reduce our commercial paper borrowings, and for general corporate purposes. Interest on these notes is payable semi-annually in arrears. These notes may be redeemed at our option at any time prior to September 15, 2021 for a specified make whole amount and any time on or after September 15, 2021 at par plus accrued and unpaid interest to the redemption date. These notes are senior unsecured, unsubordinated obligations that include a change of control repurchase provision.

As part of our acquisition of Yoplait S.A.S., we consolidated \$457.9 million of primarily euro-denominated Euribor-based floating-rate bank debt. On December 15, 2011, subsequent to the end of our second quarter of fiscal 2012, we refinanced this debt with approximately \$390.5 million of euro-denominated Euribor-based floating-rate bank debt due at various dates through December 15, 2014.

In May 2011, we issued \$300.0 million aggregate principal amount of 1.55 percent fixed-rate notes and \$400.0 million aggregate principal amount of floating-rate notes, both due May 16, 2014. The proceeds of these notes were used to repay a portion of our outstanding commercial paper. The floating-rate notes bear interest equal to three-month LIBOR plus 35 basis points, subject to quarterly reset. Interest on the floating-rate notes is payable quarterly in arrears. Interest on the fixed-rate notes is payable semi-annually in arrears. The fixed-rate notes may be redeemed at our option at any time for a specified make whole amount. These notes are senior unsecured, unsubordinated obligations that include a change of control repurchase provision.

In June 2010, we issued \$500.0 million aggregate principal amount of 5.4 percent notes due 2040. The proceeds of these notes were used to repay a portion of our outstanding commercial paper. Interest on these notes is payable semi-annually in arrears. These notes may be redeemed at our option at any time for a specified make whole amount. These notes are senior unsecured, unsubordinated obligations that include a change of control repurchase provision.

Certain of our long-term debt agreements contain restrictive covenants. As of November 27, 2011, we were in compliance with all of these covenants.

(7) Redeemable and Noncontrolling Interests

We have a 51 percent controlling interest in Yoplait S.A.S. and a 50 percent interest in Yoplait Marques S.A.S. Sodiaal holds the remaining interests in each of the entities. We consolidate both entities into our consolidated financial statements.

On the acquisition date, we recorded the \$263.8 million fair value of Sodiaal's 50 percent euro-denominated interest in Yoplait Marques S.A.S. as a noncontrolling interest on our consolidated balance sheets. Yoplait Marques S.A.S. earns a royalty stream through a licensing agreement with Yoplait S.A.S. for the rights to use the *Yoplait* and related trademarks. Yoplait Marques S.A.S. pays dividends annually based on its available cash as of its fiscal year end.

On the acquisition date, we recorded the \$904.4 million fair value of Sodiaal's 49 percent euro-denominated interest in Yoplait S.A.S. as a redeemable interest on our consolidated balance sheets. Sodiaal has the ability to put a limited portion of its redeemable interest to us once per year at fair value up to a maximum of 9 years. We adjust the value of the redeemable interest through additional paid-in capital on our consolidated balance sheets quarterly to the redeemable interest's redemption value, which approximates its fair value. Yoplait S.A.S. pays dividends annually if it meets certain financial metrics set forth in its shareholders agreement. As of November 27, 2011, the redemption value of the euro-denominated redeemable interest was \$831.6 million.

In addition, a subsidiary of Yoplait S.A.S. has entered into an exclusive milk supply agreement for its European operations with Sodiaal at market-determined prices through July 1, 2021.

(8) Stockholders' Equity

The following table provides details of total comprehensive income (loss):

| In Millions | Quarter Ended Nov. 27, 2011 | | | | | Quarter Ended Nov. 28, 2010 | | | | |
|--|--------------------------------|--------|----------|-----------------------------|------------------------|--------------------------------|--------|---------|-----------------------------|------------------------|
| | General Mills | | Net | Noncontrolling Interests | Redeemable Interest | General Mills | | Net | Noncontrolling Interests | Redeemable Interest |
| | Pretax | Tax | | Net | Net | Net | Pretax | | Tax | Net |
| Net earnings, including earnings attributable to redeemable and noncontrolling interests | | | \$ 444.8 | \$ 0.6 | \$ 3.8 | | | \$613.9 | \$ 1.4 | \$ — |
| Other comprehensive income (loss): | | | | | | | | | | |
| Foreign currency translation | \$(204.2) | \$ — | (204.2) | (31.8) | (67.5) | \$ 94.0 | \$ — | 94.0 | (0.4) | — |
| Other fair value changes: | | | | | | | | | | |
| Securities | (0.3) | 0.1 | (0.2) | — | — | (0.1) | 0.1 | — | — | — |
| Hedge derivatives | (15.0) | 7.9 | (7.1) | — | 0.5 | — | — | — | — | — |
| Reclassification to earnings: | | | | | | | | | | |
| Hedge derivatives | 1.9 | (0.7) | 1.2 | — | — | 7.2 | (0.5) | 6.7 | — | — |
| Amortization of losses and prior service costs | 32.9 | (12.5) | 20.4 | — | — | 27.2 | (10.4) | 16.8 | — | — |
| Other comprehensive income (loss) | \$(184.7) | (5.2) | (189.9) | (31.8) | (67.0) | \$128.3 | (10.8) | 117.5 | (0.4) | — |
| Total comprehensive income (loss) | | | \$ 254.9 | \$ (31.2) | \$ (63.2) | | | \$731.4 | \$ 1.0 | \$ — |

| In Millions | Six-Month Period Ended Nov. 27, 2011 | | | | | Six-Month Period Ended Nov. 28, 2010 | | | | |
|--|---|--------|-----------|-----------------------------|------------------------|---|--------|-----------|-----------------------------|------------------------|
| | General Mills | | | Noncontrolling Interests | Redeemable Interest | General Mills | | | Noncontrolling Interests | Redeemable Interest |
| | Pretax | Tax | Net | Net | Net | Pretax | Tax | Net | Net | Net |
| Net earnings, including earnings attributable to redeemable and noncontrolling interests | | | \$ 850.4 | \$ 0.9 | \$ 2.2 | | | \$1,086.0 | \$ 2.9 | \$ — |
| Other comprehensive income (loss): | | | | | | | | | | |
| Foreign currency translation | \$(200.6) | \$ — | \$(200.6) | (32.3) | (70.9) | \$176.1 | \$ — | \$ 176.1 | \$ 0.3 | \$ — |
| Other fair value changes: | | | | | | | | | | |
| Securities | (0.7) | 0.3 | (0.4) | — | — | (2.1) | 0.8 | (1.3) | — | — |
| Hedge derivatives | (67.1) | 29.1 | (38.0) | — | (0.4) | (7.4) | 0.1 | (7.3) | — | — |
| Reclassification to earnings: | | | | | | | | | | |
| Hedge derivatives | 7.0 | (2.7) | 4.3 | — | — | 16.1 | (3.9) | 12.2 | — | — |
| Amortization of losses and prior service costs | 65.8 | (24.9) | 40.9 | — | — | 54.5 | (20.7) | 33.8 | — | — |
| Other comprehensive income (loss) | (195.6) | 1.8 | (193.8) | (32.3) | (71.3) | 237.2 | (23.7) | 213.5 | 0.3 | — |
| Total comprehensive income (loss) | | | \$ 656.6 | \$ (31.4) | \$ (69.1) | | | \$1,299.5 | \$ 3.2 | \$ — |

Except for reclassifications to earnings, changes in other comprehensive income (loss) are primarily non-cash items.

Accumulated other comprehensive loss balances, net of tax effects, were as follows:

| In Millions | Nov. 27, 2011 | May 29, 2011 |
|---|------------------|-----------------|
| Foreign currency translation adjustments | \$ 352.6 | \$ 553.2 |
| Unrealized gain (loss) from: | | |
| Securities | 1.6 | 2.0 |
| Hedge derivatives | (69.5) | (35.8) |
| Pension, other postretirement, and postemployment benefits: | | |
| Net actuarial loss | (1,470.9) | (1,509.5) |
| Prior service costs | (18.4) | (20.7) |
| Accumulated other comprehensive loss | \$(1,204.6) | \$(1,010.8) |

(9) Stock Plans

We have various stock-based compensation programs under which awards, including stock options, restricted stock, and restricted stock units, may be granted to employees and non-employee directors. These programs and related accounting are described on pages 64 to 67 of our Annual Report on Form 10-K for the fiscal year ended May 29, 2011.

Compensation expense related to stock-based payments recognized in the Consolidated Statements of Earnings was as follows:

| In Millions | Quarter Ended | | Six-Month Period Ended | |
|--|--------------------------|--------------------------|-----------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Compensation expense related to stock-based payments | \$ 37.4 | \$ 30.0 | \$ 83.9 | \$ 86.6 |

As of November 27, 2011, unrecognized compensation expense related to non-vested stock options and restricted stock units was \$202.1 million. This expense will be recognized over 22 months, on average.

Net cash proceeds from the exercise of stock options less shares used for withholding taxes and the intrinsic value of options exercised were as follows:

| In Millions | Six-Month Period Ended | |
|--------------------------------------|-----------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 |
| Net cash proceeds | \$ 99.2 | \$ 185.3 |
| Intrinsic value of options exercised | \$ 62.7 | \$ 134.0 |

We estimate the fair value of each option on the grant date using a Black-Scholes option-pricing model. Black-Scholes option pricing models require us to make predictive assumptions regarding future stock price volatility, employee exercise behavior, and dividend yield. We estimate our future stock price volatility using the historical volatility over the expected term of the option, excluding time periods of volatility we believe a marketplace participant would exclude in estimating our stock price volatility. We also have considered, but did not use, implied volatility in our estimate, because trading activity in options on our stock, especially those with tenors of greater than 6 months, is insufficient to provide a reliable measure of expected volatility. Our method of selecting the other valuation assumptions is explained on page 65 in our Annual Report on Form 10-K for the fiscal year ended May 29, 2011.

The estimated fair values of stock options granted and the assumptions used for the Black-Scholes option-pricing model were as follows:

| | Six-Month Period Ended | |
|--|-------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 |
| Estimated fair values of stock options granted | \$ 5.88 | \$ 4.12 |
| Assumptions: | | |
| Risk-free interest rate | 2.9% | 2.9% |
| Expected term | 8.5 years | 8.5 years |
| Expected volatility | 17.6% | 18.5% |
| Dividend yield | 3.3% | 3.0% |

Information on stock option activity follows:

| | Options (Thousands) | Weighted- Average Exercise Price | Weighted- Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value (Millions) |
|--|--------------------------------|---|---|---|
| Balance as of May 29, 2011 | 67,547.3 | \$ 26.82 | | |
| Granted | 4,069.0 | 37.29 | | |
| Exercised | (4,403.5) | 24.39 | | |
| Forfeited or expired | (197.3) | 32.29 | | |
| Outstanding as of Nov. 27, 2011 | 67,015.5 | \$ 27.59 | 4.80 | \$ 712.9 |
| Exercisable as of Nov. 27, 2011 | 45,328.3 | \$ 25.05 | 3.33 | \$ 597.6 |

Information on restricted stock unit activity follows:

| | Equity Classified | | Liability Classified | | | |
|---|---|--|---|--|---|--|
| | Share- Settled Units (Thousands) | Weighted- Average Grant-Date Fair Value | Share- Settled Units (Thousands) | Weighted- Average Grant-Date Fair Value | Cash-Settled Share-Based Units (Thousands) | Weighted- Average Grant-Date Fair Value |
| Non-vested as of May 29, | | | | | | |
| 2011 | 9,169.9 | \$ 30.92 | 437.2 | \$ 31.01 | 4,515.1 | \$ 31.58 |
| Granted | 2,638.9 | 37.24 | 87.9 | 37.21 | — | — |
| Vested | (2,787.1) | 29.68 | (81.2) | 28.99 | (128.9) | 31.23 |
| Forfeited | (166.9) | 31.47 | (47.2) | 32.52 | (89.9) | 31.91 |
| Non-vested as of Nov. 27, 2011 | 8,854.8 | \$ 33.69 | 396.7 | \$ 32.62 | 4,296.3 | \$ 31.59 |

The total grant-date fair value of restricted stock unit awards that vested in the six-month period ended November 27, 2011 was \$89.1 million, and restricted stock units with a grant-date fair value of \$77.7 million vested in the six-month period ended November 28, 2010.

(10) Earnings Per Share

Basic and diluted earnings per share (EPS) were calculated using the following:

| In Millions, Except per Share Data | Quarter Ended | | Six-Month Period Ended | |
|---|----------------------|-----------------|-------------------------------|-----------------|
| | Nov. 27, | Nov. 28, | Nov. 27, | Nov. 28, |
| | 2011 | 2010 | 2011 | 2010 |
| Net earnings attributable to General Mills | \$ 444.8 | \$ 613.9 | \$ 850.4 | \$1,086.0 |
| Average number of common shares - basic EPS | 646.3 | 642.1 | 647.1 | 644.7 |
| Incremental share effect from: (a) | | | | |
| Stock options | 14.8 | 17.1 | 14.6 | 17.4 |
| Restricted stock, restricted stock units, and other | 4.7 | 5.3 | 4.6 | 5.4 |
| Average number of common shares - diluted EPS | 665.8 | 664.5 | 666.3 | 667.5 |
| Earnings per share - basic | \$ 0.69 | \$ 0.96 | \$ 1.31 | \$ 1.68 |
| Earnings per share - diluted | \$ 0.67 | \$ 0.92 | \$ 1.28 | \$ 1.63 |

(a) Incremental shares from stock options and restricted stock units are computed by the treasury stock method. Stock options and restricted stock units excluded from our computation of diluted EPS because they were not dilutive were as follows:

| In Millions | Quarter Ended | | Six-Month Period Ended | |
|--|----------------------|-----------------|-------------------------------|-----------------|
| | Nov. 27, | Nov. 28, | Nov. 27, | Nov. 28, |
| | 2011 | 2010 | 2011 | 2010 |
| Anti-dilutive stock options and restricted stock units | 6.0 | 5.2 | 6.7 | 5.1 |

(11) Share Repurchases

During the second quarter of fiscal 2012, we repurchased 2.7 million shares of common stock for an aggregate purchase price of \$100.9 million. During the six-month period ended November 27, 2011, we repurchased 5.7 million shares of common stock for an aggregate purchase price of \$210.8 million.

During the second quarter of fiscal 2011, we repurchased 4.8 million shares of common stock for an aggregate purchase price of \$175.2 million. During the six-month period ended November 28, 2010, we repurchased 26.2 million shares of common stock for an aggregate purchase price of \$963.6 million.

(12) Statements of Cash Flows

During the six-month period ended November 27, 2011, we made net cash interest payments of \$162.0 million, compared to \$161.1 million in the same period last year. Also, in the six-month period ended November 27, 2011, we made tax payments of \$344.3 million, compared to \$355.1 million in the same period last year. In addition, we acquired interests in Yoplait S.A.S. and Yoplait Marques S.A.S. for \$1.2 billion including \$261.3 million of non-cash consideration for debt assumed.

(13) Retirement and Postemployment Benefits

Components of net pension, other postretirement, and postemployment expense were as follows:

| In Millions | Defined Benefit Pension Plans | | Other Postretirement Benefit Plans | | Postemployment Benefit Plans | |
|---|-------------------------------|---------------|------------------------------------|---------------|------------------------------|---------------|
| | Quarter Ended | | Quarter Ended | | Quarter Ended | |
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Service cost | \$ 28.6 | \$ 25.1 | \$ 4.5 | \$ 4.7 | \$ 1.9 | \$ 2.0 |
| Interest cost | 59.6 | 57.6 | 13.9 | 15.0 | 1.2 | 1.2 |
| Expected return on plan assets | (110.2) | (101.8) | (8.8) | (8.2) | — | — |
| Amortization of losses | 27.0 | 20.3 | 3.6 | 3.6 | 0.5 | 0.6 |
| Amortization of prior service costs (credits) | 2.2 | 2.2 | (0.9) | (0.1) | 0.5 | 0.6 |
| Other adjustments | — | — | — | — | 2.3 | 2.0 |
| Net expense | \$ 7.2 | \$ 3.4 | \$ 12.3 | \$ 15.0 | \$ 6.4 | \$ 6.4 |

| In Millions | Defined Benefit Pension Plans | | Other Postretirement Benefit Plans | | Postemployment Benefit Plans | |
|---|-------------------------------|---------------|------------------------------------|---------------|------------------------------|---------------|
| | Six-Month Period Ended | | Six-Month Period Ended | | Six-Month Period Ended | |
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Service cost | \$ 57.1 | \$ 50.5 | \$ 9.0 | \$ 9.3 | \$ 3.8 | \$ 4.0 |
| Interest cost | 119.0 | 115.2 | 27.8 | 30.0 | 2.4 | 2.5 |
| Expected return on plan assets | (220.2) | (204.0) | (17.7) | (16.5) | — | — |
| Amortization of losses | 54.1 | 40.7 | 7.2 | 7.2 | 0.9 | 1.1 |
| Amortization of prior service costs (credits) | 4.3 | 4.5 | (1.7) | (0.2) | 1.0 | 1.2 |
| Other adjustments | — | — | — | — | 4.6 | 4.0 |
| Net expense | \$ 14.3 | \$ 6.9 | \$ 24.6 | \$ 29.8 | \$ 12.7 | \$ 12.8 |

(14) Business Segment Information

We operate in the consumer foods industry. We have three operating segments by type of customer and geographic region as follows: U.S. Retail; International; and Bakeries and Foodservice.

Our U.S. Retail segment reflects business with a wide variety of grocery stores, mass merchandisers, membership stores, natural food chains, and drug, dollar and discount chains operating throughout the United States. Our major product categories in this business segment are ready-to-eat cereals, refrigerated yogurt, ready-to-serve soup, dry dinners, shelf stable and frozen vegetables, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza and pizza snacks, grain, fruit and savory snacks, and a wide variety of organic products including soup, granola bars, and cereal.

Our International segment consists of retail and foodservice businesses outside of the United States. In Canada, our major product categories are ready-to-eat cereals, shelf stable and frozen vegetables, dry dinners, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza snacks, refrigerated yogurt, and grain and fruit snacks. In markets outside North America, our product categories include super-premium ice cream and frozen desserts, refrigerated yogurt, grain snacks, shelf stable and frozen vegetables, refrigerated and frozen dough products, and dry dinners. Our International segment also includes products manufactured in the United States for export, mainly to Caribbean and Latin American markets, as well as products we manufacture for sale to our international joint ventures. Revenues from export activities and franchise fees are reported in the region or country where the end customer is located.

In our Bakeries and Foodservice segment our major product categories are ready-to-eat cereals, snacks, yogurt, frozen dough products, baking mixes, and flour. Many products we sell are branded to the consumer and nearly all are branded to our customers. We sell to distributors and operators in many customer channels including foodservice, convenience stores, vending, and supermarket bakeries. Substantially all of this segment's operations are located in the United States.

Operating profit for these segments excludes unallocated corporate items, restructuring, impairment, and other exit costs, and divestiture gains and losses. Unallocated corporate items include corporate overhead expenses, variances to planned domestic employee benefits and incentives, contributions to the General Mills Foundation, and other items that are not part of our measurement of segment operating performance. These include gains and losses arising from the revaluation of certain grain inventories and gains and losses from mark-to-market valuation of certain commodity positions until passed back to our operating segments. These items affecting operating profit are centrally managed at the corporate level and are excluded from the measure of segment profitability reviewed by executive management. Under our supply chain organization, our manufacturing, warehouse, and distribution activities are substantially integrated across our operations in order to maximize efficiency and productivity. As a result, fixed assets and depreciation and amortization expenses are neither maintained nor available by operating segment.

Our operating segment results were as follows:

| In Millions | Quarter Ended | | Six-Month Period Ended | |
|--|--------------------------|--------------------------|-----------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Net sales: | | | | |
| U.S. Retail | \$ 2,938.3 | \$ 2,850.1 | \$ 5,448.6 | \$ 5,296.7 |
| International | 1,163.3 | 748.8 | 2,019.6 | 1,408.6 |
| Bakeries and Foodservice | 522.2 | 467.7 | 1,003.2 | 894.4 |
| Total | \$ 4,623.8 | \$ 4,066.6 | \$ 8,471.4 | \$ 7,599.7 |
| Operating profit: | | | | |
| U.S. Retail | \$ 661.4 | \$ 687.4 | \$ 1,246.6 | \$ 1,302.0 |
| International | 133.5 | 88.7 | 214.2 | 150.7 |
| Bakeries and Foodservice | 77.8 | 77.1 | 139.2 | 149.6 |
| Total segment operating profit | 872.7 | 853.2 | 1,600.0 | 1,602.3 |
| Unallocated corporate items | 155.1 | 29.3 | 243.4 | 17.0 |
| Restructuring, impairment, and other exit costs | 0.7 | 1.0 | 0.8 | 2.0 |
| Operating profit | \$ 716.9 | \$ 822.9 | \$ 1,355.8 | \$ 1,583.3 |

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

INTRODUCTION

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the MD&A included in our Annual Report on Form 10-K for the fiscal year ended May 29, 2011, for important background regarding, among other things, our key business drivers. Significant trademarks and service marks used in our business are set forth in *italics* herein. Certain terms used throughout this report are defined in a glossary on page 34 of this report.

CONSOLIDATED RESULTS OF OPERATIONS

Second Quarter Results

For the second quarter of fiscal 2012, net sales grew 14 percent to \$4,624 million and total segment operating profit of \$873 million was 2 percent higher than the second quarter of fiscal 2011. Diluted earnings per share (EPS) of \$0.67 was down 27 percent and diluted EPS excluding certain items affecting comparability of \$0.76 was flat compared to the second quarter of fiscal 2011 (See page 32 for a discussion of measures not defined by GAAP).

Net sales growth of 14 percent for the second quarter of fiscal 2012 was driven by 10 percentage points of contribution from volume growth, including 14 percentage points contributed by the acquisition of Yoplait S.A.S. Net price realization and mix contributed 3 percentage points of net sales growth and foreign currency exchange contributed 1 percentage point of growth.

Components of net sales growth

| Second Quarter of Fiscal 2012 vs. Second Quarter of Fiscal 2011 | U.S. Retail | International | Bakeries and Foodservice | Combined Segments |
|--|--------------------|----------------------|-------------------------------------|------------------------------|
| Contributions from volume growth (a) | -7 pts | 80 pts | 3 pts | 10 pts |
| Net price realization and mix | 10 pts | -27 pts | 9 pts | 3 pts |
| Foreign currency exchange | NA | 2 pts | NM | 1 pt |
| Net sales growth | 3 pts | 55 pts | 12 pts | 14 pts |

(a) Measured in tons based on the stated weight of our product shipments.

Cost of sales increased \$596 million from the second quarter of fiscal 2011 to \$3,029 million. This increase was driven by a \$278 million increase attributable to higher volume and a \$196 million increase attributable to higher input costs and product mix. In the second quarter of fiscal 2012, we recorded a \$94 million net increase in cost of sales related to the mark-to-market valuation of certain commodity positions and grain inventories compared to a net decrease of \$28 million in the second quarter of fiscal 2011.

Selling, general, and administrative (SG&A) expenses increased \$67 million to \$877 million in the second quarter of fiscal 2012 versus the same period in fiscal 2011. SG&A expenses as a percent of net sales in the second quarter of fiscal 2012 were down 90 basis points compared with fiscal 2011. The increase in SG&A expenses was primarily driven by the acquisition of Yoplait S.A.S. and an 8 percent increase in advertising and media expense compared to fiscal 2011.

Interest, net for the second quarter of fiscal 2012 totaled \$87 million, a \$6 million increase from the same period of fiscal 2011. The average interest rate decreased 40 basis points, including the effect of the mix of debt, generating a \$7 million decrease in net interest. Average interest bearing instruments increased \$981 million primarily due to the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S. in the first quarter of fiscal 2012, generating a \$13 million increase in net interest.

The **effective tax rate** for the second quarter of fiscal 2012 was 33.3 percent compared to 21.7 percent for the second quarter of fiscal 2011. The 11.6 percentage point increase was primarily due to a \$100 million reduction to tax expense recorded in the second quarter of fiscal 2011 related to a settlement with the Internal Revenue Service (IRS) which was partially offset by an \$11 million increase in income taxes related to an adverse court decision in fiscal 2011.

After-tax earnings from joint ventures decreased \$6 million to \$29 million compared to \$35 million in the same quarter last fiscal year primarily driven by increased input costs at Cereal Partners Worldwide (CPW). In the second quarter of fiscal 2012, net sales for CPW increased 1 percent due to 2 percentage points of growth attributable to net price realization and mix and 1 percentage point of contribution from volume growth, partially offset by 2 percentage points of unfavorable foreign currency exchange. Net sales for our Häagen-Dazs joint venture in Japan (HDJ) increased 2 percent due to 7 percentage points of favorable foreign currency exchange and 3 percentage points attributable to net price realization and mix. These gains were partially offset by an 8 percentage point decrease due to lower pound volume.

Average diluted shares outstanding increased by 1 million in the second quarter of fiscal 2012 from the same period a year ago due primarily to the issuance of common stock from stock option exercises, partially offset by share repurchases.

Net earnings attributable to General Mills were \$445 million in the second quarter of fiscal 2012, down 28 percent from \$614 million last year. **Diluted EPS** was \$0.67 in the second quarter of fiscal 2012, down 27 percent from \$0.92 last year. These results include the effects from the mark-to-market valuation of certain commodity positions and grain inventories, integration costs resulting from the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S., and the net benefit from two uncertain tax matters in the second quarter of fiscal 2011. Diluted EPS excluding these items affecting comparability, a non-GAAP measure used for management reporting and incentive compensation purposes, was \$0.76 in the second quarter of fiscal 2012, matching the second quarter of fiscal 2011 (see the “Non-GAAP Measures” section below for our use of this measure and our discussion of the items affecting comparability).

Six-month Results

For the six-month period ended November 27, 2011, net sales grew 12 percent to \$8,471 million and total segment operating profit of \$1,600 million was flat compared to the six-month period ended November 28, 2010. Diluted EPS of \$1.28 was down 22 percent and diluted EPS excluding certain items affecting comparability of \$1.41 was consistent with the six-month period ended November 28, 2010. (See page 32 for a discussion of measures not defined by GAAP).

Net sales growth of 12 percent for the six-month period ended November 27, 2011 was driven by 6 percentage points of contributions from volume growth, including 10 percentage points contributed by the acquisition of Yoplait S.A.S. Net price realization and mix contributed 5 percentage points of net sales growth and foreign currency exchange contributed 1 percentage point of growth.

Components of net sales growth

| Six-Month Period Ended Nov. 27, 2011 vs. Six-Month Period Ended Nov. 28, 2010 | U.S. Retail | International | Bakeries and Foodservice | Combined Segments |
|--|--------------------|----------------------|-------------------------------------|------------------------------|
| Contributions from volume growth (a) | -6 pts | 55 pts | 1 pt | 6 pts |
| Net price realization and mix | 9 pts | -18 pts | 11 pts | 5 pts |
| Foreign currency exchange | NA | 6 pts | NM | 1 pt |
| Net sales growth | 3 pts | 43 pts | 12 pts | 12 pts |

(a) Measured in tons based on the stated weight of our product shipments.

Cost of sales increased \$989 million from the six-month period ended November 28, 2010, to \$5,430 million. This increase was driven by a \$424 million increase attributable to higher input costs and product mix and a \$333 million increase attributable to higher volume. In the six-month period ended November 27, 2011, we recorded a \$132 million net increase in cost of sales related to the mark-to-market valuation of certain commodity positions and grain inventories compared to a net decrease of \$100 million in the six-month period ended November 28, 2010.

SG&A expenses increased \$112 million to \$1,685 million in the six-month period ended November 27, 2011 versus the same period in fiscal 2011. SG&A expenses as a percent of net sales in fiscal 2012 decreased 80 basis points compared with fiscal 2011. The increase in SG&A expenses was primarily driven by an 8 percent increase in advertising and media expense compared to fiscal 2011 and the acquisition of Yoplait S.A.S.

Interest, net for the six-month period ended November 27, 2011, totaled \$173 million, a \$1 million increase from the same period of fiscal 2011. The average interest rate decreased 70 basis points, including the effect of the mix of debt, generating a \$24 million decrease in net interest. Average interest bearing instruments increased \$913 million primarily due to the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S. in the first quarter of fiscal 2012, generating a \$25 million increase in net interest.

The **effective tax rate** for the six-month period ended November 27, 2011, was 32.7 percent compared to 27.2 percent for the six-month period ended November 28, 2010. The 5.5 percentage point increase was primarily due to a \$100 million reduction to tax expense recorded in the second quarter of fiscal 2011 related to a settlement with the IRS which was partially offset by an \$11 million increase in income taxes related to an adverse court decision in fiscal 2011.

After-tax earnings from joint ventures for the six-month period ended November 27, 2011, decreased to \$57 million compared to \$61 million in the same period in fiscal 2011 primarily driven by increased input costs at CPW. In the six-month period ended November 27, 2011, net sales for CPW increased 9 percent due to 4 percentage points of favorable foreign currency exchange, 3 percentage points of contribution from volume growth, and 2 percentage points attributable to net price realization and mix. Net sales for HDJ increased 10 percent due to 10 percentage points of favorable foreign currency exchange and 2 percentage points attributable to net price realization and mix. These gains were partially offset by a 2 percentage point decrease due to lower pound volume.

Average diluted shares outstanding decreased by 1 million shares for the six-month period ended November 27, 2011, from the same period a year ago, due primarily to the timing of share repurchases, partially offset by the issuance of common stock due to stock option exercises.

Net earnings attributable to General Mills were \$850 million in the six-month period ended November 27, 2011, down 22 percent from \$1,086 million in the same period last year. **Diluted EPS** was \$1.28 in the six-month period ended November 27, 2011, down 22 percent from \$1.63 last year. These results include the effects from the mark-to-market valuation of certain commodity positions and grain inventories, integration costs resulting from the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S., and the net benefit from two uncertain tax matters in the second quarter of fiscal 2011. Diluted EPS excluding these items affecting comparability, a non-GAAP measure used for management reporting and incentive compensation purposes, was \$1.41 compared to \$1.40 in the same period of fiscal 2011 (see the "Non-GAAP Measures" section below for our use of this measure and our discussion of the items affecting comparability).

SEGMENT OPERATING RESULTS

U.S. Retail Segment Results

Net sales for our U.S. Retail operations of \$2,938 million in the second quarter of fiscal 2012 increased 3 percentage points compared to the second quarter of fiscal 2011. Favorable net price realization and mix contributed 10 percentage points of growth, partially offset by a 7 percentage point decrease due to lower pound volume.

Net sales for our U.S. Retail operations of \$5,449 million for the six-month period ended November 27, 2011 increased 3 percentage points compared to the same period in fiscal 2011. Favorable net price realization and mix contributed 9 percentage points of growth, partially offset by a 6 percentage point decrease due to lower pound volume.

U.S. Retail Net Sales Percentage Change by Division

| | Quarter Ended | Six-Month Period Ended |
|--------------------|--------------------------|-----------------------------------|
| | Nov. 27, 2011 | Nov. 27, 2011 |
| Big G | 1% | 1% |
| Meals | (2) | (3) |
| Pillsbury | 9 | 7 |
| Yoplait | (6) | (5) |
| Snacks | 20 | 18 |
| Baking Products | 2 | 3 |
| Small Planet Foods | 17 | 15 |
| Total | 3% | 3% |

During the second quarter of fiscal 2012, net sales for Big G cereals grew 1 percent from last year driven by growth from established brands such as *Honey Nut Chex* and *Cinnamon Toast Crunch* along with contributions from new products including *Cinnamon Burst Cheerios* and *Fiber One 80 Calorie* cereal. Meals division net sales decreased 2 percent reflecting lower volume for several product lines including canned vegetables, frozen dinner entrees, and potato mixes. Pillsbury net sales grew 9 percent reflecting contributions from *Totino's* frozen snacks and pizza, *Pillsbury* refrigerated baked goods, and new *Pillsbury* frozen breakfast items. Net sales for Yoplait declined 6 percent as growth from *Go-GURT*, Greek varieties, and *Mountain High* yogurt was offset by declines on several established product lines. Snacks net sales grew 20 percent, driven by *Fiber One* and *Nature Valley* snack bar varieties. Net sales for Baking Products grew 2 percent reflecting net price realization. Small Planet Food's net sales were up 17 percent, led by *Cascadian Farm* cereals and *Lärabar* fruit and nut energy bars.

Segment operating profit decreased 4 percent to \$661 million in the second quarter of fiscal 2012 and 4 percent to \$1,247 million in the six-month period ended November 27, 2011 versus the same periods a year ago driven by higher input costs and a 6 percent increase in advertising and media expense.

International Segment Results

Net sales for our International segment of \$1,163 million increased 55 percent in the second quarter of fiscal 2012 compared to fiscal 2011. Volume contributed 80 percentage points of net sales growth, including 76 percentage points resulting from the acquisition of Yoplait S.A.S., and favorable foreign currency exchange contributed 2 percentage points. These gains were partially offset by a decrease of 27 percentage points due to unfavorable net price realization and mix.

Net sales for our International segment were up 43 percent in the six-month period ended November 27, 2011, to \$2,020 million. Volume contributed 55 percentage points of growth, including 52 percentage points resulting from the acquisition of Yoplait S.A.S., and favorable foreign currency exchange contributed 6 percentage points. These gains were partially offset by a decrease of 18 percentage points due to unfavorable net price realization and mix.

International Net Sales Percentage Change by Geographic Region

| | Quarter Ended | Six-Month Period Ended |
|---------------|--------------------------|-----------------------------------|
| | Nov. 27, 2011 | Nov. 27, 2011 |
| Europe | 130% | 88% |
| Canada | 39 | 28 |
| Asia/Pacific | 20 | 22 |
| Latin America | 17 | 15 |
| Total | 55% | 43% |

For the second quarter of fiscal 2012, net sales in Europe grew 130 percent, including 120 percentage points from the acquisition of Yoplait S.A.S. The remaining growth was driven by *Häagen-Dazs*, *Old El Paso*, and *Green Giant* products in France and *Old El Paso*, *Green Giant* and *Betty Crocker* products in the United Kingdom, as well as favorable foreign currency exchange. Net sales in Canada increased 39 percent primarily due to 31 percentage points of net sales growth from the acquisition of Yoplait S.A.S. The remaining growth was driven by increased cereal and *Nature Valley* performance and favorable foreign currency exchange. In the Asia/Pacific region, net sales grew 20 percent driven by growth from *Wanchai Ferry* and *Häagen-Dazs* products and favorable foreign currency exchange. Latin America net sales increased 17 percent driven by growth in *La Salteña* in Argentina and *Diablitos* in Venezuela.

Segment operating profit grew 50 percent to \$134 million in the second quarter of fiscal 2012 and 42 percent to \$214 million in the six-month period ended November 27, 2011, primarily driven by the acquisition of Yoplait S.A.S., higher volume, and favorable foreign currency effects.

Bakeries and Foodservice Segment Results

Net sales for our Bakeries and Foodservice segment increased 12 percent to \$522 million in the second quarter of fiscal 2012 compared to fiscal 2011. Net price realization and mix contributed 9 percentage points of net sales growth, driven by list price advances and higher prices indexed to commodity markets. Volume increased net sales by 3 percentage points.

Net sales for our Bakeries and Foodservice segment increased 12 percent to \$1,003 million in the six-month period ended November 27, 2011. Net price realization and mix contributed 11 percentage points of growth, driven by list price advances and higher prices indexed to commodity markets. Volume increased net sales by 1 percentage point.

Bakeries and Foodservice Net Sales Percentage Change by Customer Channel

| | Quarter Ended | Six-Month Period Ended |
|---|--------------------------|-----------------------------------|
| | Nov. 27, 2011 | Nov. 27, 2011 |
| Foodservice Distributors | 11% | 8% |
| Convenience Stores | 14 | 10 |
| Bakeries and National Restaurant Accounts | 12 | 15 |
| Total | 12% | 12% |

Segment operating profit for the second quarter of fiscal 2012 of \$78 million remained consistent with the same quarter of fiscal 2011, as higher input costs offset the benefits of list price advances.

Segment operating profit for the six-month period ended November 27, 2011, was \$139 million, down from \$150 million in the six-month period ended November 28, 2010. The decrease was due to higher input costs and lower grain merchandising earnings, partially offset by price increases.

UNALLOCATED CORPORATE ITEMS

Unallocated corporate expense totaled \$155 million in the second quarter of fiscal 2012 compared to \$29 million in the same period in fiscal 2011. In the second quarter of fiscal 2012, we recorded a \$94 million net increase in expense related to the mark-to-market valuation of certain commodity positions and grain inventories, compared to a \$28 million net decrease in expense in the second quarter of fiscal 2011. In addition, we recorded \$4 million of integration costs related to the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S.

Unallocated corporate expense totaled \$243 million in the six-month period ended November 27, 2011, compared to \$17 million in the same period last year. In the six-month period ended November 27, 2011, we recorded a \$132 million net increase in expense related to the mark-to-market valuation of certain commodity positions and grain inventories, compared to a \$100 million net decrease in expense in the same period a year ago. In addition, we recorded \$4 million of integration costs related to the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S.

LIQUIDITY

During the six-month period ended November 27, 2011, our operations generated \$1.2 billion of cash compared to \$600 million in the same period last year. This increase primarily reflects changes in current assets and liabilities, including a \$347 million increase in cash provided by operations driven by lower inventory build in the first half of fiscal 2012 compared to last year. Prepaid expenses and other current assets accounted for a \$179 million increase in cash from operations for the six-month period ended November 27, 2011 compared to the same period of fiscal 2011, primarily reflecting changes in the fair value of open grain contracts and foreign currency hedges. Other current liabilities accounted for a \$160 million increase in cash from operations for the six-month period ended November 27, 2011 compared to the same period of fiscal 2011, primarily reflecting changes in consumer marketing and related accruals and changes in accrued income taxes as a result of audit settlements and court decisions in fiscal 2011.

Cash used by investing activities during the six-month period ended November 27, 2011, was \$1.3 billion, a \$1.0 billion increase over the same period in fiscal 2011. The increased use of cash primarily reflects the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S. in the first quarter of fiscal 2012 for an aggregate purchase price of \$1.2 billion, comprised of \$900 million of cash, net of \$30 million of cash acquired, and \$261 million of non-cash consideration for debt assumed. We invested \$265 million in land, buildings, and equipment in the six-month period ended November 27, 2011, a decrease of \$20 million versus the first six-months of fiscal 2011.

Cash generated by financing activities during the six-month period ended November 27, 2011, was \$59 million compared to \$483 million of cash used by financing activities in the previous year, primarily reflecting \$753 million of higher share repurchases in the first half of fiscal 2011. We had \$69 million less net debt issuances in the first six-months of fiscal 2012 than the same period a year ago. In addition, we paid \$400 million of dividends in the first six-months of fiscal 2012 versus \$366 million in the first six-months of fiscal 2011.

CAPITAL RESOURCES

Our capital structure was as follows:

| In Millions | Nov. 27, 2011 | May 29, 2011 |
|-----------------------------------|--------------------------|-------------------------|
| Notes payable | \$ 849.0 | \$ 311.3 |
| Current portion of long-term debt | 1,732.4 | 1,031.3 |
| Long-term debt | 5,247.6 | 5,542.5 |
| Total debt | 7,829.0 | 6,885.1 |
| Redeemable interest | 831.6 | — |
| Noncontrolling interests | 475.8 | 246.7 |
| Stockholders' equity | 6,577.3 | 6,365.5 |
| Total capital | \$15,713.7 | \$13,497.3 |

To ensure availability of funds, we maintain bank credit lines sufficient to cover our outstanding short-term borrowings. Commercial paper is a continuing source of short-term financing. We issue commercial paper in the United States and Europe. Our commercial paper borrowings are supported by \$2.9 billion of fee-paid committed credit lines, consisting of a \$1.8 billion facility expiring in October 2012 and a \$1.1 billion facility expiring in October 2013. We also have \$436 million in uncommitted credit lines that support our foreign operations. As of November 27, 2011, there were no amounts outstanding on the fee-paid committed credit lines and \$142 million was drawn on the uncommitted lines.

During the first quarter of fiscal 2012, we acquired a 51 percent controlling interest in Yoplait S.A.S. and a 50 percent interest in Yoplait Marques S.A.S. Sodiaal International (Sodiaal) holds the remaining interests in each of the entities. We consolidated both entities into our consolidated financial statements. At the date of the acquisition, we recorded the \$264 million fair value of Sodiaal's 50 percent interest in Yoplait Marques S.A.S. as a noncontrolling interest, and the \$904 million fair value of its 49 percent interest in Yoplait S.A.S. as a redeemable interest on our consolidated balance sheet. These euro-denominated interests are reported in U.S. dollars on our consolidated balance sheets. Sodiaal has the ability to put a limited portion of its redeemable interest to us at fair value once per year up to a maximum of 9 years. As of November 27, 2011, the redemption value of the redeemable interest was \$832 million.

Certain of our long-term debt agreements, our credit facilities, and our noncontrolling interests contain restrictive covenants. As of November 27, 2011, we were in compliance with all of these covenants.

We have \$1,732 million of long-term debt maturing in the next 12 months that is classified as current, primarily \$1,020 million of 6.0 percent notes that mature on February 15, 2012 and \$520 million of 5.65 percent notes that mature on September 10, 2012. On November 28, 2011, subsequent to the end of our second quarter of fiscal 2012, we issued \$1.0 billion aggregate principal amount of 3.15 percent notes due in 2021. We intend to use the net proceeds to repay a portion of the 6.0 percent notes, reduce our commercial borrowing, and for general corporate purposes. We believe that cash flows from operations, together with available short- and long-term debt financing, will be adequate to meet our liquidity and capital needs for at least the next 12 months.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

There were no material changes outside the ordinary course of our business in our contractual obligations or off-balance sheet arrangements during the second quarter of fiscal 2012.

SIGNIFICANT ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 2 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended May 29, 2011. The accounting policies used in preparing our interim fiscal 2012 Consolidated Financial Statements are the same as those described in our Form 10-K, except for the additional policy discussed in Note 1 to our Consolidated Financial Statements included in this Form 10-Q.

Our significant accounting estimates are those that have meaningful impact on the reporting of our financial condition and results of operations. These estimates include our accounting for promotional expenditures, intangible assets, stock compensation, income taxes, and defined benefit pension, other postretirement, and postemployment benefits. The assumptions and methodologies used in the determination of those estimates as of November 27, 2011, are the same as those described in our Annual Report on Form 10-K for the fiscal year ended May 29, 2011.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board (FASB) issued new accounting guidance for fair value measurements providing common fair value measurement and disclosure requirements. This guidance is effective for interim and annual periods beginning after December 15, 2011, which for us is the fourth quarter of fiscal 2012. We do not expect this guidance to have a material impact on our results of operations or financial position.

In June 2011, the FASB issued new accounting guidance for the presentation of other comprehensive income (OCI). This guidance requires entities to present net income and OCI in either a single continuous statement or in separate consecutive statements. The guidance does not change the components of net income or OCI, when OCI should be reclassified to net income, or the earnings per share calculation. The guidance is effective for fiscal years beginning after December 15, 2011, which for us is the first quarter of fiscal 2013. This guidance will not impact our results of operations or financial position.

In September 2011, the FASB issued new accounting guidance intended to simplify goodwill impairment testing. Entities will be allowed to perform a qualitative assessment on goodwill impairment to determine whether a quantitative assessment is necessary. We will adopt this guidance for our annual goodwill impairment test for fiscal 2012, which will be conducted in the third quarter. We do not expect this guidance to have a material impact on our results of operations or financial position.

NON-GAAP MEASURES

We have included in this report measures of financial performance that are not defined by GAAP. Each of the measures is used in reporting to our executive management and as a component of the Board of Director's measurement of our performance for incentive compensation purposes. Management and the Board of Directors believe that these measures provide useful information to investors, and include these measures in other communications to investors.

For each of these non-GAAP financial measures, we are providing below a reconciliation of the differences between the non-GAAP measure and the most directly comparable GAAP measure, an explanation of why our management or the Board of Directors believes the non-GAAP measure provides useful information to investors, and any additional purposes for which our management or Board of Directors uses the non-GAAP measure. These non-GAAP measures should be viewed in addition to, and not in lieu of, the comparable GAAP measure.

Total Segment Operating Profit

Management and the Board of Directors believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate segment performance. A reconciliation of this measure to operating profit, the relevant GAAP measure, is included in Note 14 to the Consolidated Financial Statements in this report.

Diluted EPS Excluding Certain Items Affecting Comparability

Management and the Board of Directors believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate earnings performance on a comparable year-over-year basis. The adjustments are either items resulting from infrequently occurring events or items that, in management's judgment, significantly affect the year-over-year assessment of operating results.

The reconciliation of diluted EPS excluding certain items affecting comparability to diluted EPS, the relevant GAAP measure, follows:

| Per Share Data | Quarter Ended | | Six-Month Period Ended | |
|--|--------------------------|--------------------------|-----------------------------------|--------------------------|
| | Nov. 27, 2011 | Nov. 28, 2010 | Nov. 27, 2011 | Nov. 28, 2010 |
| Diluted earnings per share, as reported | \$ 0.67 | \$ 0.92 | \$ 1.28 | \$ 1.63 |
| Mark-to-market effects (a) | 0.09 | (0.03) | 0.13 | (0.10) |
| Uncertain tax items (b) | — | (0.13) | — | (0.13) |
| Diluted earnings per share, excluding certain items affecting comparability (c) | \$ 0.76 | \$ 0.76 | \$ 1.41 | \$ 1.40 |

- (a) Net (gain) loss from mark-to-market valuation of certain commodity positions and grain inventories. See Note 5 to the Consolidated Financial Statements in this report.
- (b) Effects of court decisions and audit settlements on uncertain tax matters.
- (c) Items affecting comparability includes integration costs resulting from the acquisitions of Yoplait S.A.S. and Yoplait Marques S.A.S. of \$3 million after-tax for the quarterly and six-month periods ended November 27, 2011. The impact is less than \$.01 on diluted earnings per share excluding certain items affecting comparability for both the quarterly and six-month periods ended November 27, 2011.

GLOSSARY

AOCI. Accumulated other comprehensive income (loss).

Derivatives. Financial instruments such as futures, swaps, options, and forward contracts that we use to manage our risk arising from changes in commodity prices, interest rates, foreign exchange rates, and stock prices.

Euribor. Euro Interbank Offered Rate.

Generally Accepted Accounting Principles (GAAP). Guidelines, procedures, and practices that we are required to use in recording and reporting accounting information in our financial statements.

Goodwill. The difference between the purchase price of acquired companies plus the fair value of any noncontrolling and redeemable interests and the related fair values of net assets acquired.

Hedge accounting. Accounting for qualifying hedges that allows changes in a hedging instrument's fair value to offset corresponding changes in the hedged item in the same reporting period. Hedge accounting is permitted for certain hedging instruments and hedged items only if the hedging relationship is highly effective, and only prospectively from the date a hedging relationship is formally documented.

Interest bearing instruments. Notes payable, long-term debt, including current portion, cash and cash equivalents, and certain interest bearing investments classified within prepaid expenses and other current assets and other assets.

LIBOR. London Interbank Offered Rate.

Mark-to-market. The act of determining a value for financial instruments, commodity contracts, and related assets or liabilities based on the current market price for that item.

Net mark-to-market valuation of certain commodity positions. Realized and unrealized gains and losses on derivative contracts that will be allocated to segment operating profit when the exposure we are hedging affects earnings.

Net price realization. The impact of list and promoted price changes, net of trade and other price promotion costs.

Noncontrolling interests. Interests of subsidiaries held by third parties.

Notional principal amount. The principal amount on which fixed-rate or floating-rate interest payments are calculated.

OCI. Other Comprehensive Income.

Redeemable interest. Interest of subsidiaries held by a third party that can be redeemed outside of our control and therefore cannot be classified as a noncontrolling interest in equity.

Total debt. Notes payable and long-term debt, including current portion.

Translation adjustments. The impact of the conversion of our foreign affiliates' financial statements to U.S. dollars for the purpose of consolidating our financial statements.

Variable interest entities (VIEs). A legal structure that is used for business purposes that either (1) does not have equity investors that have voting rights and share in all the entity's profits and losses or (2) has equity investors that do not provide sufficient financial resources to support the entity's activities.

Working Capital. Current assets and current liabilities, all as of the last day of our reporting period.

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report contains or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our current expectations and assumptions. We also may make written or oral forward-looking statements, including statements contained in our filings with the Securities and Exchange Commission (SEC) and in our reports to stockholders.

The words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “plan,” “project,” or similar expressions identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those currently anticipated or projected. We wish to caution you not to place undue reliance on any such forward-looking statements.

In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, we are identifying important factors that could affect our financial performance and could cause our actual results in future periods to differ materially from any current opinions or statements.

Our future results could be affected by a variety of factors, such as: 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 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 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.

You should also consider the risk factors that we identify in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended May 29, 2011, which could also affect our future results.

We undertake no obligation to publicly revise any forward-looking statements to reflect events or circumstances after the date of those statements or to reflect the occurrence of anticipated or unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The estimated maximum potential value-at-risk arising from a one-day loss in fair value for our interest rate and commodity market-risk-sensitive instruments outstanding as of November 27, 2011, was \$26 million and \$4 million, respectively. Both the interest rate and commodity value-at-risk as of November 27, 2011 remained flat compared to these measures as of May 29, 2011. For additional information, see Item 7A of our Annual Report on Form 10-K for the fiscal year ended May 29, 2011.

Item 4. Controls and Procedures.

We, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on our evaluation, our

Chief Executive Officer and Chief Financial Officer have concluded that, as of November 27, 2011, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our fiscal quarter ended November 27, 2011, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table sets forth information with respect to shares of our common stock that we purchased during the fiscal quarter ended November 27, 2011:

| Period | Total Number of Shares Purchased (a) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of a Publicly Announced Program (b) | Maximum Number of Shares that may yet be Purchased Under the Program (b) |
|--|---|---|---|---|
| August 29, 2011- October 2, 2011 | 2,287,064 | \$ 37.61 | 2,287,064 | 76,187,044 |
| October 3, 2011- October 30, 2011 | 203,938 | 37.72 | 203,938 | 75,983,106 |
| October 31, 2011- November 27, 2011 | 185,689 | 39.02 | 185,689 | 75,797,417 |
| Total | 2,676,691 | \$ 37.71 | 2,676,691 | 75,797,417 |

- (a) The total number of shares purchased includes shares purchased in the open market and shares of stock withheld for the payment of withholding taxes upon the distribution of deferred option units.
- (b) On June 28, 2010, our Board of Directors approved and we announced an authorization for the repurchase of up to 100,000,000 shares of our common stock. Purchases can be made in the open market or in privately negotiated transactions, including the use of call options and other derivative instruments, Rule 10b5-1 trading plans, and accelerated repurchase programs. The Board did not specify an expiration date for the authorization.

Item 6. Exhibits.

10.1 2011 Stock Compensation Plan.

10.2 2011 Compensation Plan for Non-Employee Directors.

10.3 Supplemental Benefits Trust Agreement.

10.4 Supplemental Benefits Trust Agreement.

12.1 Computation of Ratio of Earnings to Fixed Charges.

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101 Financial Statements from the Quarterly Report on Form 10-Q of the Company for the quarterly and six-month periods ended November 27, 2011, formatted in Extensible Business Reporting Language: (i) the Consolidated Statements of Earnings; (ii) the Consolidated Balance Sheets; (iii) the Consolidated Statements of Total Equity, Comprehensive Income and Redeemable Interest; (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENERAL MILLS, INC.

(Registrant)

Date December 20, 2011

/s/ Roderick A. Palmore

Roderick A. Palmore
Executive Vice President,
General Counsel and Secretary

Date December 20, 2011

/s/ Jerald A. Young

Jerald A. Young
Vice President, Controller
(Principal Accounting Officer)

Exhibit Index

| Exhibit No. | Description |
|-------------|--|
| 10.1 | 2011 Stock Compensation Plan. |
| 10.2 | 2011 Compensation Plan for Non-Employee Directors. |
| 10.3 | Supplemental Benefits Trust Agreement. |
| 10.4 | Supplemental Benefits Trust Agreement. |
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GENERAL MILLS, INC.
2011 STOCK COMPENSATION PLAN

1. PURPOSE OF THE PLAN

The purpose of the General Mills, Inc. 2011 Stock Compensation Plan (the "Plan") is to attract and retain able individuals by rewarding employees of General Mills, Inc., its subsidiaries and affiliates (defined as entities in which General Mills, Inc. has a significant equity or other interest, collectively, the "Company") and to align the interests of employees with those of the stockholders of the Company. The Company shall include any successors to General Mills, Inc. or any future parent corporations or similar entities.

2. EFFECTIVE DATE AND DURATION OF PLAN

This Plan shall become effective as of September 26, 2011, subject to the approval of the stockholders of the Company at the Annual Meeting on that date. Awards may be made under the Plan until September 30, 2021.

3. ELIGIBLE PERSONS

Only persons who are employees of the Company shall be eligible to receive grants of Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and/or Performance Awards (each defined below) and become "Participants" under the Plan. The Compensation Committee of the Company's Board of Directors (the "Committee") shall exercise the discretionary authority to determine from time to time the employees of the Company who are eligible to participate in this Plan. Individuals who are not classified by the Company as employees on its corporate books, records and systems are not eligible to receive Awards even if any individual is later reclassified (by the Company, any court, any government agency or otherwise) as an employee of the Company as of any date in particular.

4. AWARD TYPES

- (a) **Stock Option Awards.** The Committee may award Participants options ("Stock Options") to purchase a fixed number of shares of common stock (\$.10 par value) of the Company ("Common Stock"). The grant of a Stock Option entitles the Participant to purchase shares of Common Stock at an "Exercise Price" established by the Committee which, unless the Stock Option is granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who become employees of the Company as a result of a merger, consolidation, acquisition or other transaction involving the Company (in which case the assumption or substitution shall be accomplished in a manner that permits the Award to be exempt from Code Section 409A), shall not be less than 100% of the Fair Market Value of the Common Stock on the date of grant, and may exceed the Fair Market Value on the grant date, at the Committee's discretion. "Fair Market Value" shall equal the closing price on the New York Stock Exchange of the Company's Common Stock on the applicable date.
- (b) **Stock Appreciation Rights.** The Committee may also award Participants Stock Appreciation Rights. A Stock Appreciation Right is a right to receive, upon exercise of that right, an amount, which may be paid in cash, shares of Common Stock, or a combination thereof in the complete discretion of the Committee, equal to or less than the difference between the Fair Market Value of one share of Common Stock as of the date of exercise and the Fair Market Value of one share of Common Stock on the date of grant, unless the Stock Appreciation Right was granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who become employees of the Company as a result of a merger, consolidation, acquisition, or other transaction involving the Company (in which case the assumption or substitution shall be accomplished in a manner that permits the Award to be exempt from Code Section 409A).
- (c) **Restricted Stock Awards.** The Committee may grant Participants, subject to certain restrictions, shares of Common Stock ("Restricted Stock") or the right to receive shares of Common Stock or cash ("Restricted Stock Units").
- (d) **Performance Awards.** Performance Awards may be made by the Committee granting a right to either the value of a number of shares of Common Stock ("Performance Share Units") or a monetary amount, which could be settled in such shares or in cash or a combination thereof ("Performance Units"), determined based on the extent to which applicable performance goals are achieved.

Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Performance Awards are sometimes referred to as "Awards". To the extent any Award is subject to section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), the terms and administration of such Award shall comply therewith and IRS guidance thereunder. If any provision of the Plan would otherwise conflict with or frustrate this intent, that provision will be interpreted and deemed amended so as to avoid the conflict. Further, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Plan shall be treated as a separate payment of compensation for purposes of applying the Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts.

5. COMMON STOCK SUBJECT TO THE PLAN

- (a) **Maximum Shares Available for Delivery.** Subject to Section 5(c), the maximum number of shares of Common Stock available for Awards to Participants under the Plan shall be 40,000,000. Stock Options and Stock Appreciation Rights awarded shall reduce the number of shares available for Awards by one share for every one share granted; provided that Stock Appreciation Rights that may be settled only in cash shall not reduce the number of shares available for Awards. Awards of Restricted Stock, Restricted Stock Units and Performance Awards settled in shares of Common Stock shall reduce the number of shares available for Awards by one share for every one share delivered, up to 30 percent of the total number of shares available; beyond that, Restricted Stock, Restricted Stock Units and Performance Awards settled in shares of Common Stock shall reduce the number of shares available for Awards by six shares for every one share delivered. Restricted Stock Units and Performance Awards that may be settled only in cash shall not reduce the number of shares available for Awards.

In addition, any Common Stock covered by a Stock Option or Stock Appreciation Right granted under the Plan which is forfeited prior to the end of the vesting period, or which expires or otherwise terminates without being exercised, shall be deemed not to be granted for purposes of determining the maximum number of shares of Common Stock available for Awards under the Plan. In the event a Stock Option or Stock Appreciation Right is settled for cash, the number of shares deducted against the maximum number of shares provided in Section 5(a) shall be restored and again be available for Awards. However, if (i) any Stock Option is exercised through the delivery of Common Stock in satisfaction of the Exercise Price, and (ii) withholding tax requirements arising upon exercise of any Stock Option or Stock Appreciation Right are satisfied through the withholding of Common Stock otherwise deliverable in connection with such exercise, the full number of shares of Common Stock underlying any such Stock Option or Stock Appreciation Right, or portion thereof being so issued shall count against the maximum number of shares available for grants under the Plan.

Upon forfeiture or termination of Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Performance Awards prior to vesting, the shares of Common Stock subject thereto shall again be available for Awards under the Plan added back in the same multiple as they were awarded pursuant to the first paragraph of this Section 5(a).

- (b) **Individual Limits.** The number of shares of Common Stock subject to Stock Options and Stock Appreciation Rights or shares of Common Stock available for Restricted Stock, Restricted Stock Units and Performance Awards granted under the Plan to any single Participant shall not exceed, in the aggregate, 2,000,000 shares and/or units per fiscal year. The maximum dollar value of Performance Awards payable to any single Participant shall be \$20,000,000 per fiscal year. These per-Participant limits shall be construed and applied consistently with Code section 162(m) and the regulations thereunder.
- (c) **Adjustments for Corporate Transactions.** If a corporate transaction has occurred affecting the Common Stock such that an adjustment to outstanding Awards is required to preserve (or prevent enlargement of) the benefits or potential benefits intended at the time of grant, then in such manner as the Committee deems equitable, an appropriate adjustment shall be made to (i) the number and kind of shares which may be awarded under the Plan; (ii) the number and kind of shares subject to outstanding Awards; (iii) the number of shares credited to an account; (iv) the individual limits imposed under the Plan; and if applicable; (v) the Exercise Price of outstanding Options and Stock Appreciation Rights provided that the number of shares of Common Stock subject to any Stock Option or Stock Appreciation Right denominated in Common Stock shall always be a whole number. Any shares of Common Stock underlying Awards granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who become employees of the Company as a result of a corporate transaction involving the Company shall not, unless required by law or regulation, count against the reserve of available shares of Common Stock under the Plan. For purposes of this paragraph a corporate transaction includes, but is not limited to, any dividend (other than a cash dividend that is not an extraordinary cash dividend) or other distribution (whether in the form of cash, Common Stock, securities of a subsidiary of the Company, other securities or other property), recapitalization, stock split, reverse stock split, combination of shares, reorganization, merger, consolidation, acquisition, split-up, spin-off, combination, repurchase or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction. Notwithstanding anything in this paragraph to the contrary, an adjustment to a Stock Option or Stock Appreciation Right under this paragraph shall be made in a manner that will not result in the grant of a new Stock Option or Stock Appreciation Right under Section 409A or cause the Stock Option or Stock Appreciation Right to fail to be exempt from Section 409A.
- (d) **Limits on Distribution.** Distribution of shares of Common Stock or other amounts under the Plan shall be subject to the following:
- (i) Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933), and the applicable requirements of any securities exchange or similar entity.

- (ii) To the extent that the Plan provides for issuance of stock certificates to reflect the issuance of shares of Common Stock or Restricted Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.
- (e) **Stock Deposit Requirements and other Restrictions.** The Committee, in its discretion, may require as a condition to the grant of Awards, the deposit of Common Stock owned by the Participant receiving such grant, and the forfeiture of such grant, if such deposit is not made or maintained during the required holding period. Such shares of deposited Common Stock may not be otherwise sold or disposed of during the applicable holding period or restricted period. The Committee may also determine whether any shares issued upon exercise of a Stock Option or Stock Appreciation Right, or attainment of any performance goal, shall be restricted in any manner.

6. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS TERMS AND TYPE

- (a) **General.** Stock Options granted under the Plan shall be Non-Qualified Stock Options governed by Section 83 of the Internal Revenue Code of 1986, as amended (the "Code"). The term of any Stock Option and Stock Appreciation Right granted under the Plan shall be determined by the Committee, provided that said term shall not exceed 10 years and one month.
- (b) **No Reload Rights.** Neither Stock Options nor Stock Appreciation Rights granted under this Plan shall contain any provision entitling the optionee or right-holder to the automatic grant of additional options or rights in connection with any exercise of the original option or right.
- (c) **No Repricing.** Subject to Section 5(c) and absent stockholder approval, the Exercise Price of an outstanding Stock Option may not be decreased after the grant date; the value of Common Stock used to determine the amount paid upon the exercise of a Stock Appreciation Right (i.e., the equivalent of an option's exercise price) may not be decreased after the date of grant; no outstanding Stock Options or Stock Appreciation Rights may be surrendered to the Company as consideration or otherwise for the grant of a new Award with a lower exercise price; and no other modifications to any outstanding Stock Options or Stock Appreciation Rights may be made that would be treated as a "repricing" under the then applicable rules or listing requirements adopted by the New York Stock Exchange.

7. GRANT, EXERCISE AND VESTING OF STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

- (a) **Grant.** Subject to the limits otherwise imposed by the terms of this Plan, the Committee has discretionary authority to determine the size of a Stock Option or Stock Appreciation Right Award, which may be tied to meeting performance-based requirements.
- (b) **Exercise.** Except as provided in Sections 11 and 12 (Change of Control and Termination of Employment), each Stock Option or Stock Appreciation Right may be exercised only in accordance with the terms and conditions of the Stock Option grant or Stock Appreciation Right and during the periods as may be established by the Committee. A Participant exercising a Stock Option or Stock Appreciation Right shall give notice to the Company of such exercise and of the number of shares elected to be purchased prior to 4:30 P.M. CST/CDT on the day of exercise.
- (c) **Vesting.** Stock Options and Stock Appreciation Rights shall not be exercisable unless vested. Subject to Sections 11 and 12 Stock Options and Stock Appreciation Rights shall be fully vested only after at least four years of the Participant's continued service with the Company following the date of the grant.
- (d) **Payment of Exercise Price.** The Exercise Price for Stock Options shall be paid to the Company at the time of such exercise, subject to any applicable rule adopted by the Committee:
 - (i) in cash (including check, draft, money order or wire transfer made payable to the order of the Company);
 - (ii) through the tender of shares of Common Stock owned by the Participant (by either actual delivery or attestation);
 - (iii) by a combination of (i) and (ii) above; or
 - (iv) by authorizing a third party broker to sell a sufficient number of shares of Common Stock acquired upon exercise of the Stock Option and remit to the Company such sales proceeds to pay the entire Exercise Price and any tax withholding resulting from the exercise.

For determining the amount of the payment, Common Stock delivered pursuant to (ii) or (iii) shall have a value equal to the Fair Market Value of the Common Stock on the date of exercise.

8. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

Restricted Stock and Restricted Stock Units may be awarded on either a discretionary or performance-based method.

- (a) **Discretionary.** With respect to discretionary Awards of Restricted Stock and Restricted Stock Units, the Committee shall:
- (i) Select Participants to whom Awards will be made;
 - (ii) Subject to the otherwise applicable Plan limits, determine the number of shares of Restricted Stock or the number of Restricted Stock Units to be awarded to a Participant;
 - (iii) Determine the length of the restricted period, which, other than as expressly allowed under the Plan, shall be no less than four years;
 - (iv) Determine the purchase price, if any, to be paid by the Participant for Restricted Stock or Restricted Stock Units;
 - (v) Determine whether Restricted Stock Unit Awards will be settled in shares of Common Stock, cash or a combination thereof; and
 - (vi) Determine any restrictions other than those set forth in this Section.
- (b) **Performance-Based.** With respect to Awards of performance-based Restricted Stock and Restricted Stock Units, the intent is to grant such Awards so as to satisfy the requirements for “qualified performance-based compensation” under Code Section 162(m). Performance-based Awards are subject to the following:
- (i) The Committee has exclusive authority to determine which Participants may be awarded performance-based Restricted Stock and Restricted Stock Units and whether any Restricted Stock Unit Awards will be settled in shares of Common Stock, cash, or a combination thereof.
 - (ii) In order for any Participant to be awarded Restricted Stock or Restricted Stock Units for a Performance Period (defined below), the net earnings from continuing operations excluding items identified and disclosed by the Company as non-recurring or special costs and after taxes (“Net Earnings”) of the Company for such Performance Period must be greater than zero.
 - (iii) At the end of the Performance Period, if the Committee determines that the requirement of Section 8(b)(ii) has been met, each Participant eligible for a performance-based Award shall be deemed to have earned an Award equal in value to the Maximum Amount, or such lesser amount as the Committee shall determine in its discretion to be appropriate. The Committee may base this determination on performance-based criteria and in no case shall this have the effect of increasing an Award payable to any other Participant. For purposes of computing the value of Awards, each Restricted Stock or Restricted Stock Unit shall be deemed to have a value equivalent to the Fair Market Value of one share of Common Stock on the date the Award is granted.
 - (iv) The total value and/or number of shares or units of the performance-based Restricted Stock or Restricted Stock Unit Award granted to any Participant for any one Performance Period shall not exceed the lesser of 0.5 percent of the Company’s Net Earnings for that Performance Period (such amount is the “Maximum Amount”), or the number of shares of Common Stock available under Section 5(b) hereof.
 - (v) The Committee shall determine the length of the restricted period which, other than as expressly allowed under the Plan, shall be no less than four years.
 - (vi) “Performance Period” means a fiscal year of the Company, or such other period as the Committee may from time to time establish, which in no case shall be less than one year.

Subject to the restrictions set forth in this Section, each Participant who receives Restricted Stock shall have certain rights as a stockholder with respect to such shares, as set forth in the applicable Award Agreement. Each Participant who is awarded Restricted Stock Units that are settled in shares of Common Stock shall be eligible to receive, at the expiration of the applicable restricted period (or such later time as provided herein), one share of Common Stock for each Restricted Stock Unit awarded, and the Company shall issue to each such Participant that number of shares of Common Stock. Each Participant who is awarded Restricted Stock Units that are settled in cash shall receive an amount equal to the Fair Market Value of a share of Common Stock

on the date the applicable restricted period ends, multiplied by the number of Units awarded. Participants who receive Restricted Stock Units shall have no rights as stockholders with respect to such Restricted Stock Units until such time as share certificates for Common Stock are issued to the Participants (if applicable); provided, however, that as of the first day of each quarter, during the applicable restricted period for all Restricted Stock Units awarded hereunder, the Company may credit to each such Participant an amount equal to the sum of all dividends and other distributions paid by the Company during the prior quarter on that equivalent number of shares of Common Stock. Notwithstanding any provisions of this Section or the Plan to the contrary, any dividends or other distributions paid on Restricted Stock, or any dividend equivalents or other distributions credited in respect to Restricted Stock Units, shall be distributed (in either cash or shares of Common Stock, with or without interest or other earnings, as provided in the Award Agreement at the discretion of the Committee) to the Participant only if, when, and to the extent the restrictions imposed on the attendant Restricted Stock or Restricted Stock Units lapse, and in an amount equal to the sum of all quarterly dividends and other distributions paid by the Company during the applicable restricted period on the equivalent number of shares of Common Stock which become unrestricted. Such dividends, dividend equivalents, or other distributions shall be payable at the same time as the attendant Restricted Stock or Restricted Stock Units to which they relate, as provided under the applicable terms of the Plan and relevant Award Agreements. Dividends, dividend equivalents, and other distributions that are not so vested shall be forfeited.

Notwithstanding the other provisions of this Section 8, the Committee may in its discretion award up to five percent of the shares authorized under this Plan on an unrestricted basis, subject to the limits of Section 5.

The Committee may in its discretion permit a Participant to defer receipt of any Common Stock or cash issuable upon the lapse of any restriction of Restricted Stock Units, subject to such rules and procedures as it may establish. In particular, the Committee shall establish rules relating to such deferrals intended to comply with the requirements of Code section 409A, including without limitation, the time when a deferral election can be made, the period of the deferral, and the events that would result in payment of the deferred amount.

9. PERFORMANCE AWARDS

- (a) **Grant.** The Committee may grant Performance Awards which may be denominated in shares of Common Stock (“Performance Share Units”) or notionally represented by a monetary value, and which may be settled in shares of Common Stock, paid in cash, or a combination thereof (“Performance Units”).
- (b) **Performance Goal.** In order for any Participant to be granted a Performance Award for a Performance Period (defined below), the net earnings from continuing operations excluding items identified and disclosed by the Company as non-recurring or special costs and after taxes (“Net Earnings”) of the Company for such Performance Period must be greater than zero.
- (c) **Grant Size.** At the end of the Performance Period, if the Committee determines that the requirement of Section 9(b) has been met, each Participant eligible for a Performance Award shall be deemed to be granted an Award equal in value to the Maximum Amount, or such lesser amount as the Committee determines in its discretion to be appropriate. The Committee may base this determination on additional performance-based criteria and in no case shall this have the effect of increasing an Award payable to any other Participant. For purposes of computing the grant value of Awards, each Performance Award denominated in shares of Common Stock (whether or not share settled) shall be deemed to have a value equivalent to the Fair Market Value of one share of Common Stock on the date the Award is granted.
- (d) **Additional Performance Conditions and Vesting.** Awards granted under this Section 9 shall be subject to such other terms and conditions as the Committee, in its discretion, imposes in the relevant Award Agreement. These conditions may include service and/or performance requirements and goals over periods of one or more years that could result in the future forfeiture of all or part of the Performance Award granted hereunder in the event of the Participant’s termination of employment with the Company prior to the expiration of any service conditions, and/or said performance criteria or other conditions are not met in whole or in part within the designated period of time. This designated period of time shall be referred to as the “Additional Performance Period”. Except as provided in Sections 11(b), (c) and 12(c), Performance Awards shall not be paid other than on the date specified in the relevant Award Agreement after the end of the Additional Performance Period.
- (e) **Maximum Amount.** The total value of a Performance Award granted to any Participant for any one Performance Period shall not exceed the lesser of 0.5 percent of the Company’s Net Earnings for that Performance Period (such amount is the “Maximum Amount”), or the dollar value limit on Performance Awards under Section 5(b).
- (f) **Performance Period.** “Performance Period” means the period as the Committee may from time to time establish, which in no case shall be less than one year.
- (g) **Dividend Equivalents and Voting.** At the discretion of the Committee, Performance Share Units may be credited with amounts equal to the sum of all dividends and other distributions paid by the Company during the prior quarter on that equivalent number of shares of Common Stock. Notwithstanding the previous sentence, any dividend equivalents or other

distributions so credited shall be distributed (in either cash or shares of Common Stock, with or without interest or other earnings, as provided in the Award Agreement at the discretion of the Committee) to the Participant only if, when, and to the extent the conditions imposed on the attendant Performance Share Units are satisfied, and in an amount equal to the sum of all quarterly dividends and other distributions paid by the Company during the relevant Performance Period and/or Additional Performance Period on the equivalent number of shares of Common Stock which become payable. Such dividend equivalents or other distributions shall be payable at the same time as the attendant Performance Share Units to which they relate, as provided under the applicable terms of the Plan and Award Agreement. Dividend equivalents and other distributions that are not so vested shall be forfeited. Dividend equivalents shall not be credited in respect to Performance Units. Participants who receive either Performance Share Units or Performance Units shall have no rights as stockholders and in particular shall have no voting rights.

The Committee may in its discretion permit a Participant to defer receipt of any Common Stock or cash issuable under a Performance Award subject to such rules and procedures as it may establish. In particular, the Committee shall establish rules relating to such deferrals intended to comply with the requirements of Code section 409A, including without limitation, the time when a deferral election can be made, the period of the deferral, and the events that would result in payment of the deferred amount.

10. TAXES

The Company has the right to withhold amounts from Awards to satisfy required tax obligations as it deems appropriate. Whenever the Company issues Common Stock under the Plan, unless it decides to satisfy the withholding obligations through additional withholding on salary or other wages, it may require the recipient to remit to the Company an amount sufficient to satisfy any Federal, state, local or foreign tax withholding requirements prior to the delivery of such Common Stock, or the Company may in its discretion withhold from the shares to be delivered shares sufficient to satisfy all or a portion of such tax withholding requirements.

11. CHANGE OF CONTROL

(a) Each of the following (i) through (iv) constitutes a "Change of Control":

- (i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the 1934 Act), (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of voting securities of the Company where such acquisition causes such Person to own 20% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not be deemed to result in a Change of Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (D) any acquisition by any corporation pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) below; and provided, further, that if any Person's beneficial ownership of the Outstanding Voting Securities reaches or exceeds 20% as a result of a transaction described in clause (A) or (B) above, and such Person subsequently acquires beneficial ownership of additional voting securities of the Company, such subsequent acquisition shall be treated as an acquisition that causes such Person to own 20% or more of the Outstanding Voting Securities; or
- (ii) Individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or
- (iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"); excluding however, such a Business Combination pursuant to which (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their

ownership, immediately prior to such Business Combination of the Outstanding Company Securities, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

- (iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.
- (b) If, within two years after a Change of Control a Participant experiences an involuntary separation from service initiated by the Company for reasons other than “cause” (for this purpose cause shall have the same meaning as that term has in Section 4.2(b)(ii) of Plan B of the General Mills Separation Pay and Benefits Program for Officers), or a separation from service for “good reason” actually entitling the employee to certain separation benefits under Section 4.2(a)(ii) of Plan B of the General Mills Separation Pay and Benefits Program for Officers, the following applies:
 - (i) All of his or her then outstanding and unvested Stock Options and Stock Appreciation Rights shall fully vest immediately and remain exercisable for the one-year period beginning on the date of his or her separation from service or, if earlier, the end of the term of the Stock Option and Stock Appreciation Right.
 - (ii) All shares of Restricted Stock and Restricted Stock Units shall fully vest and be settled immediately (subject to a proper deferral election made with respect to the Award).
 - (iii) All Performance Awards shall fully vest immediately and shall be considered to be earned in full “at target” as if the applicable performance goals established for the Additional Performance Period have been achieved, and paid immediately (subject to a proper deferral election made with respect to the Award).
 - (iv) If Awards are replaced pursuant to subsection (d) below, the protections and rights granted under this subsection (b) shall transfer and apply to such replacement awards.

Notwithstanding the above, any Restricted Stock Units or Performance Awards subject to Section 409A (not subject to a proper deferral election) shall be settled on the Participant’s separation from service (within the meaning of Section 409A) or in the case of a Participant who is a “specified employee” (within the meaning of Section 409A) on the first day of the seventh month following the month of the Participant’s separation from service.

- (c) If, in the event of a Change of Control, and to the extent outstanding Awards are not assumed by a successor corporation (or affiliate thereto) or other successor entity or person, or replaced with an award or grant that solely in the discretionary judgment of the Committee, which shall be reasonable, preserves the existing value of outstanding Awards at the time of the Change of Control, then the following shall occur:
 - (i) Subject to the other provisions of this subsection (c), All Stock Options and Stock Appreciation Rights shall vest and become exercisable immediately upon the Change of Control event.
 - (ii) The restrictions on all shares of Restricted Stock shall lapse and Restricted Stock Units shall vest immediately.
 - (iii) All Performance Awards shall fully vest immediately and shall be considered to be earned in full “at target” as if the applicable performance goals established for the Additional Performance Period have been achieved.
 - (iv) To the extent Code Section 409A applies, if the Change of Control constitutes a “change in control” event as described in IRS regulations or other guidance under Code section 409A(a)(2)(A)(v), Participants’ Restricted Stock Units and Performance Awards shall be settled and paid upon the Change of Control in accordance with the requirements of Code Section 409A.
 - (v) If the Change of Control does not constitute a “change in control” event as described in IRS regulations or other guidance under Code section 409A(a)(2)(A)(v), Restricted Stock Units and Performance Awards that are not Section 409A Restricted Stock Units and/or not otherwise subject to Section 409A, and on which a deferral election was not made, shall be settled and paid upon the Change of Control. However, the Section 409A Restricted Stock Units, Performance Awards otherwise subject to Section 409A, or such Awards for which a proper deferral election was made, shall be settled in cash equal to either the Award’s Fair Market Value at the time of the Change of Control, or its monetary value provided for above in (iii), as applicable, plus interest at a rate of Prime plus 1% from the Change of Control to the date of payment, which shall be the time the original restriction period would have closed, the Performance Award would have been originally payable, or the date elected pursuant to the proper deferral election, as applicable.

In the discretion of the Committee and notwithstanding subsection (c)(i) above or any other Plan provision, outstanding Stock Options and Stock Appreciation Rights (both exercisable and unexercisable) may be cancelled at the time of the Change of Control in exchange for cash, property, or a combination thereof that is determined by the Committee to be at least equal to the excess (if any) of the value of the consideration that would be received in such Change of Control by the holders of Common Stock, over the exercise price for such Awards. For purposes of clarification, by operation of this provision Stock Options and Stock Appreciation Rights that would not yield a gain at the time of the Change of Control under the aforementioned equation are subject to cancellation without consideration. Furthermore, the Committee is under no obligation to treat Awards and/or Participants uniformly and has the discretionary authority to treat Awards and Participants disparately.

- (d) If in the event of a Change of Control and to the extent outstanding Awards are assumed by any successor corporation, affiliate thereof, person or other entity, or are replaced with awards that, solely in the discretionary judgment of the Committee preserve the existing value of outstanding Awards at the time of the Change of Control and provide for vesting payout terms, and performance goals, as applicable, that are at least as favorable to Participants as vesting, payout terms and Performance Goals applicable to Awards, then all such Awards or such substitutes thereof shall remain outstanding and be governed by their respective terms, subject to Subsection 11(b) hereof.
- (e) With respect to any outstanding Awards as of the date of any Change of Control which require the deposit of owned Common Stock as a condition to obtaining rights, the deposit requirement shall be terminated as of the date of the Change of Control.

12. TERMINATION OF EMPLOYMENT

- (a) **Resignation or Termination for Cause.** If the Participant's employment by the Company is terminated by either

- (i) the voluntary resignation of the Participant, or
- (ii) a Company discharge due to Participant's illegal activities, poor work performance, misconduct or violation of the Company's Code of Conduct, policies or practices,

then the Participant's Stock Options and Stock Appreciation Rights shall terminate three months after such termination (but in no event beyond the original full term of the Stock Options or Stock Appreciation Rights) and no Stock Options or Stock Appreciation Rights shall become exercisable after such termination, and all shares of Restricted Stock, Restricted Stock Units which are subject to restriction on the date of termination, and all outstanding Performance Awards, shall be cancelled and forfeited.

- (b) **Other Termination.** If the Participant's employment by the Company terminates involuntarily at the initiation of the Company for any reason other than specified in Sections 11, 12 (a), (d) or (e), and upon the execution (without revoking) of an effective general legal release and such other documents as are satisfactory to the Company, the following rules shall apply:

- (i) In the event that, at the time of such involuntary termination, the sum of the Participant's age and years of service with the Company equals or exceeds 70, (A) the Participant's outstanding Stock Options and Stock Appreciation Rights shall continue to become exercisable according to the schedule established at the time of grant unless otherwise provided in the applicable Award Agreement; (B) the restriction on all shares of Restricted Stock shall lapse and Restricted Stock Units shall vest and be paid (or deferred, as appropriate) immediately; and (C) any Performance Awards remaining outstanding during the Additional Performance Period shall fully vest and be payable according to the original terms of the Award with a value, if any, that otherwise would be earned under the applicable performance goals originally established under the Award Agreement based on actual performance (subject to a proper deferral election). Stock Options and Stock Appreciation Rights shall remain exercisable for the remaining full term of such Awards.
- (ii) In the event that, at the time of such involuntary termination, the sum of the Participant's age and years of service with the Company is less than 70, (A) the Participant's outstanding unexercisable Stock Options and Stock Appreciation Rights, and unvested Restricted Stock and Restricted Stock Units, shall become exercisable or vest and paid or deferred immediately, as the case may be, as of the date of termination, in a pro-rata amount based on the full months of employment completed during the full vesting period from the date of grant to the date of termination with such newly-vested Stock Options and Stock Appreciation Rights, and Stock Options and Stock Appreciation Rights exercisable on the date of termination, remaining exercisable for the lesser of one year from the date of termination and the original full term of the Stock Option and/or Stock Appreciation Right; and (B) the Participant's Performance Awards remaining outstanding during the Additional Performance Period shall be payable according to the original terms of the Award with a value, if any, that otherwise would be earned under the applicable performance goals originally established under the Award Agreement based on actual performance, and shall vest at the end of the relevant Additional Performance Period in

a pro-rata amount based on the full months of employment completed during the relevant Additional Performance Period originally established in the Award Agreement through the date of termination. All other Stock Options, Stock Appreciation Rights, shares of Restricted Stock, Restricted Stock Units and Performance Awards shall be forfeited as of the date of termination. Provided, however, that if the Participant is a Company Senior Vice President or above, the Participant's outstanding Stock Options and Stock Appreciation Rights which, as of the date of termination are not yet exercisable, shall become exercisable effective as of the date of such termination and, with all outstanding Stock Options and Stock Appreciation Rights already exercisable on the date of termination, shall remain exercisable for the lesser of one year following the date of termination and the original full term of the Stock Option or Stock Appreciation Right; all shares of Restricted Stock and Restricted Stock Units shall fully vest as of the date of termination and be paid or deferred immediately; and any outstanding Performance Awards shall fully vest and be payable according to the original terms of the Award with a value, if any, that otherwise would be earned under the applicable performance goals originally established in the Award Agreement (subject to a proper deferral election).

Notwithstanding the foregoing, any Section 409A Restricted Stock Units that vest under this Section 12(b) shall be paid on the Participant's separation from service (within the meaning of Code section 409A), or in the case of a Participant who is a specified employee (within the meaning of Code section 409A) shall be paid on the first day of the seventh month following the month of separation from service.

- (c) **Death.** If a Participant dies while employed by the Company, any Stock Option or Stock Appreciation Right previously granted under this Plan shall fully vest and become exercisable upon death and may be exercised by the person designated as such Participant's beneficiary or beneficiaries or, in the absence of such designation, by the Participant's estate. Stock Options and Stock Appreciation Rights shall remain exercisable for the remaining full term of such Awards. A Participant who dies while employed by the Company during any applicable restricted period shall fully vest in such shares of Restricted Stock or Restricted Stock Units, effective as of the date of death, and such shares or cash shall be paid as of the first day of the month following death to the designated beneficiary or beneficiaries. If a Participant dies while employed by the Company during an Additional Performance Period, all Performance Awards shall fully vest and shall be considered to be earned in full "at target" as if the applicable performance goals have been achieved, and paid on the first day of the month following death to the designated beneficiary or beneficiaries.
- (d) **Retirement.** The Committee shall determine, at the time of grant, the treatment of Awards upon the retirement of the Participant. Unless other terms are specified in the original Award Agreement, if the termination of employment is due to a Participant's retirement on or after age 55 and completion of five years of eligibility service under the General Mills Pension Plan, the Participant may, effective as of the date of employment termination as a retiree, exercise a Stock Option or Stock Appreciation Right pursuant to the original terms and conditions of such Awards; shall fully vest in, and be paid or have deferred, all shares of Restricted Stock or shares or cash attributable to Restricted Stock Units; and all Performance Awards shall fully vest and be payable according to the original terms of the Award with a value, if any, that otherwise would be earned under the applicable performance goals originally established in the Award Agreement based on actual performance (subject to a proper deferral election made with respect to the Award). However, the Restricted Stock Units without a proper deferral election that vest under this Section 12(d) shall be payable on the Participant's separation from service (within the meaning of Section 409A) or in the case of a Participant who is a specified employee (within the meaning of Section 409A) shall be paid on the first day of the seventh month following the month of separation from service.

A Restricted Stock Unit that could vest upon retirement under this Section 12(d) at any time within the Award's restricted period shall be referred to as a "Section 409A Restricted Stock Unit".

Notwithstanding the above, the terms of this Section 12(d) shall not apply to a Participant who, prior to a Change of Control, is terminated for cause as described in Section 12(a)(ii); said Participant shall be treated as provided in Section 12(a).

- (e) **Spin-offs and Other Divestitures.** If the termination of employment is due to the divestiture, cessation, transfer, or spin-off of a line of business or other activity of the Company, the Committee, in its sole discretion, shall determine the conversion, vesting, or other treatment of all outstanding Awards under the Plan. Such treatment shall be consistent with Section 409A, and in particular will take into account whether a separation from service has occurred within the meaning of Section 409A.

13. ADMINISTRATION OF THE PLAN

- (a) **Administration.** The authority to control and manage the operations and administration of the Plan shall be vested in the Committee in accordance with this Section.
- (b) **Selection of Committee.** The Committee shall be selected by the Board, and shall consist of two or more outside, disinterested members of the Board who, in the judgment of the Board, are qualified to administer the Plan as contemplated by Rule 16b-3 of the Securities and Exchange Act of 1934 (or any successor rule), Code section 162(m) and the regulations thereunder (or any successors thereto), and any rules and regulations of a stock exchange on which Common Stock is traded.

- (c) **Powers of Committee.** The authority to manage and control the operations and administration of the Plan shall be vested in the Committee, subject to the following:
- (i) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from among the eligible Company employees those persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares or amounts covered by the Awards, to establish the terms, conditions, performance criteria, performance period, restrictions, and other provisions of such Awards, to specify that the Participant's rights, payments, and benefits with respect to Awards shall be subject to adjustment, reduction, cancellation, forfeiture, or recoupment under certain circumstances, and (subject to the restrictions imposed by Section 14) to cancel or suspend Awards. In making such determinations, the Committee may take into account the nature of services rendered by the individual, the individual's present and potential contribution to the Company's success and such other factors as the Committee deems relevant. Such terms and conditions may be evidenced by an agreement ("Award Agreement"), which need not require execution by the Participant, in which case acceptance of the Award shall constitute agreement by the Participant with all its terms, conditions, limitations and forfeiture provisions.
 - (ii) The Committee will have the authority and discretion to establish terms and conditions of Awards as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States.
 - (iii) The Committee will have the authority and discretion to interpret the Plan, Award Agreements, and any other documents ancillary thereto, to establish, modify, and rescind any rules relating to the Plan, to determine the terms and provisions of any Award Agreements made pursuant to the Plan, to correct any technical defect(s) or omission (s) in connection with the Plan, Award Agreement, and any other documents ancillary thereto, reconcile any technical inconsistencies in connection with the Plan, Award Agreement, and any other documents ancillary thereto, and to make all other determinations that may be necessary or advisable for the administration of the Plan.
 - (iv) Any interpretation of the Plan, Award Agreements, and any other documents ancillary thereto, by the Committee and any decision made by it under the Plan, Award Agreements, and any other documents ancillary thereto, is final and binding. There is no obligation for uniformity or consistency of treatment of Participants or Awards under the Plan.
 - (v) The Committee will have exclusive authority and discretion to decide how outstanding Awards will be treated, and is empowered to make all elections among possible options, consistent with Sections 11(c) and (d).
- (d) **Delegation by Committee.** Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.
- (e) **Designation of Beneficiary.** Each Participant to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or to receive any payment which under the terms of the Plan and the relevant Award Agreement may become exercisable or payable on or after the Participant's death. At any time, and from time to time, any such designation may be changed or cancelled by the Participant without the consent of any such beneficiary. Any such designation, change or cancellation must be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. Such form may establish other rules as the Committee deems appropriate. If no beneficiary has been designated by a deceased Participant, or if all the designated beneficiaries have predeceased the Participant, the beneficiary shall be the Participant's estate. If the Participant designates more than one beneficiary, any payments under the Plan to such beneficiaries shall be made in equal shares unless the Participant has expressly designated otherwise, in which case the payments shall be made in the shares designated by the Participant.

14. AMENDMENTS OF THE PLAN

The Committee may from time to time prescribe, amend and rescind rules relating to the Plan. Subject to the approval of the Board of Directors, where required, the Committee may at any time terminate, amend, or suspend the operation of the Plan, provided that no action shall be taken by the Board of Directors or the Committee without the approval of the stockholders which would:

- (a) except as provided in Section 5(c), materially increase the number of shares which may be issued under the Plan;
- (b) permit granting of Stock Options or Stock Appreciation Rights at less than Fair Market Value;
- (c) except as provided in Section 5(c), permit the repricing (as provided in Section 6(c)) of outstanding Stock Options or Stock Appreciation Rights; or
- (d) amend the individual limits on awards set forth in Section 5(b) which may be granted to any single Participant.

No termination, modification, suspension, or amendment of the Plan shall alter or impair the rights of any Participant pursuant to an outstanding Award, in any material respect, without the consent of the Participant. There is no obligation for uniformity of treatment of Participants or Awards under the Plan.

15. FOREIGN JURISDICTIONS

Notwithstanding any provision of the Plan to the contrary, in order to foster and promote achievement of the purposes of the Plan and/or to comply with provisions of the laws in countries outside the United States in which the Company operates or has employees, the Committee, in its sole discretion, shall have the power and authority to (i) determine which Eligible Persons (if any) employed by the Company outside the United States should participate in the Plan, (ii) modify the terms and conditions of any Awards made to such Eligible Persons, and (iii) establish sub-plans, modified Option exercise procedures and other Award terms, conditions and procedures to the extent such actions may be necessary or advisable to comply with provisions of the laws in such countries outside the United States in order to assure the lawfulness, validity and effectiveness of Awards granted under the Plan.

16. TRANSFERABILITY OF AWARDS

Except as otherwise provided by rules of the Committee, no Stock Options or Stock Appreciation Right shall be transferable by a Participant otherwise than (i) by the Participant's last will and testament or (ii) by the applicable laws of descent and distribution, and such Stock Options or Stock Appreciation Right shall be exercised during the Participant's lifetime only by the Participant or his or her guardian or legal representative. Except as otherwise provided in Sections 8 or 9, no shares of Restricted Stock, no Restricted Stock Units and no Performance Awards shall be sold, exchanged, transferred, pledged or otherwise disposed of during the restricted period.

17. NON-ALIENATION OF RIGHTS AND BENEFITS

Subject to Sections 16 and 20, and the rights of the Company and the Committee established under the Plan's terms, no right or benefit under the Plan shall be subject to alienation, sale, assignment, pledge, or encumbrance and any attempt to do so shall be void. No right or benefit under the Plan be subject to the debts, contracts, liabilities or torts of the person entitled to such rights or benefits.

18. LIMITATION OF LIABILITY OR OBLIGATION OF THE COMPANY

Nothing in the Plan shall be construed

- (a) to give any employee of the Company any right to be granted any Award other than at the sole discretion of the Committee;
- (b) to give any Participant any rights whatsoever with respect to shares of Common Stock except as specifically provided in the Plan;
- (c) to limit in any way the right of the Company or any Subsidiary to terminate, change or modify, with or without cause, the employment of any Participant at any time; or
- (d) to be evidence of any agreement or understanding, express or implied, that the Company or any Subsidiary will employ any Participant in any particular position at any particular rate of compensation or for any particular period of time.

Payments and other benefits received by a Participant under an Award shall not be deemed part of a Participant's regular, recurring compensation for purposes of any termination, indemnity or severance pay laws and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company or any Subsidiary, unless expressly so provided by such other plan, contract or arrangement.

19. NO LOANS

The Company shall not lend money to any Participant to finance a transaction under this Plan.

20. CLAWBACK POLICY

Awards are specifically made subject to the Company's Executive Compensation Clawback Policy, as it is amended from time to time, to the full extent said Policy is applicable.

21. **NOTICES**

All notices to the Company regarding the Plan shall be in writing, effective as of actual receipt by the Company, and shall be sent to:

Attention: Corporate Compensation
General Mills, Inc.
Number One General Mills Boulevard
Minneapolis, MN 55426

22. **RECOGNITION AWARDS**

Notwithstanding any other provision of the Plan to the contrary, the Committee is given the discretionary authority to award up to a total of 20,000 unrestricted shares of Common Stock during each calendar year to selected employees as a bonus or reward ("Recognition Awards"). Under this paragraph no employee shall receive over 200 shares of Common Stock as Recognition Awards over the duration of the Plan's term.

GENERAL MILLS, INC.
2011 COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

1. PURPOSE

The purpose of the Plan is to provide a compensation program which will attract and retain qualified individuals not employed by General Mills, Inc. and its subsidiaries (the “Company”) to serve on the Board of Directors of the Company (the “Board”) and to further align the interests of non-employee directors with those of the stockholders by providing that a portion of compensation will be linked directly to increases in stockholder value.

2. EFFECTIVE DATE, DURATION OF PLAN

This Plan shall become effective as of September 26, 2011 subject to the approval of the Plan by the stockholders. Awards may be made under the Plan until September 30, 2016 or such earlier date as determined by the Board or the Compensation Committee of the Board (the “Committee”); provided that no such termination shall affect rights earned or accrued under the Plan prior to the date of termination.

3. DEFINITIONS

Wherever used in this Plan, the following terms have the meanings set forth below:

“Board” means the Board of Directors of the Company.

“Change of Control” has the meaning set forth in Section 11.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” has the meaning set forth in Section 2.

“Common Stock” means Company common stock (\$.10 par value).

“Company” means General Mills, Inc. and its subsidiaries.

“Deferred Compensation Account” has the meaning set forth in Section 6(d).

“Election Form” means a written form provided by the Company pursuant to which a Participant may elect the form and timing of distributions with respect to his or her retainer, Stock Units and dividend equivalents under the Plan.

“Fair Market Value” means the closing price on the New York Stock Exchange of the Common Stock on the applicable date.

“Key Employee” means a Participant treated as a “specified employee” as of his Separation from Service under Code section 409A(a)(2)(B)(i), i.e., a key employee (as defined in Code section 416(i) without regard to paragraph (5) thereof) of the Company or its affiliates if the Company’s or its affiliate’s stock is publicly traded on an established securities market or otherwise. Key Employees shall be determined in accordance with Code section 409A using a December 31 identification date. A listing of Key Employees as of an identification date shall be effective for the 12-month period beginning on the April 1 following the identification date.

“Option” has the meaning set forth in Section 7(a).

“Participant” has the meaning set forth in Section 4.

“Plan” means the General Mills, Inc. 2011 Compensation Plan for Non-Employee Directors as set forth herein and as amended.

“Plan Year” has the meaning set forth in Section 6(a).

“Separation from Service” or “Separate from Service” means a “separation from service” within the meaning of Code section 409A.

“Stock Unit Account” has the meaning set forth in Section 8(a).

“Stock Units” has the meaning set forth in Section 8(a).

4. PARTICIPATION

Each member of the Board who is not an employee of the Company at the date compensation is earned or accrued shall be eligible to participate in the Plan (a "Participant").

5. COMMON STOCK SUBJECT TO THE PLAN

(a) General. The Common Stock to be issued under this Plan is to be made available from the authorized but unissued Common Stock, shares of Common Stock held in the treasury, or Common Stock purchased on the open market or otherwise. Subject to the provisions of the next succeeding paragraphs, the maximum aggregate number of shares authorized to be issued under the Plan shall be 1,400,000 and the maximum number of shares authorized to be issued under the Plan in a single Plan Year shall be 320,000. Options awarded shall reduce the number of shares available for awards by one share for every one share granted. Awards of Stock Units shall reduce the number of shares available for awards by one share for every one share delivered, up to 30 percent of the total number of shares available; beyond that, Stock Units shall reduce the number of shares available for awards by six shares for every one share delivered.

Upon forfeiture, expiration, or termination of Options and/or Stock Units, the shares of Common Stock subject thereto shall again be available for awards under the Plan.

(b) Adjustments for Corporate Transactions. If a corporate transaction has occurred affecting the Common Stock such that an adjustment to outstanding awards is required to preserve (or prevent enlargement of) the benefits or potential benefits intended at the time of grant, then in such manner as the Committee deems equitable, an appropriate adjustment shall be made to (i) the number and kind of shares which may be awarded under the Plan; (ii) the number and kind of shares subject to outstanding awards; (iii) the number of shares credited to a Stock Unit Account; and (iv) the exercise price of outstanding Options provided that the number of shares of Common Stock subject to any Option denominated in Common Stock shall always be a whole number. For this purpose a corporate transaction includes, but is not limited to, any dividend (other than a cash dividend that is not an extraordinary cash dividend) or other distribution (whether in the form of cash, Common Stock, securities of a subsidiary of the Company, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction. Notwithstanding anything in this Section to the contrary, an adjustment to an Option under this Section 5(b) shall be made in a manner that will not result in the grant of a new Option under Code Section 409A.

6. RETAINER

(a) General. Each Participant shall be entitled to receive a retainer with respect to each one-year board term, beginning the day of each annual stockholders' meeting and ending the day before the succeeding annual stockholders' meeting (the "Plan Year") in an amount determined from time to time by the Board or its delegate. Retainers shall be earned and paid at the end of each of the Company's fiscal quarters.

(b) Normal Payment Terms. The normal payment terms for retainers are cash in a lump sum. In the absence of an affirmative election to the contrary, the retainer (or the portion not subject to such elections) shall be paid within 10 business days following the last day of each quarterly period described above in (a).

(c) Deferral Elections. Each Participant may elect an alternative form (lump sum vs. installments) in which a retainer may be delivered and the timing for such delivery, pursuant to the terms of Section 9. Participants shall make such election by filing an irrevocable Election Form with the Company before the calendar year in which a Plan Year begins. The election shall apply to amounts earned in a quarterly period described in (a) above that begins during the Plan Year. Notwithstanding the foregoing, in the first year in which a non-employee director becomes eligible to participate in the Plan, an election may be made with respect to services to be performed subsequent to the election, to the extent permitted under Code section 409A. Such an election must be made on an Election Form within 30 days after the date the non-employee director becomes eligible to participate in the Plan.

(d) Deferred Cash Alternative. For each Participant who affirmatively elects to defer receipt of his or her retainers in the form of deferred cash, the Company shall establish a separate account (a "Deferred Compensation Account") and credit such deferred cash compensation into that Account as of the date the amounts would otherwise be paid. A separate Deferred Compensation Account shall be established for each Plan Year a Participant makes such a deferral election. Earnings, gains and losses shall be credited to each such Deferred Compensation Account based on the rate earned by the fund or funds selected by the Participant from among funds or portfolios established by the Company, in its discretion. Distributions from a Deferred Compensation Account shall be made in accordance with Section 9.

The Company has established a Supplemental Benefits Trust with Wells Fargo Bank Minnesota, N.A. as trustee to hold assets of the Company under certain circumstances as a reserve for the discharge of the Company's obligations as to Deferred Compensation Accounts under the Plan and certain other deferred compensation plans of the Company. In the event of a Change of Control, the Company shall be obligated to immediately contribute such amounts to the trust as may be necessary to fully fund all Deferred Compensation Accounts payable under the Plan. Any Participant in the Plan shall have the right to demand and secure specific performance of this provision. All assets held in the trust remain subject only to the claims of the Company's general creditors whose claims against the Company are not satisfied because of the Company's bankruptcy or insolvency (as those terms are defined in the trust agreement). No Participant has any preferred claim on, or beneficial ownership interest in, any assets of the trust before the assets are paid to the Participant and all rights created under the trust, as under the Plan, are unsecured contractual claims of the Participant against the Company.

(e) Common Stock Alternative. Each Participant may affirmatively elect to receive all or a specified percentage of his or her retainers for a Plan Year in shares of Common Stock, which, if elected, will be issued within 10 business days following the last day of each quarterly period during the Plan Year described above in (a). Only whole numbers of shares will be issued, with any fractional share amounts paid in cash. For purposes of computing the number of shares earned each quarter during the Plan Year, the value of each share shall be equal to the Fair Market Value on the third Business Day preceding the last day of each quarter described above in (a) during the Plan Year. For the purposes of this Plan, "Business Day" shall mean a day on which the New York Stock Exchange is open for trading.

(f) Death. Notwithstanding any other provision of the Plan, if a Participant dies during a Plan Year, the balance of the amount due for the full quarter in which death occurs shall be payable in full to the person(s) designated under the terms of Section 11(e) of this Plan or if none designated then to the Participant's estate, in cash, within 60 days following the date of death.

7. NON-QUALIFIED STOCK OPTIONS

(a) Grant of Options. Each Participant on the effective date of the Plan (or, if first elected after the effective date of the Plan, then on the date the Participant first attends a Board meeting) shall be awarded an option (an "Option") to purchase shares of Common Stock, in an amount determined from time to time by the Board, or its delegate. As of the close of business on each successive annual stockholders' meeting after the date of the original award, each Participant who is re-elected to the Board shall be granted an additional Option to purchase shares of Common Stock. All Options granted under the Plan shall be non-statutory options not entitled to special tax treatment under Code section 422.

(b) Option Exercise Price. The per share price to be paid by the Participant at the time an Option is exercised shall be 100% of the Fair Market Value on the date of grant, or on the last date preceding the date of grant on which the Common Stock was traded.

(c) Term of Option. Each Option shall expire ten (10) years from the date of grant.

(d) Exercise and Vesting of Option. Each Option will vest on the date of the annual stockholders' meeting next following the date the Option is granted. Upon vesting, a Participant shall be given the full ten (10) year term to exercise the Option without regard to whether he or she continues to serve on the Board. If, for any reason, a Participant ceases to serve on the Board prior to the date an Option vests, such Option shall be forfeited and all further rights of the Participant to or with respect to such Option shall terminate. Notwithstanding the foregoing, if a participant should die during his or her term of service on the Board, any vested Option may be exercised by the person(s) designated under the terms of Section 11(e) of this Plan, and any unvested Options shall fully vest and become exercisable upon death for the remainder of the Option's full term.

(e) Method of Exercise. A Participant exercising an Option shall give notice to the Company of such exercise and of the number of shares elected to be purchased prior to 4:30 P.M. CST/CDT on the day of exercise. The exercise price shall be paid to the Company at the time of such exercise, subject to any applicable rule adopted by the Committee:

(i) in cash (including check, draft, money order or wire transfer made payable to the order of the Company);

(ii) through the tender of shares of Common Stock owned by the Participant (by either actual delivery or attestation); or

(iii) by a combination of (i) and (ii) above; or

(iv) by authorizing a third party broker to sell a sufficient number of shares of Common Stock acquired upon exercise of the Stock Option and remit to the Company such sales proceeds to pay the entire exercise price.

To determine the amount of the payment, Common Stock delivered pursuant to (ii) or (iii) shall have a value equal to the Fair Market Value of the Common Stock on the date of exercise.

(f) Non-transferability. Except as provided by rule adopted by the Committee, an Option shall be non-assignable and non-transferable by a Participant other than by will or the laws of descent and distribution. A Participant shall forfeit any Option assigned or transferred, voluntarily or involuntarily, other than as permitted under this subsection.

8. STOCK UNITS

(a) Awards. On the effective date of the Plan (or, if a Participant is first elected after the effective date of the Plan, then on the date the Participant first attends a Board meeting) and at the close of business on each successive annual stockholders' meeting, each Participant who is re-elected to the Board shall be awarded the right to receive shares of Common Stock ("Stock Units") in an amount determined from time to time by the Board or its delegate, subject to vesting as provided in Section 8(b). Only a Participant who is re-elected to the Board shall be entitled to a grant under this Section 8(a) of Stock Units awarded at the close of business on an annual meeting date after the date of the original grant to Participants. A separate Stock Unit Account will be established for the Participant each time an award of Stock Units is made.

Participants receiving Stock Units will have no rights as stockholders of the Company with respect to allocations made to their Stock Unit Account(s), except the right to receive dividend equivalent allocations under Section 8(d).

Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of until such time as share certificates for Common Stock are issued to the Participants.

(b) Vesting of Stock Units. A Participant's interest in the Stock Units shall vest on the date of the annual stockholders' meeting next following the date of the award of the Stock Units. If, for any reason, a Participant ceases to serve on the Board prior to the date the Participant's interest in a grant of Stock Units vests, such Stock Units shall be forfeited and all further rights of the Participant to or with respect to such Stock Units shall terminate. Notwithstanding the foregoing, a Participant who dies while serving on the Board prior to the vesting of Stock Units shall fully vest in such Stock Units, effective as of the date of death and shall be paid to the person(s) designated under the terms of Section 11(e) of this Plan.

(c) Election Concerning Receipt of Common Stock. Each Participant receiving an award of Stock Units under Section 8(a) may elect the time and form (lump sum vs. installments) of distribution of Common Stock attributable to such Stock Units, pursuant to the terms of Section 9. If no affirmative election is made, all Stock Units shall be paid in shares of Common Stock within 10 days following vesting.

(d) Dividend Equivalents. As of the first day of each quarter, during the applicable restricted period for all Stock Units awarded hereunder, the Company may credit to each such Participant an amount equal to the sum of all dividends and other distributions paid by the Company during the prior quarter on that equivalent number of shares of Common Stock. Notwithstanding any provisions of this Section or the Plan to the contrary, any dividend equivalents or other distributions credited in respect to Stock Units shall be distributed (in either cash or shares of Common Stock, with or without interest or other earnings, as provided at the discretion of the Committee) to the Participant only if, when, and to the extent the restrictions imposed on the attendant Stock Units lapse, and in an amount equal to the sum of all quarterly dividends and other distributions paid by the Company during the applicable restricted period on the equivalent number of shares of Common Stock which become unrestricted. Such dividend equivalents or other distributions shall be payable at the same time as the attendant Stock Units to which they relate, as provided under the applicable terms of the Plan. Dividend equivalents and other distributions that are not so vested shall be forfeited.

(e) Timing of Elections. In order to make an election under Sections 8(c) and/or 8(d) with respect to Stock Units awarded for a Plan Year, a Participant shall file an irrevocable Election Form with the Committee before the calendar year in which the Plan Year begins. Notwithstanding the foregoing, in the first year in which a non-employee director becomes eligible to participate in the Plan, a deferral election may be made with respect to services to be performed subsequent to the election, to the extent permitted under Code section 409A. Such an election must be made on an Election Form within 30 days after the date the non-employee director becomes eligible to participate in the Plan.

9. DISTRIBUTION PROVISIONS FOR DEFERRED CASH AND STOCK UNITS

The following distribution provisions shall apply to Deferred Compensation Accounts and Stock Unit Accounts:

(a) Timing. Distributions from Deferred Compensation Accounts shall normally commence at Separation from Service, however, a Participant may affirmatively elect a specified date for commencement, provided said date is not later than age 75. The same rule applies to Stock Units which have been deferred beyond the vesting period described in Section 8(b). Elections as to the timing of benefit commencement shall be made in accordance with Sections 6 and 8, as appropriate.

Notwithstanding the above or any other provision of this Plan, distributions may not be made to a Key Employee upon a Separation from Service before the date which is six months after the date of the Key Employee's Separation from Service (or, if earlier, the date of death of the Key Employee). Any payments that would otherwise be made during this period of delay shall be accumulated and paid on the first day of the seventh month following the Participant's Separation from Service (or, if earlier, the first day of the month after the Participant's death).

(b) Form of Distribution. Distributions shall normally be made in a lump sum. However, a Participant may affirmatively elect to receive substantially equal annual installments over a period of up to 10 years. Such elections shall be made in accordance with Sections 6 and 8, as appropriate.

(c) Manner of Distribution. Amounts credited to Deferred Compensation Accounts shall be paid in cash. Amounts credited to Stock Unit Accounts shall be paid in Common Stock based on the number of Stock Units credited to the Stock Unit Account and paid in cash equal to any dividend equivalent amounts which had not been used to “purchase” additional Stock Units.

(d) Distribution Upon Death. Notwithstanding any elections by a Participant or provisions of the Plan to the contrary, if a Participant dies before full distribution of a Deferred Compensation Account or Stock Unit Account, such accounts shall be distributed to the person(s) designated under the terms of Section 11(e) of this Plan or if none designated then to the Participant’s estate in a lump sum within 60 days following the date of death.

(e) Permitted Payment Delay To Avoid Violations of Law. Notwithstanding any provision of this Plan to the contrary, any distribution to a Participant under the Plan shall be delayed upon the Committee’s reasonable anticipation that the making of the payment would violate Federal securities laws or other applicable law; provided, that any payment delayed pursuant to this Section 9 (e) shall ultimately be paid in accordance with Code section 409A.

(f) Payment Acceleration. If amounts deferred under the Plan must be included in a Participant’s income under Code section 409A prior to the scheduled distribution of such amounts, distribution of such amount shall be made immediately to the Participant.

10. CHANGE OF CONTROL

Notwithstanding any elections by a Participant or provisions of the Plan to the contrary, upon the occurrence of a Change of Control, all Options and Stock Units shall fully and immediately vest, and shall be exercisable or paid pursuant to the terms of the Plan that are otherwise applicable. If the Change of Control is also a “change in control” as defined under Code section 409A(a)(2)(A)(v) and official guidance thereunder, all Stock Unit Accounts shall be distributed in a single payment within 30 days following such Change of Control.

11. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have full discretionary power and authority to administer and manage the operations of the Plan, and to interpret the terms of the Plan, formulate additional rules and policies for carrying out terms and provisions of the Plan, and amend, modify or terminate the Plan as from time to time it deems proper and in the best interests of the Company; provided, however, that after a Change of Control no amendment, modification of or action to terminate the Plan may be made which would affect compensation earned or accrued prior to such amendment, modification or termination without the written consent of a majority of Participants determined as of the day before a Change of Control. Any decision or interpretation adopted by the Committee shall be final and conclusive. A “Change of Control” means:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “1934 Act”) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of voting securities of the Company where such acquisition causes such Person to own 20% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (1), the following acquisitions shall not be deemed to result in a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subsection (3) below; and provided, further, that if any Person’s beneficial ownership of the Outstanding Company Voting Securities reaches or exceeds 20% as a result of a transaction described in clause (i) or (ii) above, and such Person subsequently acquires beneficial ownership of additional voting securities of the Company, such subsequent acquisition shall be treated as an acquisition that causes such Person to own 20% or more of the Outstanding Company Voting Securities; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries, (each a "Business Combination"); excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business combination of the Outstanding Company Voting Securities, (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(e) Designation of Beneficiary. Each Participant who has a Deferred Compensation Account, a Stock Unit Account, or Option under the Plan may designate a beneficiary or beneficiaries to exercise any Option or to receive any payment which under the terms of the Plan may become exercisable or payable on or after the Participant's death. At any time, and from time to time, any such designation may be changed or cancelled by the Participant without the consent of any such beneficiary. Any such designation, change or cancellation must be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. Such form may establish other rules as the Committee deems appropriate. If no beneficiary has been properly designated by a deceased Participant, or if all the designated beneficiaries have predeceased the Participant, the beneficiary shall be the Participant's estate. If the Participant designates more than one beneficiary, any Options shall be divided among beneficiaries equally, and any payments under the Plan to such beneficiaries shall be made in equal shares, unless the Participant has expressly designated otherwise, in which case such Options shall be divided, and the payments shall be made, in the portions designated by the Participant.

12. GOVERNING LAW

The validity, construction and effect of the Plan and any such actions taken under or relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable Federal law.

13. NOTICES

Unless otherwise notified, all notices under this Plan shall be sent in writing to the Company, attention Corporate Compensation, P.O. Box 1113, Minneapolis, Minnesota 55440. All correspondence to the Participants shall be sent to the address which is their recorded address as listed on the election forms.

14. PLAN TERMINATION

Upon termination of the Plan, distribution of Deferred Compensation Accounts and Stock Unit Accounts shall be made as described in Section 9, unless the Committee determines in its sole discretion that all such amounts shall be distributed upon termination in accordance with the requirements under Code section 409A. Upon termination of the Plan, no further deferrals of retainers, Stock Units or dividend equivalent amounts shall be permitted; however, earnings, gains and losses shall continue to be credited to the Deferred Compensation Account balances in accordance with Section 6 until the Deferred Compensation Account balances are fully distributed.

15. COMPLIANCE WITH CODE SECTION 409A

It is intended that this Plan shall comply with the provisions of Code section 409A and the Treasury regulations relating thereto so as not to subject the Participants to the payment of additional taxes and interest under Code section 409A. In furtherance of this intent, this Plan shall be interpreted, operated and administered in a manner consistent with these intentions.

GENERAL MILLS, INC.
SUPPLEMENTAL BENEFITS TRUST
TRUST AGREEMENT

This TRUST AGREEMENT, amended and restated as of September 26, 1988, is between General Mills, Inc. (the "Grantor") and Norwest Bank Minnesota, N.A. (formerly known as Norwest Bank Minneapolis, N.A.) (the "Trustee").

1. Purpose. The purpose of this trust (the "Trust"), originally established on February 9, 1987, is to provide a vehicle to (a) hold assets of the Grantor as a reserve for the discharge of the Grantor's obligations to certain individuals (the "Beneficiaries") entitled to receive benefits under the Supplemental Savings Plan of General Mills, Inc., amended and restated as of January 1, 1986, and any other plan of deferred compensation that the Grantor so designates in writing to the Trustee, including those plans designated in Exhibit A attached hereto and made a part hereof (the "Plans"), and (b) invest, reinvest, disburse and distribute those assets and the earnings thereon as provided hereunder and in the Plans.

2. Trust Corpus. The Grantor hereby transfers to the Trustee and the Trustee hereby accepts and agrees to hold, in trust, the sum of Ten Dollars (\$10.00) plus such cash and/or property, if any, transferred to the Trustee by the Grantor or on behalf of the Grantor pursuant to obligations incurred under any or all of the Plans and the earnings thereon, and such cash and/or property, together with the earnings thereon and together with any other cash or property received by the Trustee pursuant to Section 8(a) of this Trust Agreement, shall constitute the trust estate and shall be held, managed and distributed as hereinafter provided. The Grantor shall execute any and all instruments necessary to vest the Trustee with full title to the property hereby transferred.

3. Grantor Trust. The Trust is intended to be a trust of which the Grantor is treated as the owner for federal income tax purposes in accordance with the provisions of Sections 671 through 679 of the Internal Revenue Code of 1986, as amended (the "Code"). If the Trustee, in its sole discretion, deems it necessary or advisable for the Grantor and/or the Trustee to undertake or refrain from undertaking any actions (including, but not limited to, making or refraining from making any elections or filings) in order to ensure that the Grantor is at all times treated as the owner of the Trust for federal income tax purposes, the Grantor and/or the Trustee will undertake or refrain from undertaking (as the case may be) such actions. The Grantor hereby irrevocably authorizes the Trustee to be its attorney-in-fact for the purpose of performing any act which the Trustee, in its sole discretion, deems necessary or advisable in order to accomplish the purposes and the intent of this Section 3. The Trustee shall be fully protected in acting or refraining from acting in accordance with the provisions of this Section 3.

4. Irrevocability of Trust. The Trust shall be irrevocable and may not be altered or amended in any substantive respect, or revoked or terminated by the Grantor in whole or in part, without the express written consent of a majority of the Beneficiaries of the Trust; provided, however, that the Trust may be amended, as may be necessary either (i) to obtain a favorable ruling from the Internal Revenue Service with respect to the tax consequences of the establishment and settlement of the Trust, or (ii) to make nonsubstantive changes, which have no effect upon the amount of any Beneficiary's benefits, the time of receipt of benefits, the identity of any recipient of benefits, or the reversion of any assets to the Grantor prior to the Trustee's satisfaction of all the Trustee's obligations hereunder; provided, further, that in the event of a "Change of Control" as defined in Section 12.4 of the Retirement Income Plan of General Mills, Inc. (hereinafter referred to as a "Change in Control"), the Trust may not be altered or amended in any substantive respect, or revoked or terminated by the Grantor's successor unless a majority of the Beneficiaries, determined as of the day before such Change in Control, agree in writing to such an alteration, amendment, revocation or termination.

5. Investment of Trust Assets.

(a) Grantor shall have the sole power and responsibility for the management, disposition, and investment of the Trust assets, and Trustee shall comply with written directions from the Grantor. The Trustee shall have no duty or responsibility to review, initiate action, or make recommendations regarding the investment of the Trust assets and shall retain such assets until directed in writing to dispose of them. Prior to issuing any such directions, the Grantor shall certify to the Trustee the person(s) at the Company or its agent who have the authority to issue such directions.

(b) In the administration of the Trust, Trustee shall have the following powers; however, all powers regarding the investment of the Trust shall be done solely pursuant to direction of the Grantor or its delegated agent or, if applicable, an Investment Manager, unless Trustee has been properly delegated investment authority:

(1) To hold assets of any kind, including shares of any registered investment company, whether or not Trustee or any of its affiliates provides investment advice or other services to such company and receives compensation for the services provided;

(2) To sell, exchange, assign, transfer, and convey any security or property held in the Trust, at public or private sale, at such time and price and upon such terms and conditions (including credit) as directed;

(3) To invest and reinvest assets of the Trust (including accumulated income) as directed;

(4) To vote, tender, or exercise any right appurtenant to any stock or securities held in the Trust, as directed;

(5) To consent to and participate in any plan for the liquidation, reorganization, consolidation, merger or any similar action of any corporation, any security of which is held in the Trust, as directed;

(6) To sell or exercise any "rights" issued on any securities held in the Trust, as directed;

(7) To cause all or any part of the assets of the Trust to be held in the name of Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by laws, in the name of any nominee, and to acquire for the Trust any investment in bearer form, but the books and records of the Trust shall at all times show that all such investments are part of the Trust and Trustee shall hold evidence of title to all such investments;

(8) To make such distributions in accordance with the provisions of this Trust Agreement;

(9) To hold a portion of the Trust for the ordinary administration and for the disbursement of funds in cash, without liability for interest thereon for such period of time as necessary, notwithstanding that Trustee or an affiliate of Trustee may benefit directly or indirectly from such uninvested amounts. It is acknowledged that Trustee's handling of such amounts is consistent with usual and customary banking and fiduciary practices, and any earnings realized by Trustee or its affiliates will be compensation for its bank services in addition to its regular fees; and

(10) To invest in deposit products of Trustee or its affiliates, or other bank or similar financial institution, subject to the rules and regulations governing such deposits, and without regard to the amount of such deposit, as directed;

(11) To invest in securities (including stock and the rights to acquire stock) or obligations issued by the Grantor as that term is defined in the Plans;

(12) To appoint custodians, subcustodians, or subtrustees, domestic or foreign (including affiliates of the Trustee), as to part or all of the Trust; provided that the Trustee shall not be liable for the acts or omissions of any subcustodian appointed under this Section.

(c) From time to time the Grantor may appoint one or more investment managers who shall have investment management and control over all or a portion of the assets of the Trust ("Investment Managers"). The Grantor shall notify the Trustee in writing of the appointment of the Investment Manager. In the event more than one Investment Manager is appointed, the Grantor shall determine which assets shall be subject to management and control by each Investment Manager and shall also determine the proportion in which funds withdrawn or disbursed shall be charged against the assets subject to each Investment Manager's management and control. Such Investment Manager shall direct Trustee as to the investment of assets and any voting, tendering, and other appurtenant rights of all securities held in the portion of the Trust over which the Investment Manager is appointed. Trustee shall have no duty or responsibility to review, initiate action, or make recommendations regarding the investment of the Trust assets and shall retain such assets until directed in writing to dispose of them.

(d) Grantor may delegate to Trustee the responsibility to manage all or a portion of the Trust if Trustee agrees to do so in writing. Upon written acceptance of that delegation, Trustee shall have full power and authority to invest and reinvest the Trust in investments as provided herein, subject to any investment guidelines provided by Grantor.

(e) The Trustee shall have no responsibility to notify the Grantor of any calls for redemption which do not appear in Standard New York Financial Publications, unless the Trustee actually receives written notice of such call for redemption. The Trustee shall promptly notify the Grantor of each written notice actually received by the Trustee in the ordinary course of its custodial business hereunder concerning any default of payment in connection with securities held hereunder, call for redemption, exchange offer, tender offer, rights offering, subscription rights, conversion or similar rights, merger, consolidation, reorganization, reclassification or recapitalization, or similar event or proceeding affecting the property held in the Trust, and shall take such action in respect thereto as may be directed in writing by the Grantor.

(f) All solicitation fees payable to the Trustee as agent in connection with tender offers or any of the aforementioned proceedings that would not otherwise be payable to the Grantor will be retained by the Trustee, to the extent that said fee retention does not violate the Employee Retirement Income Security Act or other federal or state laws.

(g) Should any securities held in any depository be called for partial redemption by the issuer of such securities, the Trustee is authorized in the Trustee's sole discretion to allot the called portion to the respective holders in any manner deemed to be fair and equitable in the Trustee's judgment. Securities called for partial redemption must be in the Trust pursuant to an actual rather than provisional credit.

6. Distribution of Trust Assets.

(a) Subject to the provisions of paragraph (b) below, at such time as a Beneficiary is entitled to a payment under any of the Plans, he shall be entitled to receive from the Trust (i) an amount in cash equal to the amount to which he is entitled under the Plan or Plans at such time, less (ii) any payments previously made to him by the Grantor with respect to such amount pursuant to the terms of the Plans. The commencement of payments from the Trust shall be conditioned on the Trustee's prior receipt of a written instrument from the Beneficiary in a form satisfactory to the Trustee containing representations as to (A) the amount to which the Beneficiary is entitled under the Plans, (B) the fact that he has requested the payment of such amount from the Grantor pursuant to the terms of the Plans, (C) the amount, if any, he has received from the Grantor under the Plans with respect to such amount, and (D) the amount to be paid him by the Trust (i.e., the difference between (A) and (C) above). All payments to a Beneficiary from the Trust shall be made in accordance with the provisions of the applicable Plan. The Trustee shall be fully protected in making any payment in accordance with the provisions of this paragraph.

(b) The Trustee shall make or commence payment to the Beneficiary in accordance with his representations not later than 30 business days after its receipt thereof; provided, however, that before the Trustee makes or commences any such payment and not later than 7 business days after its receipt of the Beneficiary's representations, the Trustee shall request in writing the Grantor's agreement that the Beneficiary's representations are accurate with respect to the amount, fact, and time of payment to him. The Trustee shall enclose with such request a copy of the Beneficiary's representations and written advice to the Grantor that it must respond to the Trustee's request on or before the 20th business day (which date shall be set forth in such written advice) after the Beneficiary furnished such representations to the Trustee. If the Grantor, in a writing delivered to the Trustee, agrees with the Beneficiary's representations in all respects, or if the Grantor does not respond to the Trustee's request by the 20th day deadline, the Trustee shall make payment in accordance with the Beneficiary's representations. If the Grantor advises the Trustee in writing on or before the 20th day deadline that it does not agree with any or all of the Beneficiary's representations, the Trustee immediately shall take whatever steps it in its sole discretion, deems appropriate, including, but not limited to, a review of any notice furnished by the Grantor pursuant to paragraph (e) hereof, to attempt to resolve the difference(s) between the Grantor and the Beneficiary. If, however, the Trustee is unable to resolve such difference(s) to its satisfaction within 60 business days after its receipt of the Beneficiary's representations, the Trustee shall make payment at such time and in such form and manner as is allowed under the Plans as of the date first stated above and as the Trustee, in its sole discretion, selects. The Trustee shall be fully protected in making or refraining from making any payment in accordance with the provisions of this paragraph.

(c) Notwithstanding any other provision of the Trust Agreement to the contrary, the Trustee shall, as directed, make payments hereunder before such payments are otherwise due if the Grantor determines, based on a change in the tax or revenue laws of the United States of America, a published ruling or similar announcement issued by the Internal Revenue Service, a regulation issued by the Secretary of the Treasury or his delegate, or a decision by a court of competent jurisdiction involving a Beneficiary, or a closing agreement made under Code Section 7121 that is approved by the Internal Revenue Service and involves a Beneficiary, that a Beneficiary has recognized or will recognize income for federal income tax purposes with respect to amounts that are or will be payable to him under the Plans before they are paid to him.

(d) Unless (contemporaneously with his submission of the written instrument referred to in Paragraph (a) hereof) a Beneficiary furnishes documentation in form and substance satisfactory to the Trustee that no withholding is required with respect to a payment to be made to him from the Trust, the Trustee may deduct from any such payment and federal or state taxes (other than FICA, FUTA or local taxes) that may be required to be withheld. Notwithstanding the foregoing, the Grantor may direct the Trustee with respect to the federal and state withholding on such payments, and must direct the Trustee if any tax withholding is required on a payment subject to state/local income taxes in a state/locality other than the state/locality in which the Beneficiary currently resides ("Non-resident taxes"). If applicable, the Grantor shall direct the Trustee to remit any FICA, FUTA or local taxes to the Grantor and the Grantor shall have the responsibility for determining, reporting and paying the FICA, FUTA or local taxes to the appropriate tax authorities.

(e) The Trustee shall provide the Grantor with written confirmation of the fact and time of any commencement of payments hereunder within 10 business days after any payments commence to a beneficiary. The Grantor shall notify the Trustee in the same manner of any payments it commences to make to a Beneficiary pursuant to the Plans.

(f) The Trustee shall be fully protected in making or refraining from making any payment or any calculations in accordance with the provisions of this Section 6.

7. Termination of the Trust and Reversion of Trust Assets. The Trust shall terminate upon the first to occur of (i) the payment by the Grantor of all amounts due the Beneficiaries under each of the Plans and the receipt by the Trustee of a valid release to that effect from each of the Beneficiaries with respect to payments made to him, or (ii) the twenty-first anniversary of the death of the last survivor of the Beneficiaries who are in being on the date of the execution of this Trust Agreement. Upon termination of the Trust, any and all assets remaining in the Trust, after the payment to the Beneficiaries of all amounts to which they are entitled and after payment of the expenses and compensation in Sections 10 and 15(i) of this Trust Agreement, shall revert to the Grantor and the Trustee shall promptly take such action as shall be necessary to transfer any such assets to the Grantor. Notwithstanding the above, the Grantor shall be obligated to take whatever steps are necessary to ensure that the Trust is not terminated for a period of five (5) years following a Change in Control as of the date of the execution of this Trust Agreement, such steps to include, but not being limited to, the transfer to the Trustee of cash or other assets pursuant to the provisions of Section 8(a) hereof.

8. Powers of the Trustee.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Grantor agrees to indemnify Trustee against Trustee's reasonable costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Grantor does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Grantor generally) with respect to any of its duties or obligations hereunder, and Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder. Grantor shall pay the reasonable expenses for services by such individuals or entities, and if the Grantor does not pay such expenses in a reasonably timely manner, Trustee may obtain payment from the Trust.

(d) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

(e) The duties of the Trustee shall be limited to the assets held in the Trust, and the Trustee shall have no duties with respect to assets held by any other person including, without limitation, any other Trustee for the Plan(s). The Grantor hereby agrees that the Trustee shall not serve as, and shall not be deemed to be, a co-trustee under any circumstances. The Grantor may request the Trustee to perform a recordkeeping service with respect to property held by others and not otherwise subject to the terms of this Trust Agreement. To the extent the Trustee shall agree to perform this service, its sole responsibility shall be to accurately reflect information on its books which it has received from an authorized party of the custodian of such property.

9. Resignation of Trustee and Appointment of Successor Trustee. Each Trustee shall have the right to resign upon 30 days' written notice to the Grantor, during which time the Grantor shall appoint a "Qualified Successor Trustee." If no Qualified Successor Trustee accepts such appointment, the resigning Trustee shall petition a court of competent jurisdiction for the appointment of a "Qualified Successor Trustee." For this purpose, a "Qualified Successor Trustee" may be an individual or a corporation but may not be the Grantor, any person who would be a "related or subordinate party" to the Grantor within the meaning of Section 672(c) of the Code or a corporation that would be a member of an "affiliated group" of corporations including the Grantor within the meaning of Section 1504(a) of the Code if the words "80 percent" wherever they appear in that section were replaced by the words "50 percent." Upon the written acceptance by the Qualified Successor Trustee of the trust and upon approval of the resigning Trustee's final account by those entitled thereto, the resigning Trustee shall be discharged.

10. Trustee Compensation. The Trustee shall be entitled to receive as compensation for its services hereunder the compensation (a) as negotiated and agreed to by the Grantor and the Trustee, or (b) if not negotiated or if the parties are unable to reach agreement, as allowed a trustee under the laws of the State of Minnesota in effect at the time such compensation is payable. Such compensation shall be paid by the Grantor; provided, however, that to the extent such compensation is not paid by the Grantor, it shall be charged against and paid from the Trust and the Grantor shall reimburse the Trust for any such payment made from the Trust within 30 days of its receipt from the Trustee of written notice of such payment.

11. Trustee's Consent to Act and Indemnification of the Trustee. The Trustee hereby grants and consents to act as Trustee hereunder. The Grantor agrees to indemnify the Trustee and hold it harmless from and against all claims, liabilities, legal fees and expenses that may be asserted against it, otherwise than on account of the Trustee's own negligence or willful misconduct (as found by a final judgment of a court of competent jurisdiction) by reason of the Trustee's taking or refraining from taking any action in connection with the Trust, whether or not the Trustee is a party to a legal proceeding or otherwise.

12. Prohibition Against Assignment. No Beneficiary shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust before such assets are paid to the Beneficiary as provided in Section 6, and all rights created under the Trust and the Plans shall be unsecured contractual rights of the Beneficiary against the Grantor. No part of, or claim against, the assets of the Trust may be assigned, anticipated, alienated, encumbered, garnished, attached or in any other manner disposed of by any of the Beneficiaries, and no such part or claim shall be subject to any legal process or claims of creditors of any of the Beneficiaries.

13. Annual Accounting. The Trustee shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder, and, within ninety days following the close of each calendar year, and within ninety days after the Trustee's resignation or termination of the Trust as provided herein, the Trustee shall render a written account of its administration of the Trust to the Grantor by submitting a record of receipts, investments, disbursements, distributions, gains, losses, assets on hand at the end of the accounting period and other pertinent information, including a description of all securities and investments purchased and sold during such calendar year. Written approval of an account shall, as to all matters shown in the account, be binding upon the Grantor and shall forever release and discharge the Trustee from any liability or accountability. The Grantor will be deemed to have given his written approval if he does not object in writing to the Trustee within one hundred and twenty days after the date of receipt of such account from the Trustee. The Trustee shall be entitled at any time to institute an action in a court of competent jurisdiction for a judicial settlement of its account.

14. Notices. Any notice or instructions required under any of the provisions of this Trust Agreement shall be deemed effectively given only if such notice is in writing and is delivered personally or by certified or registered mail, return receipt requested and postage prepaid, addressed to the addresses as set forth below of the parties hereto. The address of the parties are as follows:

- (i) The Grantor:
General Mills, Inc.
Post Office Box 1113
Number One General Mills Boulevard
Minneapolis, MN 55440
Attention: Treasurer
- (ii) The Trustee:
Norwest Bank Minnesota, N.A.
6th and Marquette Avenue
Minneapolis, MN 55479-0069
Attention: Administrative Officer

The Grantor or Trustee may at any time change the address to which notices are to be sent to it by giving written notice thereof in the manner provided above.

15. Miscellaneous Provisions.

(a) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota applicable to contracts made and to be performed therein and the Trustee shall not be required to account in any court other than one of the courts of such state.

(b) All section headings herein have been inserted for convenience of reference only and shall in no way modify, restrict or affect the meaning or interpretation of any of the terms or provisions of this Trust Agreement.

(c) This Trust Agreement is intended as a complete and exclusive statement of the agreement of the parties hereto, supersedes all previous agreements or understandings among them and may not be modified or terminated orally.

(d) The term "Trustee" shall include any successor Trustee.

(e) If a Trustee or Custodian hereunder is a bank or trust company, any corporation resulting from any merger, consolidation or conversion to which such bank or trust company may be a party, or any corporation otherwise succeeding generally to all or substantially all of the assets or business of such bank or trust company, shall be the successor to it as Trustee or custodian hereunder, as the case may be without the execution of any instrument or any further action on the part of any party hereto.

(f) If any provision of this Trust Agreement shall be invalid and unenforceable, the remaining provisions hereof shall subsist and be carried into effect.

(g) The Plans are by this reference expressly incorporated herein and made a part hereof with the same force and effect as if fully set forth at length. As of the date first stated above, the terms of the Plans are as set forth in Exhibit A attached hereto.

(h) The assets of the Trust shall be subject only to the claims of the Grantor's general creditors in the event of the Grantor's bankruptcy or insolvency. The Grantor shall be considered "bankrupt" or "insolvent" if the Grantor is (A) unable to pay its debts when due or (B) engaged as a debtor in a proceeding under the Bankruptcy Code, 11 U.S.C. Section 101 et seq. The Board of Directors and the chief executive officer of the Grantor must notify the Trustee of the Grantor's bankruptcy or insolvency within three (3) days following the occurrence of such event. Upon receipt of such a notice, or, upon receipt of a written allegation from a person or entity claiming to be a creditor of the Grantor that the Grantor is bankrupt or insolvent, the Trustee shall discontinue payments to Beneficiaries. The Trustee shall, as soon as practicable after receipt of such notice or written allegation, determine whether the Grantor is bankrupt or insolvent. If the Trustee determines, based on such notice, written allegation, or such other information as it deems appropriate, that the Grantor is bankrupt or insolvent, the Trustee shall hold the assets of the Trust for the benefit of the Grantor's general creditors, and deliver any undistributed assets to satisfy the claims of such creditors as a court of competent jurisdiction may direct. The Trustee shall resume payments to Beneficiaries only after it has determined that the Grantor is not bankrupt or insolvent, is no longer bankrupt or insolvent (if the Trustee determined that the Grantor was bankrupt or insolvent), pursuant to an order of a court of competent jurisdiction. Unless the Trustee has actual knowledge of the Grantor's bankruptcy or insolvency, the Trustee shall have no duty to inquire whether the Grantor is bankrupt or insolvent. The Trustee may in all events rely on such evidence concerning the Grantor's solvency as may be furnished to the Trustee which will give the Trustee a reasonable basis for making a determination concerning the Grantor's solvency.

If the Trustee discontinues payment of benefits from the Trust pursuant to this Section 15(h) and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments which would have been made to each Beneficiary (together with interest) during the period of such discontinuance, less the aggregate amount of payments made to the Beneficiary by the Grantor in lieu of the payments provided for hereunder during any such period of discontinuance.

(i) Any reference hereunder to a Beneficiary shall expressly be deemed to include, where relevant, the beneficiaries of a Beneficiary duly appointed under the terms of the Plans. A Beneficiary shall cease to have such status once any and all amounts due such Beneficiary under the Plan have been satisfied.

(j) Any reference hereunder to the Grantor shall expressly be deemed to include the Grantor's successor and assigns.

(k) Whenever used herein, and to the extent appropriate, the masculine, feminine or neuter gender shall include the other two genders, the singular shall include the plural and the plural shall include the singular.

IN WITNESS WHEREOF, the parties hereto have executed this amended and restated TRUST AGREEMENT as of this 26th day of September, 1988.

GRANTOR:

GENERAL MILLS, INC.

Attest:

/s/ Ivy S. Bernhardson
Name: Ivy S. Bernhardson
Title: Assistant Secretary

By: /s/ C. L. Whitehill
Name: C. L. Whitehill
Title: Senior Vice President

TRUSTEE:

NORWEST BANK MINNESOTA, N.A.

Attest:

/s/ Gary R. Porter
Name: Gary R. Porter
Title: Vice President

By: /s/ Jill Greene
Name: Jill Greene
Title: Assistant Vice President

EXHIBIT A

- A. Deferred Compensation Plan, Amended and Restated as of January 1, 1986.
- B. Executive Incentive and Estate Building Program, Amended and Restated as of June 1, 1986.
- C. Supplemental Retirement Plan of General Mills, Inc., Amended and Restated effective as of January 1, 1986.
- D. Supplemental Savings Plan of General Mills, Inc., Amended and Restated effective as of January 1, 1986.

GENERAL MILLS, INC.
SUPPLEMENTAL BENEFITS TRUST
TRUST AGREEMENT

This TRUST AGREEMENT is made as of September 26, 1988, is between General Mills, Inc. (the "Grantor") and Norwest Bank Minnesota, N.A. (the "Trustee").

1. Purpose. The purpose of this trust (the "Trust") is to provide a vehicle to (a) hold assets of the Grantor as a reserve for the discharge of the Grantor's obligations to certain individuals (the "Beneficiaries") entitled to receive benefits under the General Mills, Inc. Compensation Plan for Non-Employee Directors and the General Mills, Inc. Retirement Plan for Non-Employee Directors and any other plan of deferred compensation that the Grantor so designates in writing to the Trustee (the "Plans"), and (b) invest, reinvest, disburse and distribute those assets and the earnings thereon as provided hereunder and in the Plans.

2. Trust Corpus. The Grantor hereby transfers to the Trustee and the Trustee hereby accepts and agrees to hold, in trust, the sum of Ten Dollars (\$10.00) plus such cash and/or property, if any, transferred to the Trustee by the Grantor or on behalf of the Grantor pursuant to obligations incurred under any or all of the Plans and the earnings thereon, and such cash and/or property, together with the earnings thereon and together with any other cash or property received by the Trustee pursuant to Section 8(a) of this Trust Agreement, shall constitute the trust estate and shall be held, managed and distributed as hereinafter provided. The Grantor shall execute any and all instruments necessary to vest the Trustee with full title to the property hereby transferred.

3. Grantor Trust. The Trust is intended to be a trust of which the Grantor is treated as the owner for federal income tax purposes in accordance with the provisions of Sections 671 through 679 of the Internal Revenue Code of 1986, as amended (the "Code"). If the Trustee, in its sole discretion, deems it necessary or advisable for the Grantor and/or the Trustee to undertake or refrain from undertaking any actions (including, but not limited to, making or refraining from making any elections or filings) in order to ensure that the Grantor is at all times treated as the owner of the Trust for federal income tax purposes, the Grantor and/or the Trustee will undertake or refrain from undertaking (as the case may be) such actions. The Grantor hereby irrevocably authorizes the Trustee to be its attorney-in-fact for the purpose of performing any act which the Trustee, in its sole discretion, deems necessary or advisable in order to accomplish the purposes and the intent of this Section 3. The Trustee shall be fully protected in acting or refraining from acting in accordance with the provisions of this Section 3.

4. Irrevocability of Trust. The Trust shall be irrevocable and may not be altered or amended in any substantive respect, or revoked or terminated by the Grantor in whole or in part, without the express written consent of a majority of the Beneficiaries of the Trust; provided, however, that the Trust may be amended, as may be necessary either (i) to obtain a favorable ruling from the Internal Revenue Service with respect to the tax consequences of the establishment and settlement of the Trust, or (ii) to make nonsubstantive changes, which have no effect upon the amount of any Beneficiary's benefits, the time of receipt of benefits, the identity of any recipient of benefits, or the reversion of any assets to the Grantor prior to the Trustee's satisfaction of all the Trustee's obligations hereunder; provided, further, that in the event of a "Change of Control" as defined in Section 2.2 of the General Mills, Inc. Retirement Plan for Non-Employee Directors (hereinafter referred to as a "Change in Control"), the Trust may not be altered or amended in any substantive respect, or revoked or terminated by the Grantor's successor unless a majority of the Beneficiaries, determined as of the day before such Change in Control, agree in writing to such an alteration, amendment, revocation or termination.

5. Investment of Trust Assets.

(a) Grantor shall have the sole power and responsibility for the management, disposition, and investment of the Trust assets, and Trustee shall comply with written directions from the Grantor. The Trustee shall have no duty or responsibility to review, initiate action, or make recommendations regarding the investment of the Trust assets and shall retain such assets until directed in writing to dispose of them. Prior to issuing any such directions, the Grantor shall certify to the Trustee the person(s) at the Company or its agent who have the authority to issue such directions.

(b) In the administration of the Trust, Trustee shall have the following powers; however, all powers regarding the investment of the Trust shall be done solely pursuant to direction of the Grantor or its delegated agent or, if applicable, an Investment Manager, unless Trustee has been properly delegated investment authority:

- (1) To hold assets of any kind, including shares of any registered investment company, whether or not Trustee or any of its affiliates provides investment advice or other services to such company and receives compensation for the services provided;
- (2) To sell, exchange, assign, transfer, and convey any security or property held in the Trust, at public or private sale, at such time and price and upon such terms and conditions (including credit) as directed;
- (3) To invest and reinvest assets of the Trust (including accumulated income) as directed;
- (4) To vote, tender, or exercise any right appurtenant to any stock or securities held in the Trust, as directed;
- (5) To consent to and participate in any plan for the liquidation, reorganization, consolidation, merger or any similar action of any corporation, any security of which is held in the Trust, as directed;

(6) To sell or exercise any “rights” issued on any securities held in the Trust, as directed;

(7) To cause all or any part of the assets of the Trust to be held in the name of Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by laws, in the name of any nominee, and to acquire for the Trust any investment in bearer form, but the books and records of the Trust shall at all times show that all such investments are part of the Trust and Trustee shall hold evidence of title to all such investments;

(8) To make such distributions in accordance with the provisions of this Trust Agreement;

(9) To hold a portion of the Trust for the ordinary administration and for the disbursement of funds in cash, without liability for interest thereon for such period of time as necessary, notwithstanding that Trustee or an affiliate of Trustee may benefit directly or indirectly from such uninvested amounts. It is acknowledged that Trustee’s handling of such amounts is consistent with usual and customary banking and fiduciary practices, and any earnings realized by Trustee or its affiliates will be compensation for its bank services in addition to its regular fees; and

(10) To invest in deposit products of Trustee or its affiliates, or other bank or similar financial institution, subject to the rules and regulations governing such deposits, and without regard to the amount of such deposit, as directed;

(11) To invest in securities (including stock and the rights to acquire stock) or obligations issued by the Grantor as that term is defined in the Plans;

(12) To appoint custodians, subcustodians, or subtrustees, domestic or foreign (including affiliates of the Trustee), as to part or all of the Trust; provided that the Trustee shall not be liable for the acts or omissions of any subcustodian appointed under this Section.

(c) From time to time the Grantor may appoint one or more investment managers who shall have investment management and control over all or a portion of the assets of the Trust (“Investment Managers”). The Grantor shall notify the Trustee in writing of the appointment of the Investment Manager. In the event more than one Investment Manager is appointed, the Grantor shall determine which assets shall be subject to management and control by each Investment Manager and shall also determine the proportion in which funds withdrawn or disbursed shall be charged against the assets subject to each Investment Manager’s management and control. Such Investment Manager shall direct Trustee as to the investment of assets and any voting, tendering, and other appurtenant rights of all securities held in the portion of the Trust over which the Investment Manager is appointed. Trustee shall have no duty or responsibility to review, initiate action, or make recommendations regarding the investment of the Trust assets and shall retain such assets until directed in writing to dispose of them.

(d) Grantor may delegate to Trustee the responsibility to manage all or a portion of the Trust if Trustee agrees to do so in writing. Upon written acceptance of that delegation, Trustee shall have full power and authority to invest and reinvest the Trust in investments as provided herein, subject to any investment guidelines provided by Grantor.

(e) The Trustee shall have no responsibility to notify the Grantor of any calls for redemption which do not appear in Standard New York Financial Publications, unless the Trustee actually receives written notice of such call for redemption. The Trustee shall promptly notify the Grantor of each written notice actually received by the Trustee in the ordinary course of its custodial business hereunder concerning any default of payment in connection with securities held hereunder, call for redemption, exchange offer, tender offer, rights offering, subscription rights, conversion or similar rights, merger, consolidation, reorganization, reclassification or recapitalization, or similar event or proceeding affecting the property held in the Trust, and shall take such action in respect thereto as may be directed in writing by the Grantor.

(f) All solicitation fees payable to the Trustee as agent in connection with tender offers or any of the aforementioned proceedings that would not otherwise be payable to the Grantor will be retained by the Trustee, to the extent that said fee retention does not violate the Employee Retirement Income Security Act or other federal or state laws.

(g) Should any securities held in any depository be called for partial redemption by the issuer of such securities, the Trustee is authorized in the Trustee’s sole discretion to allot the called portion to the respective holders in any manner deemed to be fair and equitable in the Trustee’s judgment. Securities called for partial redemption must be in the Trust pursuant to an actual rather than provisional credit.

6. Distribution of Trust Assets.

(a) Subject to the provisions of paragraph (b) below, at such time as a Beneficiary is entitled to a payment under any of the Plans, he shall be entitled to receive from the Trust (i) an amount in cash equal to the amount to which he is entitled under the Plan or Plans at such time, less (ii) any payments previously made to him by the Grantor with respect to such amount pursuant to the terms of the Plans. The commencement of payments from the Trust shall be conditioned on the Trustee’s prior receipt of a written instrument from the Beneficiary in a form satisfactory to the Trustee containing representations as to (A) the amount to which the Beneficiary is entitled under the Plans, (B) the fact that he has requested the payment of such amount from the Grantor pursuant to the terms of the Plans, (C) the amount, if any, he has received from the Grantor under the Plans with respect to such amount, and (D) the amount to be paid him by the Trust (i.e., the difference between (A) and (C) above). All payments to a Beneficiary from the Trust shall be made in accordance with the provisions of the applicable Plan. The Trustee shall be fully protected in making any payment in accordance with the provisions of this paragraph.

(b) The Trustee shall make or commence payment to the Beneficiary in accordance with his representations not later than 30 business days after its receipt thereof; provided, however, that before the Trustee makes or commences any such payment and not later than 7 business days after its receipt of the Beneficiary's representations, the Trustee shall request in writing the Grantor's agreement that the Beneficiary's representations are accurate with respect to the amount, fact, and time of payment to him. The Trustee shall enclose with such request a copy of the Beneficiary's representations and written advice to the Grantor that it must respond to the Trustee's request on or before the 20th business day (which date shall be set forth in such written advice) after the Beneficiary furnished such representations to the Trustee. If the Grantor, in a writing delivered to the Trustee, agrees with the Beneficiary's representations in all respects, or if the Grantor does not respond to the Trustee's request by the 20th day deadline, the Trustee shall make payment in accordance with the Beneficiary's representations. If the Grantor advises the Trustee in writing on or before the 20th day deadline that it does not agree with any or all of the Beneficiary's representations, the Trustee immediately shall take whatever steps it in its sole discretion, deems appropriate, including, but not limited to, a review of any notice furnished by the Grantor pursuant to paragraph (e) hereof, to attempt to resolve the difference(s) between the Grantor and the Beneficiary. If, however, the Trustee is unable to resolve such difference(s) to its satisfaction within 60 business days after its receipt of the Beneficiary's representations, the Trustee shall make payment at such time and in such form and manner as is allowed under the Plans as of the date first stated above and as the Trustee, in its sole discretion, selects. The Trustee shall be fully protected in making or refraining from making any payment in accordance with the provisions of this paragraph.

(c) Notwithstanding any other provision of the Trust Agreement to the contrary, the Trustee shall, as directed, make payments hereunder before such payments are otherwise due if the Grantor determines, based on a change in the tax or revenue laws of the United States of America, a published ruling or similar announcement issued by the Internal Revenue Service, a regulation issued by the Secretary of the Treasury or his delegate, or a decision by a court of competent jurisdiction involving a Beneficiary, or a closing agreement made under Code Section 7121 that is approved by the Internal Revenue Service and involves a Beneficiary, that a Beneficiary has recognized or will recognize income for federal income tax purposes with respect to amounts that are or will be payable to him under the Plans before they are paid to him.

(d) Unless (contemporaneously with his submission of the written instrument referred to in Paragraph (a) hereof) a Beneficiary furnishes documentation in form and substance satisfactory to the Trustee that no withholding is required with respect to a payment to be made to him from the Trust, the Trustee may deduct from any such payment and federal or state taxes (other than FICA, FUTA or local taxes) that may be required to be withheld. Notwithstanding the foregoing, the Grantor may direct the Trustee with respect to the federal and state withholding on such payments, and must direct the Trustee if any tax withholding is required on a payment subject to state/local income taxes in a state/locality other than the state/locality in which the Beneficiary currently resides ("Non-resident taxes"). If applicable, the Grantor shall direct the Trustee to remit any FICA, FUTA or local taxes to the Grantor and the Grantor shall have the responsibility for determining, reporting and paying the FICA, FUTA or local taxes to the appropriate tax authorities.

(e) The Trustee shall provide the Grantor with written confirmation of the fact and time of any commencement of payments hereunder within 10 business days after any payments commence to a beneficiary. The Grantor shall notify the Trustee in the same manner of any payments it commences to make to a Beneficiary pursuant to the Plans.

(f) The Trustee shall be fully protected in making or refraining from making any payment or any calculations in accordance with the provisions of this Section 6.

7. Termination of the Trust and Reversion of Trust Assets. The Trust shall terminate upon the first to occur of (i) the payment by the Grantor of all amounts due the Beneficiaries under each of the Plans and the receipt by the Trustee of a valid release to that effect from each of the Beneficiaries with respect to payments made to him, or (ii) the twenty-first anniversary of the death of the last survivor of the Beneficiaries who are in being on the date of the execution of this Trust Agreement. Upon termination of the Trust, any and all assets remaining in the Trust, after the payment to the Beneficiaries of all amounts to which they are entitled and after payment of the expenses and compensation in Sections 10 and 15(i) of this Trust Agreement, shall revert to the Grantor and the Trustee shall promptly take such action as shall be necessary to transfer any such assets to the Grantor. Notwithstanding the above, the Grantor shall be obligated to take whatever steps are necessary to ensure that the Trust is not terminated for a period of five (5) years following a Change in Control as of the date of the execution of this Trust Agreement, such steps to include, but not being limited to, the transfer to the Trustee of cash or other assets pursuant to the provisions of Section 8(a) hereof.

8. Powers of the Trustee.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Grantor agrees to indemnify Trustee against Trustee's reasonable costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees and

expenses) relating thereto and to be primarily liable for such payments. If Grantor does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Grantor generally) with respect to any of its duties or obligations hereunder, and Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder. Grantor shall pay the reasonable expenses for services by such individuals or entities, and if the Grantor does not pay such expenses in a reasonably timely manner, Trustee may obtain payment from the Trust.

(d) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

(e) The duties of the Trustee shall be limited to the assets held in the Trust, and the Trustee shall have no duties with respect to assets held by any other person including, without limitation, any other Trustee for the Plan(s). The Grantor hereby agrees that the Trustee shall not serve as, and shall not be deemed to be, a co-trustee under any circumstances. The Grantor may request the Trustee to perform a recordkeeping service with respect to property held by others and not otherwise subject to the terms of this Trust Agreement. To the extent the Trustee shall agree to perform this service, its sole responsibility shall be to accurately reflect information on its books which it has received from an authorized party of the custodian of such property.

9. Resignation of Trustee and Appointment of Successor Trustee. Each Trustee shall have the right to resign upon 30 days' written notice to the Grantor, during which time the Grantor shall appoint a "Qualified Successor Trustee." If no Qualified Successor Trustee accepts such appointment, the resigning Trustee shall petition a court of competent jurisdiction for the appointment of a "Qualified Successor Trustee." For this purpose, a "Qualified Successor Trustee" may be an individual or a corporation but may not be the Grantor, any person who would be a "related or subordinate party" to the Grantor within the meaning of Section 672(c) of the Code or a corporation that would be a member of an "affiliated group" of corporations including the Grantor within the meaning of Section 1504(a) of the Code if the words "80 percent" wherever they appear in that section were replaced by the words "50 percent." Upon the written acceptance by the Qualified Successor Trustee of the trust and upon approval of the resigning Trustee's final account by those entitled thereto, the resigning Trustee shall be discharged.

10. Trustee Compensation. The Trustee shall be entitled to receive as compensation for its services hereunder the compensation (a) as negotiated and agreed to by the Grantor and the Trustee, or (b) if not negotiated or if the parties are unable to reach agreement, as allowed a trustee under the laws of the State of Minnesota in effect at the time such compensation is payable. Such compensation shall be paid by the Grantor; provided, however, that to the extent such compensation is not paid by the Grantor, it shall be charged against and paid from the Trust and the Grantor shall reimburse the Trust for any such payment made from the Trust within 30 days of its receipt from the Trustee of written notice of such payment.

11. Trustee's Consent to Act and Indemnification of the Trustee. The Trustee hereby grants and consents to act as Trustee hereunder. The Grantor agrees to indemnify the Trustee and hold it harmless from and against all claims, liabilities, legal fees and expenses that may be asserted against it, otherwise than on account of the Trustee's own negligence or willful misconduct (as found by a final judgment of a court of competent jurisdiction) by reason of the Trustee's taking or refraining from taking any action in connection with the Trust, whether or not the Trustee is a party to a legal proceeding or otherwise.

12. Prohibition Against Assignment. No Beneficiary shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust before such assets are paid to the Beneficiary as provided in Section 6, and all rights created under the Trust and the Plans shall be unsecured contractual rights of the Beneficiary against the Grantor. No part of, or claim against, the assets of the Trust may be assigned, anticipated, alienated, encumbered, garnished, attached or in any other manner disposed of by any of the Beneficiaries, and no such part or claim shall be subject to any legal process or claims of creditors of any of the Beneficiaries.

13. Annual Accounting. The Trustee shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder, and, within ninety days following the close of each calendar year, and within ninety days after the Trustee's resignation or termination of the Trust as provided herein, the Trustee shall render a written account of its administration of the Trust to the Grantor by submitting a record of receipts, investments, disbursements, distributions, gains, losses, assets on hand at the end of the accounting period and other pertinent information, including a description of all securities and investments purchased and sold during such calendar year. Written approval of an account shall, as to all matters shown in the account, be binding upon the Grantor and shall forever release and discharge the Trustee from any liability or accountability. The Grantor will be deemed to have given his written approval if he does not object in writing to the Trustee within one hundred and twenty days after the date of receipt of such account from the Trustee. The Trustee shall be entitled at any time to institute an action in a court of competent jurisdiction for a judicial settlement of its account.

14. Notices. Any notice or instructions required under any of the provisions of this Trust Agreement shall be deemed effectively given only if such notice is in writing and is delivered personally or by certified or registered mail, return receipt requested and postage prepaid, addressed to the addresses as set forth below of the parties hereto. The address of the parties are as follows:

(i) The Grantor:

General Mills, Inc.
Post Office Box 1113
Number One General Mills Boulevard
Minneapolis, MN 55440
Attention: Treasurer

(ii) The Trustee:

Norwest Bank Minnesota, N.A.
6th and Marquette Avenue
Minneapolis, MN 55479-0069
Attention: Administrative Officer

The Grantor or Trustee may at any time change the address to which notices are to be sent to it by giving written notice thereof in the manner provided above.

15. Miscellaneous Provisions.

(a) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota applicable to contracts made and to be performed therein and the Trustee shall not be required to account in any court other than one of the courts of such state.

(b) All section headings herein have been inserted for convenience of reference only and shall in no way modify, restrict or affect the meaning or interpretation of any of the terms or provisions of this Trust Agreement.

(c) This Trust Agreement is intended as a complete and exclusive statement of the agreement of the parties hereto, supersedes all previous agreements or understandings among them and may not be modified or terminated orally.

(d) The term "Trustee" shall include any successor Trustee.

(e) If a Trustee or Custodian hereunder is a bank or trust company, any corporation resulting from any merger, consolidation or conversion to which such bank or trust company may be a party, or any corporation otherwise succeeding generally to all or substantially all of the assets or business of such bank or trust company, shall be the successor to it as Trustee or custodian hereunder, as the case may be without the execution of any instrument or any further action on the part of any party hereto.

(f) If any provision of this Trust Agreement shall be invalid and unenforceable, the remaining provisions hereof shall subsist and be carried into effect.

(g) The Plans are by this reference expressly incorporated herein and made a part hereof with the same force and effect as if fully set forth at length. As of the date first stated above, the terms of the Plans are as set forth in Exhibit A attached hereto.

(h) The assets of the Trust shall be subject only to the claims of the Grantor's general creditors in the event of the Grantor's bankruptcy or insolvency. The Grantor shall be considered "bankrupt" or "insolvent" if the Grantor is (A) unable to pay its debts when due or (B) engaged as a debtor in a proceeding under the Bankruptcy Code, 11 U.S.C. Section 101 et seq. The Board of Directors and the chief executive officer of the Grantor must notify the Trustee of the Grantor's bankruptcy or insolvency within three (3) days following the occurrence of such event. Upon receipt of such a notice, or, upon receipt of a written allegation from a person or entity claiming to be a creditor of the Grantor that the Grantor is bankrupt or insolvent, the Trustee shall discontinue payments to Beneficiaries. The Trustee shall, as soon as practicable after receipt of such notice or written allegation, determine whether the Grantor is bankrupt or insolvent. If the Trustee determines, based on such notice, written allegation, or such other information as it deems appropriate, that the Grantor is bankrupt or insolvent, the Trustee shall hold the assets of the Trust for the benefit of the Grantor's general creditors, and deliver any undistributed assets to satisfy the claims of such creditors as a court of competent jurisdiction may direct. The Trustee shall resume payments to Beneficiaries only after it has determined that the Grantor is not bankrupt or insolvent, is no longer bankrupt or insolvent (if the Trustee determined that the Grantor was bankrupt or insolvent), pursuant to an order of a court of competent jurisdiction. Unless the Trustee has actual knowledge of the Grantor's bankruptcy or insolvency, the Trustee shall have no duty to inquire whether the Grantor is bankrupt or insolvent. The Trustee may in all events rely on such evidence concerning the Grantor's solvency as may be furnished to the Trustee which will give the Trustee a reasonable basis for making a determination concerning the Grantor's solvency.

If the Trustee discontinues payment of benefits from the Trust pursuant to this Section 15(h) and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments which would have been made to each Beneficiary (together with interest) during the period of such discontinuance, less the aggregate amount of payments made to the Beneficiary by the Grantor in lieu of the payments provided for hereunder during any such period of discontinuance.

(i) Any reference hereunder to a Beneficiary shall expressly be deemed to include, where relevant, the beneficiaries of a Beneficiary duly appointed under the terms of the Plans. A Beneficiary shall cease to have such status once any and all amounts due such Beneficiary under the Plan have been satisfied.

(j) Any reference hereunder to the Grantor shall expressly be deemed to include the Grantor's successor and assigns.

(k) Whenever used herein, and to the extent appropriate, the masculine, feminine or neuter gender shall include the other two genders, the singular shall include the plural and the plural shall include the singular.

IN WITNESS WHEREOF, the parties hereto have executed this TRUST AGREEMENT as of this 26th day of September, 1988.

GRANTOR:

GENERAL MILLS, INC.

Attest:

/s/ Ivy S. Bernhardson
Name: Ivy S. Bernhardson
Title: Assistant Secretary

By: /s/ C. L. Whitehill
Name: C. L. Whitehill
Title: Senior Vice President

TRUSTEE:

NORWEST BANK MINNESOTA, N.A.

Attest:

/s/ Gary R. Porter
Name: Gary R. Porter
Title: Vice President

By: /s/ Jill Greene
Name: Jill Greene
Title: Assistant Vice President

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

| In Millions, Except Ratios | Six-Month Period Ended | | Fiscal Year Ended | | | | |
|---|---|---------------|-------------------|--------------|--------------|--------------|--------------|
| | Nov. 27, 2011 | Nov. 28, 2010 | May 29, 2011 | May 30, 2010 | May 31, 2009 | May 25, 2008 | May 27, 2007 |
| | Earnings before income taxes and after-tax earnings from joint ventures | \$1,183.2 | \$1,411.4 | \$2,428.2 | \$2,204.5 | \$1,942.2 | \$1,829.5 |
| Distributed income of equity investees | 36.4 | 24.3 | 72.7 | 88.0 | 68.5 | 108.7 | 45.2 |
| Plus: Fixed charges (1) | 211.0 | 204.1 | 414.2 | 423.1 | 463.4 | 494.6 | 496.8 |
| Plus: Amortization of capitalized interest, net of interest capitalized | 3.0 | 2.5 | (3.7) | 0.7 | (2.2) | (2.0) | — |
| Earnings available to cover fixed charges | \$1,433.6 | \$1,642.3 | \$2,911.4 | \$2,716.3 | \$2,471.9 | \$2,430.8 | \$2,238.2 |
| Ratio of earnings to fixed charges | 6.79 | 8.05 | 7.03 | 6.42 | 5.33 | 4.91 | 4.51 |
| (1) Fixed charges: | | | | | | | |
| Interest expense | \$ 182.3 | \$ 178.7 | \$ 360.9 | \$ 374.5 | \$ 409.5 | \$ 432.0 | \$ 396.6 |
| Preferred distributions to noncontrolling interests | 1.2 | 1.3 | 2.5 | 2.6 | 7.2 | 22.0 | 63.8 |
| Rentals (1/3) | 27.5 | 24.1 | 50.8 | 46.0 | 46.7 | 40.6 | 36.4 |
| Total fixed charges | \$ 211.0 | \$ 204.1 | \$ 414.2 | \$ 423.1 | \$ 463.4 | \$ 494.6 | \$ 496.8 |

For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings before income taxes and after-tax earnings of joint ventures, distributed income of equity investees, fixed charges, and amortization of capitalized interest, net of interest capitalized. Fixed charges represent gross interest expense (excluding interest on taxes) and subsidiary preferred distributions to noncontrolling interest holders, plus one-third (the proportion deemed representative of the interest factor) of rent expense.

I, Kendall J. Powell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Mills, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 20, 2011

/s/ Kendall J. Powell

Kendall J. Powell
Chairman of the Board and
Chief Executive Officer

I, Donal L. Mulligan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Mills, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 20, 2011

/s/ Donal L. Mulligan

Donal L. Mulligan
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

I, Kendall J. Powell, Chairman of the Board and Chief Executive Officer of General Mills, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 27, 2011 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 20, 2011

/s/ Kendall J. Powell

Kendall J. Powell
Chairman of the Board and
Chief Executive Officer

Exhibit 32.2

I, Donal L. Mulligan, Executive Vice President and Chief Financial Officer of General Mills, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 27, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 20, 2011

/s/ Donal L. Mulligan

Donal L. Mulligan
Executive Vice President and
Chief Financial Officer