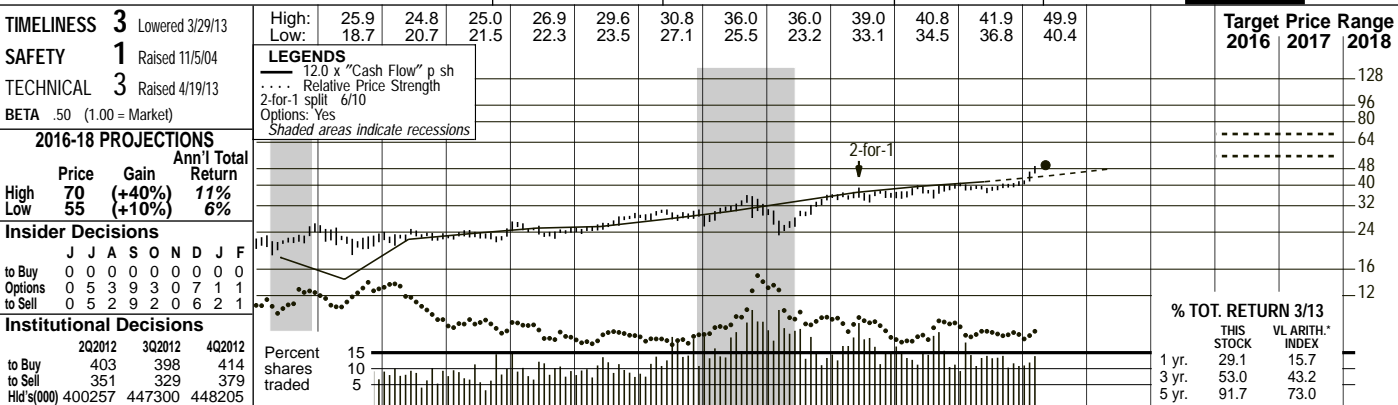


# GENERAL MILLS NYSE-GIS

RECENT PRICE **49.86** P/E RATIO **18.3** (Trailing: 18.1; Median: 16.0) RELATIVE P/E RATIO **1.09** DIV'D YLD **3.0%** VALUE LINE



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
8.77	9.74	10.27	11.75	12.41	10.83	14.20	14.60	15.24	16.35	18.30	20.23	22.40	22.54	23.08	25.69	<b>27.60</b>	<b>29.30</b>	Sales per sh <sup>A</sup>	<b>35.25</b>
1.03	1.16	1.25	1.44	1.52	1.19	1.85	1.97	2.09	2.13	2.30	2.50	2.78	3.09	3.30	3.47	<b>3.70</b>	<b>4.00</b>	"Cash Flow" per sh	<b>5.10</b>
.75	.81	.90	1.00	1.10	.85	1.33	1.43	1.37	1.45	1.59	1.76	1.99	2.30	2.48	2.56	<b>2.69</b>	<b>2.90</b>	Earnings per sh <sup>A B</sup>	<b>3.75</b>
.51	.53	.54	.55	.55	.55	.55	.55	.62	.67	.72	.79	.86	.96	1.12	1.22	<b>1.32</b>	<b>1.52</b>	Div's Decl'd per sh <sup>C</sup>	<b>1.70</b>
.32	.31	.46	.47	.54	.69	.96	.83	.56	.51	.68	.77	.86	.99	1.01	1.04	<b>1.05</b>	<b>1.10</b>	Cap'l Spending per sh	<b>1.25</b>
.77	.31	.27	d51	.09	4.87	5.64	6.92	7.69	8.11	7.82	9.21	7.89	8.23	9.87	9.90	<b>10.15</b>	<b>10.55</b>	Book Value per sh <sup>D</sup>	<b>13.90</b>
639.60	619.20	608.00	570.00	570.40	734.00	740.00	758.00	738.00	712.00	680.00	675.00	656.00	656.50	644.80	648.50	<b>640.00</b>	<b>625.00</b>	Common Shs Outst'g <sup>F</sup>	<b>600.00</b>
20.1	21.8	20.4	19.0	17.9	27.2	16.6	16.2	17.5	16.8	17.6	16.5	15.2	14.3	14.7	15.1	<b>15.1</b>	<b>15.1</b>	Avg Ann'l P/E Ratio	<b>16.5</b>
1.16	1.13	1.16	1.24	.92	1.49	.95	.86	.93	.91	.93	.99	1.01	.91	.92	.96	<b>.96</b>	<b>.96</b>	Relative P/E Ratio	<b>1.10</b>
3.4%	3.0%	2.9%	2.9%	2.8%	2.4%	2.5%	2.4%	2.6%	2.8%	2.6%	2.7%	2.9%	2.9%	3.1%	3.2%	<b>3.1%</b>	<b>3.2%</b>	Avg Ann'l Div'd Yield	<b>2.8%</b>

CAPITAL STRUCTURE as of 2/24/13				2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Total Debt \$8058.6 mill. Due in 5 Yrs \$4780.5 mill.				10506	11070	11244	11640	12442	13652	14691	14796	14880	16658	<b>17675</b>	<b>18300</b>	Sales (\$mill) <sup>A</sup>	<b>21150</b>																											
LT Debt \$6631.9 mill. LT Interest \$310.0 mill.				22.5%	22.4%	21.7%	20.8%	19.9%	19.3%	18.9%	21.0%	20.8%	19.5%	<b>19.5%</b>	<b>20.0%</b>	Operating Margin	<b>21.0%</b>																											
(Total interest coverage: 9.1x) (49% of Cap'l)				365.0	399.0	443.0	424.0	418.0	459.2	453.6	457.1	472.6	541.5	<b>575</b>	<b>595</b>	Depreciation (\$mill)	<b>685</b>																											
Leases, Uncapitalized Annual rentals \$337.7 mill. Plan Assets-5/12 \$4.4 bill. Oblig. \$5.0 bill.				1002.0	1094.0	1100.0	1090.0	1144.0	1228.7	1366.9	1571.5	1652.0	1707.3	<b>1790</b>	<b>1890</b>	Net Profit (\$mill)	<b>2365</b>																											
Pfd Stock None				35.0%	35.0%	34.2%	34.3%	34.3%	36.1%	33.8%	34.3%	31.6%	30.2%	<b>32.0%</b>	<b>33.0%</b>	Income Tax Rate	<b>33.0%</b>																											
Common Stock 644,657,589 shs. as of 3/8/13 (Options exercisable: 4.9%)				9.5%	9.9%	9.8%	9.4%	9.2%	9.0%	9.3%	10.6%	11.1%	10.2%	<b>10.1%</b>	<b>10.3%</b>	Net Profit Margin	<b>11.2%</b>																											
MARKET CAP: \$32.1 billion (Large Cap)				d265.0	458.0	d1129	d2962	d2791	d1236	d71.1	d289.1	242.8	d151.8	<b>d50.0</b>	<b>50.0</b>	Working Cap'l (\$mill)	<b>1075</b>																											
CURRENT POSITION 2011 2012 2/24/13 (\$MILL.)				7516.0	7410.0	4255.0	2415.0	3218.0	4348.7	5754.8	5268.5	5542.5	6161.9	<b>6000</b>	<b>5800</b>	Long-Term Debt (\$mill)	<b>5750</b>																											
CASH ASSETS				4175.0	5248.0	5676.0	5772.0	5319.0	6215.8	5174.7	5402.9	6365.5	6421.7	<b>6490</b>	<b>6580</b>	Shr. Equity (\$mill)	<b>8325</b>																											
RECEIVABLES				10.4%	10.7%	13.0%	14.8%	14.7%	13.3%	13.8%	16.2%	15.3%	14.9%	<b>15.5%</b>	<b>16.5%</b>	Return on Total Cap'l	<b>18.0%</b>																											
INVENTORY				24.0%	20.8%	19.4%	18.9%	21.5%	19.8%	26.4%	29.1%	26.0%	26.6%	<b>27.5%</b>	<b>28.5%</b>	Return on Shr. Equity	<b>28.5%</b>																											
OTHER ASSETS				14.3%	13.0%	11.3%	10.5%	12.0%	11.2%	15.2%	17.2%	14.5%	14.1%	<b>14.0%</b>	<b>13.5%</b>	Retained to Com Eq	<b>15.5%</b>																											
CURRENT LIAB.				41%	38%	42%	44%	44%	43%	42%	41%	44%	47%	<b>49%</b>	<b>53%</b>	All Div'ds to Net Prof	<b>45%</b>																											

**BUSINESS:** General Mills, Inc. processes and markets consumer foods. Sales breakdown (excl. joint ventures): U.S. Retail, including cereals, U.S. Pillsbury, baking/snacks/yogurt, meals (63% of revenues); Int'l (25%); and Bakeries & Foodservice (12%). Well known brands: *Cheerios, Wheaties, Total, Chex, Betty Crocker, Bisquick, Hamburger Helper, Yoplait, and Progresso.* Acq'd. controlling interest in Yoplait, 7/11; Pillsbury, 11/01; Chex, 2/97. Owns 50% of Cereal Partners Worldwide with Nestle. Has 35,000 empys. Officers/directors own 1.4% of common stock; State Street Corp., 6.4% (8/12 proxy). Chairman & CEO: Kendall J. Powell, Inc.: DE. Address: Number One General Mills Blvd., Minneapolis, MN 55426. Tel.: 763-764-7600. Internet: www.generalmills.com.

**Interest in General Mills stock continues to build.** It is up 22% since our late-January report and is even more notably higher than its most recent nadir in 2011. The investment community seems pleased by the cereal and snacks maker's recent results, which included a better-than-anticipated 16% advance in adjusted fiscal third-period (ended February 24th) share earnings. The primary catalyst has been contributions from new businesses, which accounted for six percentage points of the 8% February-quarter sales growth. Our sense is that investors also are excited about the possibility of much stronger recoveries in the underlying businesses in the quarters ahead. This is based on the assumption that the company's focus on reinvestment in the business, especially in the area of product innovation, over the last two years will begin to be noticeable at General Mills' top line. However, **There are some near-term concerns here.** Most notably, General Mills' two largest businesses, cereal and yogurt, continue to report sales declines. In fact, sales of Big G cereals and Yoplait yogurt fell 2% and 4%, respectively, in the February quarter. On the cereal side, our sense is that lower-income consumers are still cash-strapped (maybe even more so than last year due to higher payroll taxes) and thus could opt for more cheaply priced private-label offerings. Such a trend will probably continue to take a toll on cereal sales. Meanwhile, the Yoplait business continues to face stiff competition, particularly in the fast-growing Greek yogurt category. Given these headwinds, we are only looking for a modest pickup in earnings growth over the next few years. However, investors should note that a moderation in commodity (i.e., input) cost inflation could prove our projections conservative. **High-quality, neutrally ranked General Mills stock remains a preferred choice for conservative accounts stressing income.** The company continues to do an excellent job returning profits to shareholders. To this end, General Mills announced a 15% dividend increase beginning with its August payment and has reaffirmed its plans to continue buying back stock. *William G. Ferguson* April 26, 2013

Fiscal Year Ends	Aug.Per	Nov.Per	Feb.Per	May Per	Full Fiscal Year
2010	3519	4078	3629	3570	14796
2011	3533	4066	3646	3635	14880
2012	3848	4624	4120	4066	16658
2013	4051	4881	4431	4312	17675
2014	<b>4275</b>	<b>5000</b>	<b>4600</b>	<b>4425</b>	<b>18300</b>

(A) Fiscal year ends last Sun. in May. (B) Primary eggs. through 1997, dil. thereafter. (C) Div'ds. historically paid in Feb, May, Aug., and Nov. (D) Includes intang. At 2/24/13: \$13.7 bill., \$20.64/sh. (E) Quarterly eggs. may not sum to total due to rounding/changes in shs. outstg. (F) In mill., adj. for splits.