

GENERAL MILLS INC
Form 10-Q
December 20, 2011
Table of Contents

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 x 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 x No "

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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).

Table of Contents

General Mills, Inc.

Table of Contents

	Page
<u>PART I Financial Information</u>	
Item 1. <u>Financial Statements</u>	
<u>Consolidated Statements of Earnings for the quarterly and six-month periods ended November 27, 2011, and November 28, 2010</u>	3
<u>Consolidated Balance Sheets as of November 27, 2011, and May 29, 2011</u>	4
<u>Consolidated Statements of Total Equity, Comprehensive Income, and Redeemable Interest for the six-month period ended November 27, 2011, and the fiscal year ended May 29, 2011</u>	5
<u>Consolidated Statements of Cash Flows for the six-month periods ended November 27, 2011, and November 28, 2010</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	25
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
Item 4. <u>Controls and Procedures</u>	35
<u>PART II Other Information</u>	
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	36
Item 6. <u>Exhibits</u>	37
<u>Signatures</u>	38
<u>Exhibit 12.1</u>	
<u>Exhibit 31.1</u>	
<u>Exhibit 31.2</u>	
<u>Exhibit 32.1</u>	
<u>Exhibit 32.2</u>	
Exhibit 101	

Table of Contents

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.

Table of Contents**Consolidated Balance Sheets**

GENERAL MILLS, INC. AND SUBSIDIARIES

(In Millions, Except Par Value)

	Nov. 27, 2011 (Unaudited)	May 29, 2011
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	353.2	483.5
 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	1,026.4	862.5
 Total assets	 \$ 21,466.8	 \$ 18,674.5
 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	1,464.1	1,321.5
 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	1,818.4	1,733.2
 Total liabilities	 13,582.1	 12,062.3
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	(1,204.6)	(1,010.8)
 Total stockholders' equity	 6,577.3	 6,365.5

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Noncontrolling interests	475.8	246.7
Total equity	7,053.1	6,612.2
Total liabilities and equity	\$ 21,466.8	\$ 18,674.5

See accompanying notes to consolidated financial statements.

Table of Contents

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)			Treasury		Accumulated			Total Redeemable Interest	Total Comprehensive Income (Loss)
	Issued	Par Amount	Additional Paid-In Capital	Shares	Amount	Retained Earnings	Other Comprehensive Income (Loss)	Non- controlling Interests		
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)	
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										