

A STRONGER PORTFOLIO



GEARED FOR FASTER GROWTH

General Mills Analyst Meeting

July 17, 2000

This presentation contains forward-looking statements based on management's current expectations and assumptions. Such statements are subject to certain risks and uncertainties that could cause actual results to differ. In particular, our predictions about the Pillsbury acquisition could be affected by regulatory and stockholder approvals, integration problems; failure to achieve synergies; unanticipated liabilities, inexperience in new business lines, and changes in the competitive environment. In addition, our future results also could be affected by a variety of factors such as: competitive dynamics in the U.S. ready-to-eat cereal market, including pricing and promotional spending levels by competitors; the impact of competitive products and pricing; product development; actions of competitors other than as described above; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in laws and regulations, including changes in accounting standards; customer demand; effectiveness of advertising and marketing spending or programs; consumer perception of health-related issues; economic conditions, including changes in inflation rates or interest rates; fluctuations in the cost and availability of supply-chain resources; and foreign economic conditions, including currency rate fluctuations. The company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances.

TRANSACTION SUMMARY

- General Mills will Acquire Pillsbury in a Stock-for-Stock Exchange
- Diageo will Receive 141 Million General Mills Common Shares
- Transaction Value includes \$5.1 Billion of Pillsbury Debt
- Contingent Payment under Certain Conditions
- Total Transaction Value: \$10.5 Billion

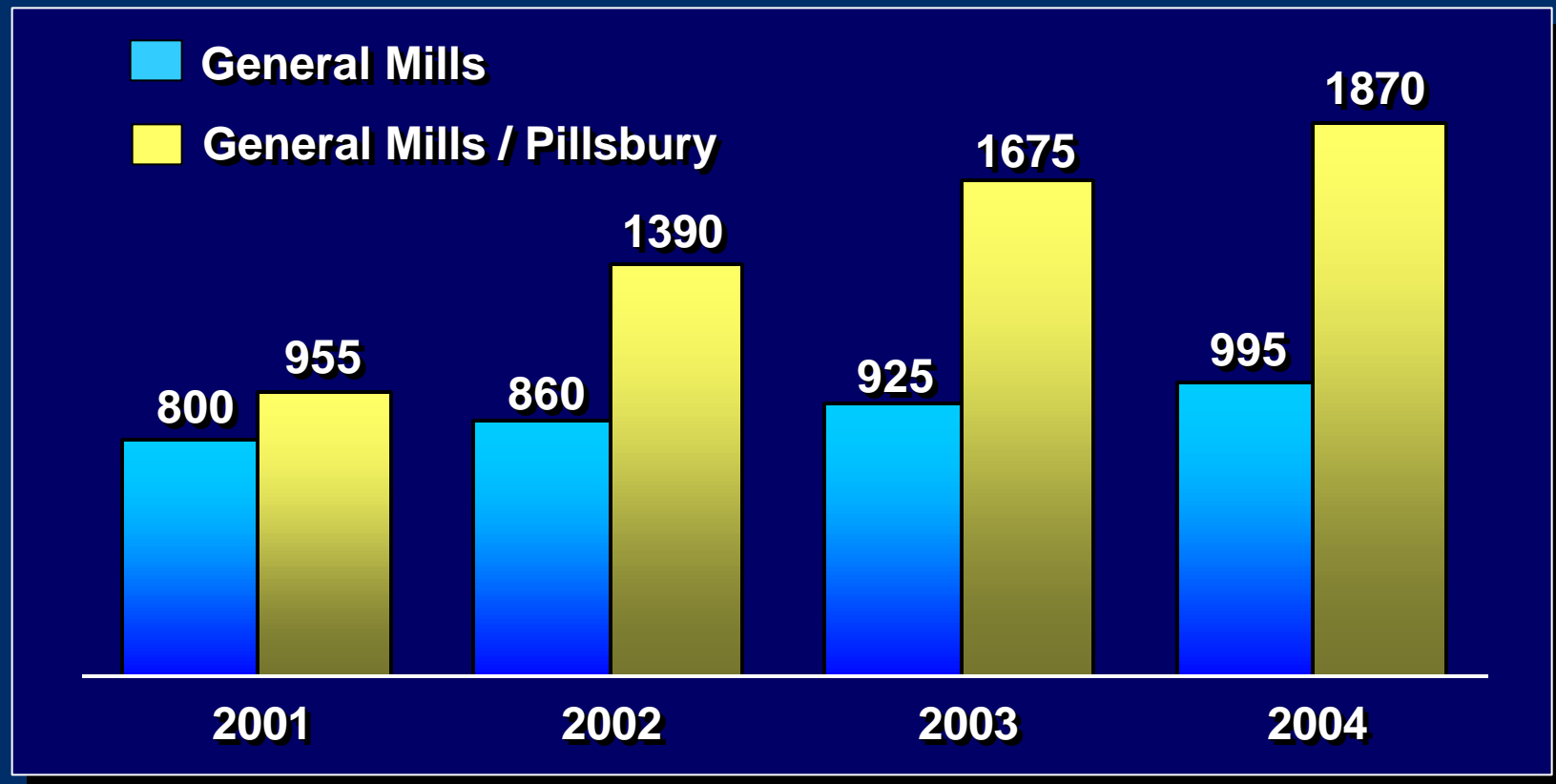


GENERAL MILLS ACCELERATED GROWTH 2010 GOALS

	<u>Old Model</u>	<u>New Goal</u>
Reported Sales	6%	7%+
EPS Growth Target	10-13%	11-15%



PROJECTED CASH FLOW FROM OPERATIONS (Millions)



GENERAL MILLS GROWTH STRATEGIES

- Product Innovation
- Channel Expansion
- International Market Expansion
- Margin Expansion



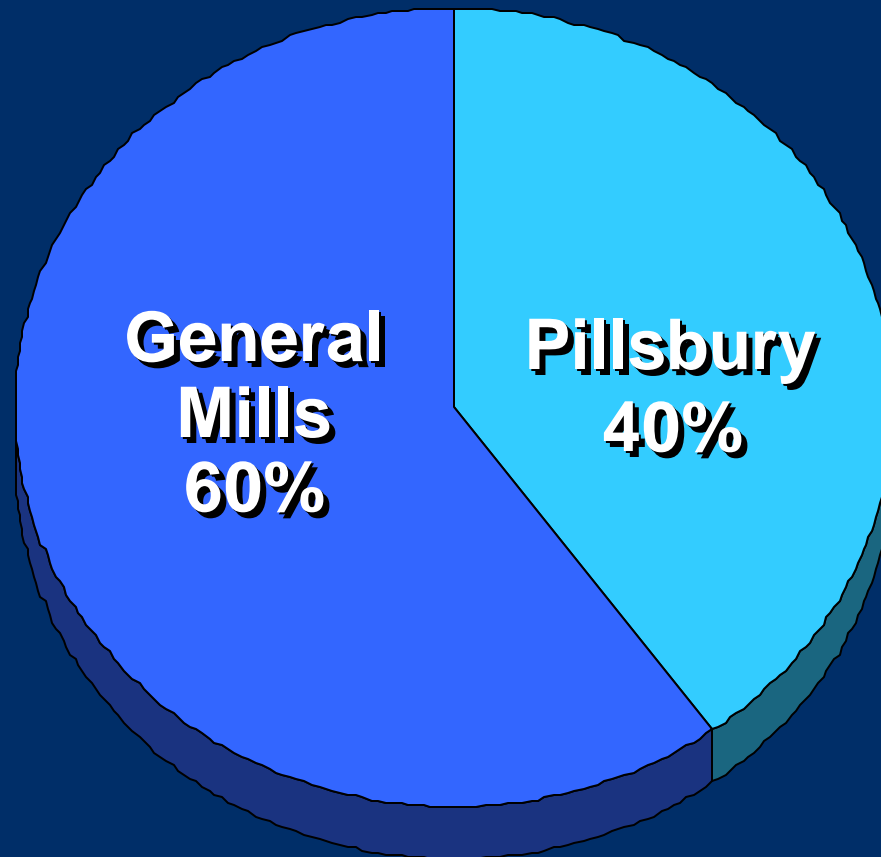
STRATEGIC RATIONALE

- Stronger, More Balanced Portfolio Geared for Faster Growth
- Significant Synergies
- Enhanced Shareholder Value



THE NEW GENERAL MILLS

SALES: \$12.8 Billion*



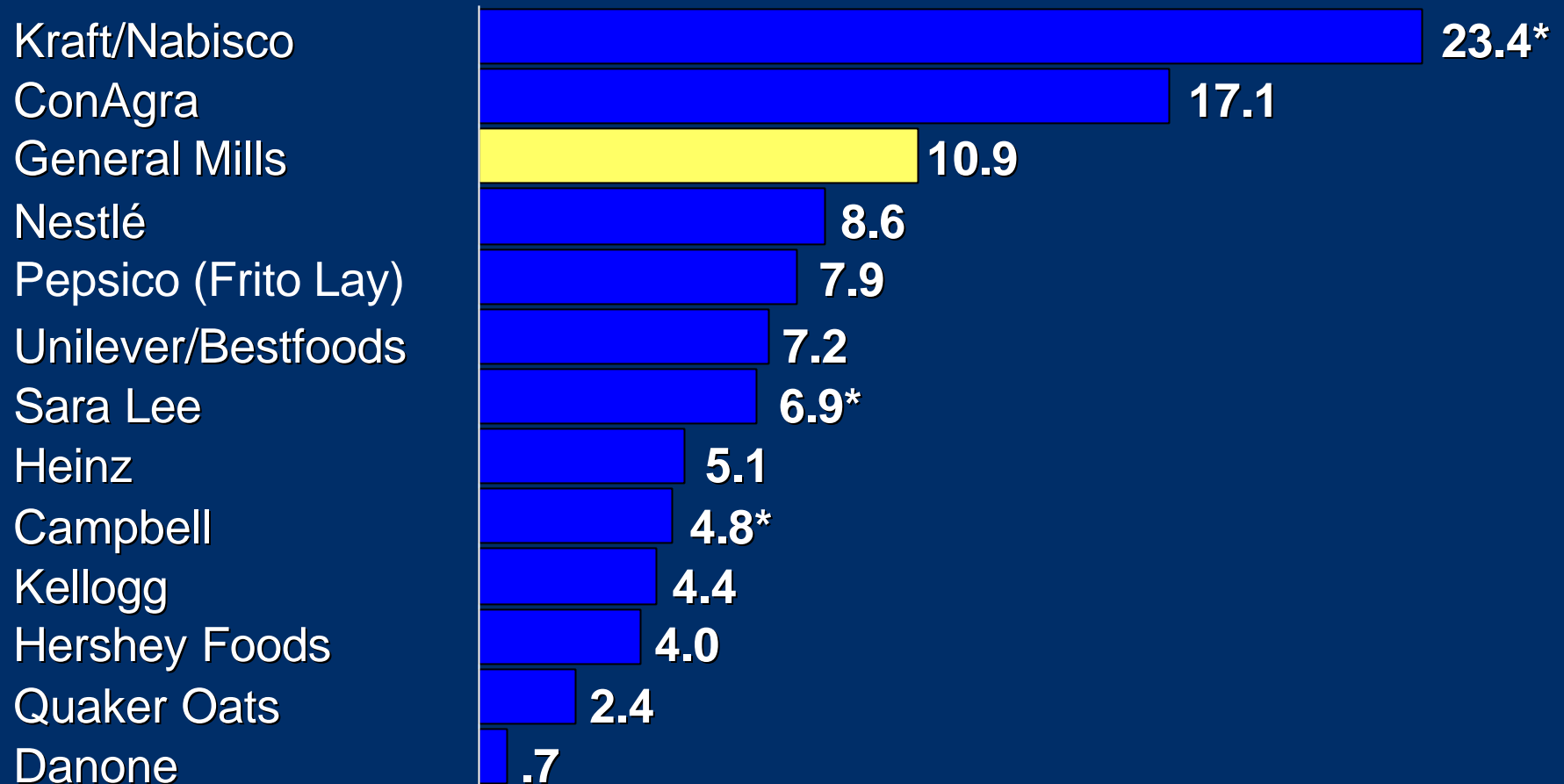
Assumes Divestiture of Pillsbury Dessert Mixes
and Green Giant Canned Vegetables

* Includes Proportionate Share of GMI JV Sales



TOP NORTH AMERICAN FOOD COMPANIES

(Food Sales in Billions)



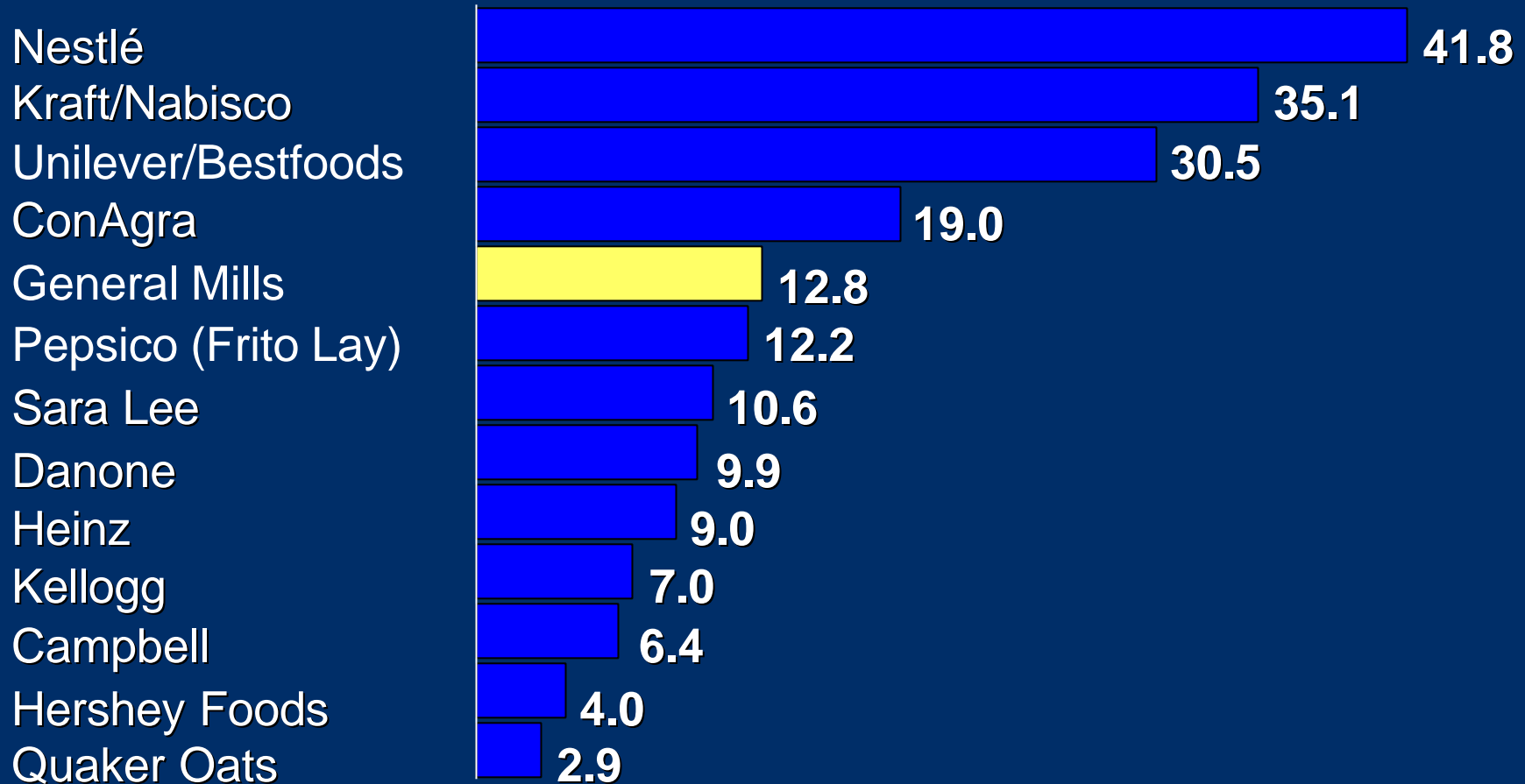
Source: Annual Reports

* U.S. Sales



TOP GLOBAL FOOD COMPANIES

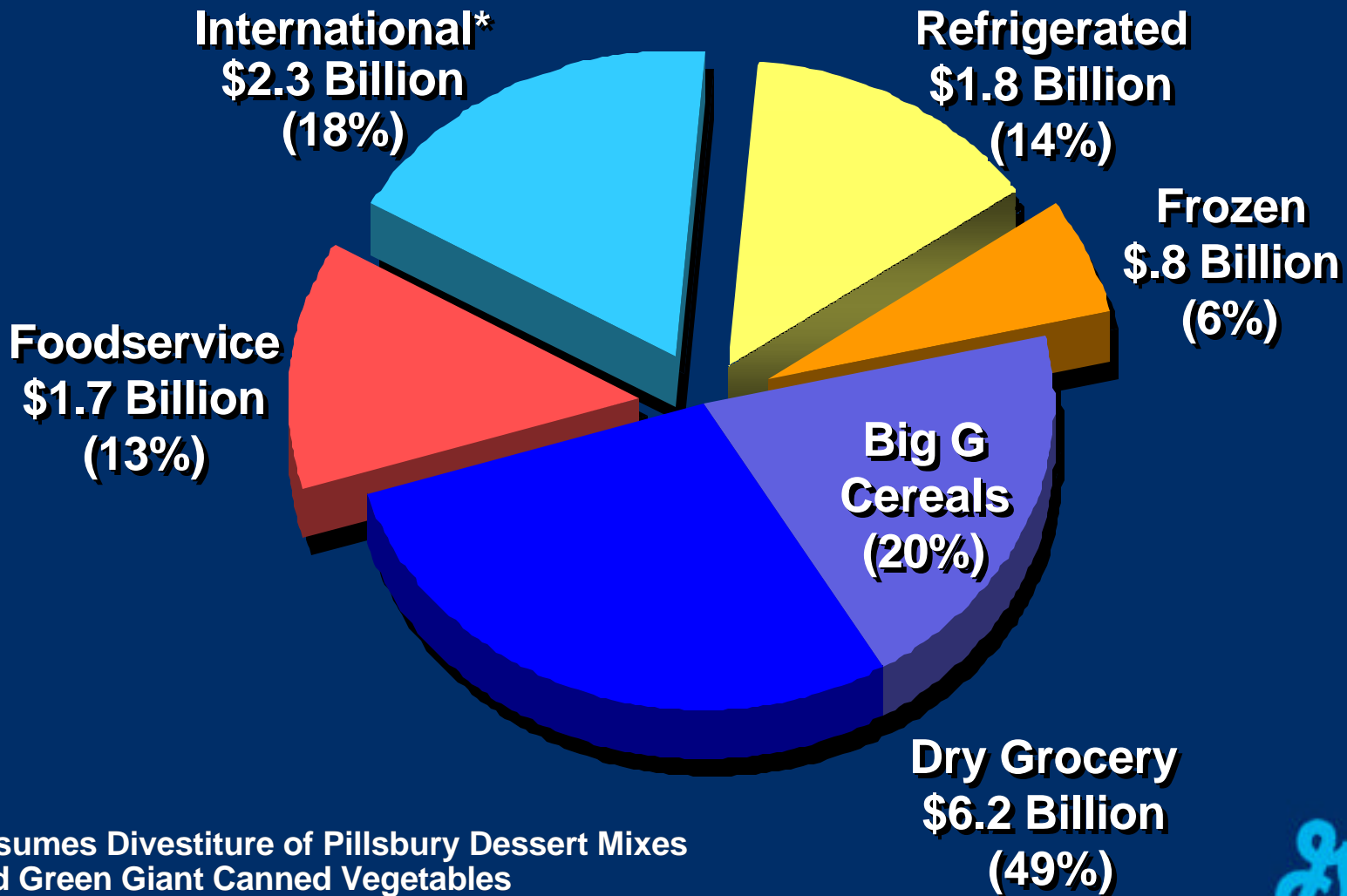
(Food Sales in Billions)



Source: Annual Reports



GENERAL MILLS A STRONGER PORTFOLIO



Assumes Divestiture of Pillsbury Dessert Mixes
and Green Giant Canned Vegetables

* Includes Proportionate Share of CPW and SVE Sales



POWERFUL BRAND LINEUP

Cheerios

FRUIT
ROLL-UPS



Hungry
Jack



*Hamburger
Helper*



GENERAL MILLS

LEADING MARKET POSITIONS

(\$ in MM)

	<u>Category Size</u>	<u>Dollar Share</u>	<u>Rank</u>
Big G Cereals	\$7,500	33%	1
Yogurt	2,030	35	1
Betty Crocker Desserts	1,080	41	1
Microwave Popcorn	690	24	2
Refrigerated Meals	580	14	1
Helper Dinner Mixes	570	63	1
Fruit Snacks	460	59	1
Family Flour	340	41	1

Source: ACNielsen



PILLSBURY

LEADING MARKET POSITIONS

(\$ in MM)

	Category <u>Size</u>	3-Yr. <u>Sales</u> <u>CAGR</u>	<u>Dollar</u> <u>Share</u>	<u>Rank</u>
Refrigerated Dough	1,480	+5	79%	1
Frozen Vegetables / Meal Starters	2,080	-1	23	1
Ready-to-serve Soup	1,400	+8	22	2
Frozen Breakfast Foods	870	+1	37	2
Frozen Hot Snacks	480	+8	33	1
Mexican Dinner Kits/Shells	280	+4	39	1

Source: ACNielsen

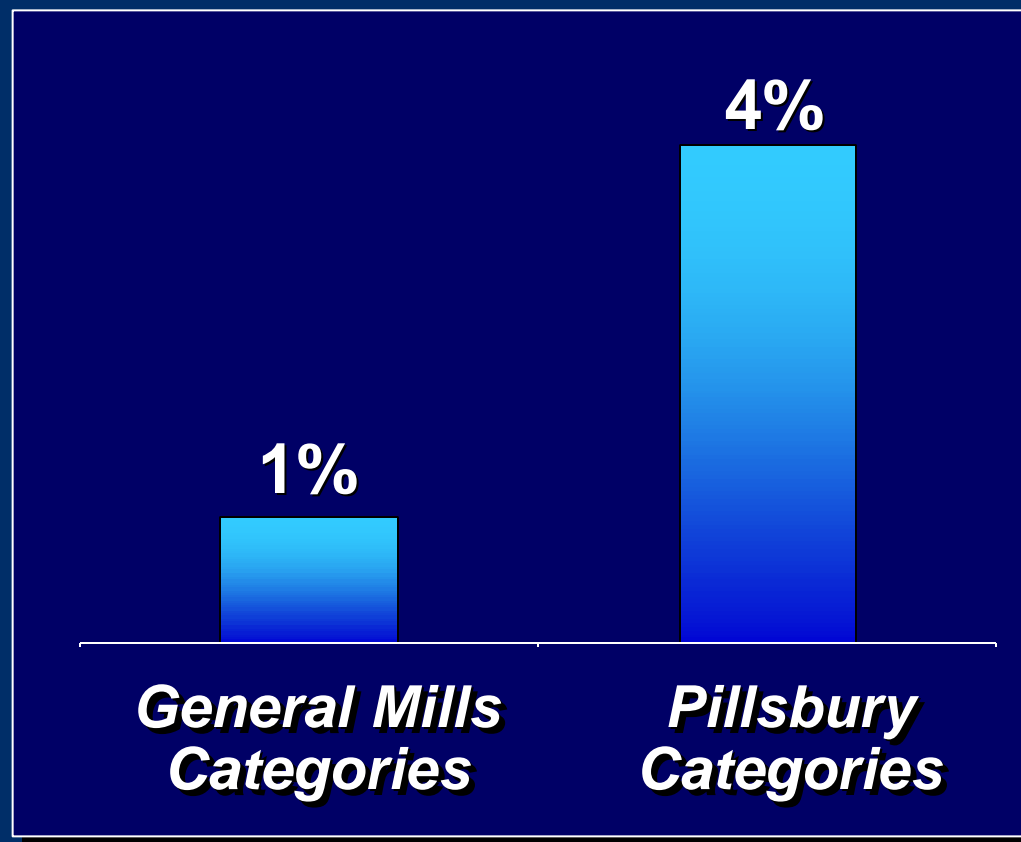


THE NEW GENERAL MILLS A FASTER GROWTH PORTFOLIO

1. Faster Growing Retail Categories
 - Stronger Convenience Profile
 - New Platforms for Innovation
2. Expanded Participation in High-growth Foodservice Business
3. Increased Presence in International Markets



FASTER GROWTH RETAIL CATEGORIES (3-Yr. Sales CGR)



Source: ACNielsen



STRONGER CONVENIENCE PROFILE

(Billions of Sales \$'s)

<u>U.S. Retail</u>	<u>Ready to Eat</u>	<u>Fast Prep</u>	<u>Scratch and Mixes</u>
Current General Mills	\$4.0	\$.3	\$1.7
New General Mills	\$4.1	\$2.5	\$1.9

- Big G Cereals
- Yogurt
- Snacks
- Ice Cream

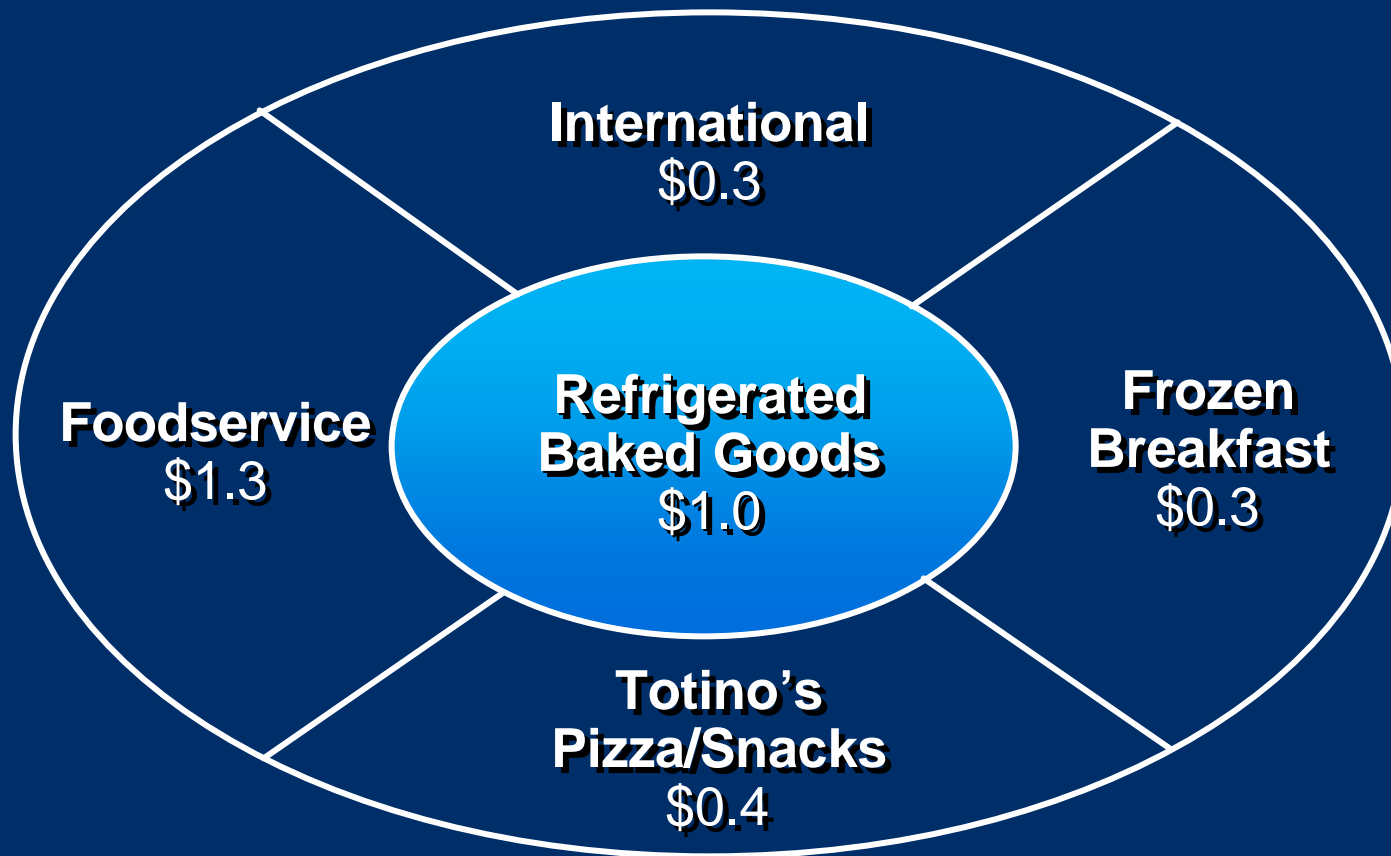
- Refrigerated Dough
- Refrigerated Entrees
- Ready to Serve Soups
- Frozen Breakfast Foods
- Frozen Pizza/ Snacks
- Frozen Vegetables/ Meal Starters

- Dessert Mixes
- Helper Dinner Mixes
- Family Flour
- Side Dish Mixes
- Mexican Dinners



PILLSBURY'S DOUGH CORE

\$3.2 Billion Sales



U.S. REFRIGERATED DOUGH CATEGORY SUMMARY

Retail \$ Sales	\$1.5 Billion
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3-Yr. Category Growth	
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\$	5%
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Units	2%
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Pillsbury \$ Share	79%
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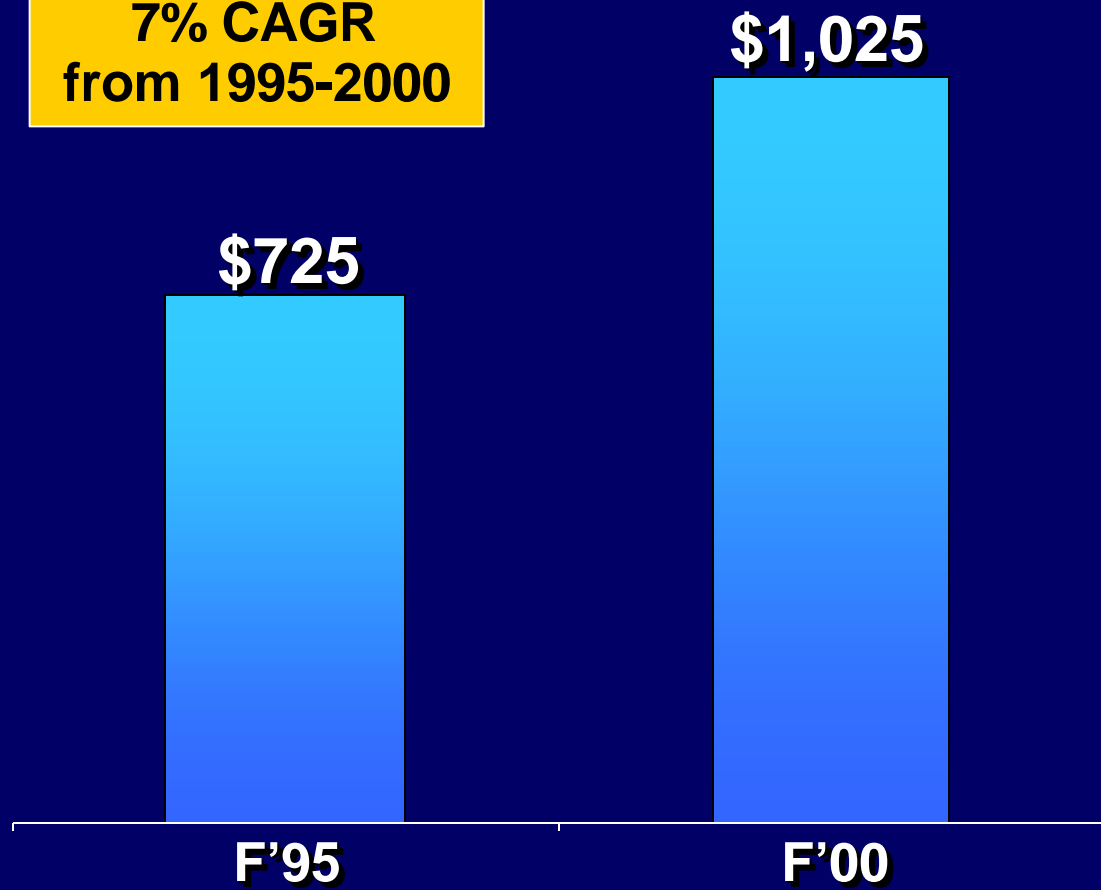
Household Penetration	74%
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Source: ACNielsen

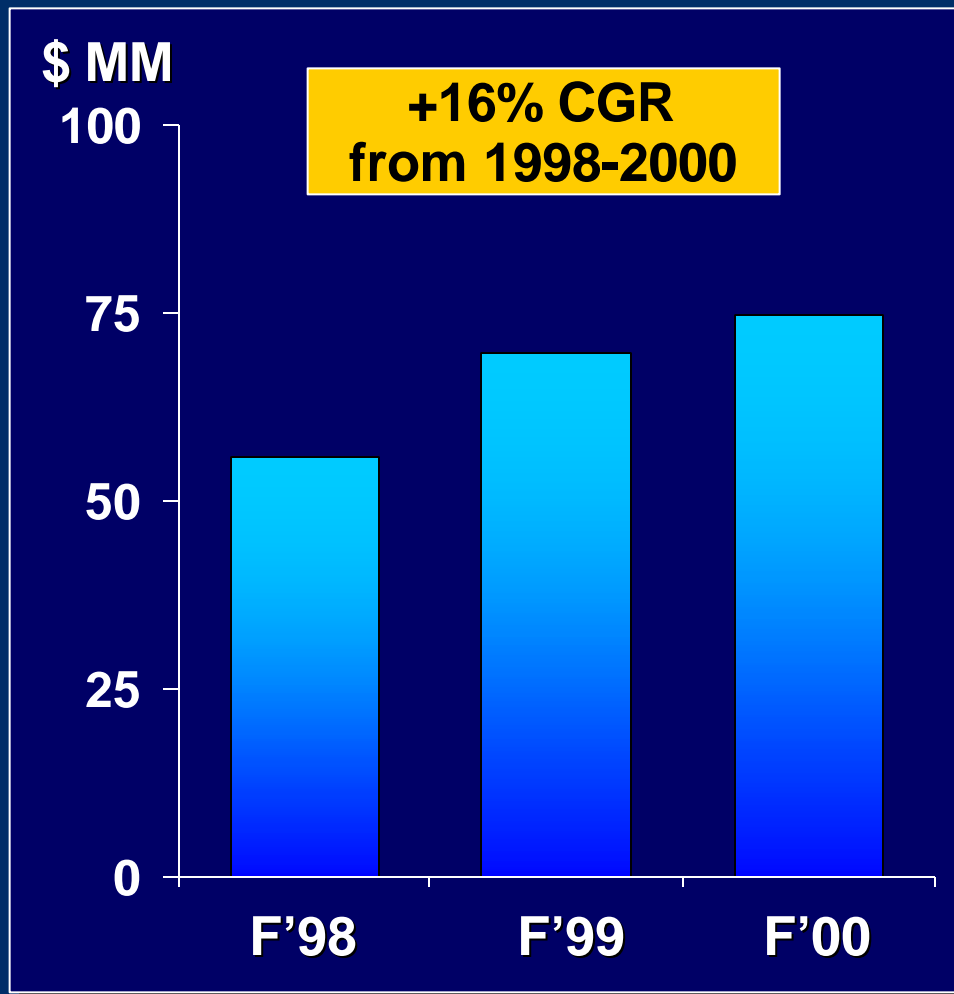


REFRIGERATED DOUGH (U.S. Sales in Millions)

**7% CAGR
from 1995-2000**



REFRIGERATED DOUGH INNOVATION



Holiday Cookies



NEW INNOVATION PLATFORMS FROZEN FOODS



Ice Cream



Frozen Breakfast Foods



Frozen Pizza / Snacks



Meal Starters



NEW INNOVATION PLATFORMS SHELF STABLE FOOD

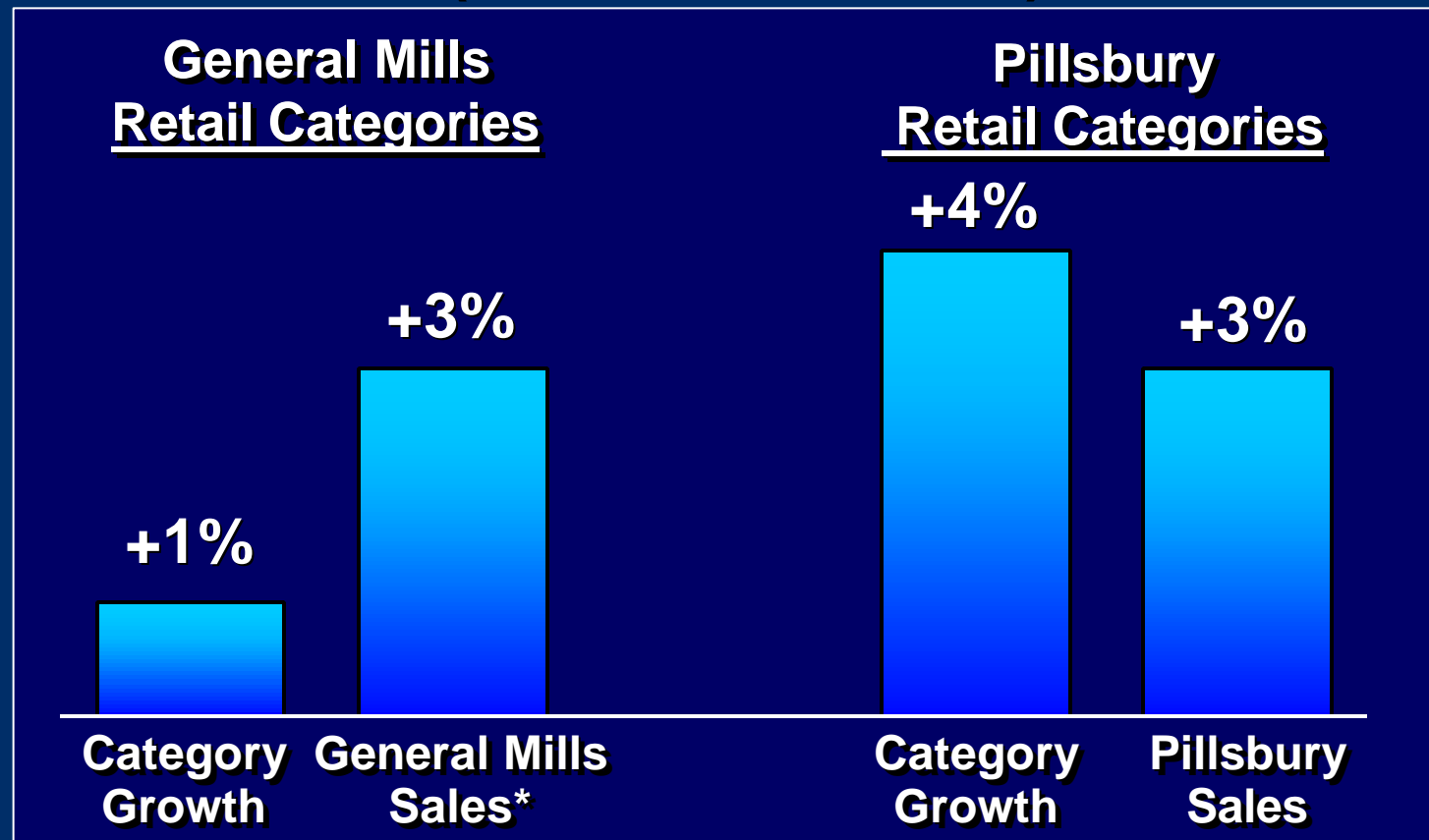
Ready to Serve Soup



Mexican Foods



NEW INNOVATION PLATFORMS FOR FASTER GROWTH (3-Yr. Sales CGRs)



Source: ACNielsen

* Excluding Acquisitions



STRONGER CONVENIENCE PROFILE PRODUCT INNOVATION



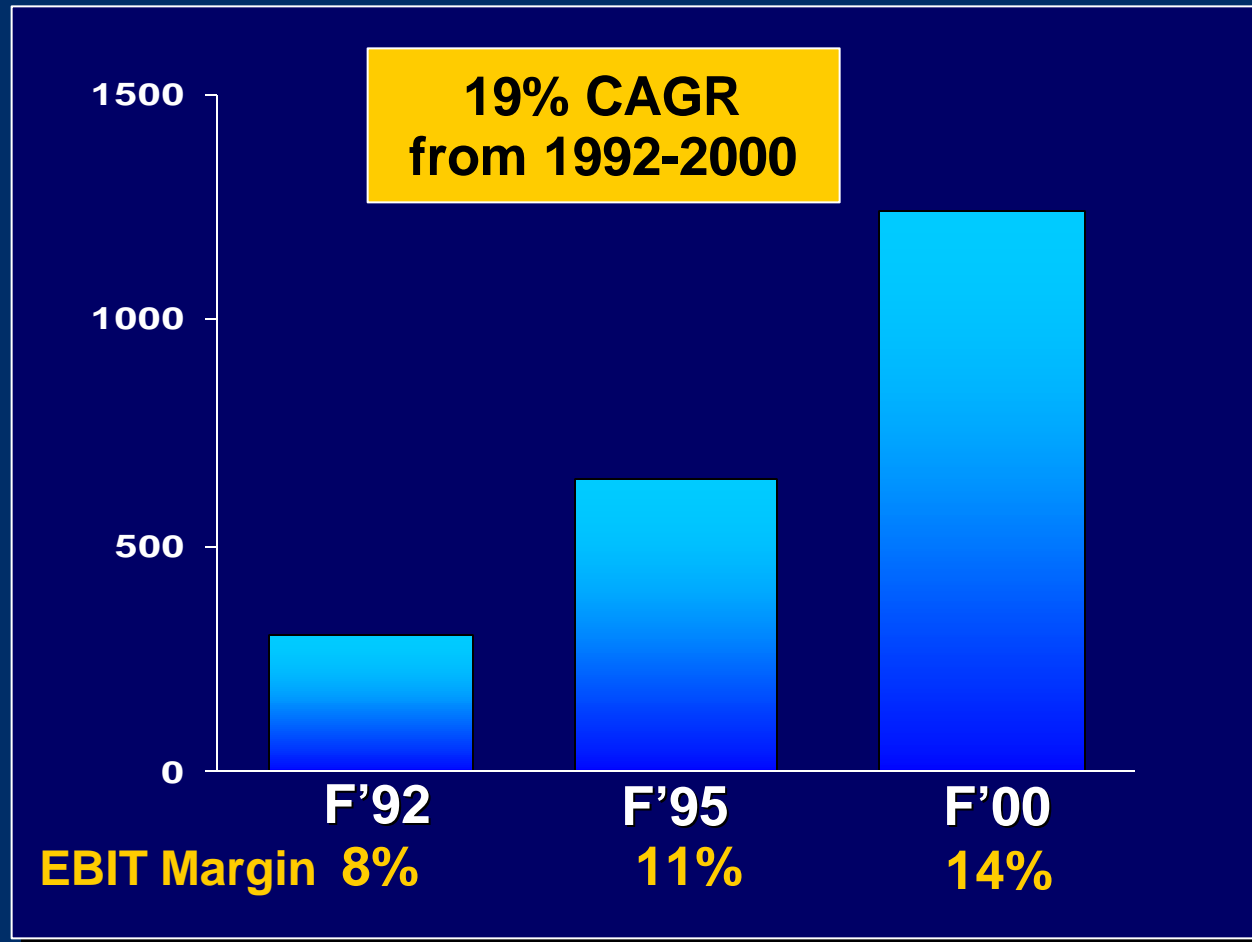
CHANNEL GROWTH PROJECTIONS

	2000-2010 Projected Sales CGR
Traditional Grocery	1%
Mass / Drug / Discount / Clubs	8%
Total Retail	3%
Foodservice	6%



PILLSBURY FOODSERVICE GROWTH

(Sales \$ in Millions)



FOODSERVICE BAKERY PRODUCTS

\$24 Billion Market Segment

**3-Yr. Sales
Growth**

Fast-growing Areas

In-store / Retail Bakeries

+4%

Foodservice / Brands

+5%

Pillsbury Foodservice Sales

+17%

- Value-added Product Innovation



PILLSBURY PRODUCTS IN GENERAL MILLS CHANNELS



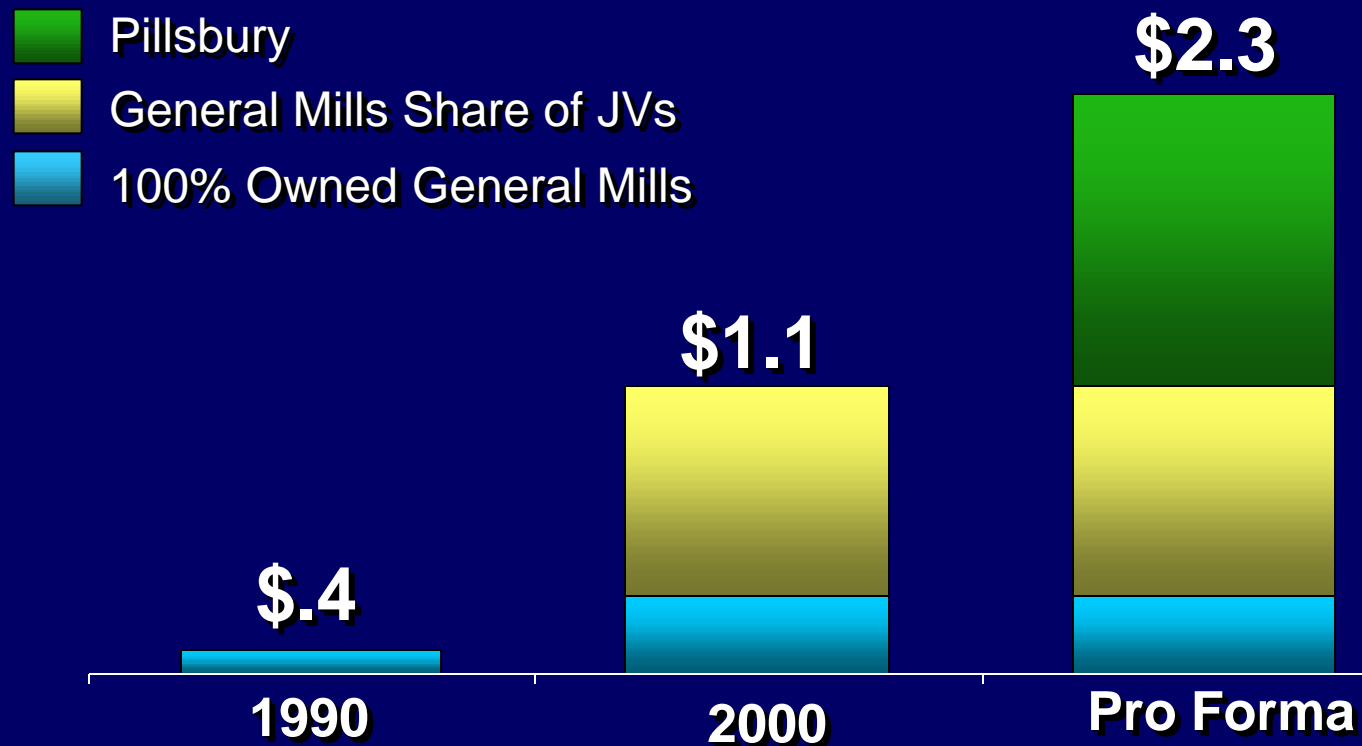
**Convenience
Stores**



Schools / Colleges



STRONGER INTERNATIONAL PRESENCE (\$ in Billions)

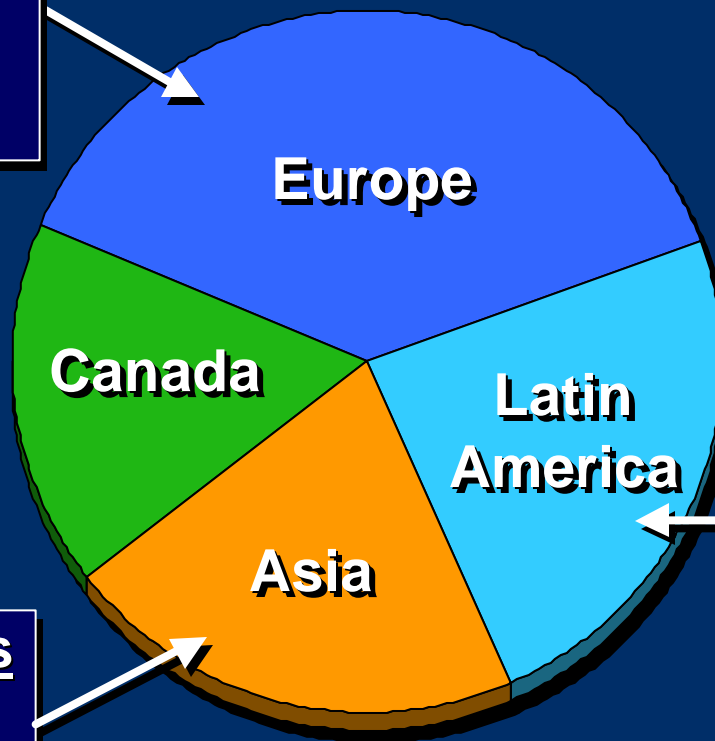


PILLSBURY'S INTERNATIONAL BUSINESS

Total Sales \$1.2 Billion

Major Markets

U.K.
France
Spain
Germany



- 30 Plants
- 7,800 Employees
- 5-Yr. Sales CGR = 5%

Major Markets

Argentina
Brazil
Venezuela

Major Markets

Japan
Australia



INTERNATIONAL INFRASTRUCTURE

	<u>Shelf Stable</u>	<u>Frozen</u>	<u>Refrigerated</u>
Manufacturing	✓	✓	✓
Distribution	✓	✓	✓
Salesforce	✓	✓	✓
Local Market Knowledge	✓	✓	✓

STRATEGIC RATIONALE

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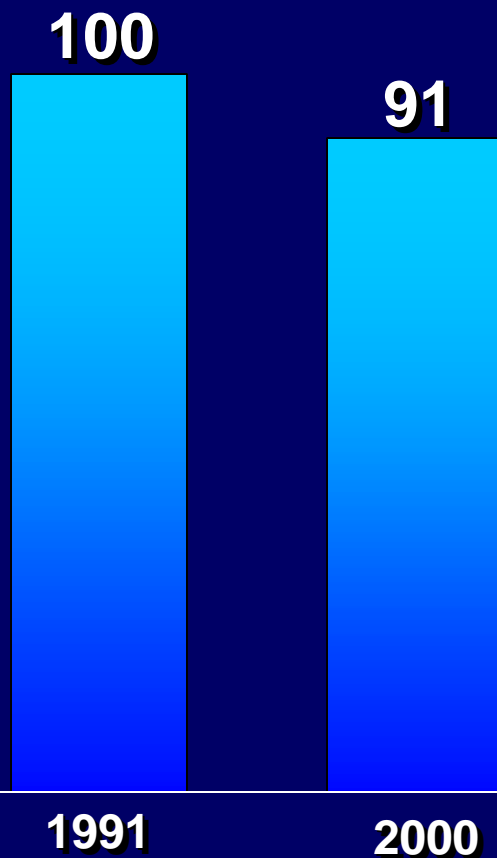
SYNERGIES

- Supply Chain Overlap and Increased Scale
- Center Store (Dry Grocery) Distribution and Sales
- Refrigerated Distribution
- Marketing Spending Synergies
- General and Administrative Cost Savings



SUPPLY CHAIN PRODUCTIVITY

**General Mills
Cost per Case Index**



**Increased
Purchasing
Leverage**



**Manufacturing
Productivity**



**Distribution
Efficiencies**



PROJECTED COST SAVINGS

- **\$25 Million in 2001**
- **\$220 Million in 2002**
- **\$400 Million in 2003**



COMPATIBLE CULTURES

- Roots in Minneapolis Milling Industry
- Focus on Building Value-added Brands
- Continuous Innovation Focus
- Commitment to Corporate Citizenship



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DIAGEO EQUITY OWNERSHIP

- 141 Million Shares, 33% Stake
- Standstill on Additional Purchases
- Pass-through Voting
- Board Representation



CONTINGENT PAYMENT

- Timing: First Anniversary of Close
- Payment Determined by General Mills Average Stock Price

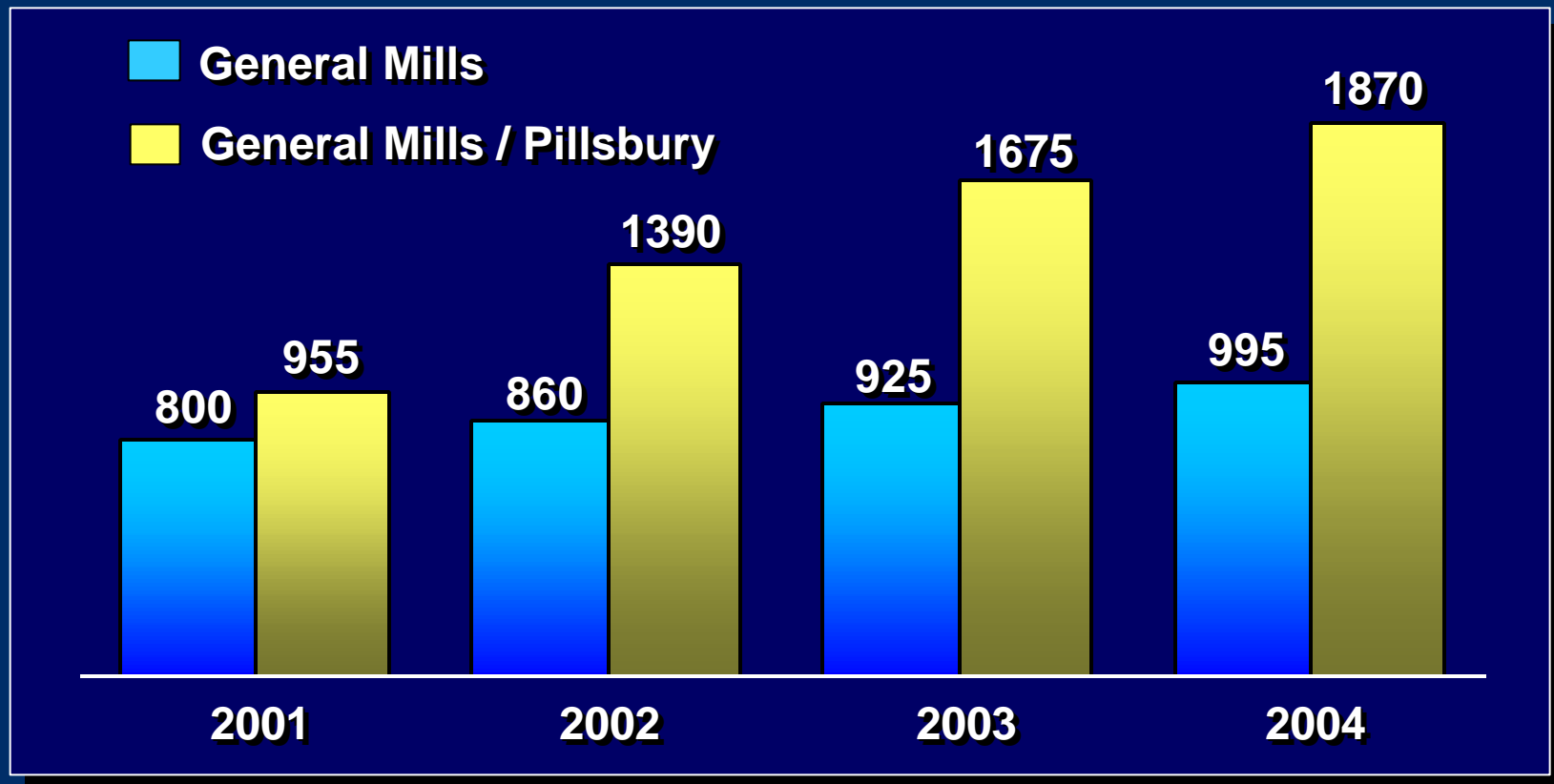


GENERAL MILLS POTENTIAL DIVESTITURE

- Pillsbury Dessert Mixes
- Green Giant Canned Vegetables



PROJECTED CASH FLOW FROM OPERATIONS (Millions)



PROJECTED FINANCIAL DATA

(\$ in Millions)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Total Debt	\$8,300	\$8,000	\$7,500
Debt / EBITDA	4.6	3.0	2.4
Interest Coverage	3.3x	3.6x	4.4x



PER SHARE IMPACT*

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Cash EPS	(\$.15)	\$.10	\$.36
Goodwill	(\$.32)	(\$.48)	(\$.49)
Book EPS	(\$.47)	(\$.38)	(\$.13)

Maintain Prevailing Dividend of \$1.10 per Share

* Assuming Divestitures



GENERAL MILLS GROWTH STRATEGIES

- Product Innovation
- Channel Expansion
- International Market Expansion
- Margin Expansion



THE NEW GENERAL MILLS 2010 EPS MODEL

Established U.S. Businesses	8 - 9 pts.
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International Operations	1 - 2 pts.
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New Businesses	1 - 2 pts.
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Share Repurchase	1 - 2 pts.
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CGR	11 - 15%
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TIMELINE

- General Mills and Diageo Shareholder Approval
- Regulatory Review
- Estimated Completion by December 2000



In connection with this transaction, General Mills will be filing a Proxy Statement with the Securities and Exchange Commission. SECURITY HOLDERS OF GENERAL MILLS ARE URGED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION REGARDING THIS BUSINESS COMBINATION. Investors and security holders may obtain a free copy of the statement when it becomes available at the Securities and Exchange Commission's website at <http://www.sec.gov>.

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