

General Mills Posts Weak Outlook, Cites Low Demand

MINNEAPOLIS (AP) — [General Mills](#) [1], whose brands include Cheerios, Yoplait and Betty Crocker, on Friday issued a lower-than-expected profit prediction for its fiscal third quarter, citing lower demand for its products in developed markets.

For the quarter ended Feb. 23, the Minneapolis-based food company said that it expects to earn about 61 cents or 62 cents per share on an adjusted basis. Analysts, on average, expect earnings of 68 cents per share, according to FactSet.

General Mills said the guidance reflects expectations of an about 1 percent drop in sales volumes in developed markets for the quarter, along with unfavorable currency exchange rates. The company added that it also made marketing and merchandising investments in its U.S. yogurt business.

Third-quarter operating profit for the company's U.S. retail segment is expected to be 10 percent to 11 percent below year-ago levels.

But for the fiscal fourth quarter, the company said it expects to post strong double-digit growth in adjusted diluted earnings per share, helped by expected year-over-year drops in the rate of input cost inflation, the quarterly tax rate and the average number of shares outstanding.

For the full fiscal year ending on May 25, the company projected an adjusted profit of between \$2.87 and \$2.90 per share. Analysts expect earnings of \$2.87 per share.

The company also boosted its quarterly dividend by 8 percent. The new dividend will be paid on May 1 to shareholders as of April 10.

General Mills Inc. will release its full third-quarter results on Wednesday.

In premarket trading, the company's shares fell \$1.65, or 3.2 percent, to \$49.36 shortly before the market open.

Also read: [General Mills Leverages External Partnerships to Grow Its Convenience Business](#) [2]

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