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## GENERAL MILLS

The following documents describe the allocation of tax basis between the common stocks of General Mills, Inc. and:

Crystal Brands, Inc. and Kenner Parker Toys, Inc

Darden Restaurants, Inc.

Ralcorp Holdings, Inc.

Information in these documents is historical and may be subject to subsequent adjustments. These documents are provided for informational purposes only. For questions on how to compute your tax basis on General Mills common stock, you should consult your personal tax advisor.



November, 1985

**Allocation of Tax Basis in Stock  
of  
General Mills, Inc.  
Among Common Stocks  
of  
General Mills, Inc., Crystal Brands, Inc. and Kenner Parker Toys Inc.  
following the  
Distribution of Shares of Common Stock of  
Crystal Brands, Inc. and Kenner Parker Toys Inc.**

The distribution of shares of Crystal Brands, Inc. and Kenner Parker Toys Inc. by General Mills, Inc. to its stockholders will not be taxable for federal income tax purposes, except for cash paid in lieu of fractional shares, as discussed below. However, stockholders must allocate their tax basis of General Mills, Inc. Common Stock among the shares of General Mills, Inc., Crystal Brands, Inc. and Kenner Parker Toys Inc. on the basis of the relative fair market value of such shares on the Distribution Date, November 1, 1985.

General Mills has determined that the following percentages are appropriate for allocating each shareholder's tax basis in General Mills stock among the shares of the three corporations. The percentages should be applied to the cost of each separate lot of General Mills shares owned by you on November 1, 1985. If you acquired General Mills stock at different times you probably have several different per share tax bases, and a separate computation is necessary for each group of shares which have a different tax basis. Different tax bases cannot be averaged. The period of ownership of your Crystal Brands, Inc. and Kenner Parker Toys Inc. stock is deemed to be the same as your related General Mills stock. If you have questions about how to compute the tax basis of your General Mills Common Stock prior to the spinoff distributions you should consult your personal tax advisor.

**Allocation**

General Mills, Inc. shares .....	85.4956%
Crystal Brands, Inc. shares .....	6.2432%
Kenner Parker Toys Inc. shares .....	<u>8.2612%</u>
Total .....	<u>100.0000%</u>

(continued on other side)

### Sample Calculation

You held 100 shares of General Mills, Inc. at a cost (tax basis) of \$5,000.

You received 20 shares of Crystal Brands, Inc. and 30 shares of Kenner Parker Toys Inc.

The allocation of tax basis is as follows:

	<u>New Tax Basis</u>
General Mills, Inc. shares	85.4956% X \$5,000 = \$4,274.78
Crystal Brands, Inc. shares	6.2432% X \$5,000 = 312.16
Kenner Parker Toys Inc. shares	8.2612% X \$5,000 = 413.06
Total	<u>\$5,000.00</u>

Your new tax basis per share, after adjusting for the pro rata distributions, is as follows:

	<u>New Tax Basis</u> <u>Per Share</u>
General Mills, Inc.	\$4,274.78 divided by 100 = \$42.7478
Crystal Brands, Inc.	\$ 312.16 divided by 20 = \$15.6080
Kenner Parker Toys Inc.	\$ 413.06 divided by 30 = \$13.7686

The receipt of cash in lieu of fractional shares will cause a taxable gain or loss for federal income tax purposes. The determination of the tax basis of the fractional share is made by multiplying (i) the share fraction received by (ii) the tax basis per share of your Crystal Brands or Kenner Parker stock. To determine the taxable gain or loss, you then determine the difference between this amount and the cash you received in payment of the fractional share interest. The gain or loss to be reported will be a short or long-term capital gain or loss, depending on your holding period of the General Mills stock and, assuming further, that the General Mills stock is a capital asset in your portfolio of investments.

This memorandum should be retained with your financial records for future reference.

GENERAL MILLS, INC.



May 1995  
5-27-95

**Allocation of Tax Basis between the Common Stocks  
of  
General Mills, Inc. and Darden Restaurants, Inc.  
following the  
Distribution of Shares of Common Stock of Darden Restaurants, Inc.**

The distribution by General Mills, Inc. of shares of Darden Restaurants, Inc. to General Mills stockholders will not be taxable for federal income tax purposes, except for cash paid in lieu of a fractional share, as discussed below. However, stockholders must allocate their tax basis of General Mills, Inc. Common Stock between the shares of General Mills, Inc. and Darden Restaurants, Inc. in proportion to the fair market value of each stock.

General Mills has determined that the following percentages are appropriate for allocating each shareholder's tax basis in General Mills stock between the shares of the two corporations, based on the fair market value of each stock on the Record Date. The percentages should be applied to the tax basis of each separate lot of General Mills shares owned by you. If you acquired General Mills stock at different times you probably have several different per share tax bases, and a separate computation is necessary for each lot of shares that has a different tax basis. Different tax bases cannot be averaged. The period of ownership of your Darden Restaurants, Inc. Common Stock is deemed to be the same as your related General Mills Common Stock. If you have questions about how to compute the tax basis of your General Mills Common Stock prior to the Distribution, you should consult your personal tax advisor.

**Allocation**

General Mills, Inc. shares .....	82.65%
Darden Restaurants, Inc. shares.....	<u>17.35%</u>
Total .....	<u>100.00%</u>

<over>

### Sample Calculation

You held 100 shares of General Mills, Inc. at a total cost (tax basis) of \$5,000.

You received 100 shares of Darden Restaurants, Inc.

The allocation of tax basis is as follows:

				<u>New Tax Basis</u>
General Mills, Inc. shares	82.65%	X \$5,000	=	\$4,132.50
Darden Restaurants, Inc. shares	17.35%	X \$5,000	=	<u>\$867.50</u>
Total				<u>\$5,000.00</u>

Your new tax basis per share, after adjusting for the Distribution, is as follows:

				<u>New Tax Basis</u> <u>Per Share</u>
General Mills, Inc.		\$4,132.50 divided by 100	=	\$41.33
Darden Restaurants, Inc.		\$867.50 divided by 100	=	\$8.67

The receipt of cash in lieu of a fractional share will cause a taxable gain or loss for federal income tax purposes. The determination of the tax basis of the fractional share is made by multiplying (i) the share fraction received by (ii) the tax basis per share of your Darden stock. To determine the taxable gain or loss, you then determine the difference between this amount and the cash you received in payment of the fractional share interest. The gain or loss to be reported will be a short-term capital gain or loss, assuming that the General Mills stock is a capital asset in your portfolio of investments.

This memorandum should be retained with your financial records for future reference.

The attached statement is required to be filed with your federal tax return for the 1995 tax year.

GENERAL MILLS, INC.

February 1997

**TAX INFORMATION ON THE COMMON STOCK OF  
GENERAL MILLS, INC.  
ISSUED IN EXCHANGE FOR COMMON STOCK OF  
RALCORP HOLDINGS, INC.**

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The issuance of General Mills, Inc. common stock in exchange for common stock of Ralcorp Holdings, Inc. will not be taxable for federal income tax purposes except for cash you may receive in lieu of a fractional share, as discussed below.

To determine the tax basis in your General Mills shares:

- Review the instructions you receive from Ralcorp Holdings accompanying your shares of "new" Ralcorp Holdings. These instructions will tell you to allocate 53% of your tax basis in your original Ralcorp Holdings shares to the "new" Ralcorp Holdings you receive in the spin-off distribution and 47% of your tax basis in your original Ralcorp Holdings shares to the General Mills shares you receive.
- The sum of your tax basis in (1) the General Mills shares plus (2) the "new" Ralcorp Holdings shares will equal your tax basis in your original Ralcorp Holdings shares.
- If you acquired your original Ralcorp Holdings shares at different times, you probably have several different per share tax bases and a separate calculation will be necessary for each lot of shares that has a different basis. Different tax bases cannot be averaged.
- The tax basis for each share of General Mills equals your total tax basis in General Mills shares divided by the total number of General Mills shares you receive.

Any cash you receive for a fractional share of General Mills is based on a stock price of \$66.09 per share. The receipt of cash in lieu of a fractional share will cause a taxable gain or loss for federal income tax purposes. To determine the gain or loss to be recognized on the cash received for your fractional share:

- Multiply the share fraction you receive by your per share tax basis in General Mills to determine the tax basis in your fractional share.
- Compare this amount to the cash you receive in payment of the fractional share.

- If the amount of cash is greater than the tax basis in the fractional share, you should report a taxable short-term capital gain, assuming the original Ralcorp Holdings stock was a capital asset in your portfolio of investments.
- If the amount of cash is less than the tax basis in the fractional share, you should report a taxable short-term capital loss.

The following example may help you calculate your basis:

Assume that you own 100 "old" Ralcorp Holdings shares with a tax basis of \$20.00 in each share, for a total tax basis of \$2,000.00. You would receive 100 shares of "new" Ralcorp Holdings and 16 shares of General Mills plus a cash payment of \$19.83 in lieu of the .30 fractional share of General Mills.

Calculation of New Tax Basis

	<u>% of Basic Allocable</u>		<u>Original Cost Basis in "Old" Ralcorp shares</u>	=	<u>Total Allocated Basis</u>	÷	<u>Number of shares</u>	=	<u>New Tax Basis Per Share</u>
"New" Ralcorp Holdings common stock	53%	X	\$2,000	=	\$1060	÷	100	=	\$10.60
General Mills common stock	47%	X	\$2,000	=	\$940	÷	16	=	\$58.75

Your tax basis in the 100 "new" Ralcorp Holdings shares would be \$1060.

Your tax basis in the 16 General Mills shares would be \$940.

The sum of your tax basis in "new" Ralcorp Holdings (\$1060) plus your tax basis in General Mills (\$940) would equal your tax basis in your original Ralcorp Holdings (\$2000).

Your tax basis in the .30 fractional share would be \$17.63 (.30 x \$58.75).

The gain recognized on the cash you receive for your fractional share would be \$2.20 (\$19.83 - \$17.63).

The period of ownership of your General Mills shares is deemed to be the same as your original Ralcorp Holdings shares.

If you have questions about how to compute the tax basis of your original Ralcorp Holdings shares, you should consult your personal tax advisor.

**THIS MEMORANDUM SHOULD BE RETAINED WITH YOUR FINANCIAL RECORDS FOR FUTURE REFERENCE.**

GENERAL MILLS, INC.