

**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 23, 2014
- 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 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 No

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 5, 2014: 603,747,687 (excluding 150,865,641 shares held in the treasury).

General Mills, Inc.

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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. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Net sales	\$ 4,712.2	\$ 4,875.7	\$ 8,980.6	\$ 9,248.4
Cost of sales	3,093.1	3,114.0	5,922.8	5,873.7
Selling, general, and administrative expenses	845.5	890.9	1,712.7	1,766.3
Restructuring, impairment, and other exit costs	214.6	0.7	228.6	3.5
Operating profit	559.0	870.1	1,116.5	1,604.9
Interest, net	77.3	68.7	155.8	147.5
Earnings before income taxes and after-tax earnings from joint ventures	481.7	801.4	960.7	1,457.4
Income taxes	153.4	266.7	306.0	478.7
After-tax earnings from joint ventures	27.1	26.1	53.1	50.2
Net earnings, including earnings attributable to redeemable and noncontrolling interests	355.4	560.8	707.8	1,028.9
Net earnings attributable to redeemable and noncontrolling interests	9.3	10.9	16.5	19.7
Net earnings attributable to General Mills	\$ 346.1	\$ 549.9	\$ 691.3	\$ 1,009.2
Earnings per share - basic	\$ 0.58	\$ 0.87	\$ 1.14	\$ 1.58
Earnings per share - diluted	\$ 0.56	\$ 0.84	\$ 1.11	\$ 1.54
Dividends per share	\$ 0.41	\$ 0.38	\$ 0.82	\$ 0.76

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income
GENERAL MILLS, INC. AND SUBSIDIARIES
(Unaudited) (In Millions)

	<u>Quarter Ended</u>		<u>Six-Month Period Ended</u>	
	<u>Nov. 23, 2014</u>	<u>Nov. 24, 2013</u>	<u>Nov. 23, 2014</u>	<u>Nov. 24, 2013</u>
Net earnings, including earnings attributable to redeemable and noncontrolling interests	\$ 355.4	\$ 560.8	\$ 707.8	\$ 1,028.9
Other comprehensive income (loss), net of tax:				
Foreign currency translation	(297.3)	62.1	(389.8)	(24.5)
Other fair value changes:				
Securities	0.2	0.5	0.3	0.7
Hedge derivatives	5.8	(8.2)	4.6	3.9
Reclassification to earnings:				
Hedge derivatives	1.8	(1.5)	5.3	(3.5)
Amortization of losses and prior service costs	29.5	28.3	53.0	54.7
Other comprehensive income (loss), net of tax	<u>(260.0)</u>	<u>81.2</u>	<u>(326.6)</u>	<u>31.3</u>
Total comprehensive income	95.4	642.0	381.2	1,060.2
Comprehensive income (loss) attributable to redeemable and noncontrolling interests	<u>(66.0)</u>	<u>28.4</u>	<u>(90.8)</u>	<u>72.4</u>
Comprehensive income attributable to General Mills	<u>\$ 161.4</u>	<u>\$ 613.6</u>	<u>\$ 472.0</u>	<u>\$ 987.8</u>

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
GENERAL MILLS, INC. AND SUBSIDIARIES
(In Millions, Except Par Value)

	<u>Nov. 23, 2014</u>	<u>May 25, 2014</u>
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 894.5	\$ 867.3
Receivables	1,705.8	1,483.6
Inventories	1,893.4	1,559.4
Deferred income taxes	98.5	74.1
Prepaid expenses and other current assets	<u>394.2</u>	<u>409.1</u>
Total current assets	4,986.4	4,393.5
Land, buildings, and equipment	3,824.2	3,941.9
Goodwill	9,078.7	8,650.5
Other intangible assets	5,127.9	5,014.3
Other assets	<u>1,186.5</u>	<u>1,145.5</u>
Total assets	<u>\$ 24,203.7</u>	<u>\$ 23,145.7</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,656.7	\$ 1,611.3
Current portion of long-term debt	750.7	1,250.6
Notes payable	2,071.4	1,111.7
Other current liabilities	<u>1,614.9</u>	<u>1,449.9</u>
Total current liabilities	6,093.7	5,423.5
Long-term debt	7,713.1	6,423.5
Deferred income taxes	1,761.5	1,666.0
Other liabilities	<u>1,623.8</u>	<u>1,643.2</u>
Total liabilities	<u>17,192.1</u>	<u>15,156.2</u>
Redeemable interest	901.4	984.1
Stockholders' equity:		
Common stock, 754.6 shares issued, \$0.10 par value	75.5	75.5
Additional paid-in capital	1,260.3	1,231.8
Retained earnings	11,975.3	11,787.2
Common stock in treasury, at cost, shares of 157.9 and 142.3	(6,079.2)	(5,219.4)
Accumulated other comprehensive loss	<u>(1,559.6)</u>	<u>(1,340.3)</u>
Total stockholders' equity	5,672.3	6,534.8
Noncontrolling interests	<u>437.9</u>	<u>470.6</u>
Total equity	<u>6,110.2</u>	<u>7,005.4</u>
Total liabilities and equity	<u>\$ 24,203.7</u>	<u>\$ 23,145.7</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Total Equity and Redeemable Interest
GENERAL MILLS, INC. AND SUBSIDIARIES
(Unaudited) (In Millions, Except per Share Data)

	\$.10 Par Value Common Stock (One Billion Shares Authorized)					Retained Earnings	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Equity	Redeemable Interest
	Issued		Treasury							
	Shares	Par Amount	Additional Paid-In Capital	Shares	Amount					
Balance as of May 26, 2013	754.6	\$ 75.5	\$ 1,166.6	(113.8)	\$(3,687.2)	\$10,702.6	\$ (1,585.3)	\$ 456.3	\$ 7,128.5	\$ 967.5
Total comprehensive income						1,824.4	245.0	24.9	2,094.3	70.0
Cash dividends declared (\$1.17 per share)						(739.8)			(739.8)	
Shares purchased			30.0	(35.6)	(1,775.3)				(1,745.3)	
Stock compensation plans (includes income tax benefits of \$69.3)			13.8	7.1	243.1				256.9	
Unearned compensation related to restricted stock unit awards			(91.3)						(91.3)	
Earned compensation			108.5						108.5	
Decrease in redemption value of redeemable interest			4.2						4.2	(4.2)
Addition of noncontrolling interest								17.6	17.6	
Distributions to noncontrolling and redeemable interest holders								(28.2)	(28.2)	(49.2)
Balance as of May 25, 2014	754.6	75.5	1,231.8	(142.3)	(5,219.4)	11,787.2	(1,340.3)	470.6	7,005.4	984.1
Total comprehensive income (loss)						691.3	(219.3)	(32.0)	440.0	(58.8)
Cash dividends declared (\$0.82 per share)						(503.2)			(503.2)	
Shares purchased				(18.6)	(968.8)				(968.8)	
Stock compensation plans (includes income tax benefits of \$26.8)			14.8	3.0	109.0				123.8	
Unearned compensation related to restricted stock unit awards			(76.0)						(76.0)	
Earned compensation			64.9						64.9	
Decrease in redemption value of redeemable interest			24.8						24.8	(24.8)
Addition of noncontrolling interest								20.7	20.7	
Distributions to noncontrolling and redeemable interest holders								(21.4)	(21.4)	0.9
Balance as of Nov. 23, 2014	754.6	\$ 75.5	\$ 1,260.3	(157.9)	\$(6,079.2)	\$11,975.3	\$ (1,559.6)	\$ 437.9	\$ 6,110.2	\$ 901.4

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
GENERAL MILLS, INC. AND SUBSIDIARIES
(Unaudited) (In Millions)

	Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013
Cash Flows - Operating Activities		
Net earnings, including earnings attributable to redeemable and noncontrolling interests	\$ 707.8	\$ 1,028.9
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	290.4	297.6
After-tax earnings from joint ventures	(53.1)	(50.2)
Distributions of earnings from joint ventures	28.9	25.6
Stock-based compensation	64.9	64.6
Deferred income taxes	13.2	67.9
Tax benefit on exercised options	(26.8)	(39.5)
Pension and other postretirement benefit plan contributions	(24.4)	(24.7)
Pension and other postretirement benefit plan costs	46.0	62.3
Restructuring, impairment, and other exit costs	236.6	(11.1)
Changes in current assets and liabilities, excluding the effects of acquisitions	(414.4)	(338.9)
Other, net	(5.9)	(73.6)
Net cash provided by operating activities	<u>863.2</u>	<u>1,008.9</u>
Cash Flows - Investing Activities		
Purchases of land, buildings, and equipment	(317.6)	(268.8)
Acquisitions, net of cash acquired	(822.3)	—
Investments in affiliates, net	(32.3)	(46.9)
Proceeds from disposal of land, buildings, and equipment	1.1	1.0
Other, net	(0.1)	(2.7)
Net cash used by investing activities	<u>(1,171.2)</u>	<u>(317.4)</u>
Cash Flows - Financing Activities		
Change in notes payable	922.3	455.1
Issuance of long-term debt	1,274.5	923.0
Payment of long-term debt	(393.3)	(720.3)
Proceeds from common stock issued on exercised options	35.9	27.5
Tax benefit on exercised options	26.8	39.5
Purchases of common stock for treasury	(968.8)	(863.9)
Dividends paid	(503.2)	(489.8)
Distributions to noncontrolling and redeemable interest holders	(20.5)	(24.6)
Other, net	(4.0)	(0.7)
Net cash provided (used) by financing activities	<u>369.7</u>	<u>(654.2)</u>
Effect of exchange rate changes on cash and cash equivalents	(34.5)	(4.5)
Increase in cash and cash equivalents	27.2	32.8
Cash and cash equivalents - beginning of year	867.3	741.4
Cash and cash equivalents - end of period	<u>\$ 894.5</u>	<u>\$ 774.2</u>
Cash Flow from Changes in Current Assets and Liabilities, excluding the effects of acquisitions:		
Receivables	\$ (248.8)	\$ (277.1)
Inventories	(309.6)	(214.4)
Prepaid expenses and other current assets	(6.6)	53.1
Accounts payable	139.7	38.9
Other current liabilities	10.9	60.6
Changes in current assets and liabilities	<u>\$ (414.4)</u>	<u>\$ (338.9)</u>

See accompanying notes to consolidated financial statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Background

The accompanying Consolidated Financial Statements of General Mills, Inc. (we, us, our, General Mills, or the Company) have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include certain information and disclosures required for comprehensive financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal recurring nature, including the elimination of all intercompany transactions and any noncontrolling and redeemable interests' share of those transactions. Operating results for the quarter ended November 23, 2014 are not necessarily indicative of the results that may be expected for the fiscal year ending May 31, 2015.

These statements should be read in conjunction with the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the fiscal year ended May 25, 2014. The accounting policies used in preparing these Consolidated Financial Statements are the same as those described in Note 2 to the Consolidated Financial Statements in that Form 10-K. Certain reclassifications to our previously reported financial information have been made to conform to the current period presentation.

(2) Acquisition and Divestiture

On October 21, 2014, we acquired Annie's, Inc. (Annie's), a publicly traded food company headquartered in Berkeley, California, for an aggregate purchase price of \$821.2 million, which we funded by issuing debt. We consolidated Annie's into our Consolidated Balance Sheets and recorded goodwill of \$589.8 million, an indefinite lived intangible asset for the *Annie's* brand of \$244.5 million and a finite lived customer relationship asset of \$23.9 million. The pro forma effects of this acquisition were not material.

We have conducted a preliminary assessment of certain assets and liabilities related to the acquisition of Annie's. We are continuing our review of these items during the measurement period, and if new information is obtained about facts and circumstances that existed at the acquisition date, the acquisition accounting will be revised to reflect the resulting adjustments to current estimates of these items.

During the fourth quarter of fiscal 2014, we sold certain grain elevators in our U.S. Retail segment for \$124.0 million in cash and recorded a pre-tax gain of \$65.5 million.

(3) Restructuring Initiatives

We are currently pursuing several multi-year restructuring initiatives designed to increase our efficiency and focus our business behind our key growth strategies. Charges related to these activities were as follows:

In Millions	Quarter Ended Nov. 23, 2014						Six-Month Period Ended Nov. 23, 2014					
	Severance	Asset Write- offs	Pension Related	Accelerated Depreciation	Other	Total	Severance	Asset Write- offs	Pension Related	Accelerated Depreciation	Other	Total
Project Catalyst	\$ 145.0	\$ —	\$ —	\$ —	\$ —	\$145.0	\$ 145.0	\$ —	\$ —	\$ —	\$ —	\$145.0
Project Century	21.7	32.6	15.6	12.6	6.4	88.9	21.7	32.6	15.6	12.6	6.4	88.9
Combination of certain operational facilities	(0.1)	—	—	—	—	(0.1)	13.0	0.7	—	—	0.2	13.9
Charges associated with restructuring actions previously announced	(0.6)	—	—	—	—	(0.6)	(0.6)	—	—	—	—	(0.6)
Total	\$ 166.0	\$ 32.6	\$ 15.6	\$ 12.6	\$ 6.4	\$233.2	\$ 179.1	\$ 33.3	\$ 15.6	\$ 12.6	\$ 6.6	\$247.2

These charges are classified in our Consolidated Statements of Earnings as follows:

In Millions	Quarter Ended		Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Cost of sales	\$ 18.6	\$ —	\$ 18.6	\$ —
Restructuring, impairment, and other exit costs	214.6	0.7	228.6	3.5
Total	\$ 233.2	\$ 0.7	\$ 247.2	\$ 3.5

During the second quarter of fiscal 2015, we approved Project Catalyst, a restructuring plan to increase organizational effectiveness and reduce overhead expense. In connection with this project, we expect to eliminate approximately 700 to 800 positions primarily in the United States. We expect to incur approximately \$160 million of net expenses relating to these actions of which approximately \$123 million will be cash. We expect these actions to be largely completed by the end of fiscal 2015.

Project Century is a review of our North American manufacturing and distribution network to streamline operations and identify potential capacity reductions which we expect to complete by the end of fiscal 2017. During the second quarter of fiscal 2015, we approved a restructuring plan to consolidate yogurt manufacturing capacity and exit our Methuen, MA facility in our U.S. Retail and Convenience Stores and Foodservice supply chains as part of Project Century. This action will affect approximately 250 positions. We expect to incur approximately \$65 million of net expenses relating to this action of which approximately \$17 million will be cash. We expect this action to be completed by the end of fiscal 2016.

Also as part of Project Century, during the second quarter of fiscal 2015, we approved a restructuring plan to eliminate excess cereal and dry mix capacity and exit our Lodi, CA facility in our U.S. Retail supply chain. This action will affect approximately 430 positions. We expect to incur approximately \$123 million of net expenses relating to this action of which approximately \$24 million will be cash. We expect this action to be completed by the end of fiscal 2016.

During the first quarter of fiscal 2015, we approved a plan to combine certain Yoplait and General Mills operational facilities within our International segment to increase efficiencies and reduce costs. This action will affect approximately 240 positions. We expect to incur approximately \$15 million of net expenses relating to this action of which approximately \$14 million will be cash. We expect this action to be completed in fiscal 2016.

During the six-month period ended November 23, 2014, we paid \$10.5 million in cash related to restructuring actions.

The roll forward of our restructuring and other exit cost reserves, included in other current liabilities, is as follows:

In Millions	Severance	Contract Termination	Other Exit Costs	Total
Reserve balance as of May 25, 2014	\$ 3.5	\$ —	\$ —	\$ 3.5
Fiscal 2015 charges, including foreign currency translation	168.2	0.7	0.1	169.0
Utilized in fiscal 2015	(4.0)	—	—	(4.0)
Reserve balance as of Nov. 23, 2014	\$ 167.7	\$ 0.7	\$ 0.1	\$ 168.5

The charges recognized in the roll forward of our reserves for restructuring and other exit costs do not include items charged directly to expense (e.g., asset impairment charges, the gain or loss on the sale of restructured assets, and the write-off of spare parts) and other periodic exit costs recognized as incurred, as those items are not reflected in our restructuring and other exit cost reserves on our Consolidated Balance Sheets.

(4) Goodwill and Other Intangible Assets

The components of goodwill and other intangible assets are as follows:

In Millions	Nov. 23, 2014	May 25, 2014
Goodwill	\$ 9,078.7	\$ 8,650.5
Other intangible assets:		
Intangible assets not subject to amortization:		
Brands and other indefinite-lived intangibles	4,651.9	4,504.1
Intangible assets subject to amortization:		
Franchise agreements, customer relationships, and other finite-lived intangibles	602.7	630.7
Less accumulated amortization	(126.7)	(120.5)
Intangible assets subject to amortization, net	476.0	510.2
Other intangible assets	5,127.9	5,014.3
Total	\$14,206.6	\$13,664.8

Based on the carrying value of finite-lived intangible assets as of November 23, 2014, annual amortization expense for each of the next five fiscal years is estimated to be approximately \$32 million.

The changes in the carrying amount of goodwill during fiscal 2015 were as follows:

In Millions	U.S. Retail	International	Convenience Stores and Foodservice	Joint Ventures	Total
Balance as of May 25, 2014	\$ 5,829.2	\$ 1,402.0	\$ 921.1	\$ 498.2	\$ 8,650.5
Acquisition	589.8	—	—	—	589.8
Other activity, primarily foreign currency translation	—	(116.4)	—	(45.2)	(161.6)
Balance as of Nov. 23, 2014	\$ 6,419.0	\$ 1,285.6	\$ 921.1	\$ 453.0	\$ 9,078.7

During the second quarter of fiscal 2015, we reorganized certain reporting units within our U.S. Retail operating segment. We evaluated the fair value relative to the book value of the reorganized reporting units and determined that no impairment had occurred as a result of the changes to the reporting units. Our chief operating decision maker continues to assess performance and make decisions about resources to be allocated to our segments at the U.S. Retail, International, and Convenience and Foodservice operating segment level.

We performed our fiscal 2014 impairment assessment as of the first day of the third quarter of fiscal 2014, and determined there was no impairment of goodwill for any of our reporting units as their related fair values were substantially in excess of their carrying values. Our Europe and U.S. Yogurt reporting units have experienced declining business performance. While these reporting units had significant coverage as of the assessment date, we will continue to monitor these businesses and will perform our annual impairment test in the third quarter of fiscal 2015.

The changes in the carrying amount of other intangible assets during fiscal 2015 were as follows:

In Millions	U.S. Retail	International	Joint Ventures	Total
Balance as of May 25, 2014	\$ 3,307.5	\$ 1,641.8	\$ 65.0	\$ 5,014.3
Acquisition	268.4	—	—	268.4
Amortization and foreign currency translation	(2.2)	(152.9)	0.3	(154.8)
Balance as of Nov. 23, 2014	\$ 3,573.7	\$ 1,488.9	\$ 65.3	\$ 5,127.9

We performed our fiscal 2014 impairment assessment as of the first day of the third quarter of fiscal 2014. As of our assessment date, there was no impairment of any of our indefinite-lived intangible assets as their related fair values were substantially in excess of the carrying values, except for the *Uncle Toby's* brand, which had a fair value 8 percent greater than its carrying value of \$63.0 million. In addition, our *Mountain High* brand had a fair value 23 percent greater than its carrying value of \$35.0 million. We will continue to monitor these businesses and will perform our annual impairment test in the third quarter of fiscal 2015.

(5) Inventories

The components of inventories were as follows:

In Millions	Nov. 23, 2014	May 25, 2014
Raw materials and packaging	\$ 432.6	\$ 419.0
Finished goods	1,546.1	1,260.2
Grain	139.0	97.1
Excess of FIFO over LIFO cost	(224.3)	(216.9)
Total	\$ 1,893.4	\$ 1,559.4

(6) Financial Instruments, Risk Management Activities, and Fair Values

Financial Instruments. The carrying values of cash and cash equivalents, receivables, accounts payable, other current liabilities, and notes payable approximate fair value. Marketable securities are carried at fair value. As of November 23, 2014, and May 25, 2014, a comparison of cost and market values of our marketable debt and equity securities is as follows:

In Millions	Cost		Market Value		Gross Gains		Gross Losses	
	Nov. 23, 2014	May 25, 2014	Nov. 23, 2014	May 25, 2014	Nov. 23, 2014	May 25, 2014	Nov. 23, 2014	May 25, 2014
Available-for-sale:								
Debt securities	\$ 247.6	\$ 318.6	\$ 247.8	\$ 318.8	\$ 0.2	\$ 0.2	\$ —	\$ —
Equity securities	1.8	1.8	7.6	7.2	5.8	5.4	—	—
Total	\$ 249.4	\$ 320.4	\$ 255.4	\$ 326.0	\$ 6.0	\$ 5.6	\$ —	\$ —

For the second quarter of fiscal 2015, there were no gains or losses from sales of available-for-sale marketable securities. Gains and losses are determined by specific identification. Classification of marketable securities as current or noncurrent is dependent upon our intended holding period, the security's maturity date, or both. The aggregate unrealized gains and losses on available-for-sale securities, net of tax effects, are classified in accumulated other comprehensive loss (AOCI) within stockholders' equity. Scheduled maturities of our marketable securities are as follows:

In Millions	Available-for-Sale	
	Cost	Market Value
Under 1 year (current)	\$ 247.0	\$ 247.2
From 1 to 3 years	0.6	0.6
From 4 to 7 years	—	—
Equity securities	1.8	7.6
Total	\$ 249.4	\$ 255.4

Marketable securities with a market value of \$2.3 million as of November 23, 2014, were pledged as collateral for certain derivative contracts. As of November 23, 2014, \$21.5 million of certain accounts receivable were pledged as collateral against a foreign uncommitted line of credit.

The fair values and carrying amounts of long-term debt, including the current portion, were \$8,914.8 million and \$8,463.8 million, respectively, as of November 23, 2014. The fair value of long-term debt was estimated using market quotations and discounted cash flows based on our current incremental borrowing rates for similar types of instruments. Long-term debt is a Level 2 liability in the fair value hierarchy.

Risk Management Activities. As a part of our ongoing operations, we are exposed to market risks such as changes in interest and foreign currency exchange rates and commodity and equity prices. To manage these risks, we may enter into various derivative transactions (e.g., futures, options, and swaps) pursuant to our established policies.

Commodity Price Risk. Many commodities we use in the production and distribution of our products are exposed to market price risks. We utilize derivatives to manage price risk for our principal ingredients and energy costs, including grains (oats, wheat, and corn), oils (principally soybean), non-fat dry milk, natural gas, and diesel fuel. Our primary objective when entering into these derivative contracts is to achieve certainty with regard to the future price of commodities purchased for use in our supply chain. We manage our exposures through a combination of purchase orders, long-term contracts with suppliers, exchange-traded futures and options, and over-the-counter options and swaps. We offset our exposures based on current and projected market conditions and generally seek to acquire the inputs at as close to our planned cost as possible.

We use derivatives to manage our exposure to changes in commodity prices. We do not perform the assessments required to achieve hedge accounting for commodity derivative positions. Accordingly, the changes in the values of these derivatives are recorded currently in cost of sales in our Consolidated Statements of Earnings.

Although we do not meet the criteria for cash flow hedge accounting, we nonetheless believe that these instruments are effective in achieving our objective of providing certainty in the future price of commodities purchased for use in our supply chain. Accordingly, for purposes of measuring segment operating performance certain gains and losses are reported in unallocated corporate items outside of segment operating results until such time that the exposure we are managing affects earnings. At that time we reclassify the gain or loss from unallocated corporate items to segment operating profit, allowing our operating segments to realize the economic effects of the derivative without experiencing the resulting mark-to-market volatility, which remains in unallocated corporate items.

Unallocated corporate items for the quarter ended November 23, 2014, and November 24, 2013, included:

In Millions	Quarter Ended		Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Net loss on certain mark-to-market valuation of commodity positions	\$ (40.2)	\$ (3.7)	\$ (81.6)	\$ (16.0)
Net loss on commodity positions reclassified from unallocated corporate items to segment operating profit	32.8	18.7	28.0	34.5
Net mark-to-market revaluation of certain grain inventories	2.3	6.0	(0.7)	1.7
Net mark-to-market valuation of certain commodity positions recognized in unallocated corporate items	\$ (5.1)	\$ 21.0	\$ (54.3)	\$ 20.2

As of November 23, 2014, the net notional value of commodity derivatives was \$634.9 million, of which \$264.8 million related to energy inputs and \$370.1 million related to agricultural inputs. These contracts relate to inputs that generally will be utilized within the next 12 months.

Interest Rate Risk. We are exposed to interest rate volatility with regard to future issuances of fixed-rate debt, and existing and future issuances of floating-rate debt. Primary exposures include U.S. Treasury rates, LIBOR, Euribor, and commercial paper rates in the United States and Europe. We use interest rate swaps, forward-starting interest rate swaps, and treasury locks to hedge our exposure to interest rate changes, to reduce the volatility of our financing costs, and to achieve a desired proportion of fixed versus floating-rate debt, based on current and projected market conditions. Generally under these swaps, we agree with a counterparty to exchange the difference between fixed-rate and floating-rate interest amounts based on an agreed upon notional principal amount.

Floating Interest Rate Exposures — Floating-to-fixed interest rate swaps and hedges of forecasted issuances of debt are accounted for as cash flow hedges. Effectiveness is assessed based on either the perfectly effective hypothetical derivative method or changes in the present value of interest payments on the underlying debt. Effective gains and losses deferred to AOCI are reclassified into earnings over the life of the associated debt. Ineffective gains and losses are recorded as net interest. The amount of hedge ineffectiveness was less than \$1 million for the quarter and six-month periods ended November 23, 2014.

Fixed Interest Rate Exposures — Fixed-to-floating interest rate swaps are accounted for as fair value hedges with effectiveness assessed based on changes in the fair value of the underlying debt and derivatives, using incremental borrowing rates currently available on loans with similar terms and maturities. Ineffective gains and losses on these derivatives and the underlying hedged items are recorded as net interest. The amount of hedge ineffectiveness was a gain of \$1.2 million for the quarter ended November 23, 2014 and less than \$1 million for the six-month period ended November 23, 2014.

During the second quarter of fiscal 2015, we entered into swaps to convert \$500.0 million of 1.4 percent fixed-rate notes due October 20, 2017, and \$500.0 million of 2.2 percent fixed-rate notes due October 21, 2019, to floating rates.

In advance of a planned debt financing, we entered into \$250.0 million of treasury locks with an average fixed rate of 1.99 percent. All of these treasury locks were cash settled for \$17.9 million during the third quarter of fiscal 2014, coincident with the issuance of our \$500.0 million 10-year fixed-rate notes.

During the third quarter of fiscal 2013, we entered into swaps to convert \$250.0 million of 0.875 percent fixed-rate notes due January 29, 2016, to floating rates.

As of November 23, 2014, the pre-tax amount of cash-settled interest rate hedge gain or loss remaining in AOCI that will be reclassified to earnings over the remaining term of the related underlying debt is as follows:

In Millions	Gain/ (Loss)
5.2% notes due March 17, 2015	\$ (0.1)
5.7% notes due February 15, 2017	(4.9)
5.65% notes due February 15, 2019	2.1
3.15% notes due December 15, 2021	(69.9)
3.65% notes due February 15, 2024	16.4
5.4% notes due June 15, 2040	(14.3)
4.15% notes due February 15, 2043	11.1
Net pre-tax hedge loss in AOCI	\$ (59.6)

The following table summarizes the notional amounts and weighted-average interest rates of our interest rate derivatives. Average floating rates are based on rates as of the end of the reporting period.

In Millions	Nov. 23, 2014	May 25, 2014
Pay-floating swaps - notional amount	\$ 1,250.0	\$ 250.0
Average receive rate	1.6%	0.9%
Average pay rate	0.6%	0.5%

The swap contracts mature at various dates from fiscal 2016 to 2020 as follows:

In Millions	Pay Floating
2016	\$ 250.0
2017	—
2018	500.0
2019	—
2020	500.0
Total	\$ 1,250.0

The following tables reconcile the net fair values of assets and liabilities subject to offsetting arrangements that are recorded in the Consolidated Balance Sheets to the net fair values that could be reported in the Consolidated Balance Sheets:

Nov. 23, 2014													
Assets							Liabilities						
In Millions	Gross Amounts of Recognized Assets	Gross Liabilities Offset in the Balance Sheet (a)	Net Amounts of Assets (b)	Gross Amounts Not Offset in the Balance Sheet (e)			Net Amount (c)	Gross Amounts of Recognized Liabilities	Gross Assets Offset in the Balance Sheet (a)	Net Amounts of Liabilities (b)	Gross Amounts Not Offset in the Balance Sheet (e)		
				Financial Instruments	Cash Collateral Received						Financial Instruments	Cash Collateral Received	Net Amount (d)
Commodity contracts	\$ 0.7	\$ —	\$ 0.7	\$ (0.3)	\$ —	\$ 0.4	\$ (21.1)	\$ —	\$ (21.1)	\$ 0.3	\$ —	\$ (20.8)	
Interest rate contracts	0.5	—	0.5	—	—	0.5	(2.5)	—	(2.5)	—	—	(2.5)	
Foreign exchange contracts	14.1	—	14.1	(8.6)	—	5.5	(13.3)	—	(13.3)	8.6	—	(4.7)	
Total	\$ 15.3	\$ —	\$ 15.3	\$ (8.9)	\$ —	\$ 6.4	\$ (36.9)	\$ —	\$ (36.9)	\$ 8.9	\$ —	\$ (28.0)	

- (a) Includes related collateral offset in the Consolidated Balance Sheets.
- (b) Net fair value as recorded in the Consolidated Balance Sheets.
- (c) Fair value of assets that could be reported net in the Consolidated Balance Sheets.
- (d) Fair value of liabilities that could be reported net in the Consolidated Balance Sheets.
- (e) Fair value of assets and liabilities reported on a gross basis in the Consolidated Balance Sheets.

May 25, 2014													
Assets							Liabilities						
In Millions	Gross Amounts of Recognized Assets	Gross Liabilities Offset in the Balance Sheet (a)	Net Amounts of Assets (b)	Gross Amounts Not Offset in the Balance Sheet (e)			Net Amount (c)	Gross Amounts of Recognized Liabilities	Gross Assets Offset in the Balance Sheet (a)	Net Amounts of Liabilities (b)	Gross Amounts Not Offset in the Balance Sheet (e)		
				Financial Instruments	Cash Collateral Received						Financial Instruments	Cash Collateral Received	Net Amount (d)
Commodity contracts	\$ 19.1	\$ —	\$ 19.1	\$ (3.4)	\$ —	\$ 15.7	\$ (4.0)	\$ —	\$ (4.0)	\$ 3.4	\$ —	\$ (0.6)	
Interest rate contracts	0.7	—	0.7	—	—	0.7	—	—	—	—	—	—	
Foreign exchange contracts	10.5	—	10.5	(8.0)	—	2.5	(19.1)	—	(19.1)	8.0	—	(11.1)	
Total	\$ 30.3	\$ —	\$ 30.3	\$ (11.4)	\$ —	\$ 18.9	\$ (23.1)	\$ —	\$ (23.1)	\$ 11.4	\$ —	\$ (11.7)	

- (a) Includes related collateral offset in the Consolidated Balance Sheets.
- (b) Net fair value as recorded in the Consolidated Balance Sheets.
- (c) Fair value of assets that could be reported net in the Consolidated Balance Sheets.
- (d) Fair value of liabilities that could be reported net in the Consolidated Balance Sheets.
- (e) Fair value of assets and liabilities reported on a gross basis in the Consolidated Balance Sheets.

Foreign Exchange Risk. Foreign currency fluctuations affect our net investments in foreign subsidiaries and foreign currency cash flows related to third party purchases, intercompany loans, product shipments, and foreign-denominated commercial paper. We are also exposed to the translation of foreign currency earnings to the U.S. dollar. Our principal exposures are to the Australian dollar, Brazilian real, British pound sterling, Canadian dollar, Chinese renminbi, euro, Japanese yen, Mexican peso, and Swiss franc. We mainly use foreign currency forward contracts to selectively hedge our foreign currency cash flow exposures. We also generally swap our foreign-denominated commercial paper borrowings and nonfunctional currency intercompany loans back to U.S. dollars or

the functional currency of the entity with foreign exchange exposure; the gains or losses on these derivatives offset the foreign currency revaluation gains or losses recorded in earnings on the associated borrowings. We generally do not hedge more than 18 months forward.

As of November 23, 2014, the net notional value of foreign exchange derivatives was \$1.1 billion. The amount of hedge ineffectiveness was less than \$1 million for the quarter and six-month periods ended November 23, 2014.

We also have many net investments in foreign subsidiaries that are denominated in euros. We previously hedged a portion of these net investments by issuing euro-denominated commercial paper and foreign exchange forward contracts. During the second quarter of fiscal 2014, we entered into a net investment hedge for a portion of our net investment in foreign operations denominated in euros by issuing €500.0 million of euro-denominated bonds. As of November 23, 2014, we had deferred net foreign currency losses of \$42.4 million in AOCI associated with net investment hedging activity.

Venezuela is a highly inflationary economy and as such, we remeasure the value of the assets and liabilities of our Venezuelan subsidiary based on the exchange rate at which we expect to remit dividends in U.S. dollars. In February 2014, the Venezuelan government established a new foreign exchange market mechanism (“SICAD 2”) and has indicated that this will be the market through which U.S. dollars will be obtained for the remittance of dividends. This market has significantly higher foreign exchange rates than those available through the other foreign exchange mechanisms. In the six-month period ended November 23, 2014, we recorded an immaterial impact in unallocated corporate items resulting from the remeasurement of assets and liabilities of our Venezuelan subsidiary at the SICAD 2 rate. We have been able to access U.S. dollars through the SICAD 2 market. Our Venezuela operations represent less than 1 percent of our consolidated assets, liabilities, net sales, and segment operating profit. As of November 23, 2014, we had \$1.0 million of non-U.S. dollar cash balances in Venezuela.

Equity Instruments. Equity price movements affect our compensation expense as certain investments made by our employees in our deferred compensation plan are revalued. We use equity swaps to manage this risk. As of November 23, 2014, the net notional value of our equity swaps was \$119.4 million. These swap contracts mature in fiscal 2015.

Fair Value Measurements and Financial Statement Presentation

The fair values of our assets, liabilities, and derivative positions recorded at fair value and their respective levels in the fair value hierarchy as of November 23, 2014 and May 25, 2014, were as follows:

In Millions	Nov. 23, 2014							
	Fair Values of Assets				Fair Values of Liabilities			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated as hedging instruments:								
Interest rate contracts (a) (b)	\$ —	\$ 0.5	\$ —	\$ 0.5	\$ —	\$ (2.5)	\$ —	\$ (2.5)
Foreign exchange contracts (c) (d)	—	12.6	—	12.6	—	(8.4)	—	(8.4)
Total	—	13.1	—	13.1	—	(10.9)	—	(10.9)
Derivatives not designated as hedging instruments:								
Foreign exchange contracts (c) (d)	—	1.5	—	1.5	—	(4.9)	—	(4.9)
Equity contracts (a) (e)	—	—	—	—	—	(0.5)	—	(0.5)
Commodity contracts (c) (e)	0.3	0.4	—	0.7	—	(21.1)	—	(21.1)
Grain contracts (c) (e)	—	5.5	—	5.5	—	(6.8)	—	(6.8)
Long-lived assets (f)	—	11.5	—	11.5	—	—	—	—
Total	0.3	18.9	—	19.2	—	(33.3)	—	(33.3)
Other assets and liabilities reported at fair value:								
Marketable investments (a) (g)	7.6	247.8	—	255.4	—	—	—	—
Total	7.6	247.8	—	255.4	—	—	—	—
Total assets, liabilities, and derivative positions recorded at fair value	\$ 7.9	\$ 279.8	\$ —	\$ 287.7	\$ —	\$ (44.2)	\$ —	\$ (44.2)

- (a) These contracts and investments are recorded as prepaid expenses and other current assets, other assets, other current liabilities or other liabilities, as appropriate, based on whether in a gain or loss position. Certain marketable investments are recorded as cash and cash equivalents.
- (b) Based on LIBOR and swap rates.
- (c) These contracts are recorded as prepaid expenses and other current assets or as other current liabilities, as appropriate, based on whether in a gain or loss position.
- (d) Based on observable market transactions of spot currency rates and forward currency prices.
- (e) Based on prices of futures exchanges and recently reported transactions in the marketplace.
- (f) We recorded a \$15.2 million non-cash impairment charge in the second quarter to write down certain long-lived assets to their fair value of \$11.5 million. Fair value was based on recently reported transactions for similar assets in the marketplace. These assets had a book value of \$26.7 million and were associated with the restructuring actions described in Note 3.
- (g) Based on prices of common stock and bond matrix pricing.

May 25, 2014

In Millions	Fair Values of Assets				Fair Values of Liabilities			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated as hedging instruments:								
Interest rate contracts (a) (b)	\$ —	\$ 0.7	\$ —	\$ 0.7	\$ —	\$ —	\$ —	\$ —
Foreign exchange contracts (c) (d)	—	9.9	—	9.9	—	(12.6)	—	(12.6)
Total	—	10.6	—	10.6	—	(12.6)	—	(12.6)
Derivatives not designated as hedging instruments:								
Foreign exchange contracts (c) (d)	—	0.6	—	0.6	—	(6.5)	—	(6.5)
Commodity contracts (c) (e)	11.1	8.0	—	19.1	—	(4.0)	—	(4.0)
Grain contracts (c) (e)	—	7.5	—	7.5	—	(4.9)	—	(4.9)
Total	11.1	16.1	—	27.2	—	(15.4)	—	(15.4)
Other assets and liabilities reported at fair value:								
Marketable investments (a) (f)	7.2	318.8	—	326.0	—	—	—	—
Total	7.2	318.8	—	326.0	—	—	—	—
Total assets, liabilities, and derivative positions recorded at fair value	\$ 18.3	\$ 345.5	\$ —	\$ 363.8	\$ —	\$ (28.0)	\$ —	\$ (28.0)

- (a) These contracts and investments are recorded as prepaid expenses and other current assets, other assets, other current liabilities or other liabilities, as appropriate, based on whether in a gain or loss position. Certain marketable investments are recorded as cash and cash equivalents.
- (b) Based on LIBOR and swap rates.
- (c) These contracts are recorded as prepaid expenses and other current assets or as other current liabilities, as appropriate, based on whether in a gain or loss position.
- (d) Based on observable market transactions of spot currency rates and forward currency prices.
- (e) Based on prices of futures exchanges and recently reported transactions in the marketplace.
- (f) Based on prices of common stock and bond matrix pricing.

We did not significantly change our valuation techniques from prior periods.

Information related to our cash flow hedges, fair value hedges, and other derivatives not designated as hedging instruments for the quarter and six-month periods ended November 23, 2014 and November 24, 2013, were as follows:

In Millions	Interest Rate Contracts		Foreign Exchange Contracts		Equity Contracts		Commodity Contracts		Total	
	Quarter Ended		Quarter Ended		Quarter Ended		Quarter Ended		Quarter Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Derivatives in Cash Flow Hedging Relationships:										
Amount of gain (loss) recognized in other comprehensive income (OCI) (a)	\$ —	\$ (3.7)	\$ 7.3	\$ (6.5)	\$ —	\$ —	\$ —	\$ —	\$ 7.3	\$ (10.2)
Amount of gain (loss) reclassified from AOCI into earnings (a) (b)	(2.6)	(3.1)	0.2	4.4	—	—	—	—	(2.4)	1.3
Amount of gain recognized in earnings (c)	—	—	0.1	—	—	—	—	—	0.1	—
Derivatives in Fair Value Hedging Relationships:										
Amount of net gain recognized in earnings (d)	1.2	1.5	—	—	—	—	—	—	1.2	1.5
Derivatives Not Designated as Hedging Instruments:										
Amount of gain (loss) recognized in earnings (d)	—	—	2.3	(6.0)	1.1	5.1	(40.2)	(3.7)	(36.8)	(4.6)

- (a) Effective portion.
- (b) Gain (loss) reclassified from AOCI into earnings is reported in interest, net for interest rate swaps and in cost of sales and selling, general, and administrative (SG&A) expenses for foreign exchange contracts.
- (c) Loss recognized in earnings is related to the ineffective portion of the hedging relationship, including SG&A expenses for foreign exchange contracts and interest, net for interest rate contracts. No amounts were reported as a result of being excluded from the assessment of hedge effectiveness.
- (d) Gain (loss) recognized in earnings is reported in interest, net for interest rate contracts, in cost of sales for commodity contracts, and in SG&A expenses for equity contracts and foreign exchange contracts.

In Millions	Interest Rate Contracts		Foreign Exchange Contracts		Equity Contracts		Commodity Contracts		Total	
	Six-Month Period Ended		Six-Month Period Ended		Six-Month Period Ended		Six-Month Period Ended		Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Derivatives in Cash Flow Hedging Relationships:										
Amount of gain (loss) recognized in other comprehensive income (OCI) (a)	\$ —	\$ 10.7	\$ 5.8	\$ (2.8)	\$ —	\$ —	\$ —	\$ —	\$ 5.8	\$ 7.9
Amount of gain (loss) reclassified from AOCI into earnings (a) (b)	(5.2)	(6.1)	(1.5)	9.5	—	—	—	—	(6.7)	3.4
Amount of gain (loss) recognized in earnings (c)	—	—	0.1	(0.2)	—	—	—	—	0.1	(0.2)
Derivatives in Fair Value Hedging Relationships:										
Amount of net gain recognized in earnings (d)	0.9	0.3	—	—	—	—	—	—	0.9	0.3
Derivatives Not Designated as Hedging Instruments:										
Amount of gain (loss) recognized in earnings (d)	—	—	0.9	(11.1)	5.2	5.6	(81.6)	(16.0)	(75.5)	(21.5)

- (a) Effective portion.
- (b) Gain (loss) reclassified from AOCI into earnings is reported in interest, net for interest rate swaps and in cost of sales and selling, general, and administrative (SG&A) expenses for foreign exchange contracts.
- (c) Loss recognized in earnings is related to the ineffective portion of the hedging relationship, including SG&A expenses for foreign exchange contracts and interest, net for interest rate contracts. No amounts were reported as a result of being excluded from the assessment of hedge effectiveness.
- (d) Gain (loss) recognized in earnings is reported in interest, net for interest rate contracts, in cost of sales for commodity contracts, and in SG&A expenses for equity contracts and foreign exchange contracts.

Amounts Recorded in Accumulated Other Comprehensive Loss. As of November 23, 2014, the after-tax amounts of unrealized gains and losses in AOCI related to hedge derivatives follows:

In Millions	After-Tax Gain/(Loss)
Unrealized losses from interest rate cash flow hedges	\$ (36.1)
Unrealized gains from foreign currency cash flow hedges	6.8
After-tax loss in AOCI related to hedge derivatives	\$ (29.3)

The net amount of pre-tax gains and losses in AOCI as of November 23, 2014, that we expect to be reclassified into net earnings within the next 12 months is \$2.0 million of loss.

Credit-Risk-Related Contingent Features. Certain of our derivative instruments contain provisions that require us to maintain an investment grade credit rating on our debt from each of the major credit rating agencies. If our debt were to fall below investment grade, the counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position on November 23, 2014, was \$37.8 million. We would be required to post this amount of collateral to the counterparties if the contingent features were triggered.

Credit Risk. We enter into interest rate, foreign exchange, commodity, and equity derivatives primarily with a diversified group of highly rated counterparties. We continually monitor our positions and the credit ratings of the counterparties involved and, by policy, limit the amount of credit exposure to any one party. These transactions may expose us to potential losses due to the risk of nonperformance by these counterparties; however, we have not incurred a material loss. We also enter into commodity futures transactions through various regulated exchanges.

The amount of loss due to the credit risk of the counterparties, should the counterparties fail to perform according to the terms of the contracts, is \$5.6 million against which we do not hold any collateral. Under the terms of master swap agreements, some of our transactions require collateral or other security to support financial instruments subject to threshold levels of exposure and counterparty credit risk. Collateral assets are either cash or U.S. Treasury instruments and are held in a trust account that we may access if the counterparty defaults.

We offer certain suppliers access to a third party service that allows them to view our scheduled payments online. The third party service also allows suppliers to finance advances on our scheduled payments at the sole discretion of the supplier and the third party. We have no economic interest in these financing arrangements and no direct relationship with the suppliers, the third party, or any financial institutions concerning this service. All of our accounts payable remain as obligations to our suppliers as stated in our supplier agreements. As of November 23, 2014, \$436.8 million of our total accounts payable is payable to suppliers who utilize this third party service.

(7) Debt

The components of notes payable were as follows:

In Millions	Nov. 23, 2014	May 25, 2014
U.S. commercial paper	\$1,814.9	\$1,007.6
Financial institutions	256.5	104.1
Total	\$2,071.4	\$1,111.7

To ensure availability of funds, we maintain bank credit lines sufficient to cover our outstanding short-term borrowings. Commercial paper is a continuing source of short-term financing. We have commercial paper programs available to us in the United States and Europe. We also have committed, uncommitted, and asset-backed credit lines that support our foreign operations.

In June 2014, our subsidiary, Yoplait S.A.S. entered into a €200.0 million fee-paid committed credit facility that is scheduled to expire in June 2019.

The following table details the fee-paid committed and uncommitted credit lines we had available as of November 23, 2014:

In Billions	Facility Amount	Borrowed Amount
Credit facility expiring:		
April 2017	\$ 1.7	\$ —
May 2019	1.0	—
June 2019	0.3	0.1
Total committed credit facilities	3.0	0.1
Uncommitted credit facilities	0.4	0.2
Total committed and uncommitted credit facilities	\$ 3.4	\$ 0.3

The credit facilities contain covenants, including a requirement to maintain a fixed charge coverage ratio of at least 2.5 times. We were in compliance with all credit facility covenants as of November 23, 2014.

Long-Term Debt

In October 2014, we issued \$500.0 million aggregate principal amount of 1.4 percent fixed-rate notes due October 20, 2017 and \$500.0 million aggregate principal amount of 2.2 percent fixed-rate notes due October 21, 2019. Interest on the notes is payable semi-annually in arrears. The notes may be redeemed in whole, or in part, at our option at any time at the applicable redemption price. The notes are senior unsecured obligations that include a change of control repurchase provision. The net proceeds were used to fund our acquisition of Annie's and for general corporate purposes.

In June 2014, we issued €200.0 million principal amount of 2.2 percent fixed-rate senior unsecured notes due June 24, 2021 in a private placement offering. Interest on the notes is payable semi-annually. The notes may be redeemed in whole, or in part, at our option at any time for a specific make-whole amount and include a change of control repurchase provision. The net proceeds were used to refinance existing debt.

In May 2014, we repaid \$400.0 million of floating-rate notes and \$300.0 million of 1.55 percent fixed-rate notes.

In January 2014, we issued \$500.0 million aggregate principal amount of 3.65 percent fixed-rate notes due February 15, 2024 and \$250.0 million aggregate principal amount of floating-rate notes due January 28, 2016. Interest on the fixed-rate notes is payable semi-annually in arrears. The fixed-rate notes may be redeemed in whole, or in part, at our option at any time prior to November 15, 2023 for a specified make whole amount and any time on or after that date at par. The floating-rate notes bear interest equal to three-month LIBOR plus 20 basis points, subject to quarterly reset. Interest on the floating-rate notes is payable quarterly in arrears. The floating-rate notes are not redeemable prior to maturity. The fixed-rate and floating-rate notes are senior unsecured obligations that include a change of control repurchase provision. The net proceeds were used for general corporate purposes and to reduce our commercial paper borrowings.

In November 2013, we issued €500.0 million aggregate principal amount of 2.1 percent fixed-rate notes due November 16, 2020. Interest on the notes is payable annually in arrears. The notes may be redeemed in whole, or in part, at our option at any time prior to August 16, 2020 for a specified make whole amount and any time on or after that date at par. These notes are senior unsecured obligations that include a change of control repurchase provision. The net proceeds were used for general corporate purposes and to reduce our commercial paper borrowings.

In January 2013, we issued \$250.0 million aggregate principal amount of floating-rate notes due January 29, 2016. In October 2013, we issued an additional \$250.0 million aggregate principal amount of these notes. The notes bear interest equal to three-month LIBOR plus 30 basis points, subject to quarterly reset. Interest on the notes is payable quarterly in arrears. The notes are not redeemable prior to maturity. These notes are senior unsecured obligations that include a change of control repurchase provision. The net proceeds were used to reduce our commercial paper borrowings.

In August 2013, we repaid \$700.0 million of 5.25 percent fixed-rate notes.

Certain of our long-term debt agreements contain restrictive covenants. As of November 23, 2014, we were in compliance with all of these covenants.

(8) Redeemable and Noncontrolling Interests

We have a 51 percent controlling interest in Yoplait S.A.S. and a 50 percent interest in Yoplait Marques S.A.S. and Libertè Marques, S.a.r.l. Sodiaal International (Sodiaal) holds the remaining interests in each of the entities. On the acquisition date in fiscal 2012, we recorded the \$904.4 million fair value of Sodiaal's 49 percent euro-denominated interest in Yoplait S.A.S. as a redeemable interest on our Consolidated Balance Sheets. Sodiaal has the ability to put a limited portion of its redeemable interest to us at fair value once per year through a maximum term expiring December 2020. We adjust the value of the redeemable interest through additional paid-in capital on our Consolidated Balance Sheets quarterly to the redeemable interest's redemption value, which approximates its fair value. Yoplait S.A.S. pays dividends annually if it meets certain financial metrics set forth in its shareholders' agreement. As of November 23, 2014, the redemption value of the euro-denominated redeemable interest was \$901.4 million.

In addition, a subsidiary of Yoplait S.A.S. has entered into an exclusive milk supply agreement for its European operations with Sodiaal through July 1, 2021. Net purchases totaled \$148.7 million for the six-month period ended November 23, 2014, and \$156.2 million for the six-month period ended November 24, 2013.

On the acquisition dates, we recorded the \$281.4 million fair value of Sodiaal's 50 percent euro-denominated interest in Yoplait Marques S.A.S. and Libertè Marques, S.a.r.l as noncontrolling interests on our Consolidated Balance Sheets. Yoplait Marques S.A.S. earns a royalty stream through a licensing agreement with Yoplait S.A.S. for the rights to *Yoplait* and related trademarks. Libertè Marques, S.a.r.l. earns a royalty stream through licensing agreements with certain Yoplait group companies for the rights to *Libertè* and related trademarks. These entities pay dividends annually based on their available cash as of their fiscal year end.

The third-party holder of the Class A Interests in our General Mills Cereals, LLC (GMC) consolidated subsidiary receives quarterly preferred distributions from available net income based on the application of a floating preferred return rate, currently equal to the sum of three-month LIBOR plus 110 basis points, to the holder's capital account balance established in the most recent mark-to-market valuation (currently \$251.5 million). The preferred return rate is adjusted every three years through a negotiated agreement with the Class A Interest holder or through a remarketing auction.

Our noncontrolling interests contain restrictive covenants. As of November 23, 2014, we were in compliance with all of these covenants.

(9) Stockholders' Equity

During the fourth quarter of fiscal 2013, we entered into an accelerated share repurchase (ASR) agreement with an unrelated third party financial institution to repurchase an aggregate of \$300.0 million of our outstanding common stock. Under the ASR agreement, we paid \$300.0 million to the financial institution and received 5.5 million shares of common stock with a fair value of \$270.0 million during the fourth quarter of fiscal 2013. We received an additional 0.6 million shares of common stock upon completion of the ASR agreement during the first quarter of fiscal 2014. As of May 26, 2013, we recorded this transaction as an increase in treasury stock of \$270.0 million, and recorded the remaining \$30.0 million as a decrease to additional paid in capital on our Consolidated Balance Sheets. Upon completion of the ASR agreement in the first quarter of fiscal 2014, we reclassified the \$30.0 million to treasury stock from additional paid-in capital on our Consolidated Balance Sheets.

The following tables provide details of total comprehensive income (loss):

In Millions	Quarter Ended Nov. 23, 2014					Quarter Ended Nov. 24, 2013				
	General Mills			Noncontrolling Interests	Redeemable Interest	General Mills			Noncontrolling Interests	Redeemable Interest
	Pretax	Tax	Net	Net	Net	Pretax	Tax	Net	Net	Net
Net earnings, including earnings attributable to redeemable and noncontrolling interests			\$ 346.1	\$ 4.0	\$ 5.3			\$549.9	\$ 2.0	\$ 8.9
Other comprehensive income (loss):										
Foreign currency translation	\$(221.7)	\$ —	(221.7)	(26.0)	(49.6)	\$ 43.0	\$ —	43.0	5.3	13.8
Other fair value changes:										
Securities	0.4	(0.2)	0.2	—	—	0.8	(0.3)	0.5	—	—
Hedge derivatives	7.9	(1.7)	6.2	—	(0.4)	(8.8)	1.8	(7.0)	—	(1.2)
Reclassification to earnings:										
Hedge derivatives (a)	1.4	(0.3)	1.1	—	0.7	(0.8)	(0.3)	(1.1)	—	(0.4)
Amortization of losses and prior service costs (b)	47.4	(17.9)	29.5	—	—	44.6	(16.3)	28.3	—	—
Other comprehensive income (loss):	\$(164.6)	\$(20.1)	(184.7)	(26.0)	(49.3)	\$ 78.8	\$(15.1)	63.7	5.3	12.2
Total comprehensive income (loss)			\$ 161.4	\$ (22.0)	\$ (44.0)			\$613.6	\$ 7.3	\$ 21.1

(a) (Gain) loss reclassified from AOCI into earnings is reported in interest, net for interest rate swaps and in cost of sales and SG&A expenses for foreign exchange contracts.

(b) Loss reclassified from AOCI into earnings is reported in SG&A expenses.

In Millions	Six-Month Period Ended Nov. 23, 2014					Six-Month Period Ended Nov. 24, 2013				
	General Mills			Noncontrolling Interests	Redeemable Interest	General Mills			Noncontrolling Interests	Redeemable Interest
	Pretax	Tax	Net	Net	Net	Pretax	Tax	Net	Net	Net
Net earnings, including earnings attributable to redeemable and noncontrolling interests			\$ 691.3	\$ 5.6	\$ 10.9			\$1,009.2	\$ 4.1	\$ 15.6
Other comprehensive income (loss):										
Foreign currency translation	\$(282.1)	\$ —	(282.1)	(37.6)	(70.1)	\$(78.7)	\$ —	(78.7)	17.3	36.9
Other fair value changes:										
Securities	0.6	(0.3)	0.3	—	—	1.1	(0.4)	0.7	—	—
Hedge derivatives	7.1	(1.5)	5.6	—	(1.0)	9.0	(4.2)	4.8	—	(0.9)
Reclassification to earnings:										
Hedge derivatives (a)	4.8	(0.9)	3.9	—	1.4	(2.6)	(0.3)	(2.9)	—	(0.6)
Amortization of losses and prior service costs (b)	86.3	(33.3)	53.0	—	—	87.2	(32.5)	54.7	—	—
Other comprehensive income (loss)	\$(183.3)	\$(36.0)	(219.3)	(37.6)	(69.7)	\$ 16.0	\$(37.4)	(21.4)	17.3	35.4
Total comprehensive income (loss)			\$ 472.0	\$ (32.0)	\$ (58.8)			\$ 987.8	\$ 21.4	\$ 51.0

(a) (Gain) loss reclassified from AOCI into earnings is reported in interest, net, for interest rate swaps and in cost of sales and SG&A expenses for foreign exchange contracts.

(b) Loss reclassified from AOCI into earnings is reported in SG&A expenses.

Except for reclassifications to earnings, changes in other comprehensive income (loss) are primarily non-cash items.

Accumulated other comprehensive loss balances, net of tax effects, were as follows:

In Millions	Nov. 23, 2014	May 25, 2014
Foreign currency translation adjustments	\$ (90.8)	\$ 191.3
Unrealized gain (loss) from:		
Securities	3.2	2.9
Hedge derivatives	(29.3)	(38.8)
Pension, other postretirement, and postemployment benefits:		
Net actuarial loss	(1,423.8)	(1,469.2)
Prior service costs	(18.9)	(26.5)
Accumulated other comprehensive loss	\$(1,559.6)	\$(1,340.3)

(10) Stock Plans

We have various stock-based compensation programs under which awards, including stock options, restricted stock, restricted stock units, and performance awards, may be granted to employees and non-employee directors. These programs and related accounting are described in Note 11 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended May 25, 2014.

Compensation expense related to stock-based payments recognized in the Consolidated Statements of Earnings was as follows:

In Millions	Quarter Ended		Six-Month Period Ended	
	Nov. 23,	Nov. 24,	Nov. 23,	Nov. 24,
	2014	2013	2014	2013
Compensation expense related to stock-based payments	\$ 22.1	\$ 27.8	\$ 67.7	\$ 69.1

As of November 23, 2014, unrecognized compensation expense related to non-vested stock options, restricted stock units, and performance award units was \$139.8 million. This expense will be recognized over 27 months, on average.

Net cash proceeds from the exercise of stock options less shares used for withholding taxes and the intrinsic value of options exercised were as follows:

In Millions	Six-Month Period Ended	
	Nov. 23,	Nov. 24,
	2014	2013
Net cash proceeds	\$ 35.9	\$ 27.5
Intrinsic value of options exercised	\$ 40.1	\$ 71.0

We estimate the fair value of each option on the grant date using a Black-Scholes option-pricing model. Black-Scholes option-pricing models require us to make predictive assumptions regarding future stock price volatility, employee exercise behavior, and dividend yield. We estimate our future stock price volatility using the historical volatility over the expected term of the option, excluding time periods of volatility we believe a marketplace participant would exclude in estimating our stock price volatility. We also have considered, but did not use, implied volatility in our estimate, because trading activity in options on our stock, especially those with tenors of greater than 6 months, is insufficient to provide a reliable measure of expected volatility. Our method of selecting the other valuation assumptions is explained in Note 11 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended May 25, 2014.

The estimated fair values of stock options granted and the assumptions used for the Black-Scholes option-pricing model were as follows:

	Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013
Estimated fair values of stock options granted	\$ 7.22	\$ 6.03
Assumptions:		
Risk-free interest rate	2.6%	2.6%
Expected term	8.5 years	9.0 years
Expected volatility	17.5%	17.4%
Dividend yield	3.0%	3.1%

Information on stock option activity follows:

	Options Outstanding (Thousands)	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (Millions)
Balance as of May 25, 2014	44,169.0	\$ 32.10		
Granted	2,253.1	53.70		
Exercised	(1,850.4)	26.16		
Forfeited or expired	(21.6)	43.79		
Outstanding as of Nov. 23, 2014	44,550.1	\$ 33.44	4.63	\$ 824.5
Exercisable as of Nov. 23, 2014	32,407.5	\$ 29.83	3.39	\$ 713.5

Information on restricted stock and performance award unit activity follows:

	Equity Classified		Liability Classified			
	Share- Settled Units (Thousands)	Weighted- Average Grant-Date Fair Value	Share- Settled Units (Thousands)	Weighted- Average Grant-Date Fair Value	Cash-Settled Share-Based Units (Thousands)	Weighted- Average Grant-Date Fair Value
Non-vested as of May 25,						
2014	7,893.7	\$ 40.81	249.5	\$ 25.67	822.8	\$ 36.52
Granted	1,575.4	53.46	49.5	53.70	—	—
Vested	(1,899.0)	35.07	(54.9)	37.63	(822.1)	37.40
Forfeited	(116.3)	44.24	(3.8)	43.60	(0.7)	37.40
Non-vested as of Nov. 23, 2014	7,453.8	\$ 44.32	240.3	\$ 44.37	—	\$ —

The total grant-date fair value of restricted stock unit awards that vested in the six-month period ended November 23, 2014 was \$99.0 million, and restricted stock units with a grant-date fair value of \$96.4 million vested in the six-month period ended November 24, 2013.

(11) Earnings Per Share

Basic and diluted earnings per share (EPS) were calculated using the following:

In Millions, Except per Share Data	Quarter Ended		Six-Month Period Ended	
	Nov. 23,	Nov. 24,	Nov. 23,	Nov. 24,
	2014	2013	2014	2013
Net earnings attributable to General Mills	\$ 346.1	\$ 549.9	\$ 691.3	\$1,009.2
Average number of common shares - basic EPS	602.6	633.2	607.6	638.1
Incremental share effect from: (a)				
Stock options	11.3	12.2	11.7	12.5
Restricted stock, restricted stock units, and other	4.5	4.6	4.5	4.5
Average number of common shares - diluted EPS	618.4	650.0	623.8	655.1
Earnings per share - basic	\$ 0.58	\$ 0.87	\$ 1.14	\$ 1.58
Earnings per share - diluted	\$ 0.56	\$ 0.84	\$ 1.11	\$ 1.54

(a) Incremental shares from stock options and restricted stock units are computed by the treasury stock method. Stock options and restricted stock units excluded from our computation of diluted EPS because they were not dilutive were as follows:

In Millions	Quarter Ended		Six-Month Period Ended	
	Nov. 23,	Nov. 24,	Nov. 23,	Nov. 24,
	2014	2013	2014	2013
Anti-dilutive stock options and restricted stock units	2.4	2.0	2.0	3.4

(12) Share Repurchases

During the second quarter of fiscal 2015, we repurchased 9.8 million shares of common stock for an aggregate purchase price of \$506.3 million. During the six-month period ended November 23, 2014, we repurchased 18.6 million shares of common stock for an aggregate purchase price of \$968.8 million. During the second quarter of fiscal 2014, we repurchased 11.5 million shares of common stock with an aggregate purchase price of \$565.7 million. During the six-month period ended November 24, 2013, we repurchased 18.0 million shares of common stock for an aggregate purchase price of \$893.0 million, including 0.6 million shares pursuant to the completion of an ASR agreement.

(13) Statements of Cash Flows

During the six-month period ended November 23, 2014, we made net cash interest payments of \$157.5 million, compared to \$152.2 million in the same period last year. Also, in the six-month period ended November 23, 2014, we made tax payments of \$353.1 million, compared to \$378.2 million in the same period last year.

(14) Retirement and Postemployment Benefits

Components of net pension, other postretirement, and postemployment expense were as follows:

In Millions	Defined Benefit Pension Plans		Other Postretirement Benefit Plans		Postemployment Benefit Plans	
	Quarter Ended		Quarter Ended		Quarter Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Service cost	\$ 34.4	\$ 33.3	\$ 5.6	\$ 5.5	\$ 1.9	\$ 2.0
Interest cost	62.4	59.9	11.7	12.5	1.0	1.1
Expected return on plan assets	(119.2)	(113.9)	(10.1)	(8.6)	—	—
Amortization of losses	35.4	38.3	1.3	3.9	0.2	0.1
Amortization of prior service costs (credits)	1.8	1.4	(0.4)	(0.8)	0.6	0.6
Other adjustments	4.4	—	0.3	—	3.2	2.5
Settlement or curtailment losses (gains)	10.1	—	0.8	(2.8)	—	—
Net expense	\$ 29.3	\$ 19.0	\$ 9.2	\$ 9.7	\$ 6.9	\$ 6.3

In Millions	Defined Benefit Pension Plans		Other Postretirement Benefit Plans		Postemployment Benefit Plans	
	Six-Month Period Ended		Six-Month Period Ended		Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Service cost	\$ 68.8	\$ 66.5	\$ 11.2	\$ 11.4	\$ 3.8	\$ 3.9
Interest cost	124.9	119.7	23.5	25.1	2.1	2.1
Expected return on plan assets	(238.5)	(227.7)	(20.1)	(17.3)	—	—
Amortization of losses	70.8	75.8	2.5	7.7	0.4	0.3
Amortization of prior service costs (credits)	3.7	2.8	(0.8)	(1.7)	1.2	1.2
Other adjustments	4.4	—	0.3	—	6.3	5.0
Settlement or curtailment losses (gains)	10.1	—	0.8	(2.8)	—	—
Net expense	\$ 44.2	\$ 37.1	\$ 17.4	\$ 22.4	\$ 13.8	\$ 12.5

(15) Business Segment Information

We operate in the consumer foods industry. We have three operating segments by type of customer and geographic region as follows: U.S. Retail; International; and Convenience Stores and Foodservice.

Beginning in the first quarter of fiscal 2015, we have changed how we assess operating segment performance to exclude the asset and liability remeasurement impact from hyperinflationary economies. This impact is now included in unallocated corporate items. All periods presented have been changed to conform to this presentation.

Our U.S. Retail segment reflects business with a wide variety of grocery stores, mass merchandisers, membership stores, natural food chains, and drug, dollar and discount chains operating throughout the United States. Our product categories in this business segment are ready-to-eat cereals, refrigerated yogurt, soup, meal kits, shelf stable and frozen vegetables, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza and pizza snacks, grain, fruit and savory snacks, and a wide variety of organic products including meal kits, granola bars, and cereal.

Our International segment consists of retail and foodservice businesses outside of the United States. Our product categories include ready-to-eat cereals, shelf stable and frozen vegetables, meal kits, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza snacks, refrigerated yogurt, and grain and fruit snacks, and super-premium ice cream and frozen desserts. We also sell super-premium ice cream and frozen desserts directly to consumers through owned retail shops. Our International segment also includes products manufactured in the United States for export, mainly to Caribbean and Latin American markets, as well as products we manufacture for sale to our international joint ventures. Revenues from export activities and franchise fees are reported in the region or country where the end customer is located.

In our Convenience Stores and Foodservice segment our major product categories are ready-to-eat cereals, snacks, refrigerated yogurt, frozen breakfast, unbaked and fully baked frozen dough products, baking mixes, and flour. Many products we sell are branded to the consumer and nearly all are branded to our customers. We sell to distributors and operators in many customer channels including foodservice, convenience stores, vending, and supermarket bakeries. Substantially all of this segment's operations are located in the United States.

Operating profit for these segments excludes unallocated corporate items and restructuring, impairment, and other exit costs. Unallocated corporate items include corporate overhead expenses, variances to planned domestic employee benefits and incentives, contributions to the General Mills Foundation, asset and liability remeasurement impact of hyperinflationary economies and other items that are not part of our measurement of segment operating performance. These include gains and losses arising from the revaluation of certain grain inventories and gains and losses from mark-to-market valuation of certain commodity positions until passed back to our operating segments. These items affecting operating profit are centrally managed at the corporate level and are excluded from the measure of segment profitability reviewed by executive management. Under our supply chain organization, our manufacturing, warehouse, and distribution activities are substantially integrated across our operations in order to maximize efficiency and productivity. As a result, fixed assets and depreciation and amortization expenses are neither maintained nor available by operating segment.

Our operating segment results were as follows:

In Millions	Quarter Ended		Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013	Nov. 23, 2014	Nov. 24, 2013
Net sales:				
U.S. Retail	\$ 2,861.6	\$ 2,965.4	\$ 5,305.9	\$ 5,549.5
International	1,321.1	1,403.3	2,672.2	2,724.1
Convenience Stores and Foodservice	529.5	507.0	1,002.5	974.8
Total	\$ 4,712.2	\$ 4,875.7	\$ 8,980.6	\$ 9,248.4
Operating profit:				
U.S. Retail	\$ 616.1	\$ 681.6	\$ 1,073.3	\$ 1,293.5
International	134.3	153.2	280.3	278.8
Convenience Stores and Foodservice	96.2	84.9	183.5	159.0
Total segment operating profit	846.6	919.7	1,537.1	1,731.3
Unallocated corporate items	73.0	48.9	192.0	122.9
Restructuring, impairment, and other exit costs	214.6	0.7	228.6	3.5
Operating profit	\$ 559.0	\$ 870.1	\$ 1,116.5	\$ 1,604.9

(16) New Accounting Pronouncements

In the first quarter of fiscal 2015, we adopted new accounting requirements on the financial statement presentation of unrecognized tax benefits when a net operating loss, a similar tax loss or a tax credit carryforward exists. The adoption of this guidance did not have an impact on our results of operations or financial position.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

INTRODUCTION

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the MD&A included in our Annual Report on Form 10-K for the fiscal year ended May 25, 2014, for important background regarding, among other things, our key business drivers. Significant trademarks and service marks used in our business are set forth in *italics* herein. Certain terms used throughout this report are defined in the "Glossary" section below.

CONSOLIDATED RESULTS OF OPERATIONS

Second Quarter Results

For the second quarter of fiscal 2015, net sales declined 3 percent to \$4,712 million. Total segment operating profit was \$847 million, 8 percent lower than the second quarter of fiscal 2014 and 6 percent lower on a constant currency basis. Diluted earnings per share (EPS) of \$0.56 was down 33 percent compared to the second quarter of fiscal 2014. Diluted EPS excluding certain items affecting comparability was \$0.80 in the second quarter of fiscal 2015 compared to \$0.83 in the same period last year. Diluted EPS excluding certain items affecting comparability on a constant currency basis was flat compared to the second quarter of fiscal 2014 (see the "Non-GAAP Measures" section below for our use of these measures not defined by GAAP).

Net sales declined 3 percent to \$4,712 million for the second quarter of fiscal 2015 compared to the same period last year due to a 2 percentage point decrease in contributions from volume growth and 2 percentage points of unfavorable foreign currency exchange, partially offset by 1 percentage point of favorable net price realization and mix.

Components of net sales growth

Second Quarter of Fiscal 2015 vs. Second Quarter of Fiscal 2014	U.S. Retail	International	Convenience Stores and Foodservice	Combined Segments
Contributions from volume growth (a)	-3pts	Flat	-1pt	-2pts
Net price realization and mix	-1pt	3pts	5pts	1pt
Foreign currency exchange	NA	-9pts	NM	-2pts
Net sales growth	-4pts	-6pts	4pts	-3pts

(a) Measured in tons based on the stated weight of our product shipments.

Cost of sales decreased \$21 million from the second quarter of fiscal 2014 to \$3,093 million. The decrease was driven by a \$59 million decrease in cost of sales attributable to lower volume and a \$7 million decrease attributable to product mix. We also recorded \$19 million of restructuring charges related to Project Century in the second quarter of fiscal 2015. In the second quarter of fiscal 2015, we recorded a \$5 million net increase in cost of sales related to the mark-to-market valuation of certain commodity positions and grain inventories compared to a net decrease of \$21 million in the second quarter of fiscal 2014.

Selling, general, and administrative (SG&A) expenses decreased \$45 million to \$846 million in the second quarter of fiscal 2015 versus the same period in fiscal 2014. The decrease in SG&A expenses was primarily driven by a 9 percentage point decrease in media and advertising expense. SG&A expenses as a percent of net sales in the second quarter of fiscal 2015 decreased 30 basis points compared with the second quarter of fiscal 2014.

Restructuring, impairment, and other exit costs consisted of the following:

In Millions	Quarter Ended	
	Nov. 23, 2014	Nov. 24, 2013
Project Catalyst	\$ 145.0	\$ —
Project Century	70.3	—
Combination of certain operational facilities	(0.1)	—
Charges associated with restructuring actions previously announced	(0.6)	0.7
Total	\$ 214.6	\$ 0.7

We also recorded \$19 million of restructuring charges in cost of sales during the second quarter of fiscal 2015.

During the second quarter of fiscal 2015, we approved Project Catalyst, a restructuring plan to increase organizational effectiveness and reduce overhead expense. We also approved the closure of two manufacturing facilities as part of Project Century, our review of our North American manufacturing and distribution network to streamline operations and identify potential capacity reductions. In addition, during the first quarter of fiscal 2015, we approved a plan to combine certain Yoplait and General Mills operational facilities to increase efficiencies and reduce costs. We expect to record a total of approximately \$363 million of restructuring charges related to these projects, of which approximately \$178 million will be cash. We expect these actions to be completed by the end of fiscal 2017. We paid \$10 million of cash in the second quarter of fiscal 2015 related to restructuring activities. For further information on these restructuring actions, please refer to Note 3 to the Consolidated Financial Statements in Part 1, Item 1 of this report.

Interest, net for the second quarter of fiscal 2015 totaled \$77 million, a \$9 million increase from the same period of fiscal 2014. Average interest bearing instruments increased \$1,163 million, generating a \$11 million increase in net interest. The average interest rate decreased 9 basis points, including the effect of the mix of debt, generating a \$2 million decrease in net interest.

The **effective tax rate** for the second quarter of fiscal 2015 was 31.8 percent compared to 33.3 percent for the second quarter of fiscal 2014. The 1.5 percentage point decrease was primarily due to changes in earnings mix by country.

After-tax earnings from joint ventures increased to \$27 million compared to \$26 million in the same quarter last fiscal year, primarily driven by lower advertising and media expense at Cereal Partners Worldwide (CPW) offset in part by unfavorable foreign currency exchange. In the second quarter of fiscal 2015, net sales for CPW decreased 9 percent driven by a 6 percentage point decrease from unfavorable foreign currency exchange, a 2 percentage point decrease in net price realization and mix, and a 1 percentage point decrease in contributions from volume growth. Net sales for Häagen-Dazs Japan, Inc. (HDJ) decreased 5 percent driven by a 10 percentage point decrease from unfavorable foreign currency exchange and a 2 percentage point decrease in contributions from volume growth, partially offset by 7 percentage point increase due to favorable net price realization and mix.

Average diluted shares outstanding decreased by 32 million in the second quarter of fiscal 2015 from the same period a year ago due to the impact of share repurchases, partially offset by option exercises.

Net earnings attributable to General Mills were \$346 million in the second quarter of fiscal 2015, down 37 percent from \$550 million last year. **Diluted EPS** was \$0.56 in the second quarter of fiscal 2015, down 33 percent from \$0.84 last year. These results include the effects of restructuring charges and the mark-to-market valuation of certain commodity positions and grain inventories. Diluted EPS excluding certain items affecting comparability was \$0.80 in the second quarter of fiscal 2015 compared to \$0.83 in the same period last year. Diluted EPS excluding certain items affecting comparability on a constant currency basis in the second quarter of fiscal 2015 was flat compared to the second quarter of fiscal 2014 (see the “Non-GAAP Measures” section below for our use of these measures not defined by GAAP and our discussion of the items affecting comparability).

Six-month Results

For the six-month period ended November 23, 2014, net sales declined 3 percent to \$8,981 million. Total segment operating profit was \$1,537 million, 11 percent lower than the six-month period ended November 24, 2013 and 10 percent lower on a constant currency basis. Diluted EPS of \$1.11 was down 28 percent compared to the six-month period ended November 24, 2013. Diluted EPS excluding certain items affecting comparability was \$1.41 in the six-month period ended November 23, 2014 compared to \$1.53 in the same period last year. Diluted EPS excluding certain items affecting comparability on a constant currency basis decreased 6 percent compared to the six-month period ended November 24, 2013 (see the “Non-GAAP Measures” section below for our use of these measures not defined by GAAP).

Net sales of \$8,981 million for the six-month period ended November 23, 2014 declined 3 percent compared to the same period last year due to a 2 percentage point decrease in contributions from volume growth and 2 percentage points of unfavorable foreign currency exchange, partially offset by 1 percentage point of favorable net price realization and mix.

Components of net sales growth

Six-Month Period Ended Nov. 23, 2014 vs. Six-Month Period Ended Nov. 24, 2013	U.S. Retail	International	Convenience Stores and Foodservice	Combined Segments
Contributions from volume growth (a)	-3pts	Flat	-1pt	-2pts
Net price realization and mix	-1pt	5pts	4pts	1pt
Foreign currency exchange	NA	-7pts	NM	-2pts
Net sales growth	-4pts	-2pts	3pts	-3pts

(a) Measured in tons based on the stated weight of our product shipments.

Cost of sales increased \$49 million from the six-month period ended November 24, 2013, to \$5,923 million. The increase was driven by a \$60 million increase attributable to product mix and \$19 million of restructuring charges related to Project Century in the six-month period ended November 23, 2014. In the six-month period ended November 23, 2014, we recorded a \$54 million net increase in cost of sales related to the mark-to-market valuation of certain commodity positions and grain inventories compared to a net decrease of \$20 million in the six-month period ended November 24, 2013. These increases were partially offset by a \$104 million decrease attributable to lower volume in the six-month period ended November 23, 2014.

SG&A expenses decreased \$54 million to \$1,713 million in the six-month period ended November 23, 2014 versus the same period in fiscal 2014 including a 4 percentage point decrease in media and advertising expense. SG&A expenses as a percent of net sales in the six-month period ended November 23, 2014 was flat compared with the same period of fiscal 2014.

Restructuring, impairment, and other exit costs consisted of the following:

In Millions	Six-Month Period Ended	
	Nov. 23, 2014	Nov. 24, 2013
Project Catalyst	\$ 145.0	\$ —
Project Century	70.3	—
Combination of certain operational facilities	13.9	—
Charges associated with restructuring actions previously announced	(0.6)	3.5
Total	\$ 228.6	\$ 3.5

We also recorded \$19 million of restructuring charges in cost of sales during the six-month period ended November 23, 2014.

During the second quarter of fiscal 2015, we approved Project Catalyst, a restructuring plan to increase organizational effectiveness and reduce overhead expense. We also approved the closure of two manufacturing facilities as part of Project Century, our review of our North American manufacturing and distribution network to streamline operations and identify potential capacity reductions. In addition, during the first quarter of fiscal 2015, we approved a plan to combine certain Yoplait and General Mills operational facilities to increase efficiencies and reduce costs. We expect to record a total of approximately \$363 million of restructuring charges related to these projects, of which approximately \$178 million will be cash. We expect these actions to be completed by the end of fiscal 2017. We paid \$10 million of cash in the six-month period ended November, 23, 2014 related to restructuring activities. For further information on these restructuring actions, please refer to Note 3 to the Consolidated Financial Statements in Part 1, Item 1 of this report.

Interest, net for the six-month period ended November 23, 2014, totaled \$156 million, an \$8 million increase from the same period of fiscal 2014. Average interest bearing instruments increased \$1,062 million, generating a \$21 million increase in net interest. The average interest rate decreased 31 basis points, including the effect of the mix of debt, generating a \$13 million decrease in net interest.

The **effective tax rate** for the six-month period ended November 23, 2014, was 31.8 percent compared to 32.8 percent for the six-month period ended November 24, 2013. The 1.0 percentage point decrease was primarily due to favorable state audit settlements and tax law changes.

After-tax earnings from joint ventures for the six-month period ended November 23, 2014, increased to \$53 million compared to \$50 million in the same period last fiscal year, primarily driven by lower advertising and media expense at CPW offset in part by unfavorable foreign currency exchange. In the six-month period ended November 23, 2014, net sales for CPW decreased 4 percent driven by a 2 percentage point decrease from unfavorable foreign currency exchange, a 1 percentage point decrease due to unfavorable net price realization and mix, and a 1 percentage point decrease in contributions from volume growth. Net sales for HDJ decreased 3 percent driven by a 7 percentage point decrease from unfavorable foreign currency exchange, partially offset by a 3 percentage point increase from favorable net price realization and mix and a 1 percentage point increase in contributions from volume growth.

Average diluted shares outstanding decreased by 31 million in the six-month period ended November 23, 2014 compared to the same period a year ago due to the impact of share repurchases, partially offset by option exercises.

Net earnings attributable to General Mills were \$691 million in the six-month period ended November 23, 2014, down 32 percent from \$1,009 million in the same period last year. **Diluted EPS** was \$1.11 in the six-month period ended November 23, 2014, down 28 percent from \$1.54 last year. These results include the effects of restructuring charges and the mark-to-market valuation of certain commodity positions and grain inventories. Diluted EPS excluding certain items affecting comparability was \$1.41 in the six-month period ended November 23, 2014 compared to \$1.53 in the same period of fiscal 2014. Diluted EPS excluding certain items affecting comparability on a constant currency basis in the six-month period ended November 23, 2014, decreased 6 percent compared to the same period of fiscal 2014 (see the “Non-GAAP Measures” section below for our use of these measures and our discussion of the items affecting comparability).

SEGMENT OPERATING RESULTS

Our businesses are organized into three operating segments: U.S. Retail; International; and Convenience Stores and Foodservice.

Beginning in the first quarter of fiscal 2015, we have changed how we assess segment operating performance to exclude the asset and liability remeasurement impact from hyperinflationary economies. This impact is now included in unallocated corporate items. All periods presented have been changed to conform to this presentation.

U.S. Retail Segment Results

Beginning with the second quarter of fiscal 2015, we realigned certain operating units within our U.S. Retail operating segment. We also changed the name of our Yoplait operating unit to Yogurt and our Big G operating unit to Cereal. Frozen Foods transitioned into Meals and Baking Products. Small Planet Foods transitioned into Snacks, Cereal, and Meals. Yogurt was unchanged. We revised the amounts previously reported in the net sales percentage change by operating unit within our U.S. Retail segment to conform to the new operating unit structure. These realignments had no effect on previously reported consolidated net sales, operating segments' net sales, operating profit, segment operating profit, net earnings attributable to General Mills, or earnings per share. In addition, results from the Annie's, Inc. (Annie's) acquisition are included in the Meals and Snacks operating units.

Net sales for our U.S. Retail segment of \$2,862 million in the second quarter of fiscal 2015 decreased 4 percentage points compared to the second quarter of fiscal 2014 due to a 3 percentage point decline in contributions from volume growth and 1 percentage point of unfavorable net price realization and mix. The decrease in net sales was primarily driven by the Meals, Baking Products, and Cereal operating units, partially offset by increases in the Snacks and Yogurt operating units.

Net sales for our U.S. Retail segment of \$5,306 million for the six-month period ended November 23, 2014 decreased 4 percentage points from the same period in fiscal 2014 due to a 3 percentage point decline in contributions from volume growth and 1 percentage point of unfavorable net price realization and mix, including the impact of merchandising expense phasing. The decrease in net sales was primarily driven by the Meals, Cereal, and Baking Products operating units, partially offset by increases in the Snacks and Yogurt operating units.

U.S. Retail Net Sales Percentage Change by Operating Unit

	<u>Quarter Ended</u> <u>Nov. 23, 2014</u>	<u>Six-Month</u> <u>Period Ended</u> <u>Nov. 23, 2014</u>
Meals	(7)%	(8)%
Baking Products	(5)	(6)
Cereal	(5)	(7)
Snacks	2	3
Yogurt	1	1
Total	(4)%	(4)%

Segment operating profit decreased 10 percent to \$616 million in the second quarter of fiscal 2015 compared to the same period last year. The decrease was primarily driven by lower volume, unfavorable net price realization, and higher supply chain costs, partially offset by a decrease in SG&A expenses.

Segment operating profit decreased 17 percent to \$1,073 million in the six-month period ended November 23, 2014 compared to the same period of fiscal 2014, primarily driven by lower volume, unfavorable net price realization, and an increase in supply chain costs, partially offset by a decrease in SG&A expenses.

International Segment Results

Net sales for our International segment of \$1,321 million decreased 6 percent in the second quarter of fiscal 2015 compared to the second quarter of fiscal 2014 due to 9 percentage points of unfavorable foreign currency exchange, partially offset by 3 percentage points of favorable net price realization and mix. Contributions from volume growth were flat.

Net sales for our International segment of \$2,672 million for the six-month period ended November 23, 2014 decreased 2 percentage points compared to the same period of fiscal 2014 due to 7 percentage points of unfavorable foreign currency exchange, partially offset by 5 percentage points of favorable net price realization and mix. Contributions from volume growth were flat.

International Net Sales Percentage Change by Geographic Region

	Percentage Change in Net Sales as Reported Quarter Ended Nov. 23, 2014	Percentage Change in Net Sales on Constant Currency Basis (a) Quarter Ended Nov. 23, 2014
Europe	Flat	4%
Canada	(13)%	(7)
Asia/Pacific	1	2
Latin America	(17)	14
Total	(6)%	3%

(a) See the “Non-GAAP Measures” section below for our use of this measure.

The 6 percentage point decrease in fiscal 2015 second quarter net sales in the International segment was driven by declines in our Latin America and Canada regions, partially offset by growth in our Asia/Pacific region. Net sales in our Europe region were flat. On a constant currency basis, International segment net sales grew 3 percent, with growth in the Latin America, Europe, and Asia/Pacific regions, partially offset by a decline in the Canada region.

	Percentage Change in Net Sales as Reported Six-Month Period Ended Nov. 23, 2014	Percentage Change in Net Sales on Constant Currency Basis (a) Six-Month Period Ended Nov. 23, 2014
Europe	4%	4%
Canada	(10)	(4)
Asia/Pacific	3	3
Latin America	(11)	17
Total	(2)%	5%

(a) See the “Non-GAAP Measures” section below for our use of this measure.

The 2 percentage point decrease in the International segment for the six-month period ended November 23, 2014 was driven by declines in the Canada and Latin America regions, partially offset by growth in the Europe and Asia/Pacific regions. On a constant currency basis, International segment net sales grew 5 percent, with growth in the Latin America, Europe, and Asia/Pacific regions, partially offset by a decline in the Canada region.

Segment operating profit decreased 12 percent to \$134 million in the second quarter of fiscal 2015 compared to the same period of fiscal 2014, primarily driven by unfavorable foreign currency exchange and lower growth in emerging markets. International segment operating profit decreased 2 percent on a constant currency basis in the second quarter of fiscal 2015 compared to the second quarter of fiscal 2014 (see the “Non-GAAP Measures” section below for our use of this measure not defined by GAAP).

Segment operating profit grew 1 percent to \$280 million in the six-month period ended November 23, 2014 compared to the same period of fiscal 2014, primarily driven by favorable net price realization and lower input costs, partially offset by unfavorable foreign currency exchange and lower growth in emerging markets. International segment operating profit for the six-month period ended November 23, 2014, increased 7 percent on a constant currency basis compared to the same period of fiscal 2014 (see the “Non-GAAP Measures” section below for our use of this measure not defined by GAAP).

Convenience Stores and Foodservice Segment Results

Net sales for the Convenience Stores and Foodservice segment of \$530 million increased 4 percentage points in the second quarter of fiscal 2015 compared to the same period of fiscal 2014. The increase was driven by 5 percentage points of favorable net price realization and mix, partially offset by a 1 percentage point decline in contributions from volume growth.

Net sales for the Convenience Stores and Foodservice segment of \$1,002 million increased 3 percentage points in the six-month period ended November 23, 2014. The increase was driven by 4 percentage points of favorable net price realization and mix, partially offset by a 1 percentage point decline in contributions from volume growth.

Segment operating profit for the second quarter of fiscal 2015 increased 13 percent to \$96 million compared to the second quarter of fiscal 2014 primarily driven by favorable net price realization and mix, partially offset by a decrease in volume.

Segment operating profit for the six-month period ended November 23, 2014, increased 15 percent to \$184 million compared to the six-month period ended November 24, 2013, primarily driven by favorable net price realization and mix, partially offset by a decrease in volume.

UNALLOCATED CORPORATE ITEMS

Beginning in the first quarter of fiscal 2015, we have changed how we assess segment operating performance to exclude the asset and liability remeasurement impact from hyperinflationary economies. This impact is now included in unallocated corporate items. All periods presented have been changed to conform to this presentation.

Unallocated corporate expense totaled \$73 million in the second quarter of fiscal 2015 compared to \$49 million in the same period in fiscal 2014. In the second quarter of fiscal 2015, we recorded a \$5 million net increase in expense related to the mark-to-market valuation of certain commodity positions and grain inventories, compared to a \$21 million net decrease in expense in the second quarter of fiscal 2014.

Unallocated corporate expense totaled \$192 million in the six-month period ended November 23, 2014, compared to \$123 million in the same period last year. In the six-month period ended November 23, 2014, we recorded a \$54 million net increase in expense related to the mark-to-market valuation of certain commodity positions and grain inventories, compared to a \$20 million net decrease in expense in the same period a year ago.

Venezuela is a highly inflationary economy and as such, we remeasure the value of the assets and liabilities of our Venezuelan subsidiary based on the exchange rate at which we expect to remit dividends in U.S. dollars. In February 2014, the Venezuelan government established a new foreign exchange market mechanism ("SICAD 2") and has indicated that this will be the market through which U.S. dollars will be obtained for the remittance of dividends. This market has significantly higher foreign exchange rates than those available through the other foreign exchange mechanisms. In the six-month period ended November 23, 2014, we recorded an immaterial impact in unallocated corporate items resulting from the remeasurement of assets and liabilities of our Venezuelan subsidiary at the SICAD 2 rate. We have been able to access U.S. dollars through the SICAD 2 market. Our Venezuela operations represent less than 1 percent of our consolidated assets, liabilities, net sales, and segment operating profit. As of November 23, 2014, we had \$1.0 million of non-U.S. dollar cash balances in Venezuela.

LIQUIDITY

During the six-month period ended November 23, 2014, our operations generated \$863 million of cash compared to \$1,009 million in the same period last year. The \$146 million change is primarily due to a \$76 million change in current assets and liabilities and a decrease in net earnings. The change in current assets and liabilities is primarily driven by a \$95 million change in inventory due to higher balances in the current year and a \$60 million change in prepaids and other current assets primarily due to the liquidation of a corporate asset in the prior year, partially offset by an \$101 million change in accounts payable primarily due to the timing of payments and extension of payment terms.

Cash used by investing activities during the six-month period ended November 23, 2014, was \$1.2 billion, \$854 million more than the same period in fiscal 2014. In the second quarter of fiscal 2015, we acquired Annie's, a publicly traded food company headquartered in Berkeley, California, for an aggregate purchase price of \$809 million, net of \$12 million of cash acquired. We invested \$318 million in land, buildings, and equipment during the first six-months of fiscal 2015, \$49 million more than the previous year.

Cash generated by financing activities during the six-month period ended November 23, 2014, was \$369 million compared to a use of \$654 million in the same period last year, primarily reflecting the issuance of fixed-rate notes to fund the acquisition of Annie's which drove \$1.1 billion more net debt issuances in the first six-months of fiscal 2015 than the same period a year ago. We also paid \$969 million in cash to repurchase common stock and paid \$503 million of dividends in the first six-months of fiscal 2015 compared to \$864 million and \$490 million, respectively, in the same period last year.

As of November 23, 2014, we had \$860 million of cash and cash equivalents held in foreign jurisdictions which will be used to fund foreign operations and potential acquisitions. There is currently no need to repatriate these funds in order to meet domestic funding obligations or scheduled cash distributions. If we choose to repatriate cash held in foreign jurisdictions, we intend to do so only in a tax-neutral manner.

CAPITAL RESOURCES

Our capital structure was as follows:

In Millions	Nov. 23, 2014	May 25, 2014
Notes payable	\$ 2,071.4	\$ 1,111.7
Current portion of long-term debt	750.7	1,250.6
<u>Long-term debt</u>	<u>7,713.1</u>	<u>6,423.5</u>
Total debt	10,535.2	8,785.8
Redeemable interest	901.4	984.1
Noncontrolling interests	437.9	470.6
Stockholders' equity	5,672.3	6,534.8
<u>Total capital</u>	<u>\$17,546.8</u>	<u>\$16,775.3</u>

To ensure availability of funds, we maintain bank credit lines sufficient to cover our outstanding short-term borrowings. Commercial paper is a continuing source of short-term financing. We have commercial paper programs available to us in the United States and Europe. We also have committed, uncommitted, and asset-backed credit lines that support our foreign operations.

The following table details the fee-paid committed and uncommitted credit lines we had available as of November 23, 2014:

In Billions	Facility Amount	Borrowed Amount
Credit facility expiring:		
April 2017	\$ 1.7	\$ —
May 2019	1.0	—
June 2019	0.3	0.1
Total committed credit facilities	3.0	0.1
Uncommitted credit facilities	0.4	0.2
<u>Total committed and uncommitted credit facilities</u>	<u>\$ 3.4</u>	<u>\$ 0.3</u>

The third-party holder of the General Mills Cereals, LLC (GMC) Class A Interests receives quarterly preferred distributions from available net income based on the application of a floating preferred return rate, currently equal to the sum of three-month LIBOR plus 110 basis points, to the holder's capital account balance established in the most recent mark-to-market valuation (currently \$252 million). The preferred return rate is adjusted every three years through a negotiated agreement with the Class A Interest holder or through a remarketing auction.

The holder of the Class A Interests may initiate a liquidation of GMC under certain circumstances, including, without limitation, the bankruptcy of GMC or its subsidiaries, GMC's failure to deliver the preferred distributions on the Class A Interests, GMC's failure to comply with portfolio requirements, breaches of certain covenants, lowering of our senior debt rating below either Baa3 by Moody's or BBB- by Standard & Poor's, and a failed attempt to remarket the Class A Interests. In the event of a liquidation of GMC, each member of GMC will receive the amount of its then current capital account balance. We may avoid liquidation by exercising our option to purchase the Class A Interests.

We may exercise our option to purchase the Class A Interests for consideration equal to the then current capital account value, plus any unpaid preferred return and the prescribed make-whole amount. If we purchase these interests, any change in the unrelated third-party investor's capital account from its original value will be charged directly to retained earnings and will increase or decrease the net earnings used to calculate EPS in that period.

We have a 51 percent controlling interest in Yoplait S.A.S. and a 50 percent interest in Yoplait Marques S.A.S. and Liberté Marques S.a.r.l. Sodiaal International (Sodiaal) holds the remaining interests in each of these entities. We consolidate these entities into our consolidated financial statements. As of November 23, 2014, we recorded Sodiaal's 50 percent interests in Yoplait Marques S.A.S. and Liberté Marques S.a.r.l. as noncontrolling interests, and the fair value of its 49 percent interest in Yoplait S.A.S. as a redeemable interest on our Consolidated Balance Sheets. These euro-denominated interests are reported in U.S. dollars on our Consolidated Balance Sheets. Sodiaal has the ability to put a limited portion of its redeemable interest to us at fair value once per year through a maximum term expiring December 2020. As of November 23, 2014, the redemption value of the redeemable interest was \$0.9 billion, which approximates its fair value.

Certain of our long-term debt agreements, our credit facilities, and our noncontrolling interests contain restrictive covenants. As of November 23, 2014, we were in compliance with all of these covenants.

We have \$751 million of long-term debt maturing in the next 12 months that is classified as current, primarily \$750 million of 5.2 percent fixed-rate notes due in March 2015. We believe that cash flows from operations, together with available short- and long-term debt financing, will be adequate to meet our liquidity and capital needs for at least the next 12 months.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

There were no material changes outside the ordinary course of our business in our contractual obligations or off-balance sheet arrangements during the second quarter of fiscal 2015.

SIGNIFICANT ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 2 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended May 25, 2014. The accounting policies used in preparing our interim fiscal 2015 Consolidated Financial Statements are the same as those described in our Form 10-K.

Our significant accounting estimates are those that have meaningful impact on the reporting of our financial condition and results of operations. These estimates include our accounting for promotional expenditures, valuation of long-lived assets, intangible assets, redeemable interest, stock-based compensation, income taxes, and defined benefit pension, other postretirement benefit, and postemployment benefit plans. The assumptions and methodologies used in the determination of those estimates as of November 23, 2014, are the same as those described in our Annual Report on Form 10-K for the fiscal year ended May 25, 2014.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Boards issued new accounting requirements for the recognition of revenue from contracts with customers. The requirements of the new standard are effective for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods, which for us is the first quarter of fiscal 2018. We do not expect this guidance to have a material impact on our results of operations or financial position.

In June 2014, the Financial Accounting Standards Boards issued new accounting requirements for share-based payment awards issued based upon specific performance targets. The requirements of the new standard are effective for annual reporting periods beginning after December 15, 2015, and interim periods within those annual periods, which for us is the first quarter of fiscal 2017. We do not expect this guidance to have a material impact on our results of operations or financial position.

NON-GAAP MEASURES

We have included in this report measures of financial performance that are not defined by GAAP. We believe that these measures provide useful information to investors and include these measures in other communications to investors.

For each of these non-GAAP financial measures, we are providing below a reconciliation of the differences between the non-GAAP measure and the most directly comparable GAAP measure, an explanation of why our management or the Board of Directors believes the non-GAAP measure provides useful information to investors and any additional purposes for which our management or Board of Directors uses the non-GAAP measure. These non-GAAP measures should be viewed in addition to, and not in lieu of, the comparable GAAP measure.

Constant Currency Diluted EPS Excluding Certain Items Affecting Comparability

This measure is used in reporting to our executive management and as a component of the Board of Director's measurement of our performance for incentive compensation purposes. We believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate earnings performance on a comparable year-over-year basis. The adjustments are either items resulting from infrequently occurring events or items that, in management's judgment, significantly affect the year-over-year assessment of operating results.

The reconciliation of our GAAP measure, diluted EPS, to diluted EPS excluding certain items affecting comparability and the related constant currency growth rate follows:

Per Share Data	Quarter Ended			Six-Month Period Ended		
	Nov. 23, 2014	Nov. 24, 2013	Change	Nov. 23, 2014	Nov. 24, 2013	Change
Diluted earnings per share, as reported	\$ 0.56	\$ 0.84	(33)%	\$ 1.11	\$ 1.54	(28)%
Mark-to-market effects (a)	—	(0.02)		0.05	(0.02)	
Restructuring costs (b)	0.24	0.01		0.25	0.01	
Diluted earnings per share, excluding certain items affecting comparability	\$ 0.80	\$ 0.83	(4)%	\$ 1.41	\$ 1.53	(8)%
Foreign currency exchange impact			(4)%			(2)%
Diluted earnings per share growth, excluding certain items affecting comparability, on a constant currency basis			Flat			(6)%

- (a) Net gain from mark-to-market valuation of certain commodity positions and grain inventories. See Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report.
- (b) See Note 3 to the Consolidated Financial Statements in Part I, Item 1 of this report.

Total Segment Operating Profit

This measure is used in reporting to our executive management and as a component of the Board of Directors' measurement of our performance for incentive compensation purposes. We believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate segment performance. A reconciliation of this measure to operating profit, the relevant GAAP measure, is included in Note 15 to the Consolidated Financial Statements in Part I, Item 1 of this report.

Total Segment Operating Profit Growth Rate on a Constant Currency Basis is calculated as follows:

	Quarter Ended Nov. 23, 2014		
	Percentage Change in Total Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Total Segment Operating Profit on Constant Currency Basis
Total Segment Operating Profit	(8)%	(2) pts	(6)%

	Six-Month Period Ended Nov. 23, 2014		
	Percentage Change in Total Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Total Segment Operating Profit on Constant Currency Basis
Total Segment Operating Profit	(11)%	(1) pt	(10)%

Constant Currency International Segment Operating Profit Growth Rate

We believe that this measure provides useful information to investors because it provides transparency to underlying performance of the International segment by excluding the effect that foreign currency exchange rate fluctuations have on year-to-year comparability given volatility in foreign exchange markets.

	Quarter Ended Nov. 23, 2014		
	Percentage Change in Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Segment Operating Profit on Constant Currency Basis
International Segment Operating Profit	(12)%	(10) pts	(2)%

	Six-Month Period Ended Nov. 23, 2014		
	Percentage Change in Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Segment Operating Profit on Constant Currency Basis
International Segment Operating Profit	1%	(6) pts	7%

Constant Currency Net Sales Growth Rates for Our International Segment

We believe that this measure of our International segment and region net sales provides useful information to investors because it provides transparency to the underlying performance in markets outside the United States by excluding the effect that foreign currency exchange rate fluctuations have on year-to-year comparability given volatility in foreign exchange markets.

Quarter Ended Nov. 23, 2014			
	Percentage Change in Net Sales as Reported	Impact of Foreign Currency Exchange	Percentage Change in Net Sales on Constant Currency Basis
Europe	Flat	(4) pts	4%
Canada	(13)%	(6)	(7)
Asia/Pacific	1	(1)	2
Latin America	(17)	(31)	14
Total International	(6)%	(9) pts	3%

Six-Month Period Ended Nov. 23, 2014			
	Percentage Change in Net Sales as Reported	Impact of Foreign Currency Exchange	Percentage Change in Net Sales on Constant Currency Basis
Europe	4%	Flat	4%
Canada	(10)	(6) pts	(4)
Asia/Pacific	3	Flat	3
Latin America	(11)	(28)	17
Total International	(2)%	(7) pts	5%

GLOSSARY

AOCI. Accumulated other comprehensive income (loss).

Constant currency. Financial results translated to U.S. dollars using constant foreign currency exchange rates based on the rates in effect for the comparable prior-year period. To present this information, current period results for entities reporting in currencies other than United States dollars are translated into United States dollars at the average exchange rates in effect during the corresponding period of the prior fiscal year, rather than the actual average exchange rates in effect during the current fiscal year. Therefore, the foreign currency impact is equal to current year results in local currencies multiplied by the change in the average foreign currency exchange rate between the current fiscal period and the corresponding period of the prior fiscal year.

Accelerated depreciation associated with restructured assets. The increase in depreciation expense caused by updating the salvage value and shortening the useful life of depreciable fixed assets to coincide with the end of production under an approved restructuring plan, but only if impairment is not present.

Derivatives. Financial instruments such as futures, swaps, options, and forward contracts that we use to manage our risk arising from changes in commodity prices, interest rates, foreign exchange rates, and stock prices.

Euribor. Euro Interbank Offered Rate.

Fair value hierarchy. For purposes of fair value measurement, we categorize assets and liabilities into one of three levels based on the assumptions (inputs) used in valuing the asset or liability. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's assumptions about the inputs used in pricing the asset or liability.

Generally Accepted Accounting Principles (GAAP). Guidelines, procedures, and practices that we are required to use in recording and reporting accounting information in our financial statements.

Goodwill. The difference between the purchase price of acquired companies plus the fair value of any noncontrolling and redeemable interests and the related fair values of net assets acquired.

Hedge accounting. Accounting for qualifying hedges that allows changes in a hedging instrument's fair value to offset corresponding changes in the hedged item in the same reporting period. Hedge accounting is permitted for certain hedging instruments and hedged items only if the hedging relationship is highly effective, and only prospectively from the date a hedging relationship is formally documented.

Interest bearing instruments. Notes payable, long-term debt, including current portion, cash and cash equivalents, and certain interest bearing investments classified within prepaid expenses and other current assets and other assets.

International segment operating profit. Excludes the asset and liability remeasurement impact of hyperinflationary economies from our segment operating profits.

LIBOR. London Interbank Offered Rate.

Mark-to-market. The act of determining a value for financial instruments, commodity contracts, and related assets or liabilities based on the current market price for that item.

Net mark-to-market valuation of certain commodity positions. Realized and unrealized gains and losses on derivative contracts that will be allocated to segment operating profit when the exposure we are hedging affects earnings.

Net price realization. The impact of list and promoted price changes, net of trade and other price promotion costs.

Noncontrolling interests. Interests of subsidiaries held by third parties.

Notional principal amount. The principal amount on which fixed-rate or floating-rate interest payments are calculated.

OCI. Other Comprehensive Income.

Redeemable interest. Interest of subsidiaries held by a third party that can be redeemed outside of our control and therefore cannot be classified as a noncontrolling interest in equity.

Total debt. Notes payable and long-term debt, including current portion.

Translation adjustments. The impact of the conversion of our foreign affiliates' financial statements to U.S. dollars for the purpose of consolidating our financial statements.

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report contains or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our current expectations and assumptions. We also may make written or oral forward-looking statements, including statements contained in our filings with the Securities and Exchange Commission (SEC) and in our reports to stockholders.

The words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "plan," "project," or similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those currently anticipated or projected. We wish to caution you not to place undue reliance on any such forward-looking statements.

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we are identifying important factors that could affect our financial performance and could cause our actual results in future periods to differ materially from any current opinions or statements.

Our future results could be affected by a variety of factors, such as: competitive dynamics in the consumer foods industry and the markets for our products, including new product introductions, advertising activities, pricing actions, and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in the legal and regulatory environment, including labeling and advertising regulations and litigation; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing, and promotional programs; changes in consumer behavior, trends, and preferences, including weight loss trends; consumer perception of health-related issues, including obesity; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging, and energy; disruptions or inefficiencies in the supply chain; volatility in the market value of derivatives used to manage price risk for certain commodities; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war.

You should also consider the risk factors that we identify in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended May 25, 2014, which could also affect our future results.

We undertake no obligation to publicly revise any forward-looking statements to reflect events or circumstances after the date of those statements or to reflect the occurrence of anticipated or unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The estimated maximum potential value-at-risk arising from a one-day loss in fair value for our interest rate and commodity market-risk-sensitive instruments outstanding as of November 23, 2014, was \$22 million and \$5 million, respectively. During the six-month period ended November 23, 2014, the interest rate value-at-risk decreased by \$11 million while the commodity value-at-risk increased by \$2 million compared to this measure as of May 25, 2014. The value-at-risk for interest rate instruments decreased due to lower interest rate market volatility, while value-at-risk for commodity positions increased due to higher volatility and increased notional amounts of commodity transactions. For additional information, see Item 7A of Part II of our Annual Report on Form 10-K for the fiscal year ended May 25, 2014.

Item 4. Controls and Procedures.

We, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of November 23, 2014, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the quarter ended November 23, 2014, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table sets forth information with respect to shares of our common stock that we purchased during the quarter ended November 23, 2014:

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program (b)	Maximum Number of Shares that may yet be Purchased Under the Program (b)
August 25, 2014				
September 28, 2014	4,674,452	\$ 52.58	4,674,452	95,325,548
September 29, 2014				
October 26, 2014	3,052,211	50.20	3,052,211	92,273,337
October 27, 2014				
November 23, 2014	2,102,800	51.03	2,102,800	90,170,537
Total	9,829,463	\$ 51.51	9,829,463	90,170,537

- (a) The total number of shares purchased includes: (i) shares purchased on the open market; and (ii) shares withheld for the payment of withholding taxes upon the distribution of deferred option units.
- (b) On May 6, 2014, our Board of Directors approved an authorization for the repurchase of up to 100,000,000 shares of our common stock. Purchases can be made in the open market or in privately negotiated transactions, including the use of call options and other derivative instruments, Rule 10b5-1 trading plans, and accelerated repurchase programs. The Board did not specify an expiration date for the authorization.

Item 6. Exhibits.

10.1 Five-Year Credit Agreement, dated as of April 16, 2012, as amended as of May 18, 2012 and September 19, 2014, among the Registrant, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A., as Administrative Agent.

10.2 Amendment No. 1 dated as of September 19, 2014 to the Five-Year Credit Agreement dated as of May 23, 2014 among the Registrant, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A., as Administrative Agent.

12.1 Computation of Ratio of Earnings to Fixed Charges.

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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101 Financial Statements from the Quarterly Report on Form 10-Q of the Company for the quarter ended November 23, 2014, formatted in Extensible Business Reporting Language: (i) the Consolidated Statements of Earnings; (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Total Equity and Redeemable Interest; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENERAL MILLS, INC.

(Registrant)

Date December 17, 2014

/s/ Roderick A. Palmore

Roderick A. Palmore

Executive Vice President,

General Counsel and Secretary

Date December 17, 2014

/s/ Jerald A. Young

Jerald A. Young

Vice President, Controller

(Principal Accounting Officer)

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
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FIVE-YEAR CREDIT AGREEMENT

**dated as of
April 16, 2012**

among

GENERAL MILLS, INC.,

**JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,**

and

The Other Financial Institutions Party Hereto

**BANK OF AMERICA, N.A.
BARCLAYS BANK PLC
CITIBANK, N.A. and
DEUTSCHE BANK SECURITIES INC.,
Syndication Agents**

**J.P. MORGAN SECURITIES LLC
BARCLAYS BANK PLC
CITIGROUP GLOBAL MARKETS INC.
DEUTSCHE BANK SECURITIES INC. and
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
Joint Lead Arrangers and Joint Bookrunners**

FIVE-YEAR CREDIT AGREEMENT

This FIVE-YEAR CREDIT AGREEMENT is entered into as of April 16, 2012, among General Mills, Inc., a Delaware corporation (the “**Company**”), the several financial institutions from time to time party to this Agreement (collectively, the “**Banks**”; individually, a “**Bank**”), and JPMorgan Chase Bank, N.A., as Administrative Agent.

WHEREAS, the Banks have agreed to make available to the Company a revolving credit facility upon the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE 1 DEFINITIONS

SECTION 1.01. *Defined Terms.* In addition to the terms defined elsewhere in this Agreement, the following terms have the following meanings:

“**Additional Bank**” has the meaning specified in subsection 2.14(b).

“**Administrative Agent**” means JPMorgan Chase in its capacity as administrative agent for the Banks hereunder, and any successor in such capacity.

“**Administrative Agent-Related Persons**” means JPMorgan Chase and any successor Administrative Agent arising under Section 9.09, together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

“**Administrative Questionnaire**” means, with respect to each Bank, an administrative questionnaire in the form prepared by the Administrative Agent, completed by such Bank and returned to the Administrative Agent (with a copy to the Company).

“**Affiliate**” means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise. Without limitation, any director, executive officer or beneficial owner of 10% or more of the equity of a Person shall for the purposes of this Agreement, be deemed to control the other Person. Notwithstanding the foregoing, no Bank shall be deemed an “Affiliate” of the Company or of any Subsidiary of the Company.

“**Agent**” means any of the Administrative Agent or the Syndication Agents.

“**Agent’s Payment Office**” means the address for payments set forth on the signature page hereto in relation to the Administrative Agent or such other address as the Administrative Agent may from time to time specify in accordance with Section 10.02.

“**Aggregate Revolving Commitment**” means the combined Revolving Commitments of the Banks, in the initial amount of One Billion Seven Hundred Million Dollars (\$1,700,000,000), as such amount may be increased pursuant to Section 2.14, or reduced from time to time pursuant to the provisions of this Agreement.

“**Agreement**” means this Credit Agreement, as amended from time to time in accordance with the terms hereof.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Company or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Applicable Margin**” means:

- (i) with respect to Base Rate Loans, the applicable Base Rate Margin set forth in the Pricing Schedule; and
- (ii) with respect to Offshore Rate Loans, the applicable Offshore Rate Margin set forth in the Pricing Schedule.

“**Approved Fund**” means any Fund that is managed (whether as manager or administrator) by (i) a Bank, (ii) an Affiliate of a Bank or (iii) an entity or an Affiliate of an entity that administers or manages a Bank.

“**Assignee**” has the meaning specified in subsection 10.09(a).

“**Assignment and Assumption Agreement**” has the meaning specified in subsection 10.09(a).

“**Attorney Costs**” means and includes all reasonable fees and reasonable out-of-pocket disbursements of any law firm or other external counsel, the reasonable allocated cost of internal legal services and all reasonable out-of-pocket disbursements of internal counsel.

“**Bank**” has the meaning specified in the introductory clause hereto; *provided* that if and to the extent any Bank obtains funding for its Loans hereunder from a domestic bank Affiliate of such Bank, all references to such “Bank” in Sections 3.02 and 3.03 hereof shall be deemed to include such domestic bank Affiliate; *provided further* that unless the context otherwise requires, any reference to a Bank shall include an Issuing Bank.

“**Bank of America**” means Bank of America, N.A. and its successors.

“**Bank Party**” has the meaning specified in Section 10.07.

“**Bankruptcy Code**” means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.).

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of an Insolvency Proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided further*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“**Barclays**” means Barclays Bank PLC and its successors.

“**Base Rate**” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) 0.50% per annum above the Federal Funds Rate in effect on such day and (c) 1% above the Offshore Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day).

“**Base Rate Loan**” means a Loan that bears interest based on the Base Rate.

“**Borrowing**” means a borrowing hereunder consisting of Loans made to the Company on the same day by the Banks pursuant to Article 2.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close and, if the applicable Business Day relates to any Offshore Rate Loan, means such a day on which dealings are carried on in the London interbank market.

“**Capital Lease**” has the meaning specified in the definition of “Capital Lease Obligations”.

“**Capital Lease Obligations**” means all material monetary obligations of the Company or any of its Subsidiaries under any leasing or similar arrangement which, in accordance with GAAP, is classified as a capital lease (“**Capital Lease**”).

“**CGMI**” means Citigroup Global Markets Inc. and its successors.

“**Change in Law**” means the occurrence, after the date of this Agreement (or with respect to any Bank, if later, the date on which such Bank becomes a Bank), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority.

“**Closing Date**” means the date on which all conditions precedent set forth in Section 4.01 are satisfied or waived by all Banks.

“**Code**” means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

“**Commitment Percentage**” means, as to any Bank, the percentage equivalent of such Bank’s Revolving Commitment divided by the Aggregate Revolving Commitment.

“**Company**” has the meaning specified in the introductory clause hereto.

“**Contingent Obligation**” means, as applied to any Person, any direct or indirect liability of that Person with respect to any Indebtedness, lease, dividend, Surety Instrument or other obligation (the “**primary obligations**”) of another Person (the “**primary obligor**”), including any obligation of that Person, whether or not contingent, (a) to purchase, repurchase or otherwise acquire such primary obligations or any property constituting direct or indirect security therefor, or (b) to advance or provide funds (i) for the payment or discharge of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, or (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof; in each case (a), (b), (c) or (d), including arrangements wherein the rights and remedies of the holder of the primary obligation are limited to repossession or sale of certain property of such Person. The amount of any Contingent Obligation shall be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof.

“**Contractual Obligations**” means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound and which is material to such Person.

“**Controlled Group**” means the Company and all Persons (whether or not incorporated) under common control or treated as a single employer with the Company pursuant to Section 414(b), (c), (m) or (o) of the Code.

“**Conversion Date**” means any date on which the Company converts, either pursuant to a Notice of Conversion/Continuation or by automatic conversion pursuant to Section 2.04, a Base Rate Loan to an Offshore Rate Loan, or an Offshore Rate Loan to a Base Rate Loan.

“**Credit Exposure**” means, with respect to any Bank at any time, (i) the amount of its Revolving Commitment (whether used or unused) at such time or (ii) if the Revolving Commitments have terminated in their entirety, the aggregate outstanding principal amount of its Loans and its Letter of Credit Liabilities at such time.

“**DBSI**” means Deutsche Bank Securities Inc. and its successors.

“**Default**” means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

“**Defaulting Bank**” means any Bank that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to the Administrative Agent or any Bank any other amount required to be paid by it hereunder, unless, in the case of (i) or (iii) above, such Bank notifies the Administrative Agent in writing that such failure is the result of such Bank’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Bank’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Bank that it will comply with its obligations to fund prospective Loans or participations in Letters of Credit then or thereafter outstanding under this Agreement, provided that such Bank shall cease to be a Defaulting Bank pursuant to this clause (c) upon the Administrative Agent’s receipt of such certification in form and substance satisfactory to it, or (d) has become (or has a Parent that has become) the subject of a Bankruptcy Event.

“**Dollars**”, “**dollars**” and “**\$**” each mean lawful money of the United States.

“**Domestic Lending Office**” means, with respect to each Bank, the office of that Bank designated as such in the signature pages hereto or such other office of the Bank as it may from time to time specify to the Company and the Administrative Agent.

“**Eligible Assignee**” means (a) any Bank approved by each Issuing Bank; (b) any Affiliate of a Bank approved by each Issuing Bank; (c) any Approved Fund approved by each Issuing Bank; and (d) any other Person (other than a natural Person) approved by (i) the Administrative Agent, (ii) each Issuing Bank and (iii) unless (x) such Person is taking delivery of an assignment in connection with physical settlement of a credit derivatives transaction or (y) an Event of Default has occurred and is continuing, the Company (each such approval not to be unreasonably withheld or delayed, and in any event, the Company shall be deemed to have approved any such Person unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after it receives a written request for approval thereof); *provided* that none of the Company or its Affiliates shall be an Eligible Assignee.

“**Environmental Claims**” means all claims, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief, or other type of relief, resulting from or based upon the presence, placement, discharge, emission or release (including intentional and unintentional, negligent and non-negligent, sudden or non-sudden, accidental or non-accidental, placement, spills, leaks, discharges, emissions or releases) of any Hazardous Material at, in, or from Property, whether or not owned by the Company.

“**Environmental Laws**” means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters; including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act and the Emergency Planning and Community Right-to-Know Act.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and regulations promulgated thereunder.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b), 414(c) or 414(m) of the Code.

“**ERISA Event**” means (a) a Reportable Event with respect to a Qualified Plan or a Multiemployer Plan; (b) a withdrawal by the Company or any ERISA Affiliate from a Qualified Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA); (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan; (d) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Qualified Plan or Multiemployer Plan subject to Title IV of ERISA; (e) a failure by the Company or any member of the Controlled Group to make required contributions to a Qualified Plan or Multiemployer Plan; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Qualified Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate; or (h) an application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code with respect to any Plan.

“**Eurodollar Reserve Percentage**” has the meaning specified in the definition of “Offshore Rate”.

“**Event of Default**” has the meaning specified in Section 8.01.

“**Exchange Act**” means the Securities and Exchange Act of 1934, and regulations promulgated thereunder.

“**Existing Agreements**” means (i) the Three-Year Credit Agreement, dated as of October 21, 2010, as amended, among the Company, certain financial institutions and JPMorgan Chase as administrative agent and (ii) the Five-Year Credit Agreement, dated as of October 9, 2007, as amended, among the Company, certain financial institutions and JPMorgan Chase as administrative agent.

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“**Federal Funds Rate**” means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, “H.15(519)”) for such day opposite the caption “Federal Funds (Effective)”. If on any relevant day such rate is not yet published in H.15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the “Composite 3:30 p.m. Quotation”) for such day under the caption “Federal Funds Effective Rate”. If on any relevant day the appropriate rate for such previous day is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Administrative Agent.

“**Federal Reserve Board**” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“**Fee Letters**” means those certain letter agreements dated March 7, 2012 among the Company and each of (i) JPMorgan Chase and J.P. Morgan Securities, (ii) Bank of America and Merrill Lynch, (iii) Barclays, (iv) CGMI and (v) Deutsche Bank AG New York Branch and DBSI.

“**Form W-8BEN**” has the meaning specified in subsection 3.01(f).

“**Form W-8ECI**” has the meaning specified in subsection 3.01(f).

“**Form W-8IMY**” has the meaning specified in subsection 3.01(f).

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in purchasing, holding or otherwise investing in commercial loans in the ordinary course of its business.

“**GAAP**” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such other entity as may be in general use by significant segments of the U.S. accounting profession, which are applicable to the circumstances as of the date of determination.

“**Granting Bank**” has the meaning specified in subsection 10.09(e).

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union, the European Central Bank and the Basel Committee on Banking Supervision), and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“**Hazardous Materials**” means all those substances which are regulated by, or which may form the basis of liability under, any Environmental Law, including all substances identified under any Environmental Law as a pollutant, contaminant, hazardous waste, hazardous constituent, special waste, hazardous substance, hazardous material, or toxic substance, or petroleum or petroleum derived substance or waste.

“**Increased Revolving Commitments**” has the meaning specified in subsection 2.14(a).

“**Indebtedness**” of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the Ordinary Course of Business pursuant to ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to Surety Instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses (other than trade payables entered into in the Ordinary Course of Business); (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to Property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all Capital Lease Obligations; and (g) all net obligations with respect to Rate Contracts.

“**Indemnified Person**” has the meaning specified in Section 10.05.

“**Indemnified Liabilities**” has the meaning specified in Section 10.05.

“**Insolvency Proceeding**” means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each case (a) and (b) undertaken under U.S. Federal, State or foreign law, including the Bankruptcy Code.

“**Interest Payment Date**” means, with respect to any Offshore Rate Loan, the last day of the Interest Period applicable to such Loan and, with respect to Base Rate Loans, the last Business Day of each calendar quarter and each date a Base Rate Loan is converted into an Offshore Rate Loan; *provided, however*, that if any Interest Period for an Offshore Rate Loan exceeds three months, the date which falls three months after the beginning of such Interest Period and after each Interest Payment Date thereafter shall also be an Interest Payment Date.

“**Interest Period**” means, with respect to any Offshore Rate Loan, the period commencing on the Business Day the Loan is disbursed or continued or on the Conversion Date on which the Loan is converted to the Offshore Rate Loan and ending on the date one week or one, two, three or six months (or, if available, as determined by the Majority Banks, twelve months) thereafter, as selected by the Company in its Notice of Borrowing or Notice of Conversion/Continuation;

provided that:

- (i) if any Interest Period would otherwise end on a day which is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;
- (ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and
- (iii) no Interest Period may end after the Revolving Termination Date.

“Issuing Bank” means JPMorgan Chase or any other Bank designated by the Company that may agree (pursuant to an instrument in form reasonably satisfactory to the Administrative Agent) to issue Letters of Credit hereunder, each in its capacity as an issuer of a Letter of Credit hereunder. References to “the Issuing Bank” in connection with any Letter of Credit are references to the particular Issuing Bank that issued or is requested to issue such Letter of Credit.

“JPMorgan Chase” means JPMorgan Chase Bank, N.A. and its successors.

“J.P. Morgan Securities” means J.P. Morgan Securities LLC and its successors.

“Lead Arrangers” means J.P. Morgan Securities, Barclays, CGMI, DBSI and Merrill Lynch.

“Lending Office” means, with respect to any Bank, the office or offices of the Bank specified as its “Lending Office” or “Domestic Lending Office” or “Offshore Lending Office”, as the case may be, in its Administrative Questionnaire, or such other office or offices of the Bank as it may from time to time notify the Company and the Administrative Agent.

“Letter of Credit” means a letter of credit issued or to be issued hereunder by an Issuing Bank.

“Letter of Credit Fee Rate” means the applicable rate per annum set forth in the Pricing Schedule.

“Letter of Credit Liabilities” means, for any Bank and at any time, such Bank’s ratable participation in the sum of (i) the aggregate amount then owing by the Company in respect of amounts paid by the Issuing Bank upon a drawing under a Letter of Credit issued hereunder and (ii) the aggregate amount then available for drawing under all outstanding Letters of Credit.

“LIBOR” has the meaning specified in the definition of “Offshore Base Rate”.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease Obligation, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the UCC or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an Operating Lease.

“Loan” means an extension of credit by a Bank to the Company pursuant to Article 2, and may be a Base Rate Loan or an Offshore Rate Loan.

“Loan Documents” means this Agreement and all documents delivered by the Company to the Administrative Agent or an Issuing Bank in connection herewith.

“Majority Banks” means at any time Banks then holding more than 50% of the aggregate amount of the Credit Exposures at such time (exclusive in each case of the Credit Exposure(s) of Defaulting Banks).

“Margin Stock” means “margin stock” as such term is defined in Regulation T, U or X of the Federal Reserve Board.

“**Material Adverse Effect**” means (a) a material adverse change in, or a material adverse effect upon, any of the operations, business, properties or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole; (b) a material impairment of the ability of the Company to perform under any Loan Document and avoid any Event of Default; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability of any Loan Document.

“**Material Subsidiary**” means any Subsidiary of the Company, whether now owned or hereafter formed or acquired, whose total assets at any time equal or exceed ten percent (10%) of the Company’s total assets as shown on the Company’s consolidated balance sheet for its most recent fiscal quarter.

“**Merrill Lynch**” means Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors.

“**Multiemployer Plan**” means a “multiemployer plan” (within the meaning of Section 4001(a)(3) of ERISA) and to which any member of the Controlled Group makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

“**Note**” has the meaning set forth in Section 2.02(b).

“**Notice of Borrowing**” means a notice given by the Company to the Administrative Agent pursuant to Section 2.03, in substantially the form of Exhibit A.

“**Notice of Conversion/Continuation**” means a notice given by the Company to the Administrative Agent pursuant to Section 2.04, in substantially the form of Exhibit B.

“**Notice of Issuance**” means any notice delivered pursuant to subsection 2.15(b) hereof.

“**Notice of Lien**” means any “notice of lien” or similar document intended to be filed or recorded with any court, registry, recorder’s office, central filing office or other Governmental Authority for the purpose of evidencing, creating, perfecting or preserving the priority of a Lien securing obligations owing to a Governmental Authority.

“**Obligations**” means all Loans, advances, debts, liabilities, obligations, covenants and duties owing by the Company to any Bank, the Administrative Agent, or any other Indemnified Person, that arises under any Loan Document, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired.

“**Offshore Base Rate**” has the meaning specified in the definition of “Offshore Rate”.

“**Offshore Lending Office**” means with respect to each Bank, the office of such Bank designated as such in its Administrative Questionnaire or such other office of such Bank as such Bank may from time to time specify to the Company and the Administrative Agent.

“**Offshore Rate**” means for any Interest Period with respect to any Offshore Rate Loan, a rate per annum determined by the Administrative Agent pursuant to the following formula; *provided* that such Offshore Rate shall never be less than 0%:

$$\text{Offshore Rate} = \frac{\text{Offshore Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

“**Offshore Base Rate**” means, for such Interest Period:

(a) the rate per annum (carried out to the fifth decimal place) equal to the LIBOR Rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) (“**LIBOR**”) for deposits in Dollars (for delivery on the first day of such Interest Period) with a term approximately equivalent to such Interest Period, appearing on Reuters Screen LIBOR01 Page as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum (carried out to the fifth decimal place) equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service that displays a quotation of LIBOR for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the Administrative Agent as the rate of interest at which Dollar deposits (for delivery on the first day of such Interest Period) in same day funds in the approximate amount of the applicable Offshore Rate Loan and with a term equivalent to such Interest Period would be offered by its London Branch to major banks in the offshore Dollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period.

“**Eurodollar Reserve Percentage**” means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day, whether or not applicable to any Bank, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”). The Offshore Rate for each outstanding Offshore Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

“**Offshore Rate Loan**” means a Loan that bears interest based on the Offshore Rate.

“**Operating Lease**” means, as applied to any Person, any lease of Property which is not a Capital Lease.

“**Ordinary Course of Business**” means, in respect of any transaction involving the Company or any Subsidiary of the Company, the ordinary course of such Person’s business, as conducted by any such Person and undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Loan Document.

“**Organization Documents**” means, for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation.

“**Other Taxes**” has the meaning specified in subsection 3.01(b).

“**Parent**” means, with respect to any Bank, any Person controlling such Bank.

“**Participant**” has the meaning specified in subsection 10.09(b).

“**Participant Register**” has the meaning specified in subsection 10.09(c).

“**Patriot Act**” means, the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“**Payment Date**” has the meaning specified in subsection 2.15(c).

“**PBGC**” means the Pension Benefit Guaranty Corporation or any entity succeeding to any of its principal functions under ERISA.

“**Person**” means an individual, partnership, corporation, business trust, limited liability company, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

“**Plan**” means a Multiemployer Plan or a Qualified Plan.

“**Pricing Schedule**” means the schedule attached hereto and identified as such.

“**Prime Rate**” means, for any day, the rate of interest in effect for such day as publicly announced from time to time by JPMorgan Chase in New York City as its “prime rate”. It is a rate set by JPMorgan Chase based upon various factors including JPMorgan Chase’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by JPMorgan Chase shall take effect at the opening of business on the day specified in the public announcement of such change.

“**Property**” means any estate or interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

“**Qualified Plan**” means a pension plan intended to be tax-qualified under Section 401(a) of the Code, which is subject to Title IV of ERISA and which any member of the Controlled Group sponsors, maintains, or to which it makes, is making or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding period covering at least five (5) plan years, but excluding any Multiemployer Plan.

“**Rate Contracts**” means swap agreements (as such term is defined in Section 101 of the Bankruptcy Code) and any other agreements or arrangements designed to provide protection against fluctuations in interest rates.

“**Ratio of Earnings to Fixed Charges**” means the “Ratio of Earnings to Fixed Charges” as reported by the Company in its most recent Form 10-K Annual Report filed with the Securities and Exchange Commission or in its most recent officer’s certificate delivered pursuant to subsection 6.01(c); *provided* that the components of the numerator and denominator of such ratio are computed in each such filing or certificate in the same manner as computed in the Company’s Form 10-K Annual Report for the period ended May 29, 2011. For purposes of computing this ratio, earnings represent earnings before income taxes and after-tax earnings of joint ventures, distributed income of equity investees, fixed charges, and amortization of capitalized interest, net of interest capitalized. Fixed charges represent gross interest expense (excluding interest on taxes) and subsidiary preferred distributions to noncontrolling interest holders, plus one-third (the proportion deemed representative of the interest factor) of rent expense.

“**Register**” has the meaning set forth in subsection 2.02(a).

“**Reimbursement Obligation**” has the meaning specified in subsection 2.15(c).

“**Reportable Event**” means, as to any Plan, (a) any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC, (b) a withdrawal from a Plan described in Section 4063 of ERISA, or (c) a cessation of operations described in Section 4062(e) of ERISA.

“**Requirement of Law**” means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

“**Responsible Officer**” means the chief executive officer, any vice chairman or the president of the Company, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief financial officer, the treasurer, the senior vice president, corporate finance or any director of finance of the Company, or any other officer having substantially the same authority and responsibility.

“**Revolving Commitment**” means, with respect to each Bank, the amount set forth opposite such Bank’s name in Schedule 2.01 under the heading “Revolving Commitment”, as such amount may be increased pursuant to Section 2.14, or from time to time be reduced pursuant to Section 2.05, or increased or reduced as a result of one or more assignments pursuant to Section 10.09.

“**Revolving Termination Date**” means the earlier to occur of:

(a) April 16, 2017; and

(b) the date on which the Aggregate Revolving Commitment shall terminate in accordance with the provisions of this Agreement.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“**Sanctioned Country**” means, at any time, a country or territory which is the subject or target of any Sanctions.

“**Sanctioned Person**” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or any member state of the European Union, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“**SEC**” means the Securities and Exchange Commission, or any entity succeeding to any of its principal functions.

“**SPC**” has the meaning specified in subsection 10.09(e).

“**Subsidiary**” of a Person means any corporation, association, partnership, joint venture or other business entity of which more than 50% of the Voting Stock or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company.

“**Surety Instruments**” means all letters of credit (including standby and commercial), banker’s acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

“**Syndication Agents**” means each of Bank of America, Barclays, Citibank, N.A. and DBSI, in its capacity as a syndication agent in respect of this Agreement.

“**Taxes**” has the meaning specified in subsection 3.01(a).

“**Total Outstanding Amount**” means at any time the sum of (i) the aggregate outstanding principal amount of the Loans at such time after giving effect, if one or more Loans are being made at such time, to any substantially concurrent application of the proceeds thereof to repay other Loans or Letter of Credit Liabilities *plus*, without duplication, (ii) the aggregate amount of the Letter of Credit Liabilities of all Banks at such time.

“**Tranche**” means a group of Offshore Rate Loans having the same Interest Period.

“**Transferee**” has the meaning specified in Section 10.10.

“**Type**” means, as to any Loan, its nature as a Base Rate Loan or an Offshore Rate Loan.

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York.

“**Unfunded Pension Liabilities**” means the excess of a Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan’s assets, determined in accordance with the assumptions used by the Plan’s actuaries for funding the Plan pursuant to Section 412 of the Code for the applicable plan year.

“**United States**” and “**U.S.**” each means the United States of America.

“**U.S. Tax Compliance Certificate**” has the meaning specified in subsection 3.01(f).

“**Voting Stock**” means shares of stock of a corporation of any class or classes (however designated) having ordinary voting power for the election of a majority of the members of the board of directors (or other governing body) of such corporation, other than stock having such power only by reason of the happening of a contingency.

“**Withdrawal Liabilities**” means, as of any determination date, the aggregate amount of the liabilities, if any, pursuant to Section 4201 of ERISA if the Controlled Group made a complete withdrawal from all Multiemployer Plans and any increase in contributions pursuant to Section 4243 of ERISA.

SECTION 1.02. *Other Interpretive Provisions.*

(a) *Defined Terms.* Unless otherwise specified herein or therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms shall be equally applicable to the singular and plural forms of the defined terms. Terms (including uncapitalized terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(b) *The Agreement.* The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) *Certain Common Terms.*

(i) The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term “including” is not limiting and means “including without limitation”.

(d) *Performance; Time.* Whenever any performance obligation hereunder shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including”. If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) *Contracts.* Unless otherwise expressly provided herein, references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) *Laws.* References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) *Captions.* The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(h) *Independence of Provisions.* The parties acknowledge that this Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters, and that such limitations, tests and measurements are cumulative and must each be performed, except as expressly stated to the contrary in this Agreement.

SECTION 1.03. *Accounting Principles.* (a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year” and “fiscal quarter” refer to such fiscal periods of the Company.

ARTICLE 2 THE CREDIT

SECTION 2.01. *The Revolving Credit.* Each Bank severally agrees, on the terms and conditions hereinafter set forth, to make Loans to the Company from time to time on any Business Day during the period from the Closing Date to the Revolving Termination Date, in an amount such that (i) the aggregate principal amount of Loans by such Bank at any one time outstanding *plus* the aggregate amount of its Letter of Credit Liabilities at such time shall not exceed the amount of its Revolving Commitment and (ii) the Total Outstanding Amount shall not exceed the Aggregate Revolving Commitment. Within the limits of each Bank’s Revolving Commitment, and subject to the other terms and conditions hereof, the Company may borrow under this Section 2.01, prepay pursuant to Section 2.06 and reborrow pursuant to this Section 2.01.

SECTION 2.02. *Registry.* (a) The Administrative Agent shall maintain a register (the “**Register**”) on which it will record the Revolving Commitment of each Bank, each Loan made by such Bank and each repayment of any Loan made by such Bank. Any such recordation by the Administrative Agent on the Register shall be conclusive, absent manifest error. With respect to any Bank, the assignment or other transfer of the Revolving Commitment of such Bank and the rights to the principal of, and interest on, any Loan made and Note issued pursuant to this Agreement shall not be effective until such assignment or other transfer is recorded on the Register and otherwise complies with Section 10.09(a). The registration of assignment or other transfer of all or part of the Revolving Commitment, Loans and Notes for a Bank shall be recorded by the Administrative Agent on the Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement referred to in Section 10.09 (a), and the Administrative Agent shall make the applicable recording on the Register promptly after such acceptance. The Register shall be available at the offices where kept by the Administrative Agent for inspection by the Company and any Bank at any reasonable time upon reasonable prior notice to the Administrative Agent. The Company may not replace any Bank pursuant to Section 3.07 unless, with respect to any Loans made by such Bank, the requirements of this subsection have been satisfied. Each Bank shall record on its internal records (including computerized systems) the foregoing information as to its own Revolving Commitment and Loans. Failure to make any such recordation, or any error in such recordation, shall not affect the obligations of the Company under the Loan Documents.

(b) The Company hereby agrees that, upon the request of any Bank at any time, such Bank’s Loans shall be evidenced by a promissory note or notes of the Company (each a “**Note**”), substantially in the form of Exhibit D hereto, payable to such Bank or its registered assigns and representing the obligation of the Company to pay the unpaid principal amount of the Loans made by such Bank, with interest as provided herein on the unpaid principal amount from time to time outstanding.

SECTION 2.03. *Procedure For Borrowing.* (a) Each Borrowing of Loans shall be made upon the Company’s irrevocable written notice delivered to the Administrative Agent in accordance with Section 10.02 in the form of a Notice of Borrowing, which notice must be received by the Administrative Agent (i) prior to Noon (New York City time) three Business Days prior to the requested Borrowing date, in the case of Offshore Rate Loans; and (ii) prior to Noon (New York City time) on the requested Borrowing date, in the case of Base Rate Loans, specifying in each case:

(A) the amount of the Borrowing, which shall be in an aggregate minimum principal amount of Five Million Dollars (\$5,000,000) or any multiple of One Million Dollars (\$1,000,000) in excess thereof for each Type of Loan;

- (B) the requested Borrowing date, which shall be a Business Day;
- (C) whether the Borrowing is to be comprised of Offshore Rate Loans or Base Rate Loans; and
- (D) the duration of the Interest Period applicable to such Loans included in such notice. If the Notice of Borrowing shall fail to specify the duration of the Interest Period for any Borrowing comprised of Offshore Rate Loans, such Interest Period shall be one month.

The exercise by the Company of the elections specified above shall be subject to the limitation that no more than ten Tranches of Offshore Rate Loans may be outstanding at any one time.

(b) Upon receipt of the Notice of Borrowing, the Administrative Agent will promptly notify each Bank thereof and of the amount of such Bank's Commitment Percentage of the Borrowing.

(c) Each Bank will make the amount of its Commitment Percentage of the Borrowing available to the Administrative Agent for the account of the Company at the Agent's Payment Office by 2:00 p.m. (New York City time) on the Borrowing date requested by the Company in funds immediately available to the Administrative Agent. Any such amount which is received by the Administrative Agent later than 2:00 p.m. (New York City time) shall be deemed to have been received on the immediately succeeding Business Day. The proceeds of all such Loans will then be made available to the Company by the Administrative Agent by wire transfer in accordance with written instructions provided to the Administrative Agent by the Company of like funds as received by the Administrative Agent.

(d) Unless the Majority Banks shall otherwise agree, during the existence of a Default or Event of Default, the Company may not elect to have a Loan be made as an Offshore Rate Loan.

SECTION 2.04. *Conversion and Continuation Elections.* (a) The Company may upon irrevocable written notice to the Administrative Agent in accordance with subsection 2.04(b):

(i) elect to convert on any Business Day, any Base Rate Loans (or any part thereof in an amount not less than \$5,000,000, or that is in an integral multiple of \$1,000,000 in excess thereof) into Offshore Rate Loans; or

(ii) elect to convert on any Interest Payment Date any Offshore Rate Loans maturing on such Interest Payment Date (or any part thereof in an amount not less than \$5,000,000, or that is in an integral multiple of \$1,000,000 in excess thereof) into Base Rate Loans; or

(iii) elect to renew on any Interest Payment Date any Offshore Rate Loans maturing on such Interest Payment Date (or any part thereof in an amount not less than \$5,000,000, or that is in an integral multiple of \$1,000,000 in excess thereof).

(b) The Company shall deliver a Notice of Conversion/Continuation in accordance with Section 10.02 to be received by the Administrative Agent not later than Noon (New York City time) at least three Business Days in advance of the Conversion Date or continuation date, specifying in each case:

- (A) the proposed Conversion Date or continuation date;
- (B) the aggregate amount of Loans to be converted or renewed;
- (C) the nature of the proposed conversion or continuation; and
- (D) the duration of the requested Interest Period.

The exercise by the Company of the elections specified above shall be subject to the limitation that no more than ten Tranches of Offshore Rate Loans may be outstanding at any one time.

(c) If upon the expiration of any Interest Period applicable to Offshore Rate Loans, the Company has failed to deliver timely a Notice of Conversion/Continuation selecting a new Interest Period to be applicable to such Offshore Rate Loans or if any Default or Event of Default shall then exist, the Company shall be deemed to have elected to convert such Offshore Rate Loans into Base Rate Loans effective as of the expiration date of such current Interest Period.

(d) Upon receipt of a Notice of Conversion/Continuation, the Administrative Agent will promptly notify each Bank thereof, or, if no timely notice is provided by the Company, the Administrative Agent will promptly notify each Bank of the details of any automatic conversion. All conversions and continuations shall be made pro rata according to the respective outstanding principal amounts of the Loans held by each Bank with respect to which the notice was given.

(e) Unless the Majority Banks shall otherwise agree, during the existence of a Default or Event of Default, the Company may not elect to have a Loan converted into or continued as an Offshore Rate Loan.

SECTION 2.05. *Voluntary Termination or Reduction of Commitments.* The Company may, upon not less than three Business Days' prior notice to the Administrative Agent, terminate the Aggregate Revolving Commitment or permanently reduce the Aggregate Revolving Commitment by an aggregate minimum amount of \$25,000,000 or any multiple of \$5,000,000 in excess thereof; *provided* that no such reduction or termination shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the then Total Outstanding Amount would exceed the amount of the Aggregate Revolving Commitment then in effect. Any reduction of the Aggregate Revolving Commitment shall be applied to each Bank's Revolving Commitment in accordance with such Bank's Commitment Percentage. All accrued facility fees to, but not including the effective date of any reduction or termination of Revolving Commitments, shall be paid on the effective date of such reduction or termination.

SECTION 2.06. *Optional Payments.* Subject to Section 3.04, the Company may, at any time or from time to time, upon at least three Business Day's written notice to the Administrative Agent, ratably prepay Loans in whole or in part, in amounts of \$5,000,000 or any multiple of \$1,000,000 in excess thereof. Such notice of prepayment shall specify the date and amount of such prepayment and whether such prepayment is of Base Rate Loans, or Offshore Rate Loans, or any combination thereof. Such notice shall not thereafter be revocable by the Company and the Administrative Agent will promptly notify each Bank thereof and of such Bank's Commitment Percentage of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to each such date on the amount prepaid and any amounts required pursuant to Section 3.04.

SECTION 2.07. *Repayment.* The Company shall repay to the Banks in full on the Revolving Termination Date the aggregate principal amount of the Loans outstanding on the Revolving Termination Date.

SECTION 2.08. *Interest.* (a) Subject to subsection 2.08(c), each Loan shall bear interest on the outstanding principal amount thereof from the date when made until it becomes due at a rate per annum equal to the Offshore Rate or the Base Rate, as the case may be, *plus* the Applicable Margin.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Loans pursuant to Section 2.06 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof. Any interest accrued pursuant to subsection 2.08(c) shall be paid on demand.

(c) If any principal of or interest on any Loan or any other fee or other amount payable by the Company under any Loan Document is not paid when due (following the expiration of any grace period specified in Article 8), whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest (after as well as before entry of judgment thereon to the extent permitted by law) at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in subsection 2.08(a) or (ii) in the case of any other amount, the Base Rate plus 2%.

(d) Anything herein to the contrary notwithstanding, the obligations of the Company hereunder shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by the respective Bank would be contrary to the provisions of any law applicable to such Bank limiting the highest rate of interest which may be lawfully contracted for, charged or received by such Bank, and in such event the Company shall pay such Bank interest at the highest rate permitted by applicable law.

SECTION 2.09. *Fees.*

(a) *Facility Fees.* The Company shall pay to the Administrative Agent for the account of each Bank a facility fee on such Bank's Credit Exposure, computed on a quarterly basis in arrears on the last Business Day of each calendar quarter, at a rate per annum equal to the applicable Facility Fee Rate set forth in the Pricing Schedule. Such facility fee shall accrue from the Closing Date to the Revolving Termination Date and shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter commencing on June 29, 2012 through the Revolving Termination Date, with the final payment to be made on the Revolving Termination Date; *provided* that, in connection with any reduction or termination of the Credit Exposures pursuant to Section 2.05 or 2.06, the accrued facility fee calculated for the period ending on such date shall also be paid on the date of such reduction or termination, with the next succeeding quarterly payment, if any, being calculated on the basis of the period from the reduction date to such quarterly payment date. The facility fees provided in this subsection shall accrue at all times after the above-mentioned commencement date, including at any time during which one or more conditions in Article 4 are not met.

(b) *Administrative Agency Fee.* The Company shall pay to the Administrative Agent for the Administrative Agent's own account an agency fee and other sums in the amount and at the times set forth in the Fee Letter with JPMorgan Chase and J.P. Morgan Securities.

(c) *Letter of Credit Fees.* The Company shall pay (i) to the Administrative Agent for the account of the Banks ratably a letter of credit fee accruing daily on the aggregate undrawn amount of all outstanding Letters of Credit at a rate per annum equal to the Letter of Credit Fee Rate for such day and (ii) to each Issuing Bank for its own account, a letter of credit fronting fee accruing daily on the aggregate amount then available for drawing under all Letters of Credit issued by such Issuing Bank at such rate as may be mutually agreed between the Company and such Issuing Bank from time to time. Such letter of credit fees shall accrue from the Closing Date to the Revolving Termination Date (or, if later, the latest date on which any Letter of Credit may be drawn) and shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter commencing on June 30, 2012 through the Revolving Termination Date (or such latest date), with the final payment to be made on the Revolving Termination Date (or such latest date).

SECTION 2.10. *Computation of Fees and Interest.* (a) All computations of interest at the Prime Rate and facility fees shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest and fees under this Agreement shall be made on the basis of a 360-day year and actual days elapsed, which results in more interest being paid than if computed on the basis of a 365-day year. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) The Administrative Agent will, with reasonable promptness, notify the Company and the Banks of each determination of an Offshore Rate; *provided* that any failure to do so shall not relieve the Company of any liability hereunder or provide the basis for any claim against the Administrative Agent. Any change in the interest rate on a Loan resulting from a change in the Eurocurrency Reserve Percentage shall become effective and shall apply to any Loans then outstanding as of the opening of business on the day on which such change becomes effective. The Administrative Agent will with reasonable promptness notify the Company and the Banks of the effective date and the amount of each such change; *provided* that any failure to do so shall not relieve the Company of any liability hereunder or provide the basis for any claim against the Administrative Agent.

(c) Each determination of an interest rate by the Administrative Agent pursuant hereto shall be conclusive and binding on the Company and the Banks in the absence of manifest error. The Administrative Agent will, at the request of the Company or any Bank, deliver to the Company or the Bank, as the case may be, a statement showing the quotations used by the Administrative Agent in determining any interest rate.

SECTION 2.11. *Payments by the Company.* (a) All payments (including prepayments) to be made by the Company on account of principal, interest, fees and other amounts required hereunder shall be made without set-off, recoupment or counterclaim; shall, except as otherwise expressly provided herein, be made to the Administrative Agent for the ratable account of the Banks at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 2:00 p.m. (New York City time) on the date specified herein. The Administrative Agent will promptly distribute on such date to each Bank its Commitment Percentage (or other applicable share as expressly provided herein) of such principal, interest, fees or other amounts, in like funds as received. Any payment which is received by the Administrative Agent later than 2:00 p.m. (New York City time) shall be deemed to have been received on the immediately succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be; subject to the provisions set forth in the definition of "Interest Period" herein.

(c) Unless the Administrative Agent shall have received notice from the Company prior to the date on which any payment is due to the Banks hereunder that the Company will not make such payment in full as and when required hereunder, the Administrative Agent may assume that the Company has made such payment in full to the Administrative Agent on such date in immediately available funds and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent the Company shall not have made such payment in full to the Administrative Agent, each Bank shall repay to the Administrative Agent on demand such amount distributed to such Bank, together with interest thereon for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Administrative Agent, at the Federal Funds Rate as in effect for each such day.

SECTION 2.12. *Payments by the Banks to the Agent.* (a) Unless the Administrative Agent shall have received notice from a Bank on the Closing Date or, with respect to each Borrowing after the Closing Date, prior to 2:00 p.m. (New York City time) on the date of any proposed Borrowing, that such Bank will not make available to the Administrative Agent as and when required hereunder for the account of the Company the amount of that Bank's Commitment Percentage of the Borrowing, the Administrative Agent may assume that each Bank has made such amount available to the Administrative Agent in immediately available funds on the Borrowing date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, make available to the Company on such date a corresponding amount. If and to the extent any Bank shall not have made its full amount available to the Administrative Agent in immediately available funds and the Administrative Agent in such circumstances has made available to the Company such amount, that Bank shall on the next Business Day following the date of such Borrowing make such amount available to the Administrative Agent, together with interest at the Federal Funds Rate for and determined as of each day during such period. A notice given by the Administrative Agent submitted to any Bank with respect to amounts owing under this subsection 2.12(a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Administrative Agent shall constitute such Bank's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Administrative Agent on the next Business Day following the date of such Borrowing, the Administrative Agent shall notify the Company of such failure to fund and, upon demand by the Administrative Agent, the Company shall pay such amount to the Administrative Agent for the Administrative Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

(b) The failure of any Bank to make any Loan on any date of borrowing shall not relieve any other Bank of any obligation hereunder to make a Loan on the date of such borrowing, but no Bank shall be responsible for the failure of any other Bank to make the Loan to be made by such other Bank on the date of any borrowing.

SECTION 2.13. *Sharing of Payments, Etc.* (a) If, other than as expressly provided elsewhere herein, any Bank shall obtain on account of the Loans made by it, or the Letter of Credit Liabilities held by it, any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Commitment Percentage of payments on account of the Loans and Letter of Credit Liabilities obtained by all the Banks, such Bank shall forthwith (i) notify the Administrative Agent of such fact, and (ii) purchase from the other Banks such participations in the Loans made by them and the Letter of Credit Liabilities held by them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from the purchasing Bank, such purchase shall to that extent be rescinded and each other Bank shall repay to the purchasing Bank the purchase price paid therefor, together with an amount equal to such paying Bank's Commitment Percentage (according to the proportion of (i) the amount of such paying Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Company agrees that any Bank so purchasing a participation from another Bank pursuant to this Section 2.13 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 10.11) with respect to such participation as fully as if such Bank were the direct creditor of the Company in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased pursuant to this Section 2.13 and will in each case notify the Banks following any such purchases or repayments.

(b) If any Bank shall fail to make any payment required to be made by it pursuant to Section 2.11(c), 2.12, 2.14(a) or 9.07, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Bank for the benefit of the Administrative Agent or any Issuing Bank to satisfy such Bank's obligations to it under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Bank under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.14. *Increased Commitments; Additional Banks.* (a) From time to time the Company may, upon at least five days' notice to the Administrative Agent (which shall promptly provide a copy of such notice to the Banks), increase the Aggregate Revolving Commitments by an amount not less than \$10,000,000 (the amount of any such increase, the "**Increased Revolving Commitments**").

(b) To effect such an increase, the Company may designate one or more of the existing Banks or other financial institutions acceptable to the Administrative Agent and each Issuing Bank which at the time agree to (i) in the case of any such Person that is an existing Bank, increase its Revolving Commitment and (ii) in the case of any other such Person (an "**Additional Bank**"), become a party to this Agreement with a Revolving Commitment of not less than \$10,000,000.

(c) Any increase in the Revolving Commitments pursuant to this Section 2.14 shall be subject to satisfaction of the following conditions:

(i) before and after giving effect to such increase, all representations and warranties contained in Article 5 shall be true as of the date of such increase (except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true as of such earlier date);

(ii) at the time of such increase, no Default shall have occurred and be continuing or would result from such increase; and

(iii) after giving effect to such increase, the increases in the Aggregate Revolving Commitments made pursuant to this Section 2.14, shall not exceed \$500,000,000.

(d) An increase in the Aggregate Revolving Commitments pursuant to this Section 2.14 shall become effective upon the receipt by the Administrative Agent of (i) an agreement in form and substance satisfactory to the Administrative Agent signed by the Company, by each Additional Bank and by each other Bank whose Revolving Commitment is to be increased, setting forth the new Revolving Commitments of such Banks and setting forth the agreement of each Additional Bank to become a party to this Agreement and to be bound by all the terms and provisions hereof, (ii) such evidence of appropriate corporate authorization on the part of the Company with respect to the Increased Revolving Commitments and such opinions of counsel for the Company with respect to the Increased Revolving Commitments as the Administrative Agent may reasonably request and (iii) a certificate of the Company stating that the conditions set forth in subsection (c) above have been satisfied.

(e) Upon any increase in the Aggregate Revolving Commitments pursuant to this Section 2.14, (i) the respective Letter of Credit Liabilities of the Banks shall be redetermined as of the effective date of such increase and (ii) within five Business Days, in the case of any group of Base Rate Loans then outstanding, and at the end of the then current Interest Period with respect thereto, in the case of any Offshore Rate Loans then outstanding, the Company shall prepay such Loans in their entirety and, to the extent the Company elects to do so and subject to the conditions specified in Article 4, the Company shall reborrow the Loans from the Banks in proportion to their respective Revolving Commitments after giving effect to such increase, until such time as all outstanding Loans are held by the Banks in such proportion.

SECTION 2.15. *Letters of Credit.*

(a) *Commitment to Issue Letters of Credit.* Subject to the terms and conditions hereof, each Issuing Bank agrees to issue Letters of Credit from time to time up to 30 days prior to the Revolving Termination Date upon the request of the Company; *provided* that, immediately after each Letter of Credit is issued (1) the Total Outstanding Amount shall not exceed the Aggregate Revolving Commitment and (2) the aggregate amount of the Letter of Credit Liabilities shall not exceed \$100,000,000. Upon the date of issuance by an Issuing Bank of a Letter of Credit, such Issuing Bank shall be deemed, without further action by any party hereto, to have sold to each Bank, and each Bank shall be deemed, without further action by any party hereto, to have purchased from the Issuing Bank, a participation in such Letter of Credit and the related Letter of Credit Liabilities in the proportion its Revolving Commitment bears to the Aggregate Revolving Commitment.

(b) *Method for Issuance; Terms; Extensions.* (i) The Company shall give the Issuing Bank notice at least three Business Days (or such shorter notice as may be acceptable to the Issuing Bank in its discretion) prior to the requested issuance of a Letter of Credit (or, in the case of renewal or extension, prior to the Issuing Bank's deadline for notice of nonextension) specifying the date such Letter of Credit is to be issued (or, as the case may be, extended or renewed), and describing the terms of such Letter of Credit and the nature of the transactions to be supported thereby (such notice, including any such notice given in connection with the extension of a Letter of Credit, a "**Notice of Issuance**"). Upon receipt of a Notice of Issuance, the Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Bank of the contents thereof and of the amount of such Bank's participation in such Letter of Credit.

(ii) The obligation of any Issuing Bank to issue each Letter of Credit shall, in addition to the conditions precedent set forth in Section 4.02, be subject to the conditions precedent that such Letter of Credit shall be in such form and contain such terms as shall be reasonably satisfactory to the Issuing Bank and that the Company shall have executed and delivered such other customary instruments and agreements relating to such Letter of Credit as the Issuing Bank shall have reasonably requested; *provided, however*, that any Issuing Bank may decline to issue any Letter of Credit at such Issuing Bank's sole discretion (including, without limitation, if such Issuing Bank's internal policies do not permit the issuance of a letter of credit for the purposes for which such Letter of Credit is being requested). The Company shall also pay to the Issuing Bank for its own account issuance, drawing, amendment, settlement and extension charges, if any, in the amounts and at the times as agreed between the Company and the Issuing Bank.

(iii) The extension or renewal of any Letter of Credit shall be deemed to be an issuance of such Letter of Credit, and if any Letter of Credit contains a provision pursuant to which it is deemed to be extended unless notice of termination is given by the Issuing Bank, the Issuing Bank shall timely give such notice of termination unless it has theretofore timely received a Notice of Issuance and the other conditions to issuance of a Letter of Credit have also theretofore been met with respect to such extension. Each Letter of Credit shall expire at or before the close of business on the date that is one year after such Letter of Credit is issued (or, in the case of any renewal or extension thereof, one year after such renewal or extension); *provided* that (x) a Letter of Credit may contain a provision pursuant to which it is deemed to be extended on an annual basis unless notice of termination is given by the Issuing Bank and (y) in no event will a Letter of Credit expire (including pursuant to a renewal or extension thereof) on a date later than the fifth Business Day prior to the Revolving Termination Date.

(c) *Payments; Reimbursement Obligations.* (i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Bank shall notify the Administrative Agent and the Administrative Agent shall promptly notify the Company and each other Bank as to the amount to be paid as a result of such demand or drawing and the date such payment is to be made by the Issuing Bank (the "**Payment Date**"). The Company shall be irrevocably and unconditionally obligated to reimburse the Issuing Bank for any amounts paid by the Issuing Bank upon any drawing under any Letter of Credit, without presentment, demand, protest or other formalities of any kind. Such reimbursement shall be due on the Payment Date; *provided* that no such payment shall be due from the Company any earlier than the date of receipt by it of notice of its obligation to make such payment (or, if such notice is received by the Company after 10:00 A.M. (New York City time) on any date, on the next succeeding Business Day); and *provided* further that if and to the extent any such reimbursement is not made by the Company in accordance with this clause (i) or clause (ii) below on the Payment Date, then (irrespective of when notice thereof is received by the Company), such Reimbursement Obligation shall bear interest, payable on demand, for each day from and including the Payment Date to but not including the date such Reimbursement Obligation is paid in full at a rate per annum equal to the rate applicable to Base Rate Loans for such day.

(ii) If the Revolving Commitments remain in effect on the Payment Date, all such amounts paid by the Issuing Bank and remaining unpaid by the Company after the date and time required by clause (i) above (a “**Reimbursement Obligation**”) shall, if and to the extent that the amount of such Reimbursement Obligation would be permitted as a Borrowing pursuant to Section 4.02, and unless the Company otherwise instructs the Administrative Agent by not less than one Business Day’s prior notice, convert automatically to Base Rate Loans on the date such Reimbursement Obligation arises. The Administrative Agent shall, on behalf of the Company (which hereby irrevocably directs the Administrative Agent so to act on its behalf), give notice no later than 12:00 Noon (New York City time) on such date requesting each Bank to make, and each Bank hereby agrees to make, a Base Rate Loan, in an amount equal to such Bank’s pro rata share of the Reimbursement Obligation with respect to which such notice relates. Each Bank shall make such Loan available to the Administrative Agent at its address referred to in Section 10.02 in immediately available funds, not later than 2:00 P.M. (New York City time), on the date specified in such notice. The Administrative Agent shall pay the proceeds of such Loans to the Issuing Bank, which shall immediately apply such proceeds to repay the Reimbursement Obligation.

(iii) To the extent a Reimbursement Obligation is not funded by a Bank pursuant to clause (ii) above, such Bank will pay to the Administrative Agent, for the account of the Issuing Bank, immediately upon the Issuing Bank’s demand at any time during the period commencing after such Reimbursement Obligation arises until reimbursement therefor in full by the Company, an amount equal to such Bank’s pro rata share of such Reimbursement Obligation, together with interest on such amount for each day from the date of the Issuing Bank’s demand for such payment (or, if such demand is made after 1:00 P.M. (New York City time) on such date, from the next succeeding Business Day) to the date of payment by such Bank of such amount at a rate of interest per annum equal to the Federal Funds Rate for the first three Business Days after the date of such demand and thereafter at a rate per annum equal to the Base Rate for each additional day. The Issuing Bank will pay to each Bank ratably all amounts received from the Company for application in payment of its Reimbursement Obligations in respect of any Letter of Credit, but only to the extent such Bank has made payment to the Issuing Bank in respect of such Letter of Credit pursuant hereto; *provided* that in the event such payment received by the Issuing Bank is required to be returned, such Bank will return to the Issuing Bank any portion thereof previously distributed to it by the Issuing Bank.

(d) *Obligations Absolute.* The obligations of the Company and each Bank under subsection (c) above shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including without limitation the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any Letter of Credit or any document related hereto or thereto;

(ii) any amendment or waiver of or any consent to departure from all or any of the provisions of this Agreement or any Letter of Credit or any document related hereto or thereto, provided by any party affected thereby;

(iii) the use which may be made of the Letter of Credit by, or any acts or omission of, a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting);

(iv) the existence of any claim, set-off, defense or other rights that the Company may have at any time against a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting), any Bank (including the Issuing Bank) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;

(v) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(vi) payment under a Letter of Credit against presentation to the Issuing Bank of documents that do not comply with the terms of such Letter of Credit;

(vii) any termination of the Revolving Commitments prior to, on or after the Payment Date for any Letter of Credit, whether at the scheduled termination thereof, by operation of Article 8 or otherwise; or

(viii) any other act or omission to act or delay of any kind by any Bank (including the Issuing Bank), the Administrative Agent or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this subsection (viii), constitute a legal or equitable discharge of or defense to the Company's or the Bank's obligations hereunder;

provided that this subsection (d) shall not limit the rights of the Company or any Bank under clause (ii) of subsection (e) below.

(e) *Indemnification; Expenses.* (i) The Company hereby indemnifies and holds harmless each Bank (including each Issuing Bank) and the Administrative Agent from and against any and all claims, damages, losses, liabilities, costs or expenses which it may reasonably incur in connection with a Letter of Credit issued pursuant to this Section 2.15; *provided* that the Company shall not be required to indemnify any Bank or the Administrative Agent for any claims, damages, losses, liabilities, costs or expenses, to the extent finally determined by a court of competent jurisdiction to have been caused by the gross negligence or willful misconduct of such Person.

(ii) None of the Banks (including, subject to subsection (f) below, an Issuing Bank) nor the Administrative Agent nor any of their officers or directors or employees or agents shall be liable or responsible, by reason of or in connection with the execution and delivery or transfer of or payment or failure to pay under any Letter of Credit, including without limitation any of the circumstances enumerated in subsection (d) above; *provided* that, notwithstanding subsection (d) above, the Company shall have a claim for direct (but not consequential) damage suffered by it, to the extent finally determined by a court of competent jurisdiction to have been caused by (x) the Issuing Bank's gross negligence or willful misconduct in determining whether documents presented under any Letter of Credit complied with the terms of such Letter of Credit or (y) the Issuing Bank's failure to pay under any Letter of Credit after the presentation to it of documents strictly complying with the terms and conditions of the Letter of Credit; *provided further* that each Bank shall have a claim for direct (but not consequential) damage suffered by it, to the extent finally determined by a court of competent jurisdiction to have been caused by the Issuing Bank's gross negligence or willful misconduct in determining whether documents presented under any Letter of Credit complied with the terms of such Letter of Credit. The parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(iii) Nothing in this subsection (e) is intended to limit the obligations of the Company under any other provision of this Agreement. To the extent the Company does not indemnify an Issuing Bank as required by this subsection, the Banks agree to do so ratably in accordance with their Revolving Commitments.

(f) *Stop Issuance Notice.* If the Majority Banks determine at any time that the conditions set forth in Section 4.02 would not be satisfied in respect of a Borrowing at such time, then the Majority Banks may request that the Administrative Agent issue a "Stop Issuance Notice", and the Administrative Agent shall issue such notice to each Issuing Bank. Such Stop Issuance Notice shall be withdrawn upon a determination by the Majority Banks that the circumstances giving rise thereto no longer exist. No Letter of Credit shall be issued while a Stop Issuance Notice is in effect. The Majority Banks may request issuance of a Stop Issuance Notice only if there is a reasonable basis therefor, and shall consider reasonably and in good faith a request from the Company for withdrawal of the same on the basis that the conditions in Section 4.02 are satisfied; *provided* that the Administrative Agent and the Issuing Banks may and shall conclusively rely upon any Stop Issuance Notice while it remains in effect.

(g) *Other Documentation.* If the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to or entered into by the Issuing Bank relating to any Letter of Credit are not consistent with the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control; *provided* that, to the extent the Issuing Bank so agrees in such other documentation, its liabilities and responsibilities in connection with a Letter of Credit may be governed thereby rather than by clause (ii) of subsection (e) above, but such agreement by the Issuing Bank may not directly or indirectly alter the rights and obligations of any other Bank under this Agreement.

ARTICLE 3
TAXES, YIELD PROTECTION AND ILLEGALITY

SECTION 3.01. *Taxes.* (a) Subject to subsection 3.01(g), any and all payments by or on account of any obligation of the Company under any Loan Document shall be made free and clear of, and without deduction or withholding for, any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Bank and Agent, (i) such taxes (including income taxes or franchise taxes) as are imposed on or measured by each Bank's net income by the jurisdiction under the laws of which such Bank or Agent, as the case may be, is organized or maintains a Lending Office or any political subdivision thereof, (ii) U.S. federal withholding taxes imposed on amounts payable to or for the account of such Bank pursuant to a law in effect on the date on which the Bank acquires an interest in any Loan Document, except to the extent that, in the case of an assignment, pursuant to this Section 3.01, amounts with respect to such taxes were payable to such Bank's assignor immediately before such Bank acquired such interest in any Loan Document, and (iii) any U.S. federal withholding taxes imposed under FATCA (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "**Taxes**").

(b) In addition, the Company shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Documents (hereinafter referred to as "**Other Taxes**"). If any Bank becomes aware of the imposition of Other Taxes, it shall promptly notify the Company and the Administrative Agent thereof.

(c) Subject to subsection 3.01(g), the Company shall indemnify and hold harmless each Bank and Agent for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.01) paid by such Bank or Agent and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days from the date such Bank or Agent makes written demand therefor in a certificate setting forth in reasonable detail the amount and nature of such payment or liability.

(d) If the Company or the Administrative Agent shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any payment by or on account of any obligation of the Company under any Loan Document, then, subject to subsection 3.01(g):

(i) the sum payable by the Company shall be increased as necessary so that after all required deductions (including deductions applicable to additional sums payable under this Section 3.01) have been made, the applicable Bank or the Administrative Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made;

(ii) the Company or the Administrative Agent, as applicable, shall make such deductions; and

(iii) the Company or the Administrative Agent, as applicable, shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(e) Within 30 days after the date of any payment by the Company of Taxes or Other Taxes, the Company shall furnish to the Administrative Agent evidence of payment satisfactory to the Administrative Agent.

(f) Each Bank which is a foreign person (i.e., a person other than a U.S. Person for United States Federal income tax purposes) agrees that:

(i) it shall, no later than the Closing Date (or, in the case of a Bank which becomes a party hereto pursuant to Section 2.14 or 10.09 after the Closing Date, the date upon which the Bank becomes a party hereto) deliver to the Administrative Agent and the Company through the Administrative Agent two accurate and complete signed originals of (A) Internal Revenue Service Form W-8ECI or any successor thereto ("**Form W-8ECI**"), (B) Internal Revenue Service Form W-8BEN or W-8BEN-E or any successor thereto ("**Form W-8BEN**") and, in the case of a Bank claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, a certificate (a "**U.S. Tax Compliance Certificate**")

substantially in the form of Exhibit E-1 to the effect that such Bank is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Company within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code, or (C) Internal Revenue Service Form W-8IMY or any successor thereto (“**Form W-8IMY**”), accompanied by Form W-8ECI, Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Bank is a partnership and one or more direct or indirect partners of such Bank are claiming the portfolio interest exemption, such Bank may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner, as appropriate;

(ii) if at any time the Bank makes any changes necessitating a new Form W-8ECI, Form W-8BEN or Form W-8IMY, it shall with reasonable promptness deliver to the Administrative Agent and the Company through the Administrative Agent in replacement for, or in addition to, the forms previously delivered by it hereunder the applicable documentation specified in clause (i) of this paragraph (f);

(iii) it shall, before or promptly after the occurrence of any event (including the passing of time but excluding any event mentioned in (ii) above) requiring a change in or renewal of the most recent Form W-8ECI, Form W-8BEN or Form W-8IMY previously delivered by such Bank, deliver to the Administrative Agent and the Company through the Administrative Agent two accurate and complete original signed copies of Form W-8ECI, Form W-8BEN or Form W-8IMY (together with the applicable supporting documentation specified in clause (i) of this paragraph (f)) in replacement for the forms previously delivered by the Bank; and

(iv) it shall, promptly upon the Company’s or the Administrative Agent’s reasonable request to that effect, deliver to the Company or the Administrative Agent (as the case may be) such other forms or similar documentation as may be required from time to time by any applicable law, treaty, rule or regulation in order to establish such Bank’s tax status for withholding purposes.

(g) The Company will not be required to pay any additional amounts in respect of United States Taxes pursuant to subsection 3.01(d) to any Bank for the account of any Lending Office of such Bank:

(i) if the obligation to pay such additional amounts would not have arisen but for a failure by such Bank to comply with its obligations under subsection 3.01(f) in respect of such Lending Office;

(ii) if such Bank shall have delivered to the Company a Form W-8ECI in respect of such Lending Office pursuant to clause (i) or (ii) of subsection 3.01(f), and such Bank shall not at any time be entitled to exemption from deduction or withholding of United States Taxes in respect of payments by the Company hereunder for the account of such Lending Office for any reason other than a change in United States law or regulations or in the official interpretation of such law or regulations by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) after the date of delivery of such Form W-8ECI; or

(iii) if the Bank shall have delivered to the Company a Form W-8BEN or Form W-8IMY in respect of such Lending Office pursuant to clause (i) or (ii) of subsection 3.01(f), and such Bank shall not at any time be entitled to exemption from deduction or withholding of United States Taxes in respect of payments by the Company hereunder for the account of such Lending Office for any reason other than a change in United States law or regulations or any applicable tax treaty or regulations or in the official interpretation of any such law, treaty or regulations by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) after the date of delivery of such Form W-8BEN or Form W-8IMY.

(h) If the Company is required to pay additional amounts to any Bank or Agent pursuant to subsection 3.01(b) or 3.01(d), then such Bank shall use its reasonable best efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office or to take other reasonable action so as to eliminate any such additional payment by the Company which may thereafter accrue if such change or action in the judgment of such Bank is not otherwise disadvantageous to such Bank.

(i) Any Bank that is a U.S. Person for United States Federal income tax purposes shall deliver to the Company and the Administrative Agent on or prior to the date on which such Bank becomes a party hereto (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of Internal Revenue Service Form W-9 certifying that such Bank is exempt from U.S. federal backup withholding tax.

(j) If any Bank determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Company or with respect to which the Company has paid additional amounts pursuant to this Section 3.01, then it shall pay over such refund to the Company (but only to the extent of indemnity payments made, or additional amounts paid, by the Company under this Section 3.01 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including taxes) of such Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Company, upon the request of such Bank, shall repay to such Bank the amount paid over pursuant to this paragraph (j) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (j), in no event will the Bank be required to pay any amount to the Company pursuant to this paragraph (j) the payment of which would place the Bank in a less favorable net after-tax position than the Bank would have been in if the tax subject to indemnification had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph (j) shall not be construed to require any Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Company or any other Person.

(k) If a payment made to a Bank under any Loan Document would be subject to U.S. federal withholding Taxes imposed by FATCA if such Bank were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Bank has complied with such Bank's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph (k), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

SECTION 3.02. *Illegality.* (a) If any Bank shall reasonably determine, based upon the advice of its counsel, that the introduction of any Requirement of Law, or any change in any Requirement of Law or in the interpretation or administration thereof, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for any Bank or its Lending Office to make Offshore Rate Loans, then, on notice thereof by the Bank to the Company through the Administrative Agent, the obligation of that Bank to make Offshore Rate Loans shall be suspended until the Bank shall have notified the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist.

(b) If a Bank shall reasonably determine, based upon the advice of its counsel, that it is unlawful to maintain any Offshore Rate Loan, the Company shall prepay in full all Offshore Rate Loans of that Bank then outstanding, together with interest accrued thereon, either on the last day of the Interest Period thereof if the Bank may lawfully continue to maintain such Offshore Rate Loans to such day, or immediately, if the Bank may not lawfully continue to maintain such Offshore Rate Loans, together with any amounts required to be paid in connection therewith pursuant to Section 3.04.

(c) If the Company is required to prepay any Offshore Rate Loan immediately as provided in subsection 3.02(b), then concurrently with such prepayment, the Company shall borrow from the affected Bank, in the amount of such repayment, a Base Rate Loan.

(d) If the obligation of any Bank to make or maintain Offshore Rate Loans has been suspended as provided in subsection 3.02(a), the Company may elect, by giving notice to the Bank through the Administrative Agent that all Loans which would otherwise be made by the Bank as Offshore Rate Loans shall be instead Base Rate Loans.

(e) Before giving any notice to the Administrative Agent pursuant to this Section 3.02, the affected Bank shall designate a different Lending Office with respect to its Offshore Rate Loans if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of the Bank, be illegal or otherwise disadvantageous to the Bank.

SECTION 3.03. *Increased Costs and Reduction of Return.* (a) If any Bank shall determine that, due to and as a direct result of any Change in Law (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Offshore Rate), there shall be any increase in the cost to such Bank of agreeing to make or making, funding or maintaining its Revolving Commitment hereunder or any Offshore Rate Loans (including any imposition or increase in taxes (other than (x) taxes imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document or (y) Other Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto), or of agreeing to issue or participate in or issuing or participating in any Letters of Credit, then the Company shall be liable for, and shall from time to time, upon demand therefor by such Bank (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Bank, additional amounts as are sufficient to compensate such Bank for such increased costs.

(b) If any Bank shall have determined that any Change in Law affects or would affect the amount of capital required or expected to be maintained by such Bank or any corporation controlling such Bank and (taking into consideration such Bank's or such corporation's policies with respect to capital adequacy and such Bank's desired return on capital) determines that the amount of such capital is increased as a consequence of its Revolving Commitment, Loans, credits or obligations under this Agreement (including its obligations in respect of Letters of Credit), then, upon demand of such Bank (with a copy to the Administrative Agent), the Company shall upon demand pay to such Bank, from time to time as specified by such Bank, additional amounts sufficient to compensate such Bank for such increase.

(c) If the Company is required to pay additional amounts to any Bank pursuant to subsection 3.03(a) or 3.03(b), then such Bank shall use its reasonable best efforts (consistent with legal and regulatory restrictions) to designate a different Lending Office with respect to its Offshore Rate Loans so as to eliminate any such additional payment by the Company, which may thereafter accrue if such change in the judgment of such Bank is not otherwise disadvantageous to such Bank.

(d) For purposes of this Section 3.03, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall be deemed to have been introduced and adopted after the date of this Agreement. Notwithstanding the foregoing, no Bank shall be entitled to seek compensation for costs imposed pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or Basel III if it shall not be the general policy of such Bank at such time to seek compensation from other borrowers with the same or similar ratings under yield protection provisions in credit agreements with such borrowers that provide for such compensation and the applicable Bank is in fact generally seeking such compensation from such borrowers (and, upon any request by such Bank for payment, certifies to the Company to the effect of the foregoing).

SECTION 3.04. *Funding Losses.* The Company agrees to reimburse each Bank and to hold each Bank harmless from any loss or out-of-pocket expense which such Bank may sustain or incur as a direct consequence of:

(a) the failure of the Company to make on a timely basis any payment of principal of any Offshore Rate Loan (including payments made after any acceleration thereof);

(b) the failure of the Company to borrow, continue or convert a Loan after the Company has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/Continuation;

(c) the failure of the Company to make any prepayment after the Company has given a notice in accordance with Section 2.06;

(d) any principal payment in respect of an Offshore Rate Loan on a day which is not the last day of the Interest Period with respect thereto; or

(e) the conversion pursuant to Section 2.04 of any Offshore Rate Loan to a Base Rate Loan on a day that is not the last day of the respective Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Offshore Rate Loans hereunder or from standard fees payable to terminate the deposits from which such funds were obtained. Solely for purposes of calculating amounts payable by the Company to the Banks under this Section 3.04, each Offshore Rate Loan made by a Bank (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the Offshore Base Rate used in determining the Offshore Rate for such Offshore Rate Loan by a matching deposit or other borrowing in the interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Offshore Rate Loan is in fact so funded.

SECTION 3.05. *Inability to Determine Rates.* If the Administrative Agent shall have determined (i) that for any reason adequate and reasonable means do not exist for ascertaining the Offshore Rate for any requested Interest Period with respect to a proposed Offshore Rate Loan or (ii) that the Offshore Rate applicable pursuant to subsection 2.08(a) for any requested Interest Period with respect to a proposed Offshore Rate Loan does not adequately and fairly reflect the cost to any Bank of funding such Loan, the Administrative Agent will forthwith give notice of such determination to the Company and each Bank. Thereafter, the obligation of the Banks to make or maintain Offshore Rate Loans hereunder shall be suspended until the Administrative Agent revokes such notice in writing. Upon receipt of such notice, the Company may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If the Company does not revoke such notice, the Banks shall make, convert or continue the Loans, as proposed by the Company, in the amount specified in the applicable notice submitted by the Company, but such Loans shall be made, converted or continued as Base Rate Loans instead of Offshore Rate Loans.

SECTION 3.06. *Certificates of Banks.* Any Bank claiming reimbursement or compensation pursuant to this Article 3 shall deliver to the Company (with a copy to the Administrative Agent) a certificate setting forth in reasonable detail the basis for and the computation of the amount payable to the Bank hereunder and such certificate shall be conclusive and binding on the Company in the absence of manifest error.

SECTION 3.07. *Substitution of Banks.* Upon (x) the receipt by the Company from any Bank of a notice of illegality with respect to Offshore Rate Loans pursuant to Section 3.02, or (y) the receipt by the Company from any Bank of a claim for additional amounts or compensation pursuant to Section 3.01 or 3.03, the Company may: (i) request one or more of the other Banks to acquire and assume all or part of such Bank's Loans and Revolving Commitment (but no other Bank shall be required to do so); or (ii) designate a replacement bank meeting the qualifications of an Eligible Assignee. Any such transfer under clause (i) or (ii) shall be subject to the provisions of Sections 3.04 and 10.09 hereof.

SECTION 3.08. *Defaulting Banks.* Notwithstanding any provision of this Agreement to the contrary, if any Bank becomes a Defaulting Bank, then the following provisions shall apply for so long as such Bank is a Defaulting Bank:

(a) fees shall cease to accrue on the unused portion of the Revolving Commitment of such Defaulting Bank pursuant to subsection 2.09(a);

(b) if any Letter of Credit Liabilities exist at the time such Bank becomes a Defaulting Bank then:

(i) the Letter of Credit Liabilities of such Defaulting Bank shall be reallocated among the non-Defaulting Banks in accordance with their respective Commitment Percentages but only to the extent (x) no Default or Event of Default has occurred and is continuing and (y) the sum of each non-Defaulting Bank's Loans plus its Letter of Credit Liabilities does not exceed its Revolving Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within one Business Day following notice by the Administrative Agent cash collateralize for the benefit of the Issuing Bank (s) only the Company's obligations corresponding to such Defaulting Bank's Letter of Credit Liabilities (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 8.03 for so long as such Letter of Credit Liabilities remain outstanding;

(iii) if the Company cash collateralizes all or any portion of such Defaulting Bank's Letter of Credit Liabilities pursuant to clause (ii) above, the Company shall not be required to pay any fees to such Defaulting Bank pursuant to subsection 2.09(a) or 2.09(c) with respect to such Defaulting Bank's Letter of Credit Liabilities during the period such Defaulting Bank's Letter of Credit Liabilities are cash collateralized;

(iv) if the Letter of Credit Liabilities of the Defaulting Banks are reallocated pursuant to clause (i) above, then the fees payable to the Banks pursuant to subsections 2.09(a) and 2.09(c) shall be similarly reallocated to the same extent; and

(v) if all or any portion of such Defaulting Bank's Letter of Credit Liabilities is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Bank hereunder, all facility fees that otherwise would have been payable to such Defaulting Bank (solely with respect to the portion of such Defaulting Bank's Commitment that was utilized by such Letter of Credit Liabilities) and letter of credit fees payable under subsection 2.09(c) with respect to such Defaulting Bank's Letter of Credit Liabilities shall be payable to the Issuing Bank(s) until and to the extent that such Letter of Credit Liabilities are reallocated and/or cash collateralized;

(c) so long as such Bank is a Defaulting Bank, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Bank's Letter of Credit Liabilities then outstanding will be 100% covered by the Revolving Commitments of the non-Defaulting Banks and/or cash collateral will be provided by the Company in accordance with paragraph (b) above, and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Banks in a manner consistent with paragraph (b) above (and such Defaulting Bank shall not participate therein);

(d) in the event that the Administrative Agent, the Company and each Issuing Bank agrees that a Defaulting Bank has adequately remedied all matters that caused such Bank to be a Defaulting Bank, then the Letter of Credit Liabilities of the Banks shall be readjusted to reflect the inclusion of such Bank's Commitment Percentage and on such date such Bank shall purchase at par such of the Loans of the other Banks as the Administrative Agent shall determine may be necessary in order for such Bank to hold such Loans in accordance with its Commitment Percentage; *provided* that nothing in this paragraph (d) shall constitute a waiver or release by any party hereunder of any claim arising from such Bank having been a Defaulting Bank; and

(e) the Company may, with the consent of the Administrative Agent and each Issuing Bank:

(i) provided that no Default or Event of Default has occurred and is continuing, terminate the Revolving Commitment of such Bank and, in connection therewith, prepay the outstanding Loans of such Bank in full, together with accrued interest thereon and any other amounts payable hereunder for the account of such Bank; *provided* that if any Letter of Credit Liabilities are then outstanding, they should have been reallocated and/or cash collateralized in full in accordance with paragraph (b) above; or

(ii) designate a replacement bank meeting the qualifications of an Eligible Assignee.

Any prepayment under clause (i) shall be subject to the provisions of Section 3.04 hereof, and any transfer under clause (ii) shall be subject to the provisions of Sections 3.04 and 10.09 hereof.

SECTION 3.09. *Survival.* The agreements and obligations of the Company in this Article 3 shall survive the payment of all other Obligations and termination of this Agreement.

ARTICLE 4
CONDITIONS PRECEDENT

SECTION 4.01. *Conditions of Closing Date.* The obligation of each Bank to make its initial Loan hereunder and the obligation of any Issuing Bank to issue (including any renewal or extension of) the initial Letter of Credit hereunder is subject to the condition that the Administrative Agent shall have received all of the following, in form and substance satisfactory to the Administrative Agent and each Bank and in sufficient copies for the Administrative Agent and each Bank:

- (a) *Credit Agreement.* This Agreement executed by the Company and each of the Agents and the Banks;
- (b) *Resolutions; Incumbency.*
 - (i) Copies of the resolutions of the board of directors of the Company approving and authorizing the execution, delivery and performance by the Company of this Agreement and the other Loan Documents to be delivered hereunder, and authorizing the borrowing of the Loans and the issuance of Letters of Credit, certified as of the Closing Date by the Secretary or an Assistant Secretary of the Company; and
 - (ii) A certificate of the Secretary or Assistant Secretary of the Company, certifying the names and true signatures of the officers of the Company authorized to execute, deliver and perform, as applicable, this Agreement, and all other Loan Documents to be delivered hereunder;
- (c) *Articles of Incorporation; By-laws and Good Standing.* Each of the following documents:
 - (i) the articles or certificate of incorporation of the Company as in effect on the Closing Date, certified by the Secretary or Assistant Secretary of the Company as of the Closing Date, and the bylaws of the Company as in effect on the Closing Date, certified by the Secretary or Assistant Secretary of the Company as of the Closing Date; and
 - (ii) a good standing certificate for the Company from the Secretary of State (or similar, applicable Governmental Authority) of its state of incorporation as of a recent date, together with a bring-down certificate by facsimile, dated the Closing Date;
- (d) *Legal Opinion.* An opinion of Chris A. Rauschl, counsel to the Company, addressed to the Administrative Agent and the Banks, in form and substance satisfactory to the Administrative Agent;
- (e) *Payment of Fees.* The Company shall have paid all accrued and unpaid fees, costs and expenses to the extent then due and payable on the Closing Date, together with Attorney Costs of JPMorgan Chase to the extent invoiced prior to or on the Closing Date, together with such additional amounts of Attorney Costs as shall constitute JPMorgan Chase's reasonable estimate of Attorney Costs incurred or to be incurred through the closing proceedings; *provided* that such estimate shall not thereafter preclude final settling of accounts between the Company and JPMorgan Chase; including any such costs, fees and expenses arising under or referenced in Sections 3.01 and 10.04 and the Fee Letters;
- (f) *Certificate.* A certificate signed by a Responsible Officer, dated as of the Closing Date, stating that:
 - (i) the representations and warranties contained in Article 5 are true and correct on and as of such date, as though made on and as of such date;
 - (ii) no Default or Event of Default exists; and
 - (iii) there has occurred since May 29, 2011, no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect;
- (g) *Existing Agreement.* Evidence to the satisfaction of the Administrative Agent of the termination of the Existing Agreements and payment of all amounts due under the Existing Agreements which have not heretofore been paid; and

(h) *Other Documents.* Such other approvals, opinions, documents or materials as the Administrative Agent or any Bank may reasonably request.

SECTION 4.02. *Conditions to All Borrowings and Issuances of Letters of Credit.* The obligation of each Bank to make any Loan to be made by it hereunder (including its initial Loan) and the obligation of any Issuing Bank to issue (including any renewal or extension of) any Letter of Credit is subject to the satisfaction of the following conditions precedent on the relevant borrowing or issuance date:

(a) *Required Notice.* The Administrative Agent shall have timely received a Notice of Borrowing or a Notice of Issuance, as applicable;

(b) *Continuation of Representations and Warranties.* The representations and warranties made by the Company contained in Article 5 shall be true and correct on and as of such borrowing or issuance date with the same effect as if made on and as of such borrowing or issuance date (except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true and correct as of such earlier date); and

(c) *No Default.* At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

Each Notice of Borrowing and Notice of Issuance submitted by the Company hereunder shall constitute a representation and warranty by the Company hereunder, as of the date of each such notice and as of the date of each Borrowing or issuance, as applicable, that the conditions in Section 4.02 are satisfied.

SECTION 4.03. *Existing Agreement.* (a) On the Closing Date, the commitments under the Existing Agreements shall terminate, without further action by any party thereto.

(b) The Banks which are parties to each Existing Agreement, comprising the “Majority Banks” as defined therein, hereby waive any requirement of notice of termination of the commitments pursuant to each such Existing Agreement and of prepayment of loans to the extent necessary to give effect to subsections 4.01(g) and 4.03(a); *provided* that any such prepayment of loans shall be subject to Section 3.04 of such Existing Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to each Agent and Bank that:

SECTION 5.01. *Existence and Power.* The Company and each of its Material Subsidiaries:

(a) is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization;

(b) has the power and authority and all material governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and, as to the Company, to execute, deliver, and perform its obligations under, the Loan Documents;

(c) is duly qualified as a foreign corporation or limited liability company, and licensed and in good standing, under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; and

(d) is in compliance with all Requirements of Law; except, in each case referred to in clause (c) or clause (d), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. *Corporate Authorization; No Contravention.* The execution, delivery and performance by the Company of this Agreement, and any other Loan Document to which the Company is party, have been duly authorized by all necessary corporate action, and do not and will not:

- (a) contravene the terms of any of the Company's Organization Documents;
- (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, any document evidencing any Contractual Obligation to which the Company is a party or any order, injunction, writ or decree of any Governmental Authority to which the Company or its Property is subject; or
- (c) violate any Requirement of Law;

except, in each case referred to in clause (b) or (c), for any such conflict or violation that could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.03. *Governmental Authorization.* No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Company of this Agreement or any other Loan Document; *provided* that, for the avoidance of doubt, it is acknowledged that the Company may need to make certain filings in connection with its reporting obligations under the Securities Exchange Act of 1934, as amended.

SECTION 5.04. *Binding Effect.* This Agreement and each other Loan Document to which the Company is a party constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

SECTION 5.05. *Litigation.* Except as disclosed by the Company in writing from time to time to the Administrative Agent and the Banks, there are no actions, suits, proceedings, claims or disputes pending, or to the best knowledge of the Company, expressly threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against the Company, or its Subsidiaries or any of their respective Properties which:

- (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby; or
- (b) if determined adversely to the Company or its Subsidiaries, would reasonably be expected to have a Material Adverse Effect.

SECTION 5.06. *No Default.* No Default or Event of Default exists or would result from the incurring of any Obligations by the Company. Neither the Company nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation in any respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect or that would, if such default had occurred after the Closing Date, create an Event of Default under subsection 8.01(e).

SECTION 5.07. *ERISA.* (a) There is no outstanding liability under Title IV of ERISA with respect to any Qualified Plan maintained or sponsored by the Company or any ERISA Affiliate, nor with respect to any Qualified Plan to which the Company or any ERISA Affiliate contributes or is obligated to contribute, which could reasonably be expected to have a Material Adverse Effect.

(b) The Company and each member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan.

(c) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan which, in either case, could reasonably be expected to have a Material Adverse Effect.

(d) Neither the Company nor any ERISA Affiliate has incurred nor reasonably expects to incur (i) any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan or (ii) any liability under Title IV of ERISA (other than premiums due and not delinquent under Section 4007 of ERISA) with respect to a Plan and which, in either case, could reasonably be expected to have a Material Adverse Effect.

(e) Neither the Company nor any ERISA Affiliate has transferred any Unfunded Pension Liability to a Person other than the Company or an ERISA Affiliate or otherwise engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA and which could reasonably be expected to have a Material Adverse Effect.

SECTION 5.08. *Use of Proceeds; Margin Regulations.* The proceeds of the Loans made and the Letters of Credit issued under this Agreement are intended to be and shall be used solely for the purposes set forth in and permitted by Section 6.09, and are intended to be and shall be used in compliance with Section 7.05. Neither the Company nor any of its Subsidiaries is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

SECTION 5.09. *Title to Properties.* The Company and each of its Subsidiaries have good record and marketable title in fee simple to, or valid leasehold interests in, all real Property necessary or used in the ordinary conduct of their respective businesses, except for such defects in title as could not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 5.10. *Taxes.* The Company and its Subsidiaries have filed all Federal and other material tax returns and reports required to be filed, and have paid all Federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their Properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. Except for such taxes, assessments, fees and other governmental charges which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP, there is no tax, assessment, fee or other governmental charge against the Company or any of its Subsidiaries which, if sustained, would have a Material Adverse Effect.

SECTION 5.11. *Environmental Matters.* In the Ordinary Course of Business, the Company conducts evaluations of the effect of Environmental Laws on the business, operations and properties of the Company and its Subsidiaries consistent with the risks posed and the nature of its operations, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of these evaluations, the Company has reasonably concluded that Environmental Laws are unlikely to have a Material Adverse Effect.

SECTION 5.12. *Regulated Entities.* None of the Company, any Person controlling the Company, or any Subsidiary of the Company, is an "Investment Company" within the meaning of the Investment Company Act of 1940.

SECTION 5.13. *Copyrights, Patents, Trademarks and Licenses, Etc.* The Company or its Subsidiaries own or are licensed or otherwise have the right to use all of the material patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of their respective businesses. Except as disclosed by the Company in writing from time to time to the Administrative Agent and the Banks, no claim or litigation regarding any of the foregoing is pending or threatened, and no patent, invention, device, application, principle or any intellectual property-related statute, law, rule, regulation, standard or code is pending or, to the knowledge of the Company, proposed, which, in either case, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.14. *Financial Information.* The consolidated balance sheet of the Company as of May 29, 2011 and the related consolidated statements of earnings, stockholders' equity and cash flows for the fiscal year then ended, reported on by KPMG LLP, and included in the Company's Form 10-K for such fiscal year, fairly present, in conformity with GAAP, the consolidated financial position of the Company as of such date and its consolidated results of operations and cash flows for such fiscal year.

SECTION 5.15. *Anti-Corruption Laws and Sanctions.* The Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents (acting in their capacity as such) with Anti-Corruption Laws and applicable Sanctions. None of (a) the Company, any Subsidiary or to the knowledge of the Company or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Company, any agent of the Company or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person.

ARTICLE 6 AFFIRMATIVE COVENANTS

The Company covenants and agrees that, so long as any Bank shall have any Revolving Commitment or Letter of Credit Liabilities hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, unless the Majority Banks waive compliance in writing:

SECTION 6.01. *Financial Statements.* The Company shall furnish to the Administrative Agent for duplication and distribution to the Banks:

(a) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of the Company's Form 10-K Annual Report for such year as filed with the Securities and Exchange Commission and its Annual Report to Shareholders for such year, and accompanied by the opinion of KPMG LLP or another nationally-recognized independent public accounting firm which shall state that the Company's consolidated financial statements contained in such reports present fairly the financial position for the periods indicated in conformity with GAAP. Such opinion shall not be qualified or limited because of a restricted or limited examination by such accountant of any material portion of the Company's or any Subsidiary's records;

(b) as soon as available, but not later than 60 days after the end of each of the first three fiscal quarters of each year, a copy of the Company's Form 10-Q Quarterly Report for such quarter as filed with the Securities and Exchange Commission; and

(c) concurrently with the furnishing of each 10-Q Quarterly Report referred to in Section 6.01(b) above, a certificate of a Responsible Officer (i) stating the Company's Ratio of Earnings to Fixed Charges for the period ending with the respective fiscal quarter of the Company reflected in such 10-Q Quarterly Report, and (ii) showing in detail the calculations supporting the determination of such ratio.

Any financial statement or report required to be delivered pursuant to this Section 6.01 or Section 6.02(b) shall be deemed to have been delivered on the date on which the Company posts such financial statement on its website on the Internet at www.generalmills.com or when such financial statement is posted on the SEC's website on the Internet at www.sec.gov; *provided* that the Company shall give notice of any such posting to the Administrative Agent (who shall then give notice of any such posting to the Banks); *provided further*, that the Company shall deliver paper copies of any delivery referred to in this Section 6.01 to the Administrative Agent if the Administrative Agent requests the Company to deliver such paper copies until notice to cease delivering such paper copies is given by the Administrative Agent.

SECTION 6.02. *Certificates; Other Information.* The Company shall furnish to the Administrative Agent for duplication and distribution to each Bank:

(a) concurrently with the delivery of the financial statements referred to in subsection 6.01(a) above, a certificate of a Responsible Officer (i) stating that no Default or Event of Default has occurred during such period except as specified (by applicable subsection reference) in such certificate, and (ii) showing in detail the calculations supporting such statement in respect of Section 7.06;

(b) promptly after the same are sent, copies of all financial statements and reports which the Company sends to its shareholders; and promptly after the same are filed, copies of all financial statements and regular, periodical or special reports which the Company may make to, or file with, the Securities and Exchange Commission or any successor or similar Governmental Authority (other than Form S-8s, pricing supplements to Form S-3s, Form 8-Ks filing only exhibits to Form S-3s, Form 11-Ks, and Forms 3, 4 and 5); *provided* that this subsection (b) shall not require the Company to furnish any statements or reports which it has previously furnished to the Administrative Agent and the Banks; and

(c) promptly, such additional business, financial, corporate affairs and other information as the Administrative Agent, at the request of any Bank, may from time to time reasonably request.

SECTION 6.03. *Notices.* The Company shall promptly notify the Administrative Agent (which shall promptly thereafter notify each Bank):

(a) of the occurrence of any Default or Event of Default;

(b) of (i) any breach or non-performance of, or any default under, any Contractual Obligation of the Company or any of its Subsidiaries which could foreseeably result in a Material Adverse Effect; and (ii) any dispute, litigation, investigation, proceeding or suspension which may exist at any time between the Company or any of its Subsidiaries and any Governmental Authority which could foreseeably result in a Material Adverse Effect;

(c) of the commencement of, or any material adverse development in, any litigation or proceeding affecting the Company or any Subsidiary (i) which, if adversely determined, would reasonably be expected to have a Material Adverse Effect, or (ii) in which the relief sought is an injunction or other stay of the performance of this Agreement or any Loan Document;

(d) upon, but in no event later than 30 days after, becoming aware of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Company or any of its Subsidiaries or any of their respective Properties pursuant to any applicable Environmental Laws which would reasonably be expected to have a Material Adverse Effect, (ii) any other Environmental Claim which, if adversely determined, would reasonably be expected to have a Material Adverse Effect, and (iii) any environmental or similar condition on any real property adjoining or in the vicinity of the property of the Company or any Subsidiary that could reasonably be anticipated to cause such property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of such property under any Environmental Laws and which restrictions could reasonably be expected to have a Material Adverse Effect;

(e) of any of the following events affecting the Company or any member of its Controlled Group (but in no event more than 10 days after such event), together with a copy of any notice with respect to such event that may be required to be filed with a Governmental Authority and any notice delivered by a Governmental Authority to the Company or any member of its Controlled Group with respect to such event:

(i) an ERISA Event which could foreseeably result in a Default or Event of Default or which could reasonably be expected to have a Material Adverse Effect; or

(ii) the adoption of any new Plan that is subject to Title IV of ERISA or section 412 of the Code by any member of the Controlled Group, the adoption of any amendment to a Plan that is subject to Title IV of ERISA or section 412 of the Code, or the commencement of contributions by any member of the Controlled Group to any Plan if any such adoption or commencement could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a written statement by a Responsible Officer of the Company setting forth details of the occurrence referred to therein, and stating in general what action the Company proposes to take with respect thereto. Each notice under subsection 6.03(a) shall describe with particularity any and all clauses or provisions of this Agreement or other Loan Document that have been breached or violated.

SECTION 6.04. *Preservation of Corporate Existence, Etc.* Subject to Section 7.02, the Company shall, and shall cause each of its Material Subsidiaries to:

(a) preserve and maintain in full force and effect its corporate or limited liability company existence and good standing under the laws of its state or jurisdiction of incorporation or formation;

- (b) preserve and maintain in full force and effect all rights, privileges, qualifications, permits, licenses and franchises, the non-preservation or non-maintenance of which could reasonably be expected to have a Material Adverse Effect;
- (c) remain in, and continue to operate substantially in, the food products business; and
- (d) preserve or renew all of its registered trademarks, trade names and service marks, the non-preservation or non-renewal of which could reasonably be expected to have a Material Adverse Effect.

SECTION 6.05. *Insurance.* The Company shall, and shall cause its Material Subsidiaries to, (a) insure and maintain insurance with responsible insurance companies in such amounts and against such risks as is customarily carried by owners of similar businesses and property, or (b) maintain a system or systems of self-insurance or assumption of risk which accords with the practices of similar businesses.

SECTION 6.06. *Payment of Obligations.* The Company will, and will cause each of its Subsidiaries to, pay its obligations, including tax liabilities, that, collectively or individually, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.07. *Compliance with Laws.* (a) The Company shall comply, and shall cause each of its Subsidiaries to comply, in all material respects with all Requirements of Law (including, without limitation, Environmental Laws) of any Governmental Authority having jurisdiction over it or its business, except such as may be contested in good faith or as to which a bona fide dispute may exist and where non-compliance could not be expected to result in a Material Adverse Effect.

(b) Upon the written request of the Administrative Agent or any Bank, the Company shall submit and cause each of its Subsidiaries to submit, to the Administrative Agent and with sufficient copies for each Bank, at reasonable intervals, a general report providing an update of the status of any environmental, health or safety compliance, hazard or liability issue identified in any notice or report required pursuant to subsection 6.03(d). The Company will maintain in effect and enforce policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 6.08. *Inspection of Property and Books and Records.* The Company shall maintain and shall cause each of its Subsidiaries to maintain books of record and account in conformity with GAAP consistently applied. Subject to such confidentiality restrictions as the Company may reasonably impose, the Company shall permit, and shall cause each of its Subsidiaries to permit, representatives and independent contractors of the Administrative Agent or any Bank to visit and inspect any of their respective Properties, to examine their respective records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, and independent public accountants, all at such reasonable times during normal business hours, upon reasonable advance notice to the Company; *provided, however,* when an Event of Default exists the Administrative Agent or any Bank may do any of the foregoing at the expense of the Company at any time during normal business hours and without advance notice.

SECTION 6.09. *Use of Proceeds.* The Company shall use the Letters of Credit and the proceeds of the Loans solely for general corporate purposes but not in contravention of any Requirement of Law. No Loan, nor the proceeds from any Loan, shall be used, directly or indirectly, or lent, contributed, provided or otherwise made available to any Subsidiary, joint venture partner or other Person, (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B) to fund, finance or facilitate any activity or business in any Sanctioned Country or of or with any Sanctioned Person, except to the extent licensed or otherwise authorized under U.S. law, or in any other manner that will result in any violation of applicable Sanctions by any Person (including any Bank, any Lead Arranger, the Administrative Agent or any other party hereto).

ARTICLE 7
NEGATIVE COVENANTS

The Company hereby covenants and agrees that, so long as any Bank shall have any Revolving Commitment or Letter of Credit Liabilities hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, unless the Majority Banks waive compliance in writing:

SECTION 7.01. *Limitation on Liens.* The Company shall not, and shall not suffer or permit any of its Subsidiaries to, directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any part of its Property, whether now owned or hereafter acquired, other than the following:

- (a) any Lien existing on the Property of the Company or its Subsidiaries on the Closing Date securing Indebtedness outstanding on such date;
- (b) any Lien created under any Loan Document;
- (c) Liens for taxes, fees, assessments or other governmental charges which are not delinquent or remain payable without penalty, or to the extent that non-payment thereof is permitted by Section 6.06; *provided* that no Notice of Lien has been filed or recorded under the Code;
- (d) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in the Ordinary Course of Business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the Property subject thereto;
- (e) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation;
- (f) Liens on the Property of the Company or any of its Subsidiaries securing (i) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases and statutory obligations, (ii) contingent obligations on surety and appeal bonds, and (iii) other non-delinquent obligations of a like nature, in each case, incurred in the Ordinary Course of Business; *provided* that all such Liens in the aggregate would not (even if enforced) cause a Material Adverse Effect;
- (g) Liens consisting of judgment or judicial attachment liens; *provided* that the enforcement of such Liens is effectively stayed and all such liens in the aggregate at any time outstanding for the Company and its Subsidiaries do not exceed \$10,000,000;
- (h) easements, rights-of-way, restrictions and other similar encumbrances incurred in the Ordinary Course of Business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the Property subject thereto or interfere with the ordinary conduct of the businesses of the Company and its Subsidiaries;
- (i) Liens on assets of Persons which become Subsidiaries after the date of this Agreement; *provided, however*, that such Liens existed at the time the respective Persons became Subsidiaries and were not created in anticipation thereof;
- (j) Purchase money security interests on any Property acquired or held by the Company or its Subsidiaries in the Ordinary Course of Business securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such Property; *provided* that (i) any such Lien attaches to such Property concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the Property so acquired in such transaction, (iii) the principal amount of the debt secured thereby does not exceed 100% of the cost of such Property, and (iv) the principal amount of the Indebtedness secured by any and all such purchase money security interests shall not at any time exceed \$50,000,000;
- (k) Liens arising solely by virtue of any statutory or common law provision relating to bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided* that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by the Federal Reserve Board, and (ii) such deposit account is not intended by the Company or any of its Subsidiaries to provide collateral to the depository institution;

(l) other Liens on Property (including Liens in excess of the amounts permitted by clauses (a) through (k) hereof); *provided* that the sum of the aggregate Indebtedness secured by such other Liens (exclusive of Indebtedness secured by Liens permitted by clauses (a) through (k) hereof) shall not exceed an amount equal to five percent (5%) of the Company's total assets as shown on its consolidated balance sheet for its most recent prior fiscal quarter;

provided, however, that for purposes of this Section 7.01, the term "Property" shall exclude the Company's common and cumulative preference stock, short and long-term marketable securities and options or other financial derivative instruments related to any of the foregoing.

SECTION 7.02. *Fundamental Changes*. The Company shall not (i) consolidate or merge with or into any other Person or (ii) sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), directly or indirectly, all or substantially all of its assets to any other Person; *provided* that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing any Person may merge into the Company in a transaction in which the Company is the surviving corporation.

SECTION 7.03. *Pari Passu Ranking*. The Company will ensure that the claims and rights of the Banks against it under the Loan Documents will not be at any time subordinate to, and will rank at all times at least *pari passu* with, the claims and rights of any other of its unsecured creditors, except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights in general.

SECTION 7.04. *Transactions with Affiliates*. The Company shall not, and shall not suffer or permit any of its Subsidiaries to, enter into any transaction with any Affiliate of the Company or of any such Subsidiary (other than the Company or a Subsidiary) except (a) as expressly permitted by this Agreement, (b) in connection with the repurchase by the Company of common stock of the Company, or (c) in the Ordinary Course of Business and pursuant to the reasonable conduct of the business of the Company or such Subsidiary.

SECTION 7.05. *Margin Stock*. The Company shall not and shall not suffer or permit any of its Subsidiaries to use any portion of the Loan proceeds, directly or indirectly, (i) to purchase or carry Margin Stock, (ii) to repay or otherwise refinance indebtedness of the Company or others incurred to purchase or carry Margin Stock, (iii) to extend credit for the purpose of purchasing or carrying any Margin Stock, or (iv) to acquire any security in any transaction that is subject to Section 13 or 14 of the Exchange Act.

SECTION 7.06. *Ratio of Earnings to Fixed Charges*. The Company shall not permit its Ratio of Earnings to Fixed Charges as determined for any period of four (4) consecutive fiscal quarters of the Company to be less than 2.5 to 1.0. During the term of this Agreement, the Company shall continue to compute its Ratio of Earnings to Fixed Charges in the same manner as computed in the Company's Form 10-K Annual Report for the period ended May 29, 2011 and shall continue to report such ratio to the Administrative Agent on a quarterly basis concurrently with the delivery of the financial statements referred to in subsections 6.01(a) and 6.01(b).

SECTION 7.07. *Payments by Material Subsidiaries*. Neither the Company nor any of its Material Subsidiaries will enter into or suffer to exist any consensual agreement or arrangement which would by its express terms limit the ability of any Material Subsidiary to pay any dividend to or otherwise advance funds to the Company; *provided* that this Section 7.07 shall not apply to existing agreements or arrangements governing Yoplait S.A.S.

ARTICLE 8 EVENTS OF DEFAULT

SECTION 8.01. *Event of Default*. Subject to the provisos at the end of this section, any of the following shall constitute an "Event of Default":

(a) *Non-Payment.* The Company fails to pay, (i) when and as required to be paid herein, any amount of principal of any Loan or any Reimbursement Obligation, or (ii) within three (3) Business Days after the same shall become due, any interest, fee or any other amount payable hereunder or pursuant to any other Loan Document; or

(b) *Representation or Warranty.* Any representation or warranty by the Company made or deemed made herein, in any Loan Document, or which is contained in any certificate, document or financial or other statement by the Company, or its Responsible Officers, furnished at any time under this Agreement, or in or under any Loan Document, shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) *Specific Defaults.* The Company fails to perform or observe any term, covenant or agreement contained in Section 6.03(a), Section 6.04(a) (but only with respect to the corporate existence of the Company), Section 6.09 or Article 7; or

(d) *Other Defaults.* The Company fails to perform or observe any other term or covenant contained in this Agreement or any Loan Document, and such default shall continue unremedied for a period of (i) 10 days, in the case such default arises under Section 6.01, 6.02, 6.03(b), 6.03(c), 6.03(d) or 6.03(e), or (ii) 30 days, in the case of any other such default, after the date upon which written notice thereof is given to the Company by the Administrative Agent or any Bank; or

(e) *Cross-Default.* The Company or any Material Subsidiary shall (i) fail to pay when due, subject to the applicable grace period, if any, whether at stated maturity or otherwise, (A) any principal of, interest on, or premiums, fees or expenses or any other amounts relating to, any Indebtedness or (B) the deferred purchase price of any Property or asset (other than trade payables entered into in the Ordinary Course of Business pursuant to customary terms) or (C) any Contingent Obligation, or (ii) fail to observe or perform, subject to the applicable grace period, if any, any other term, covenant, condition or agreement contained in any instrument or agreement evidencing, securing or relating to any Indebtedness or Contingent Obligation, if the effect thereof is to cause, or permit the holder or holders of any such Indebtedness or obligation, or a trustee or agent on behalf of such holder or holders (collectively, the “**holder**”), to cause, such Indebtedness or obligation to become due prior to its stated maturity; *provided, however,* that no Event of Default shall exist hereunder if (x) in the case of clause (ii), such failure or default has been waived by the holder thereof; (y) in the case of sub-clause (i)(B) or (i)(C), such failure is being contested in good faith by appropriate proceedings; or (z) the aggregate of all obligations which become (or, at the option of the holder thereof, may thereupon become) due and payable prior to their stated maturity as a result of any such failure or default, does not exceed \$100,000,000; or

(f) *Insolvency; Voluntary Proceedings.* The Company or any of its Material Subsidiaries (i) generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing; or

(g) *Involuntary Proceedings.* (i) Any involuntary Insolvency Proceeding is commenced or filed against the Company or any Material Subsidiary, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of the Company’s or any Material Subsidiaries’ Properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) the Company or any Material Subsidiary admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) the Company or any Material Subsidiary acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its Property or business; or

(h) *ERISA.* (i) The Company or an ERISA Affiliate shall fail to satisfy its contribution requirements under Section 412(c) (11) of the Code, whether or not it has sought a waiver under Section 412(d) of the Code, and such failure could result in liability of more than \$50,000,000; (ii) in the case of an ERISA Event involving the withdrawal from a Plan of a “substantial employer” (as defined in Section 4001(a)(2) or Section 4062(e) of ERISA), the withdrawing employer’s proportionate share of that Plan’s Unfunded Pension Liabilities is more than \$50,000,000; (iii) in the case of an ERISA Event involving the complete or partial withdrawal from a Multiemployer Plan, the withdrawing employer has incurred a Withdrawal Liability in an aggregate amount exceeding \$50,000,000; (iv) in the case of an ERISA Event not described in clause (ii) or (iii), the Unfunded Pension Liabilities of the relevant Plan or Plans exceed \$50,000,000; or (v) the commencement or increase of contributions to, or the adoption of or the amendment of a Plan by, a member of the Controlled Group shall result in a net increase in unfunded liabilities to the Controlled Group in excess of \$50,000,000; or

(i) *Monetary Judgments.* There shall be entered against the Company or any Material Subsidiary one or more final judgments or decrees for the payment of money which in the aggregate exceed (to the extent not (x) paid or covered by insurance or (y) reserved against) \$50,000,000, and such judgments or decrees shall not have been vacated, discharged, stayed or appealed within the applicable period for appeal from the date of entry thereof;

provided, however, that if no Loan or Letter of Credit is outstanding at the time any event or circumstance specified in paragraph (b), (c), (d), (e), (h) or (i) of this Section 8.01 shall occur or arise, then any such event or circumstance shall not be deemed an Event of Default, but the Administrative Agent shall, at the request of, or may, with the consent of, the Majority Banks, declare the Revolving Commitment of each Bank to make Loans and the obligation of each Issuing Bank to issue any Letter of Credit to be terminated, whereupon such Revolving Commitments and the obligation of each Issuing Bank to issue any Letter of Credit shall forthwith be terminated and the Company shall promptly pay to the Administrative Agent all accrued but unpaid amounts then outstanding under this Agreement or under any other Loan Document; *provided further, however,* that:

(i) the Company shall promptly notify the Administrative Agent and each Bank of any such event or circumstance, and

(ii) the obligation of each Bank to make any Loan hereunder or to issue any Letter of Credit shall be immediately suspended for so long as any such event or circumstance shall continue to exist.

SECTION 8.02. *Remedies.* If any Event of Default occurs, the Administrative Agent shall, at the request of, or may, with the consent of, the Majority Banks,

(a) declare the Revolving Commitment of each Bank to make Loans and the obligation of each Issuing Bank to issue any Letter of Credit to be terminated, whereupon such Revolving Commitments and such obligation of each Issuing Bank to issue any Letter of Credit shall forthwith be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, any outstanding Reimbursement Obligation in respect of any drawing under a Letter of Credit and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company; and

(c) exercise on behalf of itself and the Banks all rights and remedies available to it and the Banks under the Loan Documents or applicable law;

provided, however, that upon the occurrence of any event specified in paragraph (f) or (g) of Section 8.01 above (in the case of clause (i) of paragraph (g) upon the expiration of the 60-day period mentioned therein), the obligation of each Bank to make Loans and the obligation of each Issuing Bank to issue any Letter of Credit shall automatically terminate and the unpaid principal amount of all outstanding Loans and any outstanding Reimbursement Obligations and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Administrative Agent or any Bank.

SECTION 8.03. *Cash Cover.* The Company agrees, in addition to the provisions in Sections 8.01 and 8.02, that upon the occurrence and during the continuance of any Event of Default, it shall, if requested by the Administrative Agent upon the instruction of the Majority Banks or any Issuing Bank having an outstanding Letter of Credit, pay to the Administrative Agent an amount in immediately available funds (which shall be held as collateral pursuant to arrangements satisfactory to the Administrative Agent) equal to the aggregate amount available for drawing under all Letters of Credit outstanding at such time (or, in the case of a request by an Issuing Bank, all such Letters of Credit issued by it), provided that, upon the occurrence of any Event of Default specified in clause (f) or (g) of Section 8.01 above with respect to the Company, and on the Revolving Termination Date, the Company shall pay such amount forthwith without any notice or demand or any other act by the Administrative Agent, any Issuing Bank or any Bank. Amounts so held shall be invested by the Administrative Agent upon the instruction and for the account of the Company in short-term U.S. government securities.

SECTION 8.04. *Rights Not Exclusive.* The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE 9 THE AGENTS

SECTION 9.01. *Appointment and Authorization.* Each Bank hereby irrevocably appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

SECTION 9.02. *Delegation of Duties.* The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

SECTION 9.03. *Liability of Administrative Agent.* None of the Administrative Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement, any Letter of Credit or any other Loan Document (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Banks for any recital, statement, representation or warranty made by the Company or any Subsidiary or Affiliate of the Company, or any officer thereof, contained in this Agreement, in any Letter of Credit or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement, any Letter of Credit or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, any Letter of Credit or any other Loan Document, or for any failure of the Company or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Administrative Agent-Related Person shall be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, any Letter of Credit or any other Loan Document, or to inspect the Properties, books or records of the Company or any of the Company's Subsidiaries or Affiliates.

SECTION 9.04. *Reliance by Administrative Agent.* (a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Banks as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Majority Banks and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Banks.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Bank that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter either sent by the Administrative Agent to such Bank for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Bank.

SECTION 9.05. *Notice of Default.* The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Banks, unless the Administrative Agent shall have received written notice from a Bank or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Banks. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be requested by the Majority Banks in accordance with Article 8; *provided, however*, that unless and until the Administrative Agent shall have received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Banks.

SECTION 9.06. *Credit Decision.* Each Bank expressly acknowledges that none of the Administrative Agent-Related Persons has made any representation or warranty to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Company and its Subsidiaries shall be deemed to constitute any representation or warranty by the Administrative Agent to any Bank. Each Bank represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Company and its Subsidiaries, and all applicable bank regulatory laws relating to the transactions contemplated thereby, and made its own decision to enter into this Agreement and extend credit to the Company hereunder. Each Bank also represents that it will, independently and without reliance upon the Administrative Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly herein required to be furnished to the Banks by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Company which may come into the possession of any of the Administrative Agent-Related Persons.

SECTION 9.07. *Indemnification.* The Banks shall indemnify upon demand the Administrative Agent-Related Persons and any Issuing Bank (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so), ratably in accordance with their respective Revolving Commitments, or if no Revolving Commitments are in effect, in accordance with their respective outstanding Loans, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind whatsoever which may at any time (including at any time following the repayment of the Loans and the termination or resignation of the Administrative Agent) be imposed on, incurred by or asserted against any such Person any way relating to or arising out of this Agreement, any Letter of Credit or any document contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by any such Person under or in connection with any of the foregoing; *provided, however*, that no Bank shall be liable for the payment to the Administrative Agent-Related Persons of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting from such Person’s gross negligence or willful misconduct. Without limitation of the foregoing, each Bank shall reimburse the Administrative Agent and any Issuing Bank upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any Letter of Credit, any other Loan Document, or any document contemplated by or referred to herein to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Company. Without limiting the generality of the foregoing, if the Internal Revenue Service or any other Governmental Authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Bank (because the appropriate form was not delivered, was not properly executed, or because such Bank failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Bank shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Administrative Agent under this Section 9.07, together with all costs and expenses and attorneys’ fees (including Attorney Costs). The obligation of the Banks in this Section 9.07 shall survive the payment of all Obligations hereunder.

SECTION 9.08. *Administrative Agent in Individual Capacity.* JPMorgan Chase and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Company and its Subsidiaries and Affiliates as though JPMorgan Chase were not the Administrative Agent hereunder and without notice to or consent of the Banks. The Banks acknowledge that, pursuant to such activities, JPMorgan Chase or its Affiliates may receive information regarding the Company or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Company or such Affiliates) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, JPMorgan Chase shall have the same rights and powers under this Agreement as any other Bank and may exercise the same as though it were not the Administrative Agent, and the terms “Bank” and “Banks” shall include JPMorgan Chase in its individual capacity.

SECTION 9.09. *Successor Administrative Agent.* The Administrative Agent may resign as Administrative Agent upon 30 days’ notice to the Banks. If the Administrative Agent shall resign as Administrative Agent under this Agreement, the Company shall appoint from among the Banks a successor agent for the Banks (unless an Event of Default then exists in which case the Majority Banks shall appoint the successor agent). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Banks and the Company, a successor agent from among the Banks. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term “Administrative Agent” shall mean such successor agent and the retiring Administrative Agent’s appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent’s resignation hereunder as Administrative Agent, the provisions of this Article 9 and Sections 10.04 and 10.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent’s notice of resignation, the retiring Administrative Agent’s resignation shall nevertheless thereupon become effective (except that in the case of any collateral security held by the Administrative Agent on behalf of the Banks under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and the Banks shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Company or the Majority Banks appoint a successor agent as provided for above.

SECTION 9.10. *Lead Arrangers and Other Agents.* None of the Lead Arrangers or the Syndication Agents shall have any obligation, liability, responsibility or duty under this Agreement other than those applicable to all Banks as such. Each Bank acknowledges that it has not relied, and will not rely, on the Syndication Agents in deciding to enter into this Agreement or in taking or not taking action hereunder. The Lead Arrangers and the Syndication Agents shall have the express benefit of this Section 9.10 and Sections 10.05 and 10.07.

ARTICLE 10 MISCELLANEOUS

SECTION 10.01. *Amendments and Waivers.* No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by the Company therefrom, shall be effective unless the same shall be in writing and signed by the Majority Banks, the Company (and if the rights or duties of any Issuing Bank are affected thereby, by it) and acknowledged by the Administrative Agent, and then such waiver shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Banks, the Company and acknowledged by the Administrative Agent, do any of the following:

- (a) extend or increase the Revolving Commitment of any Bank (or reinstate any Revolving Commitment terminated pursuant to subsection 8.02(a)) or subject any Bank to any additional obligations;
- (b) postpone or delay any date fixed for any payment of principal, interest, fees or other amounts due to the Banks (or any of them) hereunder, under any Loan Document or the latest permitted expiry date for Letters of Credit;
- (c) reduce the principal of, or the rate of interest specified herein on any Loan or any Reimbursement Obligation, or any fees or other amounts payable hereunder or under any Loan Document;

- (d) change the percentage of the Revolving Commitments or of the Total Outstanding Amount, which shall be required for the Banks or any of them to take any action hereunder or change the definition of Majority Banks;
- (e) amend this Section 10.01 or any provision providing for consent or other action by all Banks; or
- (f) alter the pro rata treatment of the Banks under Section 2.05 or 2.13 or any other provision providing for pro rata treatment;

and, *provided further*, that no amendment, waiver or consent shall, unless in writing and signed by such Agent in addition to the Majority Banks or all the Banks, as the case may be, affect the rights or duties of any Agent under this Agreement or any other Loan Document.

SECTION 10.02. *Notices.* (a) All notices, requests and other communications provided for hereunder to any party shall be in writing (including, unless the context expressly otherwise provides, by facsimile transmission; *provided* that any matter transmitted by the Company by facsimile (i) shall be immediately confirmed by a telephone call to the recipient at the number specified on the signature pages hereof or in the applicable Administrative Questionnaire, as the case may be, and (ii) shall be followed promptly by a hard copy original thereof) and mailed, faxed or delivered, to such party: (A) in the case of the Company or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof, (B) in the case of any Bank, at its address or facsimile number set forth in its Administrative Questionnaire, or (C) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Company.

(b) All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail, or if delivered, upon delivery; except that notices to the Administrative Agent or any Issuing Bank pursuant to Article 2 or 9 shall not be effective until actually received by it.

(c) Notices and other communications to the Banks hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Bank. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(d) The Company acknowledges and agrees that any agreement of the Administrative Agent and the Banks in Article 2 herein to receive certain notices by telephone and facsimile is solely for the convenience and at the request of the Company. The Administrative Agent and the Banks shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Company to give such notice and the Administrative Agent and the Banks shall not have any liability to the Company or other Person on account of any action taken or not taken by the Administrative Agent or the Banks in reliance upon such telephonic or facsimile notice. The obligation of the Company to repay the Loans shall not be affected in any way or to any extent by any failure by the Administrative Agent and the Banks to receive written confirmation of any telephonic or facsimile notice or the receipt by the Administrative Agent and the Banks of a confirmation which is at variance with the terms understood by the Administrative Agent and the Banks to be contained in the telephonic or facsimile notice.

SECTION 10.03. *No Waiver; Cumulative Remedies.* No failure to exercise and no delay in exercising, on the part of any Agent or Bank, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

SECTION 10.04. *Costs and Expenses.* The Company shall, whether or not the transactions contemplated hereby shall be consummated:

(a) pay or reimburse JPMorgan Chase (including in its capacity as Administrative Agent) within fifteen Business Days after demand (subject to subsection 4.01(e)) for all reasonable, demonstrable costs and out-of-pocket expenses incurred by JPMorgan Chase (including in its capacity as Administrative Agent) in connection with the development, preparation, delivery and execution of, and any amendment, supplement, waiver or modification to (in each case, whether or not consummated), this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including the reasonable Attorney Costs incurred by JPMorgan Chase (including in its capacity as Administrative Agent) with respect thereto as agreed in the Fee Letters; and

(b) pay or reimburse each Bank and the Administrative Agent within fifteen Business Days after demand (subject to subsection 4.01(e)) for all costs and expenses incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies (including in connection with any “workout” or restructuring regarding the Loans, and including in any Insolvency Proceeding or appellate proceeding) under this Agreement, any Letter of Credit, any other Loan Document, and any such other documents, including Attorney Costs incurred by the Administrative Agent and any Bank or Issuing Bank.

SECTION 10.05. *Indemnity.* (a) The Company shall pay, indemnify, and hold each Bank, Agent and Lead Arranger and each of their respective Affiliates, officers, directors, employees, counsel, agents and attorneys-in-fact (each, an “**Indemnified Person**”) harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, investigations, costs, charges, expenses or disbursements (including Attorney Costs) of any kind or nature whatsoever with respect to the preparation, execution, delivery, modification, amendment, enforcement, performance and administration of this Agreement, any Letter of Credit and any other Loan Documents, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any Insolvency Proceeding or appellate proceeding) related to this Agreement, the Loans, any Letter of Credit or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto and whether such investigation, litigation or proceeding is brought by the Company or any other party (all the foregoing, collectively, the “**Indemnified Liabilities**”); *provided* that the Company shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person as determined by a court of competent jurisdiction in a final and non-appealable judgment. The agreements in this Section 10.05 shall survive payment of all other Obligations and termination of this Agreement. This Section 10.05 shall not apply with respect to taxes other than any taxes that represent losses, claims, damages, etc. arising from any non-tax claim.

(b) An Indemnified Person shall give prompt notice to the Company of any claim asserted in writing, or the commencement of any action or proceeding, in respect of which indemnity may be sought hereunder; *provided* that the omission so to notify the Company will not relieve the Company from any liability, if any, which it may have to the Indemnified Person otherwise than under subsection 10.05(a) unless and to the extent that the Company shall have been damaged by the delay in notification or the failure to be notified.

(c) The Indemnified Person shall assist the Company in the defense of any such action or proceeding by arranging discussions with (and the calling as witnesses of) relevant officers, directors, employees and agents of the Indemnified Person and providing reasonable access to relevant books and records. The Company shall have the right to, and shall at the request of the Indemnified Person, participate in, and assume the defense of, any such action or proceeding at its own expense using counsel mutually acceptable to the Company and the Indemnified Person. In any such action or proceeding which the Company has participated in or assumed the defense of, the Indemnified Person shall have the right to retain separate counsel, but the fees and expenses of such counsel shall be at its own expense unless the named parties to any such suit, action or proceeding (including any impleaded parties) include both the Company and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them it being understood and agreed that the Company shall not have liability for the fees and expenses of more than one firm (in addition to local counsel) which shall be retained to act in such circumstances for all of the Indemnified Parties; *provided, however*, that the Company shall have the liability for the fees and expenses of more than one firm if such firm or firms has or have been retained due to actual or potential differing interests among the Indemnified Parties.

(d) The Company shall not be liable under this Section 10.05 for any settlement effected without its consent of any claim, litigation or proceeding in respect of which indemnity may be sought hereunder. The Company may settle any claim without the consent of the Indemnified Person if monetary damages are paid in full by the Company; *provided* that the Company shall not make any admission of wrongdoing by such Indemnified Person and all claimants shall execute a full release in favor of such Indemnified Person. An Indemnified Person shall, subject to its reasonable business needs, use reasonable efforts to minimize the indemnification sought from the Company under this Section 10.05.

SECTION 10.06. *Marshalling; Payments Set Aside.* Neither the Administrative Agent nor the Banks shall be under any obligation to marshal any assets in favor of the Company or any other Person or against or in payment of any or all of the Obligations. To the extent that the Company makes a payment or payments to the Administrative Agent or the Banks, or the Administrative Agent or the Banks exercise their rights of set-off, and such payment or payments or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent with the consent of the Majority Banks) to be repaid to a trustee, receiver or any other party in connection with any Insolvency Proceeding, or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or set-off had not occurred, and (b) each Bank severally agrees to pay to the Administrative Agent upon demand its ratable share of the total amount so recovered from or repaid by the Administrative Agent.

SECTION 10.07. *No Fiduciary Duty.* Each Agent, each Bank, each Lead Arranger and their respective Affiliates (each, a “**Bank Party**”) may have economic interests that conflict with those of the Company. The Company agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Bank Parties and the Company, its stockholders or Affiliates. The Company acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm’s-length commercial transactions between the Bank Parties, on the one hand, and the Company, on the other hand, (ii) in connection therewith and with the process leading to such transactions, each Bank Party is acting solely as a principal and not the agent or fiduciary of the Company, its management, stockholders, creditors or any other person, (iii) no Bank Party has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the transactions contemplated hereby or in any other Loan Document or the process leading thereto (irrespective of whether any Bank Party or any of its Affiliates has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in the Loan Documents and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Company agrees that it will not claim that any Bank Party has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, its stockholder or Affiliates, in connection with such transactions or the process leading thereto.

SECTION 10.08. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Company may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank (and any attempted assignment or transfer by the Company without such consent shall be null and void).

SECTION 10.09. *Assignments, Participations, Etc.*

(a) Any Bank may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitment, Letter of Credit Liabilities and the Loans at the time owing to it); *provided* that (i) except in the case of an assignment of the entire remaining amount of the assigning Bank’s Revolving Commitment, Letter of Credit Liabilities and the Loans at the time owing to it or in the case of an assignment to a Bank or an Affiliate of a Bank or an Approved Fund with respect to a Bank, the amount of the Revolving Commitment (which for this purpose includes Loans and Letter of Credit Liabilities outstanding thereunder) subject to each such assignment (determined as of the date the Assignment and Assumption Agreement, as hereinafter defined, with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed, and in any event, the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after it receives a written request for consent thereto), (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank’s rights and obligations under this Agreement with respect to the Loans, the Letter of Credit Liabilities and/or the Revolving Commitment assigned and (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an agreement, substantially in the form of Exhibit C hereto (an “**Assignment and Assumption Agreement**”), together with a processing and recordation fee of \$3,500, and the Eligible Assignee, if it shall not be a Bank, shall deliver to the Administrative Agent an Administrative Questionnaire. Subject to acceptance and recording thereof by the Administrative Agent

pursuant to subsection 2.02(a), from and after the effective date specified in each Assignment and Assumption Agreement, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.03, 10.04, and 10.05). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (b) of this Section.

(b) Any Bank may, without the consent of, or notice to, the Company or the Administrative Agent, sell participations to one or more banks or other entities (a "**Participant**") in all or a portion of such Bank's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitment, the Loans and/or the Letter of Credit Liabilities at the time owing to it); *provided* that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Company, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (a), (b) or (c) of Section 10.01 that affects such Participant. Subject to paragraph (c) of this Section, the Company agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.02, 3.03 and 3.04 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (a) of this Section.

(c) A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.03 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant organized under the laws of a jurisdiction outside the United States shall not be entitled to the benefits of Section 3.01 unless such Participant agrees, for the benefit of the Company, to comply with subsection 3.01(f) as though it were a Bank (it being understood that the documentation required under subsection 3.01(f) shall be delivered to the participating Bank). Each Bank that sells a participation shall, acting solely for this purpose as a nonfiduciary agent of the Company, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Bank shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Bank shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment of a security interest shall release a Bank from any of its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

(e) Notwithstanding anything to the contrary contained herein, any Bank (a "**Granting Bank**") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Company (an "**SPC**"), the option to provide to the Company all or any part of any Loan that such Granting Bank would otherwise be obligated to make to the Company pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Loan, (ii) the Granting Bank's obligations under this Agreement shall remain unchanged and (iii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Revolving Commitment of the Granting Bank to the same extent, and as if, such Loan were made by such Granting Bank. Each party hereto hereby agrees that no

SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Bank). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 10.09, any SPC may with notice to, but without (except as specified below) the prior written consent of, the Company and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Bank or to any financial institution (consented to by the Administrative Agent and, so long as no Event of Default has occurred, the Company, which consents shall not be unreasonably withheld or delayed) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans. Any SPC shall be a Transferee for purposes of Section 10.10 hereof; *provided* that in addition to disclosures permitted pursuant to Section 10.10, an SPC may disclose on a basis acknowledged by the recipient as confidential any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. An amendment to this subsection (e) without the written consent of an SPC shall be ineffective insofar as it alters the rights and obligations of such SPC.

SECTION 10.10. *Confidentiality.* Each Bank agrees to take normal and reasonable precautions and exercise due care (in the same manner as it exercises for its own affairs) to maintain the confidentiality of all information identified as “confidential” by the Company and provided to it by the Company or any Subsidiary of the Company, or by the Administrative Agent on such Company’s or Subsidiary’s behalf, in connection with this Agreement, any Letter of Credit or any other Loan Document, and neither it nor any of its Affiliates shall use any such information for any purpose or in any manner other than pursuant to the terms contemplated by this Agreement; except to the extent such information:

- (i) was or becomes generally available to the public other than as a result of a disclosure by such Bank, or
- (ii) was or becomes available on a non-confidential basis from a source other than the Company; *provided* that such source is not bound by a confidentiality agreement with the Company known to such Bank; and, *provided further*, that any Bank may disclose such information
 - (A) at the request or pursuant to any requirement of (1) any Governmental Authority to which such Bank or its Affiliates are subject or in connection with an examination of such Bank or its Affiliates by any such authority and (2) any self-regulatory body having or claiming oversight over any Bank or any of its Affiliates;
 - (B) pursuant to subpoena or other court process; *provided* that the Company is given prompt notice of such subpoena or other process (unless such Bank is legally prohibited from giving such notice);
 - (C) when required to do so in accordance with the provisions of any applicable Requirement of Law;
 - (D) to the extent reasonably required in connection with any litigation or proceeding to which any Agent, any Bank or their respective Affiliates may be party;
 - (E) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; and
 - (F) to such Bank’s and its Affiliates’ independent auditors and other professional advisors as may be reasonably required in order for any party to fulfill its obligations; *provided* that such auditors or advisors shall be informed of the confidentiality requirements of this Agreement.

Notwithstanding the foregoing, the Company authorizes each Bank to disclose to any Participant or Assignee (each, a “**Transferee**”) and to any prospective Transferee or to any actual or prospective contractual counterparty (or its advisors) to any securitization, hedge or other derivative transaction, such financial and other information in such Bank’s possession concerning the Company or its Subsidiaries which has been delivered to the Administrative Agent or the Banks pursuant to this Agreement or which has been delivered to the Administrative Agent or the Banks by the Company in connection with the Bank’s credit evaluation of the

Company prior to entering into this Agreement; *provided* that, unless otherwise agreed by the Company, such Person agrees in writing to such Bank to keep such information confidential to the same extent required of the Banks hereunder. Notwithstanding anything herein to the contrary, any party hereto (and any employee, representative or other agent of thereof) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and the U.S. federal income tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, no disclosure of any information relating to such tax treatment or tax structure may be made to the extent nondisclosure is reasonably necessary in order to comply with applicable securities laws. Additionally, the Company agrees to maintain the confidentiality of any information relating to a rate provided by the Administrative Agent pursuant to clause (c) of the definition of "Offshore Base Rate", except (a) to its directors, officers, employees, advisors or Affiliates on a confidential and need-to-know basis in connection herewith, (b) as consented to by the Administrative Agent or (c) as required by law (including securities laws and GAAP), regulation, judicial or governmental order, subpoena or other legal process or is requested or required by any governmental or regulatory authority or exchange (in which case the Company agrees to inform the Administrative Agent promptly thereof prior to such disclosure, unless the Company is prohibited from giving such notice).

SECTION 10.11. *Set-off*. In addition to any rights and remedies of the Banks provided by law, if an Event of Default has occurred and is continuing, each Bank is authorized at any time and from time to time, without prior notice to the Company, any such notice being waived by the Company to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing to, such Bank or any of its Affiliates to or for the credit or the account of the Company against any and all Obligations owing to such Bank or Affiliate, now or hereafter existing, irrespective of whether or not the Administrative Agent or such Bank shall have made demand under this Agreement or any Loan Document and although such Obligations may be contingent or unmatured. Each Bank agrees promptly to notify the Company and the Agent after any such set-off and application made by such Bank or Affiliate; *provided, however*, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section 10.11 are in addition to the other rights and remedies (including other rights of set-off) which the Bank may have.

SECTION 10.12. *Notification of Addresses, Lending Offices, Etc.* Each Bank shall notify the Administrative Agent in writing of any changes in the address to which notices to the Bank should be directed, of addresses of its Offshore Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

SECTION 10.13. *Counterparts*. This Agreement may be executed by one or more of the parties to this Agreement in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Administrative Agent.

SECTION 10.14. *Severability*. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

SECTION 10.15. *No Third Parties Benefited*. This Agreement is made and entered into for the sole protection and legal benefit of the Company, the Banks and the Agents, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. No Agent or Bank shall have any obligation to any Person not a party to this Agreement or other Loan Documents.

SECTION 10.16. *Time*. Time is of the essence as to each term or provision of this Agreement and each of the other Loan Documents.

SECTION 10.17. *Governing Law and Jurisdiction*. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; *PROVIDED THAT THE AGENTS AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.*

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT AND ANY OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE COMPANY, THE AGENTS AND THE BANKS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE COMPANY, THE AGENTS AND THE BANKS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE COMPANY, THE AGENTS AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

SECTION 10.18. *Waiver of Jury Trial.* THE COMPANY, THE BANKS AND THE AGENTS EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE COMPANY, THE BANKS AND THE AGENTS EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION 10.18 AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 10.19. *Electronic Execution of Assignments and Certain Other Documents.* The words “execution”, “signed”, “signature” and words of like import in any Assignment and Assumption Agreement or in any amendment or other modification of this Agreement (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 10.20. *Entire Agreement.* This Agreement, together with the other Loan Documents and the Fee Letters, embodies the entire agreement and understanding among the Company, the Banks and the Agents, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

SECTION 10.21. *USA PATRIOT Act Notice.* Each Bank that is subject to the Patriot Act and the Administrative Agent (for itself and not on behalf of any Bank) hereby notifies the Company that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Bank or the Administrative Agent, as applicable, to identify the Company in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

[Signature pages follow]

PRICING SCHEDULE

The “**Facility Fee Rate**”, “**Offshore Rate Margin**”, “**Base Rate Margin**” and “**Letter of Credit Fee Rate**” for any day are the respective percentages set forth below in the applicable row and column based upon the Status that exists on such day:

Status	Level I	Level II	Level III	Level IV	Level V	Level VI
Facility Fee Rate:	0.080%	0.100%	0.125%	0.150%	0.200%	0.250%
Offshore Rate Margin and Letter of Credit Fee Rate:	0.795%	0.900%	1.000%	1.100%	1.300%	1.500%
Base Rate Margin:	0.000%	0.000%	0.000%	0.100%	0.300%	0.500%

For purposes of this Schedule, the following terms have the following meanings:

“**Level I**” status exists at any date if, at such date, the Company’s senior unsecured long-term debt has ratings that are better than or equal to A by S&P and/or A2 by Moody’s.

“**Level II**” status exists at any date if, at such date, the Company’s senior unsecured long-term debt has ratings that are better than or equal to A- by S&P and/or A3 by Moody’s, and Level I status does not exist.

“**Level III**” status exists at any date if, at such date, the Company’s senior unsecured long-term debt has ratings that are better than or equal to BBB+ by S&P and/or Baa1 by Moody’s, and neither Level I nor Level II status exists.

“**Level IV**” status exists at any date if, at such date, the Company’s senior unsecured long-term debt has ratings that are better than or equal to BBB by S&P and/or Baa2 by Moody’s, and none of Level I status, Level II status and Level III status exists.

“**Level V**” status exists at any date if, at such date, the Company’s senior unsecured long-term debt has ratings that are better than or equal to BBB- by S&P and/or Baa3 by Moody’s, and none of Level I status, Level II status, Level III status and Level IV status exists.

“**Level VI**” status exists at any date if, at such date, no other Status exists.

“**Status**” refers to the determination of which of Level I status, Level II status, Level III status, Level IV status, Level V status or Level VI status exists at any date.

The credit ratings to be utilized for purposes of this Schedule are those assigned to the senior unsecured long-term debt securities of the Company without third-party credit enhancement, and any rating assigned to any other debt security of the Company shall be disregarded. The rating in effect at any date is that in effect at the close of business on such date. If the ratings are split, the applicable pricing will be based upon the higher rating assigned by S&P or Moody’s; *provided* that if the rating differential is more than one notch, the applicable pricing will be based on a rating one notch lower than the higher rating.

SCHEDULE 2.01

Bank	Revolving Commitment
JPMorgan Chase Bank, N.A.	\$125,925,925.92
Bank of America, N.A.	\$125,925,925.92
Barclays Bank PLC	\$125,925,925.92
Citibank, N.A.	\$125,925,925.92
Deutsche Bank AG New York Branch	\$125,925,925.92
Credit Suisse AG, Cayman Islands Branch	\$106,250,000.00
Goldman Sachs Bank USA	\$106,250,000.00
Morgan Stanley Bank, N.A.	\$106,250,000.00
U.S. Bank National Association	\$106,250,000.00
BNP Paribas	\$56,666,666.67
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" New York Branch	\$56,666,666.67
HSBC Bank USA, National Association	\$56,666,666.67
Société Générale	\$56,666,666.67
Sovereign Bank N.A.	\$56,666,666.67
Sumitomo Mitsui Banking Corporation	\$56,666,666.67
The Bank of New York Mellon	\$56,666,666.67
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$56,666,666.67
Wells Fargo Bank, N.A.	\$56,666,666.67
AgFirst Farm Credit Bank	\$31,481,481.48
Bank of China, New York Branch	\$31,481,481.48
National Australia Bank Limited	\$18,888,888.89
Standard Chartered Bank	\$18,888,888.89
Toronto Dominion (Texas) LLC	\$18,888,888.89
CoBank, ACB	\$15,740,740.74
Total	\$1,700,000,000

AMENDMENT NO. 1 TO FIVE-YEAR CREDIT AGREEMENT

AMENDMENT dated as of September 19, 2014 to the Five-Year Credit Agreement dated as of May 23, 2014 (the “**Credit Agreement**”) among GENERAL MILLS, INC. (the “**Company**”), the several financial institutions from time to time party thereto (collectively, the “**Banks**”; individually, a “**Bank**”) and JPMORGAN CHASE BANK, N.A., as Administrative Agent (the “**Agent**”).

The parties hereto agree as follows:

SECTION 1. *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to “hereof”, “hereunder”, “herein” and “hereby” and each other similar reference and each reference to “this Agreement” and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

SECTION 2. *Amendment.* Each of the parties hereto agrees that, effective on the Amendment Effective Date, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

SECTION 3. *Representations of Company.* The Company represents and warrants that (i) the representations and warranties of the Company set forth in Article 5 of the Credit Agreement will be true on and as of the Amendment Effective Date and (ii) no Default or Event of Default will have occurred and be continuing on such date.

SECTION 4. *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 5. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed signature page hereto by facsimile or electronic transmission (e.g., “pdf” or “tif”) shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 6. *Effect of Amendment; Reaffirmation.* This Amendment shall constitute a Loan Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Bank or the Agent under any of the Loan Documents, nor, except as expressly provided herein, constitute a waiver or amendment of any provision of any of the Loan Documents. Without limiting the foregoing, the Company acknowledges and agrees that each Loan Document to which it is a party is hereby confirmed and ratified and shall remain in full force and effect according to its respective terms.

SECTION 7. *Effectiveness.* This Amendment shall become effective on the date (the “**Amendment Effective Date**”) the Agent shall have received from each of the Company and Banks comprising the Majority Banks a counterpart hereof signed by such party.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

GENERAL MILLS, INC.

By: /s/ Marie Pillai
Name: Marie Pillai
Title: Vice President

**JPMORGAN CHASE BANK, N.A.,
As Administrative Agent and as a Bank**

By: /s/ Tony Yung
Name: Tony Yung
Title: Executive Director

Bank of America, N.A.

By: /s/ David L. Catherall
Name: David L. Catherall
Title: Managing Director

Barclays Bank PLC

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Vice President

Citibank, N.A.

By: /s/ Nicholas Pateros
Name: Nicholas Pateros
Title: Vice President

**CREDIT SUISEE AG, CAYMAN ISLANDS
BRANCH**

By: /s/ Michael Spaight
Name: Michael Spaight
Title: Authorized Signatory

By: /s/ Stanley Tran
Name: Stanley Tran
Title: Authorized Signatory

GOLDMAN SACHS BANK USA

By: /s/ Michelle Latzoni
Name: Michelle Latzoni
Title: Authorized Signatory

MORGAN STANLEY BANK N.A.

By: /s/ John Durland
Name: John Durland
Title: Authorized Signatory

**U.S. BANK NATIONAL ASSOCIATION
As a Bank**

By: /s/ Mila Yakovlev
Name: Mila Yakovlev
Title: Vice President

SANTANDER BANK, N.A.,

By: /s/ William Maag
Name: William Maag
Title: Managing Director

Société Générale

By: /s/ Yao Wang
Name: Yao Wang
Title: Director

Sumitomo Mitsui Banking Corporation

By: /s/ David W. Kee
Name: David W. Kee
Title: Managing Director

THE BANK OF NEW YORK MELLON

By: /s/ John T. Smathers
Name: John T. Smathers
Title: First Vice President

The Bank of Yokyo-Mitsubishi UFJ, Ltd.

By: /s/ Christine Howatt
Name: Christine Howatt
Title: Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Daniel R. Van Aken
Name: Daniel R. Van Aken
Title: Director

AGFIRST FARM CREDIT BANK

By: /s/ Steven J. O'Shea
Name: Steven J. O'Shea
Title: Vice President

Bank of China, New York Branch

By: /s/ Haifeng Xu
Name: Haifeng Xu
Title: Executive Vice President

ICICI Bank Limited, New York Branch, as a Bank

By: /s/ Akashdeep Sarpal
Name: Akashdeep Sarpal
Title: Joint General Manager

NATIONAL AUSTRALIA BANK LIMITED

By: /s/ Marcio Borkol
Name: Marcio Borkol
Title: Director

Standard Chartered Bank

By: /s/ Felipe Macia
Name: Felipe Macia A2789
Title: Managing Director
Syndications, Americas

By: /s/ Hsing H. Huang
Name: Hsing H. Huang
Title: Associate Director
Standard Chartered Bank NY

Amendments to Credit Agreement

SECTION 6.06. *Payment of Obligations.* The Company ~~shall~~will, and ~~shall~~will cause each of its ~~Material~~ Subsidiaries to, pay ~~and discharge as the same shall become due and payable, all their respective~~its obligations ~~and liabilities~~, including:

~~(a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are that, collectively or individually, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP are being maintained by the Company or such~~ (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are that, collectively or individually, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP are being maintained by the Company or such ~~and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material~~ Subsidiary; Adverse Effect.

~~(b) all lawful claims which, if unpaid, would by law become a Lien upon its Property, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by the Company or such Material Subsidiary, and~~

~~(c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.~~

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

In Millions, Except Ratios	Six-Month Period Ended		Fiscal Year Ended				
	Nov. 23, 2014	Nov. 24, 2013	May 25, 2014	May 26, 2013	May 27, 2012	May 29, 2011	May 30, 2010
Earnings before income taxes and after-tax earnings from joint ventures	\$ 960.7	\$ 1,457.4	\$2,655.0	\$2,534.9	\$2,210.5	\$2,428.2	\$2,204.5
Distributed income of equity investees	28.9	25.6	90.5	115.7	68.0	72.7	88.0
Plus: Fixed charges (1)	200.9	192.5	389.8	400.1	431.8	414.2	423.1
Plus: Amortization of capitalized interest, net of interest capitalized	(1.1)	0.1	(0.8)	(0.4)	(5.5)	(3.7)	0.7
Earnings available to cover fixed charges	\$ 1,189.4	\$ 1,675.6	\$3,134.5	\$3,050.3	\$2,704.8	\$2,911.4	\$2,716.3
Ratio of earnings to fixed charges	5.92	8.70	8.04	7.62	6.26	7.03	6.42
(1) Fixed charges:							
Interest expense	\$ 165.3	\$ 157.5	\$ 323.4	\$ 333.8	\$ 370.7	\$ 360.9	\$ 374.5
Preferred distributions to noncontrolling interest holders	1.7	1.7	3.4	3.7	2.6	2.5	2.6
Rentals (1/3)	33.9	33.3	63.0	62.6	58.5	50.8	46.0
Total fixed charges	\$ 200.9	\$ 192.5	\$ 389.8	\$ 400.1	\$ 431.8	\$ 414.2	\$ 423.1

For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings before income taxes and after-tax earnings of joint ventures, distributed income of equity investees, fixed charges, and amortization of capitalized interest, net of interest capitalized. Fixed charges represent gross interest expense (excluding interest on taxes) and subsidiary preferred distributions to the noncontrolling interest holder, plus one-third (the proportion deemed representative of the interest factor) of rent expense.

I, Kendall J. Powell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Mills, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 17, 2014

/s/ Kendall J. Powell
Kendall J. Powell
Chairman of the Board and
Chief Executive Officer

I, Donal L. Mulligan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Mills, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 17, 2014

/s/ Donal L. Mulligan
Donal L. Mulligan
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

I, Kendall J. Powell, Chairman of the Board and Chief Executive Officer of General Mills, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 23, 2014 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 17, 2014

/s/ Kendall J. Powell
Kendall J. Powell
Chairman of the Board and
Chief Executive Officer

Exhibit 32.2

I, Donal L. Mulligan, Executive Vice President and Chief Financial Officer of General Mills, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 23, 2014 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 17, 2014

/s/ Donal L. Mulligan
Donal L. Mulligan
Executive Vice President and
Chief Financial Officer