



THE MARKET

Yogurt has been a staple for centuries in Europe and the Near and Middle East, but it didn't reach the U.S. until the 1930s. In the 1960s, yogurt started gaining popularity, and in the 1970s, U.S. consumption increased 200 percent. Today, yogurt is a staple in two-thirds of American households. Yoplait, the nation's leading brand of yogurt, has been instrumental in growing the U.S. market.

Yogurt is popular among consumers because it's nutritious, makes a satisfying light meal or snack and tastes great. The biggest factor that affects consumers' buying decisions is taste. Yoplait yogurt's exquisite French taste has made it a popular choice worldwide.

Research shows that about half of yogurt lovers eat yogurt at lunch or as an afternoon snack. It seems that heavy yogurt eaters are most likely to eat yogurt as part of their meal. People who eat yogurt less frequently are more evenly split between eating yogurt at mealtime or as a snack. Curiously, women tend to eat yogurt in the morning or afternoon, whereas men eat yogurt at night for an evening snack.

Yogurt consumed by adults is split 60/40, with women eating more than men. For women, yogurt represents a means of taking good care of themselves. Kids also are enjoying yogurt at increasing levels. This is driven in part by the introduction of more kid-targeted yogurt offerings.

Moms have discovered that serving kids yogurt is an easy way to ensure they're getting the calcium they need.

ACHIEVEMENTS

The U.S. yogurt industry is a \$2-billion dollar industry, and Yoplait is the top-selling brand. Several factors have contributed to the success of the core Yoplait brand, including its easily recognized, inverted-cone shaped cup that makes it stand out on the dairy case shelf. Other strong attributes of the brand include its unique texture and taste, the upscale image conveyed by the packaging design and its compelling marketing communications. Consumers perceive Yoplait yogurt as sophisticated, yet approachable.

In the 1990s, Yoplait recognized that while kids like yogurt, they would like it even more if flavors catered to their tastes. Yoplait introduced Trix yogurt for kids in 1992 and current-

ly offers Yumsters and Go-Gurt yogurt as well. These brands allow Yoplait to claim itself as the No. 1 choice in yogurt for kids.

For more than 15 years, Yoplait has been a champion for women's wellness issues. During the past several years, Yoplait has directed a more intense focus on the issue of breast cancer, dedicating a television advertisement, print advertisement, and other promotion to this very important cause.

HISTORY

Developed in France during the early 1960s, Yoplait yogurt was created by SODIMA, a dairy cooperative with headquarters near Paris. SODIMA invented the special process that

meet these requirements. Yoplait was a healthful product, delicious, distinctive and reasonably priced.

In October 1977, General Mills acquired the American Yoplait franchise and two Michigan Cottage Cheese plants. With the license from SODIMA and assets from Michigan Cottage Cheese, General Mills established a separate corporate subsidiary, Yoplait USA, Inc. Today, Yoplait is manufactured at four production plants across the country.

THE PRODUCT

The Yoplait brand has repeatedly met the lifestyle demands of consumers, especially in regard to great taste, texture, flavor, variety, convenience and health.

Original Style Yoplait Yogurt continues to be made from the original French recipe. The creamy yogurt has fruit mixed evenly throughout. Originally available in 12 flavors, new varieties are launched every season. Currently, consumers can choose from more than 25 flavors. The most popular flavors are Strawberry, Peach and Strawberry Banana. Yoplait also offers indulgent flavors, such as Key Lime Pie and Orange Crème.

In 1981, General Mills introduced Custard Style Yoplait Yogurt, featuring a rich, creamy texture, like fine custard. The yogurt is mixed with a fruit puree and natural fruit flavors. Popular flavors include Custard Vanilla, Custard Strawberry and Custard Banana.

Yoplait USA launched a nonfat yogurt in 1987. Yoplait Light, initially marketed as Yoplait 150, is available today in 15 flavors. Three flavors introduced



makes Yoplait distinctive from other yogurts. Yoplait quickly became a favorite with the French people, and SODIMA decided to expand into other countries. Plans were made for a six-week test run in the U.S.

In January, 1976, the first container of Yoplait rolled off the line of the Michigan Cottage Cheese Company in Reed City, Michigan. The test results exceeded their wildest expectations. By the end of the month, the Reed City plant could not meet product demand.

As one of the fastest-growing items in the supermarket, Yoplait attracted the attention of General Mills, Inc. General Mills was interested in adding a high-quality yogurt to its product line and saw Yoplait as a new way to



in 2000 include Very Vanilla, Passion Fruit Banana, and Orange Crème.

The Yoplait family includes two yogurt cup products marketed to kids:

Yumsters, a creamy yogurt with added calcium packaged in kid-sized, four-ounce cups, which is popular with children under age 5, and Trix, four-ounce cups of creamy yogurt in flavors inspired by General Mills' popular Trix cereal, is marketed to kids under age 8.

Both sub-brands are sold in multi-packs.

RECENT DEVELOPMENTS

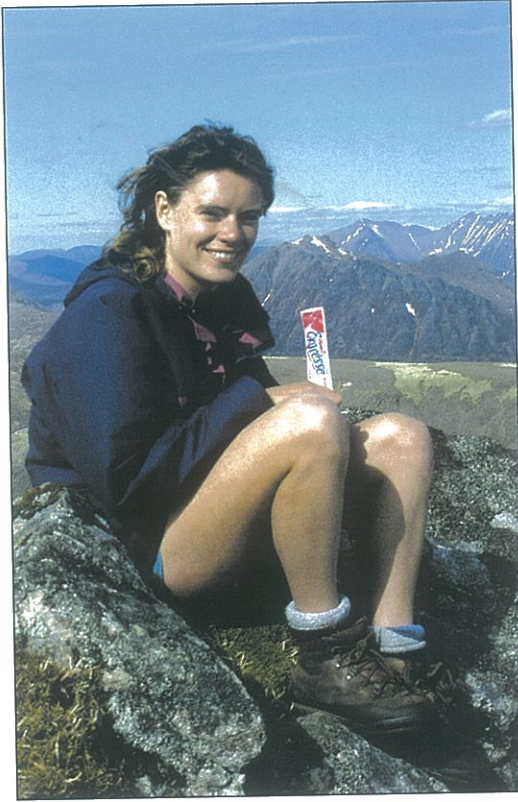
Yoplait took yogurt for kids to a whole new playing level in the fall of 1998 when it introduced Go-Gurt, the first ever yogurt in a tube. Go-Gurt is creamy and delicious yogurt in a squeezable tube that lets kids enjoy it without a spoon. Go-Gurt yogurt's unique formulation keeps it creamy and delicious, whether it is refrigerated, frozen or thawed. Conveniently sized to fit into a lunchbox, frozen Go-Gurt can be packed in the morning and kids can eat it later for lunch or snack. Go-Gurt is available in the flavors kids love, including Strawberry, Strawberry-Banana and Watermelon.

General Mills supported the launch of Go-Gurt with TV spots that encourages kids to "Lose the Spoon" if they wanted to be cool, as well as sampling at children's events. The product was hugely successful, driving the Yoplait kid segment of the yogurt market volume by almost 50 percent over the previous years. Go-Gurt reeled in several awards for General Mills, including packaging, product innovation, and television advertising.

The success of Go-Gurt spurred the development of a portable yogurt for grown-ups: Yoplait Exprèsse. It combines the portability of a tube with great tasting adult flavors, such as Mixed Berry, Lemon Burst, and Key Lime. Like Go-Gurt, Exprèsse can be eaten frozen, thawed or refrigerated.

PROMOTION

As part of its commitment to fight breast cancer, Yoplait is the national series presenting sponsor of the Susan G. Komen Foundation Race for the



Cure®, providing significant financial support. Proceeds from the race fund both national research and local community programs that support breast health education, screening and treatment. The Komen Race for the Cure® is the largest series of 5K run and fitness walks in the world. Yoplait has a presence at each race, and at many of the races provides product sampling, kid activities and post-race massages for participants.

Yoplait also has supported the breast cancer cause with its "Save Lids to Save Lives" pink-lid redemption program. This program offers consumers an opportunity to help raise over \$1 million to fight breast cancer. In 2000, Yoplait gave a guaranteed donation of \$550,000 to the Komen Race for the Cure®, plus 10 cents for every pink lid received from consumers between September 1 and December 1, 2000, up to a maximum of \$500,000, to the Susan G. Komen Breast Cancer Foundation. This contribution will support the Komen Foundation's

mission to eradicate breast cancer as a life-threatening disease by advancing research, education, screening, and treatment.

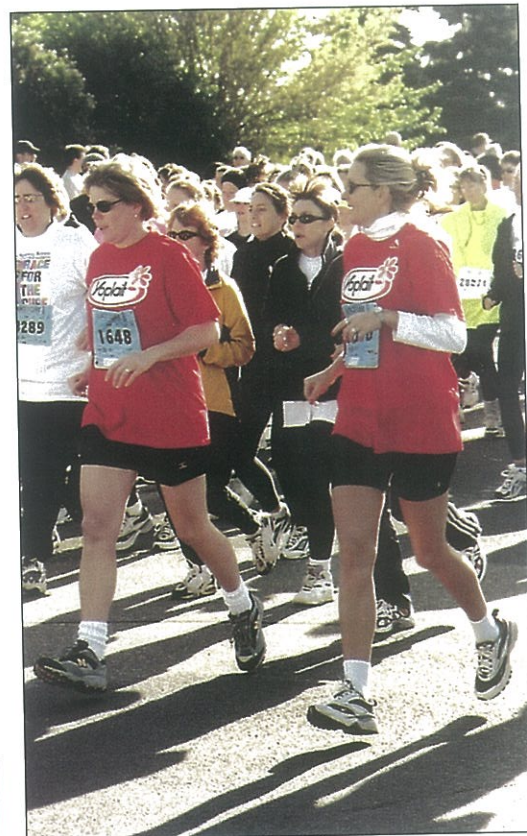
Yoplait also has been a sponsor of the 1996 and 1998 Olympic Games. To promote its sponsorship of the 1996 Olympics, Yoplait featured a "Flip and Win Olympic Sweepstakes," where a lucky consumer won a significant cash prize by purchasing the cup with the winning lid.

Yoplait promoted its sponsorship of the 1998 Olympics with a "Go for Gold" lid promotion and by featuring figure skating champion Michelle Kwan on its packaging.

National print and television advertising campaigns throughout the years have positioned Yoplait yogurt as a healthy food choice and emphasized the brand's unique taste and texture.

BRAND VALUES

Yoplait USA summarizes the values of the Yoplait brand in this single statement: "Yoplait is the yogurt of singularity, exquisite taste and sophistication that celebrates a joy of life."



THINGS YOU DIDN'T KNOW ABOUT YOPLAIT

- In the U.S. alone, Yoplait produces 8 million packages of yogurt a day.
- Yoplait U.S. facilities use 650 million pounds of milk in a year to produce yogurt.
- That's equivalent to 75 million gallons—or 1.3 billion 8-ounce glasses of milk. It takes 30,000 cows per year (working 24 hours a day) to produce that much milk.
- 75,000 miles of Go-Gurt tubes have been sold in the past year, enough to circle the globe 3 times.
- Yoplait is currently sold in 47 countries and is the No. 1 or 2 brand in 37 of those countries.