

cut your innovation. If anything, you should accelerate it."

General Mills said it expects to close out its fiscal year ending in May with a rise in U.S. cereal sales on a comparable basis, following a 3.3% decline last year.

The company also has to tackle challenges to its dairy business. Yogurt sales, driven by its Yoplait brand, fell 10% in the latest quarter.

With milk costs down, other yogurt brands offered significant discounts, while

ing steady to protect profitability.

Mr. Powell said the company last couple of quarters it will become more competitive in pricing and hopes to highlight shelf space to retailers.

General Mills reported fiscal third-quarter revenue of \$361.7 million, or 10% share, up from \$350 million or 56 cents a year earlier. Excluding certain items, adjusted earnings fell to 66 cents a share from 70 cents.

—Associated Press

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