General Mills To Cut About 850 Jobs

The Associated Press

MINNEAPOLIS (AP) — Food maker General Mills Inc. said Tuesday it will cut about 850 jobs as part of a plan to lower costs and boost efficiency.

The Minneapolis-based maker of Cheerios cereal, Nature Valley granola bars and Hamburger Helper said the moves will make it more effective and allow it to focus on key growth strategies.

General Mills said it expects the plan to result in total pretax charges of about $109 million, which will cover costs related to workers whose jobs are terminated and equipment.

The company said about $94 million of those charges will come in the fiscal fourth quarter, which ends Sunday. The rest will be recorded in fiscal 2013. It plans to use the savings from the cuts on future growth strategies and to speed up global development.

General Mills said it still hopes to post an adjusted fiscal 2012 profit of $2.53 to $2.55 per share. Analysts expect a profit of $2.54 per share.

The company employed about 35,000 people across the world in fiscal 2011, according to its annual report. In March, it said its fiscal third-quarter profit fell slightly as a result of higher costs.

General Mills' brands remain some of the most popular. But like most of its peers, the company has struggled with higher costs for everything from ingredients to labor and been forced to raise prices to offset them.

General Mills shares fell 8 cents to $38.47 in morning trading.

Source URL (retrieved on *04/26/2015 - 9:55pm*):
http://www.impomag.com/news/2012/05/general-mills-cut-about-850-jobs