

yogurt business in China and simultaneously entered into a new Yoplait license agreement with the purchaser for their use of the *Yoplait* brand. We recorded a pre-tax gain of \$5.4 million.

During the fourth quarter of fiscal 2018, we acquired Blue Buffalo Pet Products, Inc. (“Blue Buffalo”) for an aggregate purchase price of \$8.0 billion, including \$103.0 million of consideration for net debt repaid at the time of the acquisition. In accordance with the definitive agreement and plan of merger, a subsidiary of General Mills merged into Blue Buffalo, with Blue Buffalo surviving the merger as a wholly owned subsidiary of General Mills. In accordance with the merger agreement, equity holders of Blue Buffalo received \$40.00 per share in cash. We financed the transaction with a combination of \$6.0 billion in debt, \$1.0 billion in equity, and cash on hand. In fiscal 2019, we recorded acquisition integration costs of \$25.6 million in SG&A expenses. In fiscal 2018, we recorded acquisition transaction and integration costs of \$34.0 million in SG&A expenses and \$49.9 million in interest, net related to the debt issued to finance the acquisition.

We consolidated Blue Buffalo into our Consolidated Balance Sheets and recorded goodwill of \$5.3 billion, an indefinite-lived intangible asset for the *Blue Buffalo* brand of \$2.7 billion, and a finite-lived customer relationship asset of \$269.0 million. The goodwill was primarily attributable to future growth opportunities and any intangible assets that did not qualify for separate recognition. The goodwill is included in the Pet reporting unit and is not deductible for tax purposes. In the fourth quarter of fiscal 2019, we recorded adjustments to certain purchase accounting liabilities that resulted in a \$5.6 million increase to goodwill.

The consolidated results of Blue Buffalo are reported as our Pet operating segment on a one-month lag.

The following unaudited supplemental pro forma information is presented as if we had acquired Blue Buffalo at the beginning of fiscal 2017:

In Millions	Unaudited Fiscal Year	
	2018	2017
Net sales	\$17,057.4	\$16,772.9
Net earnings attributable to General Mills	2,252.4	1,540.2

The fiscal 2017 pro forma amounts include transaction and integration costs of \$83.9 million and the purchase accounting adjustment to record inventory at fair value of \$52.7 million. The fiscal 2017 and fiscal 2018 pro forma amounts include interest expense of \$238.7 million on the debt issued to finance the transaction and amortization expense of \$13.5 million based on the estimated fair value and useful life of the customer relationships intangible asset. Additionally, the pro forma amounts include an increase to cost of sales by \$1.6 million in fiscal 2017 and \$5.1 million in fiscal 2018 to reflect the impact of using the LIFO method of inventory valuation on Blue Buffalo’s historical operating results. Pro forma amounts include related tax effects of \$125.1 million in fiscal 2017 and \$14.5 million in fiscal 2018. Unaudited pro forma amounts are not necessarily indicative of results had the acquisition occurred at the beginning of fiscal 2017 or of future results.

NOTE 4. RESTRUCTURING, IMPAIRMENT, AND OTHER EXIT COSTS

ASSET IMPAIRMENTS

In fiscal 2019, we recorded a \$192.6 million charge related to the impairment of our *Progresso*, *Food Should Taste Good*, and *Mountain High* brand intangible assets in restructuring, impairment, and other exit costs. Please see Note 6 for additional information.

In fiscal 2019, we recorded a \$14.8 million charge in restructuring, impairment, and other exit costs related to the impairment of certain manufacturing assets in our North America Retail and Asia & Latin America segments.