

GENERAL MILLS INC  
Form S-3ASR  
August 13, 2007

As filed with the Securities and Exchange Commission on August 13, 2007

Registration No. 333-

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form S-3

### REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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## 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 55426**

**(763) 764-7600**

(Address, including zip code, of registrant's principal executive offices)

**Siri S. Marshall, Esq.**

**Senior Vice President and General Counsel**

**General Mills, Inc.**

**Number One General Mills Boulevard**

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Minneapolis, Minnesota 55426

(763) 764-7230

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Gary L. Tygesson, Esq.

Dorsey & Whitney LLP

50 South Sixth Street, Suite 1500

Minneapolis, MN 55402

612-340-8753

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**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Floating Rate Convertible Senior Notes Due April 11, 2037	\$ 1,150,000,000	(1) 100	%(2)(3) \$ 1,150,000,000	(1) \$ 35,305 (4)
Common Stock, par value \$0.10 per share	11,500,000	(5) N/A	(6) N/A	(6) N/A (6)
Total			\$ 1,150,000,000	\$ 35,305 (7)

(1) Represents the aggregate principal amount of Floating Rate Convertible Senior Notes Due April 11, 2037 (the notes ) issued by the Registrant.

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(2) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(i) under the Securities Act of 1933, as amended (the Securities Act).

(3) Exclusive of accrued interest and distributions, if any.

(4) Calculated in accordance with Rule 457(i) under the Securities Act.

(5) This number represents the maximum number of shares of common stock that are issuable upon conversion of the notes registered hereby. For purposes of estimating the number of shares of common stock to be included in the Registration Statement upon the conversion of the notes, the Registrant calculated the number of shares issuable upon conversion of the notes based on a maximum conversion rate of 10 shares per \$1,000 principal amount of the Notes. In addition to the shares set forth in the table, pursuant to Rule 416 under the Securities Act, the amount to be registered includes an indeterminate number of shares of common stock issuable upon conversion of the notes, as this amount may be adjusted as a result of stock splits, stock dividends and similar events, and the adjustment provisions of the notes.

(6) No additional consideration will be received for the common stock issuable upon conversion of the notes and therefore no registration fee is required pursuant to Rule 457(i) under the Securities Act.

(7) A registration fee of \$35,305 was previously paid with respect to the notes pursuant to Registration Statement No. 333-145292 filed by the Registrant on August 9, 2007, of which \$35,305 remains unutilized. Pursuant to Rule 457(p) under the Securities Act, the unutilized filing fee of \$35,305 previously paid is to be offset against the filing fee payable pursuant to this Registration Statement.

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PROSPECTUS

**\$1,150,000,000**

## General Mills, Inc.

### FLOATING RATE CONVERTIBLE SENIOR NOTES DUE APRIL 11, 2037 AND COMMON STOCK ISSUABLE UPON CONVERSION OF THE NOTES

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We issued and sold \$1,150,000,000 aggregate principal amount of our Floating Rate Convertible Senior Notes due April 11, 2037 (the notes) in a private placement in April 2007. The selling securityholders identified in this prospectus will use this prospectus to resell their notes and any shares of our common stock issuable upon conversion of their notes as described in Plan of Distribution beginning on page 42 of this prospectus. We will not receive any proceeds from this offering.

The notes will mature on April 11, 2037. You may, at your option, convert the notes into cash and shares of our common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date. The initial conversion rate is 10 shares of our common stock per \$1,000 principal amount of notes. This represents an initial conversion price per share of \$100.00. Upon conversion, you will receive, in respect of each \$1,000 principal amount of notes surrendered for conversion, cash and shares of our common stock, if any, equal to the sum of the daily settlement amounts for each day of the observation period (as defined herein). The daily settlement amount for each of the ten trading days of the observation period will consist of: (1) an amount in cash equal to the lesser of \$100 and the daily conversion value (as defined herein) relating to such day, and (2) to the extent such daily conversion value exceeds \$100, a number of shares equal to (A) the difference between such daily conversion value and \$100 divided by (B) the common stock price (as defined herein) for such day. We will have the option to deliver cash in lieu of all or any portion of the shares, if any, deliverable upon conversion. If you elect to convert your notes in connection with certain changes in control (as defined herein) that occur on or prior to April 11, 2008, we will increase the conversion rate by a number of shares of our common stock determined as described herein.

Our common stock is listed on The New York Stock Exchange (the NYSE) under the symbol GIS. On August 8, 2007, the last reported sale price for our common stock was \$56.92 per share.

The notes bear interest at an annual rate equal to 1-month LIBOR, reset monthly, minus 0.07%; *provided* that such rate will never be less than 0% per annum. The initial interest rate on the notes was 5.25%. Interest is payable quarterly in arrears on January 11, April 11, July 11 and October 11 of each year. We made our first interest payment on the notes on July 11, 2007. Interest accrues on a monthly basis based on the relevant 1-month LIBOR, but such interest is payable only on a quarterly basis on each quarterly interest payment date (and the amount of interest payable on each such quarterly interest payment date will be the aggregate amount of interest accrued, if any, without compounding, for each of the three immediately preceding 1-month LIBOR interest periods).

The notes are our unsecured and unsubordinated obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The notes are structurally subordinated to the liabilities of our subsidiaries, including but not limited to trade payables.

We have the option to redeem for cash all or a portion of the notes at any time on or after April 11, 2008 at a price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, including additional interest, if any, up to but not including the date of redemption, payable in cash. We must make at least 4 quarterly interest payments (including the interest payments on July 11, 2007 and April 11, 2008) in the full amount required by the indenture before redeeming any notes at our option. You have the option to require us to repurchase all or a portion of your notes in connection with any change in control and on April 11, 2008, 2009, 2012, 2017, 2022, 2027 and 2032

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for cash at a price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, including additional interest, if any, up to and including the calendar day immediately preceding the date on which the payment of the repurchase price is made. See Description of the Notes Redemption and Repurchase of the Notes Repurchase of Notes at the Option of the Holder and Description of the Notes Redemption and Repurchase of the Notes Right to Require Repurchase of Notes Upon a Change in Control.

The notes have been issued in book-entry form and are represented by three permanent global certificates, which have been deposited with the trustee as a custodian for The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. Except as described in this prospectus, beneficial interests in any such securities will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants. Any such interest may not be exchanged for certificated securities, except in limited circumstances.

Since their issuance, the notes have been eligible for trading in the PORTALSM Market of the Nasdaq Stock Market, Inc. (PORTAL). However, upon their registration, the notes will cease to be eligible for trading in PORTAL. We do not intend to list the notes on any national securities exchange or to include them in any automated quotation system upon their registration.

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**Investing in the notes and our common stock involves risks. See Risk Factors beginning on page 8 of this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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The date of this prospectus is August 9, 2007

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**ABOUT THIS PROSPECTUS**

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This prospectus is part of a shelf registration statement that we have filed with the Securities and Exchange Commission (SEC). By using a shelf registration statement, the selling securityholders may sell, from time to time, the notes, as well as any shares of common stock issuable upon conversion of the notes.

You should rely only on the information incorporated by reference or provided in this prospectus. Neither we nor the selling securityholders have authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus does not constitute an offer to sell, nor a solicitation of an offer to buy, any of the securities offered in this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. Neither the delivery of this prospectus nor any sale made under this prospectus of the securities described herein shall under any circumstances imply, and you should not assume, that the information provided by this prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document, regardless of the time of delivery of this prospectus or of any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since those dates.

Except as otherwise indicated or required by the context, all references in this prospectus to General Mills, we, us and our are to General Mills, Inc. and not to its subsidiaries.

All references in this prospectus to \$, U.S. Dollars and dollars are to United States dollars.

Trademarks and servicemarks in this prospectus are set forth in capital letters and are owned or licensed by us or our subsidiaries.

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**WHERE YOU MAY FIND MORE INFORMATION ABOUT GENERAL MILLS**

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We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public through the Internet at the SEC web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C., 20549. Please call the SEC at 1-800-732-0330 for further information on the public reference facilities and their copy charges. These reports and other information concerning us may also be inspected at the office of the NYSE located at 20 Broad Street, New York, NY 10005. For further information on obtaining copies of General Mills' public filings at the NYSE, you should call 1-212-656-3000.

We have filed with the SEC a registration statement on Form S-3 to register the notes and the shares of common stock offered hereby. This prospectus is part of the registration statement. As allowed by SEC rules, this prospectus does not contain all of the information that is in the registration statement and the exhibits to the registration statement. For further information regarding General Mills, investors should refer to the registration statement and its exhibits. The full registration statement can be obtained from the SEC as indicated above.

The SEC allows us to incorporate by reference the information we file with them into this prospectus. This means that we can disclose important information to you by referring you to another document that we have filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus. Information that we file with the SEC after the date of this prospectus will automatically update and, where applicable, modify or supersede the information included or incorporated by reference in this prospectus. We incorporate by reference the documents listed below (other than any portions of any such documents that are not deemed filed under the Securities Exchange Act of 1934, as amended (the Exchange Act), in accordance with the Exchange Act and applicable SEC rules) and any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of the initial filing of the registration statement of which this prospectus is a part and before the filing of a post-effective amendment to that registration statement that indicates that all securities offered hereunder have been sold or that deregisters all securities then remaining unsold:

- our Annual Report on Form 10-K for the fiscal year ended May 27, 2007; and
- our Current Reports on Form 8-K filed on June 29, 2007; August 1, 2001; August 2, 2007; and August 3, 2007.

You may request a copy of these filings (excluding exhibits to those documents unless they are specifically incorporated by reference into those documents) at no cost, by writing or telephoning us at the following address and phone number:

General Mills, Inc.  
Number One General Mills Boulevard  
Minneapolis, MN 55426  
Attention: Corporate Secretary  
(763) 764-7600

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

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We and our representatives may from time to time make written or oral forward-looking statements with respect to our annual or long-term goals, including statements contained in this prospectus, the documents incorporated by reference in this prospectus, our filings with the SEC and 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, which speak only as of the date made.

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 for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current 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 or tax rates;
- 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 laws and regulations, including labeling and advertising regulations;
- 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 customer 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 hedge price risk for certain commodities;
- benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities;
- failure of our information technology systems;
- resolution of uncertain income tax matters;
- foreign economic conditions, including currency rate fluctuations; and
- political unrest in foreign markets and economic uncertainty due to terrorism or war.

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.

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## SUMMARY

This summary contains a general overview of the information contained or incorporated by reference in this prospectus. This summary may not contain all of the information that is important to you, and it is qualified in its entirety by the more detailed information and financial statements and related notes, as filed with the SEC and incorporated by reference in this prospectus. You should carefully consider the information contained in or incorporated by reference in this prospectus, including the information set forth under the heading **Risk Factors** beginning on page 8 of this prospectus and on page 5 of our Annual Report on Form 10-K for the fiscal year ended May 27, 2007 filed with the SEC on July 26, 2007.

### General Mills

#### Company Overview

*General Mills is a leading global manufacturer and marketer of branded, packaged consumer foods and operates in the consumer foods industry. We are also a leading supplier of branded and unbranded food products to the foodservice and commercial baking industries. These products are manufactured by us in 18 countries and marketed in more than 100 countries. Our joint ventures manufacture and market products in more than 130 countries and republics worldwide. Our fiscal year ends on the last Sunday in May. All references to our fiscal years are to our fiscal years ending on the last Sunday in May of each such period.*

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**We were incorporated under the laws of the State of Delaware in 1928. We employ approximately 28,500 persons worldwide. Our principal executive offices are located at Number One General Mills Boulevard, Minneapolis, Minnesota 55426; our telephone number is (763) 764-7600. See [Where You May Find More Information About General Mills](#) for details about information incorporated by reference into this prospectus.**

**Business Segments**

We have three operating segments organized by type of customer and geographic region:

- U.S. Retail;
- International; and
- Bakeries and Foodservice.

**U.S. Retail**

The U.S. Retail segment accounted for approximately 68 percent of our total fiscal 2007 net sales. The 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 major product categories in this business segment are ready-to-eat cereals, refrigerated yogurt, ready-to-serve soup, dry dinners, shelf stable and frozen vegetables, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza and pizza snacks, grain, fruit and savory snacks, microwave popcorn, and a wide variety of organic products including soup, granola bars, and cereal.

**International**

International operations accounted for approximately 17 percent of our total fiscal 2007 net sales. In Canada, our major product categories are ready-to-eat cereals; shelf stable and frozen vegetables; dry dinners; refrigerated and frozen dough products; dessert and baking mixes; frozen pizza snacks; and grain, fruit and savory snacks. In markets outside North America, our product categories include super-premium ice cream, grain snacks, shelf stable and frozen vegetables, dough



products, and dry dinners. Our International segment also includes products manufactured in the United States for export internationally, primarily to the Caribbean and Latin American markets, as well as products we manufacture for sale to our international joint ventures. Revenues from export activities are reported in the region or country where the end customer is located. These international businesses are managed through 34 sales and marketing offices.

#### **Bakeries and Foodservice**

**Bakeries and Foodservice accounted for approximately 15 percent of our total fiscal 2007 net sales. In our Bakeries and Foodservice segment we sell branded ready-to-eat cereals, snacks, dinner and side dish products, refrigerated and soft-serve frozen yogurt, frozen dough products, branded baking mixes, and custom food items. Our customers include foodservice distributors and operators, convenience stores, vending machine operators, quick service and other restaurant operators, and business and school cafeterias in the United States and Canada. In addition, we market mixes and unbaked and fully baked frozen dough products throughout the United States and Canada to retail, supermarket and wholesale bakeries.**

**Joint Ventures**

In addition to our consolidated operations, we manufacture and sell products through several joint ventures.

*International Joint Ventures.* We have a 50 percent equity interest in Cereal Partners Worldwide, or CPW, a joint venture that manufactures and markets ready-to-eat cereal products in more than 130 countries and republics outside the United States and Canada. CPW also markets cereal bars in several European countries and manufactures private label cereals for customers in the United Kingdom. On July 14, 2006, CPW acquired the Uncle Tobys cereal business in Australia for approximately \$385 million. We have a 50 percent equity interest in two joint ventures for the manufacture, distribution and marketing of HÄAGEN-DAZS frozen ice cream products and novelties in Japan and Korea. We have a controlling interest in a HÄAGEN-DAZS joint venture in Thailand. We also have a 50 percent equity interest in Seretram, a joint venture for the production of GREEN GIANT canned corn in France.

*Domestic Joint Venture.* We have a 50 percent equity interest in 8th Continent, LLC, a joint venture formed to develop and market soy-based products.

**The Offering**

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The **Description of the Notes** section of this prospectus contains a more detailed description of the terms and conditions of the notes. The **Description of Capital Stock** section of this prospectus contains a more detailed description of our common stock.

Issuer	General Mills, Inc.
Securities Offered	\$1.15 billion aggregate principal amount of Floating Rate Convertible Senior Notes Due April 11, 2037.
Maturity	April 11, 2037.
Interest Rate and Payment Dates	The notes bear interest at an annual rate equal to 1-month LIBOR, reset monthly, minus 0.07%; <i>provided</i> that such rate will never be less than 0% per annum. The initial interest rate on the notes was 5.25%. Interest is payable quarterly in arrears on January 11, April 11, July 11 and October 11 of each year. We made our first interest payment on the notes on July 11, 2007.

Interest accrues on a monthly basis based on the relevant 1-month LIBOR, but such interest is payable only on a quarterly basis on each quarterly interest payment date (and the amount of interest payable on each such quarterly interest payment date will be the aggregate amount of interest accrued, if any, without compounding, for each of the three immediately preceding one-month LIBOR interest periods).

Ranking	The notes are our unsecured and unsubordinated obligations and rank equal in priority among themselves and with all of our existing and future unsecured and unsubordinated indebtedness from time to time outstanding.
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As of May 27, 2007, we had approximately \$6.2 billion of total debt, including \$138 million of debt from consolidated subsidiaries. As of May 27, 2007, preferred stock and interests of subsidiaries, shown as minority interests on our consolidated balance sheets, totaled approximately \$1.1 billion.

Conversion Rights	Holders may convert any outstanding notes into cash and, if applicable, shares of our common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date based on an initial conversion rate of 10 shares of our common stock per \$1,000 principal amount of notes. This represents an initial conversion price per share of \$100.00.
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Payment Upon Conversion	Subject to certain exceptions described in <b>Description of the Notes Conversion Rights</b> , we will settle each \$1,000 principal amount of notes surrendered for conversion by delivering, on the third trading day immediately following the last day of the related observation period, as defined below, cash and shares of our common stock, if any, equal to the sum of the daily settlement amounts, as defined below, for each of the ten trading days during the related observation period.
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The **observation period** with respect to any note means the ten consecutive-trading-day period beginning on and including the second trading day after you deliver your conversion notice to the conversion agent, except that with respect to any conversion notice received after the date of issuance of a notice of redemption as described under **Description of the Notes Redemption**

and

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Repurchase of the Notes Optional Redemption of the Notes, the observation period means the ten consecutive trading days beginning on and including the 13th scheduled trading day prior to the applicable redemption date.

The daily settlement amount, for each of the ten trading days during the observation period shall consist of:

- an amount in cash equal to the lesser of \$100 and the daily conversion value relating to such day; and
- to the extent such daily conversion value exceeds \$100, a number of shares (the net shares), subject to our right to pay cash in lieu of all or a portion of such shares, as described below, equal to (A) the difference between such daily conversion value and \$100 divided by (B) the common stock price for such day.

By the close of business on the business day prior to the first scheduled trading day of the observation period, we may specify a percentage of the net shares that will be settled in cash (the cash percentage) and we will notify you of such cash percentage by notifying the trustee (the cash percentage notice). If we elect to specify a cash percentage, the amount of cash that we will deliver in lieu of all or the applicable portion of the net shares in respect of each trading day in the observation period will equal the cash percentage, *multiplied by* (i) the net shares for such trading day (assuming we had not specified a cash percentage), multiplied by (ii) the common stock price for such trading day.

The number of shares deliverable in respect of each business day in the observation period will be a percentage of the net shares (assuming we had not specified a cash percentage) equal to 100% minus the cash percentage. If we do not specify a cash percentage, we must settle 100% of the net shares for each trading day in such observation period with our common stock; provided, however, that we will pay cash in lieu of fractional shares as described below. We may, at our option, revoke any cash percentage notice by notifying the trustee; *provided* that we must revoke such notice by the close of business on the business day prior to the first scheduled trading day of the observation period.

We will deliver cash in lieu of fractional shares of our common stock issuable in connection with payment of the amounts above, based on the common stock price on the last day of the applicable observation period.

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The daily conversion value means, for each of the ten consecutive trading days during the observation period, one-tenth (1/10) of the product of (a) the applicable conversion rate and (b) the common stock price (or the value of the consideration into which one share of our common stock has been exchanged in connection with certain corporate transactions) for such day.

Upon conversion of the notes, no holder will be entitled to any actual payment or adjustment on account of accrued and unpaid interest, including additional interest, if any.

The conversion rate will be subject to adjustment in certain circumstances. See Description of the Notes Conversion Rights Conversion Rate Adjustments.

Adjustments of Conversion Rate

We will adjust the conversion rate of our notes in the following circumstances:

If you elect to convert your notes in connection with a corporate transaction that occurs on or prior to April 11, 2008 that constitutes a change in control, other than a change in control relating to the composition of our board of directors, we will increase the conversion rate by a number of shares of our common stock as determined in this prospectus. Conversion in connection with a corporate transaction means any conversion in respect of which the conversion notice is delivered at any time during the period from and including the effective date of the relevant change in control until, and including, the close of business on the business day immediately preceding the change in control repurchase date corresponding to the relevant change in control. However, if the transaction constitutes a public acquirer change of control, instead of increasing the conversion rate, we may, in certain circumstances, elect to change our conversion obligation so that upon conversion of the notes, we will deliver public acquirer common stock or cash and public acquirer common stock, if any. See Description of the Notes Conversion Rights Converting in Connection with Certain Change in Control Events.

If we distribute cash to all holders of our common stock (excluding any dividend or distribution in connection with our liquidation, dissolution or winding-up or any regular quarterly cash dividend on our common stock to the extent that the aggregate amount of such cash dividend per share of our common stock does not exceed \$0.37 for any quarterly period) (\$0.37 being the quarterly dividend threshold amount); if there is a dividend or distribution to which this paragraph applies, the conversion rate will be adjusted by multiplying the applicable conversion rate by a fraction:

- the numerator of which will be the current market price of our common stock on the record date fixed for the distribution minus the quarterly dividend threshold amount; and
- the denominator of which will be (i) the current market price of our common stock on the record date fixed for the distribution *minus* (ii) the amount per share of such dividend or distribution; *provided* that if an adjustment is required to be made as a result of a distribution that is not a regular quarterly cash dividend, the quarterly dividend threshold amount will be deemed to be zero.

The quarterly dividend threshold amount is subject to adjustment in a manner inversely proportional to adjustments to the conversion rate; *provided* that no adjustment will be made to the quarterly dividend threshold amount for any adjustment made to the conversion rate as described above.

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Common stock price on any date means the closing sale price per share, or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices, on such date for our common stock as reported in composite transactions on the NYSE or such other principal U.S. securities exchange on which our common stock is then traded. If our common stock is not so listed, the common stock price will be the average of the midpoint of the last bid and asked prices for our common stock on the relevant date quoted by each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

A trading day means any regular or abbreviated trading day of the NYSE.



Optional Redemption of the Notes	<p>Beginning on April 11, 2008, we may redeem the notes, in whole at any time, or in part from time to time, for cash at a redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, including additional interest, if any, up to but not including the date of redemption. See Description of the Notes Redemption and Repurchase of the Notes Optional Redemption of the Notes.</p> <p>We must make at least 4 quarterly interest payments (including the interest payments on July 11, 2007 and April 11, 2008) in the full amount required by the indenture before redeeming any notes at our option.</p>
Repurchase of Notes at the Option of the Holder	<p>A holder has the right to require us to repurchase all or a portion of its notes on April 11, 2008, 2009, 2012, 2017, 2022, 2027 and 2032. We will give notice of this right not less than 30 days prior to each such date. We will repurchase the notes as to which these repurchase rights are exercised for an amount of cash equal to 100% of the principal amount of the notes on the date of repurchase, plus accrued and unpaid interest, including additional interest, if any, up to and including the calendar day immediately preceding the date on which the payment of the repurchase price is made. See Description of the Notes Redemption and Repurchase of the Notes Repurchase of Notes at the Option of the Holder.</p>
Repurchase Upon Change in Control	<p>If a change in control, as that term is defined in Description of the Notes Redemption and Repurchase of the Notes Right to Require Repurchase of Notes Upon a Change in Control, occurs, you will have the right to require us to repurchase all or a portion of your notes for a period of time after the change in control. The repurchase price will be equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, including additional interest, if any, up to but not including the date of repurchase, payable in cash.</p>
Sinking Fund	<p>None.</p>
Use of Proceeds	<p>We will not receive any of the proceeds from the sale by the selling securityholders of the notes or any shares of common stock issuable upon conversion of the notes. See Use of Proceeds.</p>
Registration Rights	<p>Under a registration rights agreement (the registration rights agreement) which we entered into with Morgan Stanley &amp; Co. Incorporated, as the initial purchaser of the notes (the initial purchaser), we have agreed to use our reasonable best efforts to keep the shelf registration statement to which this prospectus relates effective until the earliest of:</p> <ul style="list-style-type: none"><li>• two years after the last date of original issuance of any of the notes;</li><li>• the sale under the shelf registration statement or Rule 144 of all of the notes and any shares of our common stock issued on their conversion; and</li><li>• the expiration of the holding period applicable to the notes and any shares of our common stock issuable on their conversion</li></ul>



held by persons that are not our affiliates under Rule 144(k) under the Securities Act of 1933, as amended (the Securities Act), or any successor provision.

If we do not fulfill certain of our obligations under the registration rights agreement, we will be required to pay additional amounts to holders of the notes. If you convert some or all of your notes into common stock, you will not be entitled to additional amounts with respect to the common stock.

Form of the Notes

The notes have been issued in book-entry form, without coupons, in denominations of \$1,000 principal amount and integral multiples thereof, and are represented by three global certificates deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Beneficial interests in any of the securities will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances. See Description of the Notes Form, Denomination and Registration and Description of the Notes DTC; Book-Entry Notes.

Certain U.S. Federal Income Tax Consequences

U.S. holders of the notes will generally be taxed on interest paid under the notes as ordinary income at the time the interest is received or when it accrues, depending on the U.S. holder's method of accounting for tax purposes. In addition, if U.S. holders buy notes for less than their principal amount, they may also be required to include original issue discount in taxable ordinary income over the period through April 11, 2008. Any gain or loss recognized by a holder on the sale, conversion, repurchase, redemption or retirement of a note generally will be capital gain or loss. Prospective holders are urged to consult their tax advisors as to the U.S. federal, state, local or other tax consequences of acquiring, owning and disposing of the notes and any shares of our common stock into which the notes are convertible. See Certain U.S. Federal Income Tax Consequences.

Risk Factors

An investment in the notes or any shares of common stock issuable upon conversion of the notes involves risks. You should carefully consider the information set forth in the section of this prospectus entitled Risk Factors, as well as other information included in or incorporated by reference into this prospectus before deciding whether to invest in the notes or our common stock.

Trading

The notes are not listed on any national securities exchange or included in any automated quotation system. The notes are currently eligible for trading in PORTAL. However, the notes will cease to be eligible for trading in PORTAL upon their registration, and we do not intend to list the notes on any national securities exchange or to include the notes in any automated quotation system upon their registration. The market for the notes is limited and we cannot assure you that an active or liquid market will develop for the notes.

NYSE Symbol for our Common Stock

Our common stock is listed on the NYSE under the symbol GIS.

## RISK FACTORS

*An investment in the notes or any shares of common stock issuable upon conversion of the notes involves risks. Before deciding whether to purchase the notes or any shares of common stock, you should consider the risks discussed below or elsewhere in this prospectus, including those set forth under the heading "Cautionary Statement Regarding Forward-Looking Statements", and in our filings with the SEC that we have incorporated by reference in this prospectus. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.*

*Any of the risks discussed below or elsewhere in this prospectus or in our SEC filings incorporated by reference, and other risks we have not anticipated or discussed, could have a material impact on our business, financial condition or results of operations. In that case, our ability to pay interest on the notes when due, to repay the notes at maturity or to pay the cash due upon the repurchase or conversion of the notes could be adversely affected, and the trading price of the notes and our common stock could decline substantially.*

***The price of our common stock, and therefore of the notes, may fluctuate significantly, and this may make it difficult for you to resell the notes or any shares of our common stock issuable upon conversion of the notes when you want or at prices you find attractive.***

The price of our common stock on the NYSE constantly changes. We expect that the market price of our common stock will continue to fluctuate. In addition, because the notes are convertible into our common stock, volatility or depressed prices for our common stock could have a similar effect on the trading price of the notes.

In addition, the stock markets from time to time experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies and that may be extreme. These fluctuations may adversely affect the trading price of our common stock, regardless of our actual operating performance.

For a further discussion of risks affecting our common stock, see the factors set forth above under "Where You May Find More Information About General Mills" and the discussion of our business and related matters set forth in the information incorporated in this prospectus by reference.

***The interest on the notes cannot be determined at this time and may be lower than the interest on a standard debt security of comparable maturity and may be zero.***

The interest on the notes is based on 1-month LIBOR, which is the London Interbank Offered Rate, minus 0.07%, and at July 11, 2007, was 5.25% since 1-month LIBOR was 5.32% per annum. The interest on the notes will be reset every month. If LIBOR is at or below 0.07% per annum at the start of any monthly period, no interest will accrue on the notes for such 1-month period. The amount we pay you may be less than the return you could earn on other investments. Your interest may be less than the yield you would earn if you bought one of our standard senior debt securities with the same stated maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

***Upon conversion of the notes, you may receive an amount of proceeds lower than expected because the value of our common stock may decline between the day on which you exercise your conversion right and the day on which the value of your shares is determined.***

The conversion value that you will receive upon conversion of your notes is in part determined by the daily closing prices per share of our common stock on the NYSE during the ten consecutive trading day observation period generally beginning on the second trading day immediately following the day on which you deliver your conversion notice. If the price of our common stock decreases during the observation period, the conversion value you receive may be adversely affected.

***We may be unable to repurchase your notes as required under the indenture upon a change in control or on the specified dates at the option of the holder or to pay you cash upon conversion of your notes.***

Upon a change in control, as that term is defined in "Description of the Notes" "Redemption and Repurchase of the Notes" "Right to Require Repurchase of Notes Upon a Change in Control," and on each of April 11, 2008, 2009, 2012, 2017, 2022, 2027 and 2032, you will have the right to require us to repurchase your notes for cash. In addition, upon conversion of the notes, you will have the right to receive the cash payment described under "Description of the Notes" "Conversion Rights" "Payment Upon Conversion." If we do not have sufficient funds to pay the repurchase price for all of the notes you tender upon a change in control, the cash due upon repurchases of the notes on April 11, 2008, 2009, 2012, 2017,

2022, 2027 and 2032 or the cash due upon conversion, an event of default under the indenture governing the notes would occur as a result of such failure. Cash payments in respect of notes that you tender for repurchase or that you convert may be subject to limits and might be prohibited, or create an event of default, under agreements relating to borrowings that we may enter into

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from time to time. We also may be required to repay these borrowings upon a change in control, which could adversely affect our ability to make payments in respect of the notes, and could result in an event of default under such agreements. Our inability to pay for your notes that are tendered for repurchase or conversion could result in your receiving substantially less than the principal amount of the notes. See Description of the Notes Redemption and Repurchase of the Notes Repurchase of Notes at the Option of the Holder, Description of the Notes Redemption and Repurchase of the Notes Right to Require Repurchase of Notes Upon a Change in Control and Description of the Notes Conversion Rights Payment Upon Conversion.

***You may be subject to tax if we make certain adjustments to the conversion rate of the notes even though you do not receive a corresponding cash distribution.***

In certain situations resulting in a conversion rate adjustment (as described under Description of the Notes Conversion Rights ), you may be deemed to have received a distribution, subject to U.S. federal income tax as a dividend, even though you did not receive any cash or property as a result of such adjustment. If you are a non-U.S. holder (as defined below under Certain U.S. Federal Income Tax Consequences ) and we pay withholding taxes on your behalf for the deemed distribution, we may, at our option, set off any such payment against payments of cash and common stock payable on the notes. See the section of this prospectus entitled Certain U.S. Federal Income Tax Consequences.

***If an active trading market does not develop for the notes, you may not be able to resell them.***

The notes are a new issue of securities for which there is currently no public market. Since their initial sale, the notes have been eligible for trading on PORTAL. However, upon their registration, the notes will cease to be traded on PORTAL. We have not listed, and we have no plans to list, the notes on any national securities exchange or to include the notes in any automated quotation system upon their registration. The lack of a trading market could adversely affect your ability to sell the notes and the price at which you may be able to sell the notes. The notes may trade at a discount from their initial offering price and the liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, the market price of our common stock, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the notes will be subject to disruptions which may have a negative effect on you, regardless of our operating results, financial performance or prospects.

***Future sales of our common stock or equity-related securities in the public market, including sales of our common stock in short sales transactions by purchasers of the notes, could adversely affect the trading price of our common stock and the value of the notes and our ability to raise funds in new stock offerings.***

In the future, we may sell additional shares of our common stock to raise capital. In addition, shares of our common stock are reserved for issuance on the exercise of stock options and on conversion of the notes, as well as in connection with our entering, in October 2004, into a forward purchase contract with an affiliate of Lehman Brothers (under which we are obligated to deliver between approximately 14 million and 17 million shares of our common stock in October 2007, subject to adjustment under certain circumstances). We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. Sales of significant amounts of our common stock or equity-related securities in the public market, or the perception that such sales will occur, could adversely affect prevailing trading prices of our common stock and the value of the notes and could impair our ability to raise capital through future offerings of equity or equity-related securities. Future sales of shares of our common stock or the availability of shares of our common stock for future sale, including sales of our common stock by investors who view the notes as a more attractive means of equity participation in our company or in connection with hedging and arbitrage activity that may develop with respect to our common stock, could adversely effect the trading price of our common stock or the value of the notes.

***Before conversion of the notes, holders of the notes will not be entitled to any shareholder rights, but will be subject to all changes affecting shares of our common stock.***

If you hold notes, you will not be entitled to any rights with respect to shares of our common stock, including voting rights and rights to receive dividends or distributions. However, any shares of our common stock you receive upon conversion of your notes will be subject to all changes affecting our common stock. Except for limited cases under the adjustments to the conversion rate, you only will be entitled to rights that we may grant with respect to shares of our common stock if and when we deliver shares to you upon your election to convert your notes into shares. For example, if we seek approval from shareholders for a potential merger or in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the merger or amendment occurs prior to delivery of common stock to you, you will not be entitled to vote



on the merger or amendment, although you will nevertheless be subject to any changes in the powers or rights of our common stock.

***We have a substantial amount of indebtedness, which could limit financing and other options.***

We have a substantial amount of indebtedness. As of May 27, 2007, we had approximately \$6.2 billion of total debt, including \$138 million of debt from consolidated subsidiaries. As of May 27, 2007, preferred stock and interests of subsidiaries, shown as minority interests on our consolidated balance sheets, totaled approximately \$1.1 billion. The agreements under which we have issued indebtedness do not prevent us from incurring additional unsecured indebtedness in the future.

Our level of indebtedness could have important consequences to holders of our common stock. For example, it may limit:

- our ability to obtain additional financing for working capital, capital expenditures or general corporate purposes, particularly if the ratings assigned to our debt securities by rating organizations were revised downward; and
- our flexibility to adjust to changing business and market conditions and make us more vulnerable to a downturn in general economic conditions as compared to our competitors.

There are various financial covenants and other restrictions in our debt instruments and minority interests. If we fail to comply with any of these requirements, the related indebtedness and minority interests (and other unrelated indebtedness) could become due and payable prior to its stated maturity. A default under our debt instruments and minority interests may also significantly affect our ability to obtain additional or alternative financing.

Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

***The notes are effectively subordinated to any secured obligations we may have outstanding and to the obligations of our subsidiaries.***

Although the notes are unsubordinated obligations, they are effectively subordinated to any secured obligations we may have, to the extent of the assets that serve as security for those obligations. We do not currently have any material secured obligations. In addition, since the notes are obligations exclusively of our company and are not guaranteed by our subsidiaries, the notes are also effectively subordinated to all liabilities of our subsidiaries, to the extent of their assets, since they are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the notes, or to make any funds available to us, whether by paying dividends or otherwise, so that we can do so. Our subsidiaries are not prohibited from incurring additional debt or other liabilities, including senior indebtedness. If our subsidiaries were to incur additional debt or liabilities, our ability to pay our obligations on the notes, including cash payments upon conversion or repurchase, could be adversely affected. As of May 27, 2007, our consolidated subsidiaries had approximately \$138 million of debt, and preferred stock and interests of subsidiaries, shown as minority interests on our consolidated balance sheets, totaled approximately \$1.1 billion.

***We may incur additional indebtedness.***

The indenture governing the notes does not prohibit us from incurring substantial additional indebtedness in the future. We are also permitted to incur additional secured indebtedness that would be effectively senior to the notes. The indenture governing the notes also permits unlimited additional borrowings by our subsidiaries that could be effectively senior to the notes. In addition, the indenture does not contain any restrictive covenants limiting our ability to pay dividends, make any payments on junior or other indebtedness or otherwise limit our financial condition.

***The additional shares of common stock payable on any notes converted in connection with specified corporate transactions may not adequately compensate you for any loss you may experience as a result of such specified corporate transactions.***

If certain specified corporate transactions occur on or before April 11, 2008, we will under certain circumstances increase the conversion rate on notes converted in connection with such transactions by a number of additional shares of common stock. The number of additional shares of common stock will be determined based on the date on which such transaction becomes effective and the price paid per share of our common stock in certain specified corporate transactions or, in the case of certain other specified corporate transactions, the average of the last reported sale prices of our common stock over the five trading-day period ending on the trading day preceding the effective date of such specified corporate transaction as described under

Description of the Notes	Conversion Rights	Converting in Connection with Certain Change in
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Control Events. The additional shares of common stock issuable on conversion of the notes in connection with such transactions may not adequately compensate you for any loss you may experience as a result of such transactions. If the specified corporate transaction occurs after April 11, 2008 or if the price paid per share of our common stock in such transaction or the average of the last reported sale prices of our common stock over the five trading-day period ending on the trading day preceding the effective date of the such transaction, as the case may be, is less than the common stock price at the date of issuance of the notes or greater than a specified price, there will be no increase in the conversion rate. In addition, in certain circumstances on a change in control arising from our acquisition by a public company, we may elect to adjust the conversion rate as described under Description of the Notes Conversion Rights Converting in Connection with Certain Change in Control Events and, if we so elect, holders of notes will not be entitled to the increase in the conversion rate determined as described above.

Our obligation to adjust the conversion rate in connection with specified corporate transactions could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

***The conversion rate of the notes may not be adjusted for all dilutive events.***

The conversion rate of the notes is subject to adjustment for certain events, including but not limited to the payment of stock dividends on our common stock, subdivisions, splits and combinations of our common stock, the issuance of rights or warrants, distributions of capital stock, indebtedness or assets and certain cash dividends and certain tender or exchange offers as described under Description of the Notes Conversion Procedures Conversion Rate Adjustments. The conversion rate will not be adjusted for other events, such as an issuance of common stock for cash, that may adversely affect the trading price of the notes or the common stock. There can be no assurance that an event that adversely affects the value of the notes, but does not result in an adjustment to the conversion rate, will not occur.

***Any adverse rating of the notes may cause their trading price to fall.***

If Moody's Investors Service, Standard & Poor's or another rating service rates the notes and if any of such rating services lowers its rating on the notes below the rating initially assigned to the notes, announces its intention to put the notes on credit watch or withdraws its rating of the notes, the trading price of the notes could decline.

***Upon conversion of the notes, we will pay only cash in settlement of the lesser of the principal amount or conversion value thereof and we will settle any amounts in excess of principal in shares of our common stock, cash or a combination thereof, at our election.***

The notes will be net share settled, which means that we will satisfy our conversion obligation to holders by paying only cash in settlement of the lesser of the principal amount and the conversion value of the notes and by delivering shares of our common stock, cash or a combination thereof, at our election, in settlement of the portion of the conversion obligation (if any) in excess of the principal amount of the notes. Accordingly, upon conversion of a note, holders might not receive any shares of our common stock. In addition, any settlement of a conversion of notes will occur on the third trading day immediately following the 12th trading day after our receipt of the holder's conversion notice. Accordingly, you may receive less value than expected because the value of our common stock may decline (or fail to appreciate as much as you may expect) between the day that you exercise your conversion right and the day on which we settle our conversion obligation.

***Conversion of the notes may dilute the ownership interest of existing stockholders, including holders who have previously converted their notes.***

The conversion of some or all of the notes may dilute the ownership interests of existing stockholders. Any sales in the public market of any common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the anticipated conversion of the notes into shares of our common stock could depress the price of our common stock.

***The notes are not protected by restrictive covenants.***

The indenture governing the notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a change in control involving us, except to the extent described under Description of the Notes Conversion Rights Converting in Connection with Certain Change in Control Events.

***Our credit ratings may not reflect all risks of an investment in the notes.***

Our credit ratings may not reflect the potential impact of all risks related to the market values of the notes. However, real or anticipated changes in our credit ratings will generally affect the market values of the notes.



*We can issue shares of preference stock that may adversely affect your rights as a holder of our common stock.*

Our certificate of incorporation currently authorizes the issuance of five million shares of cumulative preference stock. Our board of directors is authorized to approve the issuance of one or more series of preference stock without further authorization of our stockholders and to fix the number of shares, the designations, the relative rights and the limitations of any series of preference stock. As a result, our board, without stockholder approval, could authorize the issuance of preference stock with voting, conversion and other rights that could proportionately reduce, minimize or otherwise adversely affect the voting power and other rights of holders of our common stock or other series of preference stock or that could have the effect of delaying, deferring or preventing a change in our control.

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**USE OF PROCEEDS**

We will not receive any of the proceeds from the sale by the selling securityholders of the notes or any shares of common stock issuable upon conversion of the notes.

**PRICE RANGE OF COMMON STOCK**

Our common stock is listed on the NYSE under the symbol GIS. The following table sets forth the high and low closing sales prices of our common stock as reported by the NYSE for the fiscal quarters indicated.

	<b>High</b>	<b>Low</b>
<b>Fiscal 2006</b>		
First quarter	\$ 51.45	\$ 45.49
Second quarter	49.38	44.67
Third quarter	50.49	47.05
Fourth quarter	52.16	48.51
<b>Fiscal 2007</b>		
First quarter	54.21	49.27
Second quarter	57.25	51.50
Third quarter	59.23	55.51
Fourth quarter	61.11	54.57
<b>Fiscal 2008</b>		
First quarter (through August 8, 2007)	61.52	55.06

On August 8, 2007, the last reported sale price for our common stock on the NYSE was \$56.92 per share.

**DIVIDEND POLICY**

Dividends paid to common stockholders totaled \$506 million (\$1.44 per share) in fiscal 2007 and \$485 million (\$1.34 per share) in fiscal 2006.

The payment of future dividends is subject to the discretion of our board of directors which will consider, among other factors, our operating results, overall financial condition and capital requirements, as well as general business and market conditions.

**RATIO OF EARNINGS TO FIXED CHARGES**

Our consolidated ratios of earnings to fixed charges for each of the fiscal years ended May 2003 through 2007 are as follows:

Fiscal Years Ended in May					
2003	2004	2005	2006	2007	
3.26	3.74	4.61	4.54	4.38	

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 and subsidiary preferred distributions to minority interest holders, plus one-third (the proportion deemed representative of the interest factor) of rent expense.

## DESCRIPTION OF THE NOTES

*We issued the notes under an indenture dated as of April 11, 2007 between us and The Bank of New York Trust Company, N.A., as trustee. The following description is only a summary of the material provisions of the notes, the indenture and the registration rights agreement. We urge you to read the indenture, the notes and the registration rights agreement in their entirety because they, and not this description, define your rights as holders of the notes. Copies of the indenture and the registration rights agreement have been filed with the SEC and are also available upon request. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). For purposes of this section, references to General Mills, we, us, and our are references only to General Mills, Inc., and do not include its subsidiaries. Also for purposes of this section, you means direct holders and not street name or other indirect holders of notes. Indirect holders should read the subsection entitled Legal Ownership Street Name and Other Indirect Holders.*

### General

We issued the notes in an aggregate principal amount of \$1,150,000,000 on April 11, 2007. The notes are our unsubordinated and unsecured obligations and will mature on April 11, 2037, unless earlier redeemed at our option as described under Redemption and Repurchase of the Notes Optional Redemption of the Notes, repurchased by us at a holder's option on certain dates as described under Redemption and Repurchase of the Notes Repurchase of Notes at the Option of the Holder, or repurchased by us at a holder's option upon a change in control, as described under Redemption and Repurchase of the Notes Right to Require Repurchase of Notes Upon a Change in Control, or converted at a holder's option as described under Conversion Rights.

The indenture does not contain any restriction on the payment of dividends or the incurrence of indebtedness. Other than as described under Redemption and Repurchase of the Notes Right to Require Repurchase of Notes Upon a Change in Control and Consolidation or Merger, the indenture contains no covenants or other provisions that afford protection to holders of notes in the event of a highly leveraged transaction.

### Interest

The notes bear interest at an annual rate equal to 1-month LIBOR, reset monthly, minus 0.07%; *provided* that such rate will never be less than 0% per annum. The initial interest rate on the notes was 5.25%. Interest is payable quarterly in arrears on January 11, April 11, July 11 and October 11 of each year. Interest on the notes accrues from the date on which it was most recently paid. We made our first interest payment on the notes on July 11, 2007. If any interest payment date (other than an interest payment date coinciding with the redemption, repurchase or maturity date) of the notes falls on a day that is not a business day, such interest payment date will be postponed to the next succeeding business day; *provided* that, if such business day falls in the next succeeding calendar month, the interest payment date will be brought forward to the immediately preceding business day. If the redemption, repurchase or maturity date of the notes would fall on a day that is not a business day, the required payment of interest, if any, and principal will be made on the next succeeding business day and no interest on such payment will accrue for the period from and after the redemption, repurchase or maturity date to such next succeeding business day. We will make each interest payment to persons who are holders of record of the notes at the close of business on the immediately preceding March 25, June 25, September 25 and December 25, whether or not this day is a business day. We must make at least 4 quarterly interest payments (including the interest payments on July 11, 2007 and April 11, 2008) in the full amount required by the indenture before redeeming any notes at our option.

As further described below in Conversion Rights Payment Upon Conversion, delivery of cash and shares of our common stock, if any, upon conversion generally will be deemed to satisfy our obligation to pay the principal amount of the notes and accrued interest, including additional interest, if any on a converted note. However, if notes are converted after a regular record date and prior to the opening of business on the next interest payment date, holders of such notes at the close of business on the regular record date will receive the full amount of interest, including additional interest, if any, payable on such notes on the corresponding interest payment date notwithstanding the conversion.

In such event, when the holder surrenders the note for conversion, the holder must deliver payment to us of an amount equal to the interest payable on the interest payment date, including additional interest, if any, on the principal amount to be converted; *provided* that no such payment need be made (1) if we have specified a redemption date or a repurchase date relating to a change in control that is after the close of business on a record date and on or prior to the interest payment date to which that record date relates, (2) if we have specified a fundamental change repurchase date that is after a record date but on or prior to the next interest payment date or (3) to the extent of any overdue interest (including any overdue additional interest) if any such interest exists at the time of conversion with respect to such note.



Interest on the notes is computed using the actual number of days elapsed between the LIBOR reset dates divided by 360. All percentages resulting from any calculation on the notes will be rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward, e.g., 9.876545%, or 0.09876545, will be rounded upward to 9.87655%, or 0.0987655, and all dollar amounts used in or resulting from that calculation on the notes will be rounded to the nearest cent, with one-half cent being rounded upward. We will pay the principal of, and interest, including additional interest, if any, on, the notes at the corporate trust office of the trustee in The City of New York.

The term *business day* means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the City of New York, New York are authorized or obligated by law or executive order to close, *provided* such day is also a London banking day. The term *London banking day* is defined below under *1-month LIBOR*.

***1-month LIBOR***

The annual rate of interest payable on the notes is reset monthly on the 11th calendar day of each month, which we call the LIBOR reset date, commencing on May 11, 2007. If any LIBOR reset date would otherwise be a day that is not a business day, that LIBOR reset date will be postponed to the next succeeding business day.

The trustee determines 1-month LIBOR on the second London banking day preceding the related LIBOR reset date, which we refer to as the LIBOR determination date.

1-month LIBOR means:

- the rate for one-month deposits in United States dollars commencing on the related LIBOR reset date, that appears on the Moneyline Telerate Page 3750 as of 11:00 a.m., London time, on the LIBOR determination date; or
- if no rate appears on the particular LIBOR determination date on the Moneyline Telerate Page 3750, the rate calculated by the trustee as the arithmetic mean of at least two offered quotations obtained by the trustee after requesting the principal London offices of each of four major reference banks in the London interbank market to provide the trustee with its offered quotation for deposits in United States dollars for the period of one month, commencing on the related LIBOR reset date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that LIBOR determination date and in a principal amount that is representative for a single transaction in United States dollars in that market at that time; or
- if fewer than two offered quotations referred to in the preceding bullet are provided as requested, the rate calculated by the trustee as the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York time, on the particular LIBOR determination date by three major banks in The City of New York selected by the trustee for loans in United States dollars to leading European banks for a period of one month and in a principal amount that is representative for a single transaction in United States dollars in that market at that time; or
- if the banks so selected by the trustee are not quoting as mentioned in the preceding bullet, 1-month LIBOR in effect on the particular LIBOR determination date.
- *Moneyline Telerate Page 3750* means the display on Moneyline Telerate (or any successor service) on such page (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for United States dollars.

*London banking day* means a day on which commercial banks are open for business, including dealings in United States dollars, in London, England.

Interest accrues on a monthly basis based on the relevant 1-month LIBOR, but such interest is payable only on a quarterly basis on each quarterly interest payment date (and the amount of interest payable on each such quarterly interest payment date is the aggregate amount of interest accrued, if any, without compounding, for each of the three immediately preceding one-month LIBOR interest periods).



**Conversion Rights**

Subject to the restrictions described in this Description of the Notes, holders may convert any outstanding notes into cash and shares of our common stock at an initial conversion rate of 10 shares of our common stock per \$1,000 principal

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amount of the notes. This represents a conversion price per share of \$100.00. The conversion rate, and the resulting conversion price, are, however, subject to adjustment as described below under Conversion Rate Adjustments and with respect to certain conversions occurring in connection with certain specified corporate transactions constituting a change in control as described below under Converting in Connection with Certain Change in Control Events. A holder may convert notes only in denominations of \$1,000 and integral multiples of \$1,000.

Holders may surrender notes for conversion at any time on or prior to the close of business on the business day immediately preceding the maturity date. Subject to certain exceptions described below under Converting in Connection with Certain Change in Control Events, once notes are tendered for conversion, holders tendering the notes will be entitled to receive cash and shares of our common stock, if any, based on a daily conversion value, as described below under Payment Upon Conversion, calculated on a proportionate basis for each day of the relevant 10-consecutive-trading-day-observation period.

***Converting in Connection with Certain Change in Control Events***

If you elect to convert your notes in connection with a corporate transaction that occurs on or prior to April 11, 2008 and that constitutes a change in control as defined under Redemption and Repurchase of the Notes Right to Require Repurchase of Notes Upon a Change in Control, other than a change in control relating to the composition of our board of directors, and, in the case of any change of control pursuant to which shares of our common stock are exchanged for or converted into cash, securities, or other property, 10% or more of the fair market value of the consideration for our common stock in the relevant change in control consists of (i) cash, (ii) other property or (iii) securities that are not traded or scheduled to be traded immediately following such transaction on a U.S. national securities exchange, we will increase the conversion rate for the notes surrendered for conversion by a number of shares (the additional shares) as described below. Converting in connection with a corporate transaction means any conversion in respect of which the conversion notice is delivered at any time during the period from and including the effective date of the relevant change in control until, and including, the close of business on the business day immediately preceding the change in control repurchase date corresponding to the relevant change in control.

The number of additional shares will be determined by reference to the table below, based on the date on which the corporate transaction becomes effective (the effective date) and the share price (the share price) paid per share of our common stock in the corporate transaction. In the case of any change of control pursuant to which shares of our common stock are exchanged for or converted into cash, securities, or other property, if holders of shares of our common stock receive only cash in the relevant change in control, the share price shall be the cash amount paid per share. Otherwise, the share price shall be the average of the closing sale price per share of our common stock on the five trading days prior to but not including the effective date of the relevant change in control. The share prices set forth in the first row of the table below (i.e., column headers) will be adjusted as of any date on which the conversion rate of the notes is adjusted, as described below under Conversion Rate Adjustments. The adjusted share prices will equal the share prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the share price adjustment and the denominator of which is the conversion rate as so adjusted. The number of additional shares will be adjusted in the same manner as the conversion rate as set forth under Conversion Rate Adjustments below.

The following table sets forth the share price and number of additional shares to be received per \$1,000 principal amount of notes.

Effective Date of Change in Control	Share Price	58.97	65.00	70.00	75.00	80.00	90.00	100.00	125.00	150.00	175.00	200.00	225.00	250.00	275.00
April 11, 2007	6.9577	5.3846	4.2857	3.3333	2.5000	1.2420	0.6288	0.2621	0.2082	0.1748	0.1499	0.1304	0.1149	0.1022	
July 11, 2007	6.9577	5.3846	4.2857	3.3333	2.5000	1.1585	0.5222	0.2005	0.1614	0.1356	0.1163	0.1013	0.0893	0.0795	
October 11, 2007	6.9577	5.3846	4.2857	3.3333											