

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED
November 25, 2007
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM
____ TO ____

Commission file number: 001-01185

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, MN (Mail: P.O. Box 1113) (Address of principal executive offices)	55426 (Mail: 55440) (Zip Code)

(763) 764-7600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Number of shares of Common Stock outstanding as of December 13, 2007: 336,763,642 (excluding 40,543,022 shares held in the treasury).

General Mills, Inc.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited) (In Millions, Except per Share Data)

	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Net sales	\$ 3,703.4	\$ 3,466.6	\$ 6,775.4	\$ 6,327.0
Cost of sales	2,372.2	2,187.0	4,288.0	3,983.7
Selling, general, and administrative expenses	641.3	605.5	1,272.9	1,180.3
Restructuring, impairment, and other exit costs (income)	2.8	(1.1)	17.3	(3.0)
Operating profit	687.1	675.2	1,197.2	1,166.0
Interest expense, net	115.9	110.5	229.2	215.5
Earnings before income taxes and after-tax earnings from joint ventures	571.2	564.7	968.0	950.5
Income taxes	208.3	202.7	338.6	340.7
After-tax earnings from joint ventures	27.6	23.4	50.0	42.5
Net earnings	\$ 390.5	\$ 385.4	\$ 679.4	\$ 652.3
Earnings per share - basic	\$ 1.19	\$ 1.12	\$ 2.04	\$ 1.87
Earnings per share - diluted	\$ 1.14	\$ 1.08	\$ 1.95	\$ 1.81
Dividends per share	\$ 0.39	\$ 0.35	\$ 0.78	\$ 0.70

See accompanying notes to consolidated financial statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions)

	Nov. 25, 2007 (Unaudited)	May 27, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 530.1	\$ 417.1
Receivables	1,221.8	952.9
Inventories	1,567.2	1,173.4
Prepaid expenses and other current assets	449.5	443.1
Deferred income taxes	75.3	67.2
Total current assets	<u>3,843.9</u>	<u>3,053.7</u>
Land, buildings, and equipment	2,974.5	3,013.9
Goodwill	6,752.4	6,835.4
Other intangible assets	3,764.3	3,694.0
Other assets	1,746.4	1,586.7
Total assets	<u>\$ 19,081.5</u>	<u>\$ 18,183.7</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 786.1	\$ 777.9
Current portion of long-term debt	2,049.2	1,734.0
Notes payable	2,046.0	1,254.4
Other current liabilities	1,341.8	2,078.8
Total current liabilities	<u>6,223.1</u>	<u>5,845.1</u>
Long-term debt	3,599.1	3,217.7
Deferred income taxes	1,413.6	1,433.1
Other liabilities	1,923.9	1,229.9
Total liabilities	<u>13,159.7</u>	<u>11,725.8</u>
Minority interests	242.3	1,138.8
Stockholders' equity:		
Common stock, 502.3 shares issued, \$0.10 par value	50.2	50.2
Additional paid-in capital	6,173.0	5,841.3
Retained earnings	6,165.7	5,745.3
Common stock in treasury, at cost, shares of 166.3 and 161.7	(6,760.4)	(6,198.0)
Accumulated other comprehensive income (loss)	51.0	(119.7)
Total stockholders' equity	<u>5,679.5</u>	<u>5,319.1</u>
Total liabilities and equity	<u>\$ 19,081.5</u>	<u>\$ 18,183.7</u>

See accompanying notes to consolidated financial statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

In Millions, Except per Share Data	(Unaudited)		\$10 Par Value Common Stock		(One Billion Shares Authorized)		Accumulated		Total
	Issued		Treasury		Retained Earnings	Unearned Compensation	Other Comprehensive Income (Loss)		
	Shares	Par Amount	Additional Paid-in Capital	Shares				Amount	
Balance as of May 28, 2006	502.3	\$ 50.2	\$ 5,736.6	(145.9)	\$ (5,163.0)	\$ 5,106.6	\$ (83.5)	\$ 125.4	\$ 5,772.3
Comprehensive income:									
Net earnings						1,143.9			1,143.9
Other comprehensive income, net of tax:									
Net change on hedge derivatives								22.3	22.3
Foreign currency translation								193.8	193.8
Minimum pension liability adjustment								(20.8)	(20.8)
Other comprehensive income								195.3	195.3
Total comprehensive income								1,339.2	1,339.2
Adoption of SFAS No. 123R			(83.5)				83.5		
Adoption of SFAS No. 158								(440.4)	(440.4)
Cash dividends declared (\$1.44 per share)						(505.2)			(505.2)
Stock compensation plans (includes income tax benefits of \$73.1)			164.6	9.5	339.4				504.0
Shares purchased				(25.3)	(1,385.1)				(1,385.1)
Unearned compensation related to restricted stock awards									(95.0)
Issuance of shares to settle conversion on zero coupon debentures, net of tax					10.7				
Earned compensation					129.3				129.3
Balance as of May 27, 2007	502.3	\$ 50.2	\$ 5,841.3	(161.7)	\$ (6,198.0)	\$ 5,745.3	—	\$ (119.7)	\$ 5,319.1
Comprehensive income:									
Net earnings						679.4			679.4
Other comprehensive income, net of tax:									
Net change on hedge derivatives								5.7	5.7
Foreign currency translation								150.3	150.3
Amortization of losses and prior service costs								14.7	14.7
Other comprehensive income								170.7	170.7
Total comprehensive income								850.1	850.1
Cash dividends declared (\$.78 per share)						(259.4)			(259.4)
Stock compensation plans (includes income tax benefits of \$13.0)			122.5	2.1	82.3				204.8
Shares purchased				(21.0)	(1,226.5)				(1,226.5)
Shares issued under forward purchase contract			168.2	14.3	581.8				750.0
Unearned compensation related to restricted stock awards									(103.4)
Adoption of FIN No.48			57.8				8.4		66.2
Capital appreciation paid to holders of Series B-1 limited membership interests in General Mills Cereals, LLC (GMC)							(8.0)		(8.0)
Earned compensation			86.6						86.6
Balance as of November 25, 2007	502.3	\$ 50.2	\$ 6,173.0	(166.3)	\$ (6,760.4)	\$ 6,165.7	—	\$ 51.0	\$ 5,679.5

See accompanying notes to consolidated financial statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (In Millions)

	Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006
Cash Flows - Operating Activities		
Net earnings	\$ 679.4	\$ 652.3
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	235.6	209.3
After-tax earnings from joint ventures	(50.0)	(42.5)
Stock-based compensation	86.6	80.2
Deferred income taxes	(38.0)	11.9
Distributions of earnings from joint ventures	16.2	10.0
Pension, other postretirement, and postemployment benefit costs	(23.2)	(28.2)
Restructuring, impairment, and other exit costs (income)	13.4	(3.4)
Changes in current assets and liabilities	(472.6)	(359.9)
Other, net	(3.7)	35.5
Net cash provided by operating activities	<u>443.7</u>	<u>565.2</u>
Cash Flows - Investing Activities		
Purchases of land, buildings, and equipment	(186.4)	(149.5)
Acquisitions	0.9	(58.0)
Investments in affiliates, net	4.8	(111.8)
Proceeds from sale of marketable securities, net of purchases	—	0.3
Proceeds from disposal of land, buildings, and equipment	11.3	11.5
Proceeds from disposal of businesses	—	11.7
Other, net	—	(11.7)
Net cash used by investing activities	<u>(169.4)</u>	<u>(307.5)</u>
Cash Flows - Financing Activities		
Change in notes payable	744.0	1,159.2
Issuance of long-term debt	700.0	—
Payment of long-term debt	(5.7)	(581.9)
Settlement of Lehman Brothers forward purchase contract	750.0	—
Repurchase of Series B-1 limited membership interests in General Mills Cereals, LLC (GMC)	(843.0)	—
Repurchase of General Mills Capital, Inc. preferred stock	(150.0)	—
Proceeds from sale of Class A limited membership interests in GMC	92.3	—
Common stock issued	52.4	147.4
Tax benefit on exercised options	13.0	33.2
Purchases of common stock for treasury	(1,284.5)	(890.2)
Dividends paid	(259.4)	(247.4)
Other, net	—	(32.3)
Net cash used by financing activities	<u>(190.9)</u>	<u>(412.0)</u>
Effect of exchange rates' change on cash and cash equivalents	29.6	(1.2)
Increase (decrease) in cash and cash equivalents	113.0	(155.5)
Cash and cash equivalents - beginning of year	417.1	647.4
Cash and cash equivalents - end of period	<u>\$ 530.1</u>	<u>\$ 491.9</u>
Cash Flow from Changes in Current Assets and Liabilities:		
Receivables	\$ (247.5)	\$ (205.2)
Inventories	(374.6)	(308.8)
Prepaid expenses and other current assets	25.3	(0.1)
Accounts payable	4.3	7.7
Other current liabilities	119.9	146.5
Changes in current assets and liabilities	<u>\$ (472.6)</u>	<u>\$ (359.9)</u>

See accompanying notes to consolidated financial statements.

GENERAL MILLS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Background

The accompanying Consolidated Financial Statements of General Mills, Inc. (we, us, our, or the Company) have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include certain information and disclosures required for comprehensive financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal recurring nature. Operating results for the quarterly and six-month periods ended November 25, 2007, are not necessarily indicative of the results that may be expected for the fiscal year ending May 25, 2008.

These statements should be read in conjunction with the Consolidated Financial Statements and footnotes included in our Annual Report on Form 10-K for the fiscal year ended May 27, 2007. The accounting policies used in preparing these Consolidated Financial Statements are the same as those described in Note 2 to the Consolidated Financial Statements in that Form 10-K, except as discussed in Notes 6, 16, and 18 to these Consolidated Financial Statements. In addition, certain reclassifications to our previously reported financial information have been made to conform to the current period presentation.

(2) Acquisitions and Divestitures

During the first quarter of fiscal 2008, we acquired a controlling interest in HD Distributors (Thailand) Company Limited. Prior to acquiring the controlling interest, we accounted for our investment as a joint venture. The purchase price, net of cash acquired, resulted in a \$1.3 million cash inflow classified in acquisitions on the Consolidated Statements of Cash Flows. The pro forma effect of this acquisition was not material.

During the first quarter of fiscal 2007, our Cereal Partners Worldwide (CPW) joint venture completed the acquisition of the Uncle Tobys cereal business in Australia for \$385.6 million. We funded our 50 percent share of the purchase price by making additional advances to and equity contributions in CPW totaling \$135.1 million (classified as investments in affiliates, net, on the Consolidated Statements of Cash Flows) and by acquiring a 50 percent beneficial interest in certain intellectual property for \$57.7 million (classified as acquisitions on the Consolidated Statements of Cash Flows). During the six-month period ended November 25, 2007, we completed the allocation of our purchase price and reclassified \$16.3 million from goodwill to other intangible assets on our Consolidated Balance Sheets. We also sold our par-baked bread product line, including plants in Chelsea, Massachusetts and Tempe, Arizona, and recorded a \$5.9 million loss on the sale, including the write-off of \$6.2 million of goodwill, in restructuring, impairment, and other exit costs.

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(3) Restructuring, Impairment, and Other Exit Costs

Restructuring, impairment, and other exit costs (income) were as follows:

Expense (income), in millions	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Closure of Poplar, Wisconsin plant	\$ 2.7	\$ —	\$ 2.7	\$ —
Closure of Allentown, Pennsylvania plant	—	—	10.1	—
Closure of Trenton, Ontario plant	—	—	8.5	—
Restructuring at Chanhassen, Minnesota plant	—	—	3.0	—
Gain on sale of previously closed Vallejo, California plant	—	—	(7.1)	—
Gain on sale of previously closed San Adrian, Spain plant	—	—	—	(8.6)
Loss from divestiture of par-baked bread product line	—	(0.3)	—	5.9
Charges associated with restructuring actions previously announced	0.1	(0.8)	0.1	(0.3)
Total	\$ 2.8	\$ (1.1)	\$ 17.3	\$ (3.0)

During the second quarter of fiscal 2008, we approved a plan to transfer *Old El Paso* production from our Poplar, Wisconsin facility to other plants and close the Poplar facility. This action to improve capacity utilization and reduce costs affects 113 employees at the Poplar facility, and resulted in a charge of \$2.7 million consisting entirely of employee severance. We anticipate this project will be completed by January 31, 2009.

During the six-month period ended November 25, 2007, we took additional restructuring actions beyond the item described above. Due to declining financial results, we decided to exit our frozen waffle product line (retail and foodservice) and to close our frozen waffle plant in Allentown, Pennsylvania, affecting 111 employees. We recorded a charge of \$10.1 million related to this closure, consisting of \$3.9 million of employee severance and a \$6.2 million non-cash impairment charge against long-lived assets at the plant. We also completed an analysis of the viability of our Bakeries and Foodservice frozen dough facility in Trenton, Ontario, and will close the facility, affecting 470 employees. We recorded an \$8.5 million charge for employee severance expenses and curtailment charges associated with a defined benefit pension plan. These actions, including the anticipated timing of the disposition of the plants we will close, are expected to be completed by February 28, 2009. We also restructured our production scheduling and discontinued our cake product line at our Chanhassen, Minnesota Bakeries and Foodservice plant. These actions affected 125 employees, and we recorded a charge for employee severance of \$3.0 million. These actions are expected to be completed by the end of fiscal 2008.

Collectively, the total charges we expect to incur with respect to these fiscal 2008 restructuring actions are approximately \$70.0 million, of which \$48.1 million is expected to be recognized in fiscal 2008. This includes a \$17.3 million non-cash second quarter charge related to accelerated depreciation on long-lived assets at our Trenton, Ontario plant, and an additional amount will be recorded in the third quarter prior to the plant's closure. The accelerated depreciation charges are recorded in cost of sales in our Consolidated Statements of Earnings, and in unallocated corporate expenses in our segment results.

During the six-month period ended November 25, 2007, we sold our previously closed Vallejo, California plant and received \$10.6 million in proceeds.

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In the six-month period ended November 26, 2006, we sold our previously closed plant in San Adrian, Spain, for proceeds of \$9.5 million. We also received net proceeds of \$11.7 million from the divestiture of our par-baked bread product line.

(4) Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill during fiscal 2008 were as follows:

In millions	U.S. Retail	International	Bakeries and Foodservice	Joint Ventures	Total
Balance as of May 27, 2007	\$ 5,202.9	\$ 142.2	\$ 981.8	\$ 508.5	\$ 6,835.4
Finalization of purchase accounting	—	—	—	(16.3)	(16.3)
Adoption of FIN No. 48	(110.9)	(10.6)	(30.4)	—	(151.9)
Other activity, primarily foreign currency translation	16.8	12.7	4.7	51.0	85.2
Balance as of Nov. 25, 2007	\$ 5,108.8	\$ 144.3	\$ 956.1	\$ 543.2	\$ 6,752.4

The changes in the carrying amount of other intangible assets during fiscal 2008 were as follows:

In millions	U.S. Retail	International	Joint Ventures	Total
Balance as of May 27, 2007	\$ 3,175.2	\$ 460.9	\$ 57.9	\$ 3,694.0
Finalization of purchase accounting	—	14.5	16.3	30.8
Other activity, primarily foreign currency translation	—	34.0	5.5	39.5
Balance as of Nov. 25, 2007	\$ 3,175.2	\$ 509.4	\$ 79.7	\$ 3,764.3

(5) Inventories

The components of inventories were as follows:

In millions	Nov. 25, 2007	May 27, 2007
Raw materials and packaging	\$ 273.4	\$ 242.1
Finished goods	1,129.0	898.0
Grain	288.1	111.4
Excess of FIFO or weighted-average cost over LIFO cost	(123.3)	(78.1)
Total	\$ 1,567.2	\$ 1,173.4

(6) Derivatives and Hedging Activities

Application of hedge accounting under Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended (SFAS 133), requires significant resources, recordkeeping, and analytical systems. As a result of the rising compliance costs and the complexity associated with the application of hedge accounting, we have elected to discontinue the use of hedge accounting for all commodity derivative positions entered into after the beginning of fiscal 2008. Accordingly, the changes in the values of these derivatives are recorded currently in cost of sales in our Consolidated Statements of Earnings.

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Regardless of designation for accounting purposes, we believe all of our commodity hedges are economic hedges of our risk exposures, and as a result we consider these derivatives to be hedges for purposes of measuring segment operating performance. Thus, these gains and losses are reported in unallocated corporate expenses outside of segment operating results until such time that the exposure we are hedging affects earnings. At that time we reclassify the hedge gain or loss from unallocated corporate expenses to segment operating profit, allowing our operating segments to realize the economic effects of the hedge without experiencing any resulting mark-to-market volatility, which remains in unallocated corporate expenses. Commodity derivatives previously accounted for as cash flow hedges are not affected by this change, and any gains or losses deferred to accumulated other comprehensive income (loss) in stockholders' equity will remain there until the hedged item affects earnings.

Pursuant to this policy, unallocated corporate expenses for the quarter and six-month period ended November 25, 2007 included:

<u>In millions</u>	<u>Quarter</u>	<u>Six-Month</u>
	<u>Ended</u>	<u>Period</u>
	<u>Nov. 25,</u>	<u>Nov. 25,</u>
	<u>2007</u>	<u>2007</u>
Mark-to-market net gain on commodity derivative positions, primarily from agricultural derivatives	\$ 32.8	\$ 42.1
Net realized gains on hedge positions reclassified to segment operating profit, primarily agricultural derivatives	(17.7)	(30.0)
Net gain recognized in unallocated corporate expenses	\$ 15.1	\$ 12.1

(7) Debt

The components of notes payable were as follows:

<u>In millions</u>	<u>Nov. 25,</u>	<u>May 27,</u>
	<u>2007</u>	<u>2007</u>
U.S. commercial paper	\$ 1,152.4	\$ 476.9
Euro commercial paper	757.5	639.0
Financial institutions	136.1	138.5
Total	\$ 2,046.0	\$ 1,254.4

Our commercial paper borrowings are supported by fee-paid committed credit lines consisting of a \$1.9 billion facility expiring in October 2012 and a \$1.1 billion facility expiring in October 2010. As of November 25, 2007, we did not have any outstanding borrowings under these agreements.

As of October 25, 2007, we terminated our credit agreement dated August 3, 2007, which provided an aggregate revolving commitment of \$750.0 million and was scheduled to expire on December 6, 2007.

On October 15, 2007, we and an affiliate of Lehman Brothers Holdings, Inc. (Lehman Brothers) settled the forward purchase contract established in October 2004 in conjunction with the issuance by Lehman Brothers of \$750.0 million of notes that were mandatorily exchangeable for shares of our common stock. In settlement of that forward purchase contract, we issued 14.3 million shares of our common stock and received \$750.0 million in cash from Lehman Brothers. We used the cash to reduce outstanding commercial paper balances.

On October 9, 2007, we entered into a new five-year credit agreement with an initial aggregate revolving commitment of \$1.9 billion which is scheduled to expire in October 2012. Concurrent with the execution of the new credit agreement, we terminated our five-year credit agreement dated January 20, 2004, which provided \$750.0 million of revolving credit and was scheduled to expire in January 2009, and our amended and restated credit agreement, dated October 17, 2006, which provided \$1.1 billion of revolving credit and was scheduled to expire in October 2007.

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On August 29, 2007, we completed the sale of \$700.0 million of 5.65 percent fixed-rate notes due September 10, 2012. The proceeds of the notes were used to repay outstanding commercial paper. Interest on the notes is payable semi-annually in arrears. The notes may be redeemed at our option at any time for a specified make-whole amount. The notes are senior unsecured, unsubordinated obligations and contain a change of control provision, as defined in the instruments governing the notes.

Our credit facilities and certain of our long-term debt agreements contain restrictive covenants. As of November 25, 2007, we were in compliance with all of these covenants.

(8) Minority Interests

On August 7, 2007, we repurchased for a net amount of \$843.0 million all of the outstanding Series B-1 limited membership interests (Series B-1 Interests) previously issued by our subsidiary General Mills Cereals, LLC (GMC) as part of a required remarketing of those interests. The purchase price reflected the Series B-1 Interests' original capital account balance of \$835.0 million and \$8.0 million of capital account appreciation attributable and paid to the third party holder of the Series B-1 Interests. The capital appreciation paid to the third party holder of the Series B-1 Interests was recorded as a reduction to retained earnings, a component of stockholders' equity, on the Consolidated Balance Sheets, and reduced net earnings available to common stockholders in our basic and diluted earnings per share (EPS) calculations. We used commercial paper to fund the repurchase.

We and the third party holder of all of GMC's outstanding Class A limited membership interests (Class A Interests) agreed to reset, effective on June 28, 2007, the preferred rate of return applicable to the Class A Interests to the sum of 3 month LIBOR plus 65 basis points. On June 28, 2007, we also sold \$92.3 million of additional Class A Interests to the same third party. There was no gain or loss associated with these transactions. As of November 25, 2007, the carrying value of all outstanding Class A Interests on our Consolidated Balance Sheets was \$242.3 million, and the capital account balance of the Class A Interests, upon which preferred distributions are calculated, was \$248.1 million.

On June 28, 2007, we repurchased for \$150.0 million all of the outstanding Series A preferred stock of our subsidiary General Mills Capital, Inc. (GM Capital) using proceeds from the sale of the Class A Interests and commercial paper. There was no gain or loss associated with this repurchase.

Our minority interests contain restrictive covenants. As of November 25, 2007, we were in compliance with all of these covenants.

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(9) Stockholders' Equity

The following table provides detail of total comprehensive income:

In millions	Quarter Ended			Quarter Ended		
	Nov. 25, 2007			Nov. 26, 2006		
	Pretax	Tax	Net	Pretax	Tax	Net
Net earnings			\$ 390.5			\$ 385.4
Other comprehensive income (loss):						
Foreign currency translation adjustments	\$ 132.6	\$ —	\$ 132.6	\$ (24.8)	\$ —	\$ (24.8)
Other fair value changes:						
Securities	—	—	—	1.1	(0.4)	0.7
Hedge derivatives	19.1	(6.7)	12.4	2.1	(1.7)	0.4
Reclassification to earnings:						
Hedge derivatives	(5.8)	2.0	(3.8)	6.4	(2.4)	4.0
Amortization of losses and prior service costs	11.7	(4.4)	7.3	—	—	—
Other comprehensive income (loss)	\$ 157.6	\$ (9.1)	\$ 148.5	\$ (15.2)	\$ (4.5)	\$ (19.7)
Total comprehensive income			\$ 539.0			\$ 365.7

In millions	Six-Month Period Ended			Six-Month Period Ended		
	Nov. 25, 2007			Nov. 26, 2006		
	Pretax	Tax	Net	Pretax	Tax	Net
Net earnings			\$ 679.4			\$ 652.3
Other comprehensive income (loss):						
Foreign currency translation adjustments	\$ 150.3	\$ —	\$ 150.3	\$ (27.2)	\$ —	\$ (27.2)
Minimum pension liability	—	—	—	(4.7)	1.6	(3.1)
Other fair value changes:						
Securities	(1.0)	0.3	(0.7)	1.1	(0.4)	0.7
Hedge derivatives	38.5	(13.9)	24.6	(16.2)	5.3	(10.9)
Reclassification to earnings:						
Hedge derivatives	(28.3)	10.1	(18.2)	18.2	(6.7)	11.5
Amortization of losses and prior service costs	23.1	(8.4)	14.7	—	—	—
Other comprehensive income (loss)	\$ 182.6	\$ (11.9)	\$ 170.7	\$ (28.8)	\$ (0.2)	\$ (29.0)
Total comprehensive income			\$ 850.1			\$ 623.3

Except for reclassifications to earnings, changes in other comprehensive income (loss) are primarily non-cash items.

Accumulated other comprehensive income (loss) balances, net of tax effects, were as follows:

In millions	Nov. 25, 2007	May 27, 2007
Foreign currency translation adjustments	\$ 552.4	\$ 402.1
Unrealized gain (loss) from:		
Securities	3.2	3.9
Hedge derivatives	(30.1)	(36.5)
Pension, other postretirement, and postemployment benefits:		
Net actuarial loss	(436.4)	(448.5)
Prior service costs	(38.1)	(40.7)
Accumulated other comprehensive income (loss)	\$ 51.0	\$ (119.7)

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On December 10, 2007, the Board of Directors approved the retirement of 125.0 million shares of common stock in treasury effective December 10, 2007. This action will reduce common stock by \$12.5 million, reduce additional paid-in capital by \$5,068.3 million, and reduce common stock in treasury by \$5,080.8 million on our Consolidated Balance Sheets as of that date.

(10) Stock Plans

We have various stock-based compensation programs under which awards, including stock options, restricted stock, and restricted stock units, may be granted to employees and non-employee directors. These programs and related accounting are described on pages 58 to 60 of our Annual Report on Form 10-K for the fiscal year ended May 27, 2007.

On September 24, 2007, our stockholders approved the General Mills, Inc. 2007 Stock Compensation Plan, replacing the General Mills, Inc. 2005 Stock Compensation Plan. No additional shares may be issued under the 2005 Plan after the approval of the 2007 Plan. A description of the 2007 Plan can be found in our Proxy Statement for the 2007 Annual Meeting filed with the SEC on August 14, 2007.

Compensation expense related to stock-based payments recognized in selling, general, and administrative expenses in the Consolidated Statements of Earnings was as follows:

	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Compensation expense related to stock-based payments	\$ 31.5	\$ 27.6	\$ 86.6	\$ 80.8

As of November 25, 2007, unrecognized compensation expense related to non-vested stock options and restricted stock units was \$223.2 million. This expense will be recognized over 24 months, on average.

Net cash proceeds from the exercise of stock options less shares used for withholding taxes and the intrinsic value of options exercised were as follows:

In millions	Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006
Net cash proceeds	\$ 52.5	\$ 151.1
Intrinsic value of options exercised	\$ 31.0	\$ 85.2

We estimate the fair value of each option on the grant date using the Black-Scholes option-pricing model, which requires us to make predictive assumptions regarding future stock price volatility, employee exercise behavior, and dividend yield. We estimate our future stock price volatility using the historical volatility over the expected term of the option, excluding time periods of volatility we believe a marketplace participant would exclude in estimating our stock price volatility. For the fiscal 2008 grants, we have excluded historical volatility for fiscal 2002 and prior, primarily because volatility driven by the acquisition of Pillsbury does not reflect what we believe to be expected future volatility. We also have considered, but did not use, implied volatility in our estimate, because trading activity in options on our stock, especially those with tenors of greater than 6 months, is insufficient to provide a reliable measure of expected volatility. Our method of selecting the other valuation assumptions is explained on pages 58 and 59 in our Annual Report on Form 10-K for the fiscal year ended May 27, 2007.

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The estimated fair values of stock options granted and the assumptions used for the Black-Scholes option-pricing model were as follows:

	Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006
Estimated fair values of stock options granted	\$ 10.57	\$ 10.74
Assumptions:		
Risk-free interest rate	5.1%	5.3%
Expected term	8.5 years	8 years
Expected volatility	15.6%	19.7%
Dividend yield	2.7%	2.8%

Information on stock option activity follows:

	Shares (thousands)	Weighted- average exercise price	Weighted- average remaining contractual term (years)	Aggregate intrinsic value (millions)
Outstanding as of May 27, 2007	53,773.2	\$ 43.09		
Granted	5,473.0	58.77		
Exercised	(1,525.8)	37.85		
Forfeited or expired	(53.8)	49.41		
Outstanding as of Nov. 25, 2007	57,666.6	\$ 44.71	4.78	\$ 723.4
Exercisable as of Nov. 25, 2007	38,124.8	\$ 41.40	3.13	\$ 598.6

Information on restricted stock unit activity follows:

	Units (thousands)	Weighted- average grant-date fair value
Non-vested as of May 27, 2007	4,785.9	\$ 48.74
Granted	1,855.0	58.72
Vested	(436.9)	47.44
Forfeited	(100.0)	51.32
Non-vested as of Nov. 25, 2007	6,104.0	\$ 51.82

The total grant-date fair value of restricted stock unit awards that vested in the six-month period ended November 25, 2007, was \$20.7 million. The total grant-date fair value of restricted stock unit awards that vested in the six-month period ended November 26, 2006, was \$15.5 million.

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(11) Earnings Per Share

Basic and diluted EPS were calculated using the following:

In millions, except per share data	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Net earnings - as reported	\$ 390.5	\$ 385.4	\$ 679.4	\$ 652.3
Capital appreciation paid on Series B-1 interests in GMC (a)	—	—	(8.0)	—
Net earnings for basic and diluted EPS calculations	\$ 390.5	\$ 385.4	\$ 671.4	\$ 652.3
Average number of common shares - basic EPS	328.0	343.9	329.0	347.9
Incremental share effect from:				
Stock options (b)	10.7	10.6	10.8	10.0
Restricted stock, restricted stock units, and other (b)	3.0	2.1	2.8	1.7
Forward purchase contract (c)	0.7	0.8	1.0	0.6
Average number of common shares - diluted EPS	342.4	357.4	343.6	360.2
Earnings per share - basic	\$ 1.19	\$ 1.12	\$ 2.04	\$ 1.87
Earnings per share - diluted	\$ 1.14	\$ 1.08	\$ 1.95	\$ 1.81

(a) See Note 8.

(b) Incremental shares from stock options, restricted stock, and restricted stock units are computed by the treasury stock method. Stock options and restricted stock units excluded from our computation of diluted EPS because they were not dilutive were as follows:

In millions	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Anti-dilutive stock options and restricted stock units	5.6	5.3	4.8	6.7

(c) On October 15, 2007, we settled the forward purchase contract with Lehman Brothers by issuing 14.3 million shares of common stock.

(12) Share Repurchases

During the second quarter of fiscal 2008, we repurchased 0.1 million shares of common stock for \$6.1 million. In the six-month period ended November 25, 2007, we repurchased 21.0 million shares of common stock for \$1,226.5 million, of which \$0.4 million was included in current liabilities as of November 25, 2007, and settled after the end of the quarter.

During the second quarter of fiscal 2007, we repurchased 2.9 million shares of common stock for \$153.8 million. In the six-month period ended November 26, 2006, we repurchased 17.1 million shares of common stock for \$890.2 million.

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(13) Interest Expense, Net

The components of interest, including distributions to minority interest holders, net were as follows:

Expense (income), in millions	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Interest expense	\$ 120.4	\$ 100.2	\$ 227.4	\$ 196.7
Distributions paid on preferred stock and interests of subsidiaries	3.0	15.9	16.2	31.7
Capitalized interest	(1.2)	(0.5)	(2.4)	(1.1)
Interest income	(6.3)	(5.1)	(12.0)	(11.8)
Total	\$ 115.9	\$ 110.5	\$ 229.2	\$ 215.5

(14) Statements of Cash Flows

During the six-month period ended November, 25, 2007, we made cash interest payments of \$227.3 million, compared to \$211.0 million in the same period last year. In the six-month period ended November 25, 2007, we made tax payments of \$200.1 million, compared to \$230.0 million in the same period last year.

(15) Retirement and Postemployment Benefits

Components of net pension, other postretirement, and postemployment (income) expense for each fiscal period were as follows:

In millions	Defined Benefit Pension Plans		Other Postretirement Benefit Plans		Postemployment Benefit Plans	
	Quarter Ended		Quarter Ended		Quarter Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Service cost	\$ 20.0	\$ 18.3	\$ 4.1	\$ 4.1	\$ 1.2	\$ 1.2
Interest cost	49.1	46.4	14.7	14.5	0.9	1.0
Expected return on plan assets	(90.1)	(83.8)	(7.6)	(6.8)	—	—
Amortization of losses	5.9	3.1	3.9	3.9	(0.1)	(0.1)
Amortization of prior service costs (credits)	1.9	2.0	(0.4)	(0.4)	0.5	0.5
Other adjustments	—	0.1	—	—	3.3	5.0
Net (income) expense	\$ (13.2)	\$ (13.9)	\$ 14.7	\$ 15.3	\$ 5.8	\$ 7.6

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In millions	Defined Benefit Pension Plans		Other Postretirement Benefit Plans		Postemployment Benefit Plans	
	Six-Month Period Ended		Six-Month Period Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Service cost	\$ 40.0	\$ 36.6	\$ 8.2	\$ 8.2	\$ 2.4	\$ 2.4
Interest cost	98.2	92.8	29.4	29.1	1.8	2.0
Expected return on plan assets	(180.2)	(167.6)	(15.2)	(13.6)	—	—
Amortization of losses	11.5	6.2	7.7	7.8	(0.1)	(0.1)
Amortization of prior service costs (credits)	3.8	4.0	(0.8)	(0.8)	1.0	1.0
Other adjustments	—	0.1	—	—	6.7	10.0
Net (income) expense	\$ (26.7)	\$ (27.9)	\$ 29.3	\$ 30.7	\$ 11.8	\$ 15.3

(16) Income Taxes

Effective Tax Rate

Our consolidated effective income tax rate is influenced by tax planning opportunities available to us in the various jurisdictions in which we operate. The effective tax rate for the second quarter of fiscal 2008 was 36.5 percent compared to 35.9 percent for the second quarter of fiscal 2007. The 0.6 percentage point increase in the effective tax rate is primarily due to a 1.8 percent reduction in the estimated value of tax credits and a 0.5 percent increase in the state tax rate which were partially offset by a 0.7 percent reduction of deferred taxes caused by a law change in Michigan, a 0.4 percent decrease related to additional domestic deductions, a 0.3 percent reduction related to additional foreign tax credits and 0.3 percent of miscellaneous other items.

The effective tax rate for the six-month period ended November 25, 2007 was 35.0 percent compared to 35.8 percent for the same period of fiscal 2007. The 0.8 percentage point decrease is primarily due to a 0.7 percent discrete tax decrease from international deferred foreign income taxes resulting from tax rate changes, a 1.0 percent benefit related to discrete and general foreign tax credits, a 0.4 percent decrease related to additional domestic deductions and 0.3 percent of miscellaneous other items. These were partially offset by a 1.1 percent reduction in the estimated value of other tax credits and a 0.5 percent increase in the state tax rate. The impact of the Michigan law change which impacted first and second quarters in offsetting amounts had no impact on the year to date effective tax rate.

Uncertain Tax Positions

We adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109," as of the beginning of fiscal 2008. Prior to adoption, our policy was to establish reserves that reflected the probable outcome of known tax contingencies. The effects of final resolution, if any, were recognized as changes to the effective income tax rate in the period of resolution. FIN 48 requires application of a more likely than not threshold to the recognition and derecognition of uncertain tax positions. FIN 48 permits us to recognize the amount of tax benefit that has a greater than 50 percent likelihood of being ultimately realized upon settlement. It further requires that a change in judgment related to the expected ultimate resolution of uncertain tax positions be recognized in earnings in the quarter of such change.

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As a result of adoption, we recorded a \$218.1 million reduction to accrued tax liabilities, a \$151.9 reduction to goodwill, a \$57.8 million increase to additional paid in capital and a \$8.4 million increase to retained earnings at the beginning of fiscal 2008.

The following table sets forth changes in our total gross unrecognized tax benefit liabilities, excluding accrued interest, for the year to date period ended November 25, 2007. Approximately \$168.5 million of this total represents the amount that, if recognized, would affect our effective income tax rate in future periods. This amount differs from the gross unrecognized tax benefits presented in the table due to the decrease in U.S. federal income taxes that would occur upon recognition of the state tax benefits included therein.

In Millions	
Balance as of May 28, 2007	\$ 464.9
Tax positions related to current year:	
Additions	29.2
Reductions	—
Tax positions related to prior years:	
Additions	35.5
Reductions	(1.0)
Settlements	—
Lapses in statutes of limitations	(7.6)
Balance as of November 25, 2007	\$ 521.0

As of November 25, 2007, we have classified approximately \$7.3 million of the unrecognized tax benefits as a current liability as these amounts are expected to be paid within the next 12 months. The remaining amount of our unrecognized tax liability was classified in other noncurrent liabilities.

We report accrued interest and penalties related to unrecognized tax benefits in income tax expense. For the six-month period ended November 25, 2007, we recognized \$20.9 million of tax-related interest expense and penalties, and had \$113.6 million of accrued interest and penalties at November 25, 2007.

We do not expect any significant changes to the estimated amount of liability associated with our uncertain tax positions that arose prior to fiscal 2008, other than the payment of the amount noted above which is identified as a current liability.

Annually we file more than 350 income tax returns in approximately 100 global taxing jurisdictions. The number of years with open tax audits varies depending on the tax jurisdiction. Our major taxing jurisdictions include the United States (federal and state) and Canada. With limited exceptions, we are no longer subject to U.S. federal examinations by the Internal Revenue Service (IRS) for fiscal years before 2002. The IRS recently concluded field examinations for our 2002 and 2003 fiscal years. A payment of \$24.8 million was made during the first quarter of fiscal 2008 to cover the additional tax liability plus interest related to all agreed adjustments for this audit cycle. The IRS also proposed additional adjustments for the 2002-2003 audit cycle including several adjustments to the tax benefits associated with the sale of minority interests in our GMC subsidiary. We believe we have meritorious defenses and intend to vigorously defend our position. Our potential liability for this matter is significant and, notwithstanding our reserves against this potential liability, an unfavorable resolution could have a material adverse impact on our results of operations or cash flows from operations. We do not expect that the amount of our tax reserves for these issues will change in the next 12 months. The IRS initiated its audit of our fiscal 2004 through 2006 tax years during the first quarter of fiscal 2008.

Various examinations by United States state taxing authorities could be conducted for any open tax year, which vary by jurisdiction, but are generally from 3 to 5 years. Currently, several state examinations are in progress. The Canada Revenue Agency is conducting an audit of our income tax returns in Canada for fiscal years 2003 (which corresponds to our earliest tax year still open for examination) through 2005. We do not anticipate that any United States state tax or Canadian tax adjustments will have a significant impact on our financial position, cash flows or results of operations.

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(17) Business Segment Information

We operate in the consumer foods industry. We have three operating segments by type of customer and geographic region as follows: U.S. Retail, International, and Bakeries and Foodservice.

Our U.S. Retail 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 the United States 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.

Our International segment is largely made up of retail businesses outside of the United States. 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 the United States and Canada, our product categories include super-premium ice cream, granola and 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 in Caribbean and Latin American markets, as well as products we manufacture for sale to our joint ventures internationally. Revenues from export activities are reported in the region or country where the end customer is located.

In our Bakeries and Foodservice segment, we sell branded 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 chains and other restaurants, and business and school cafeterias in the United States and Canada. In addition, mixes and unbaked and fully baked frozen dough products are marketed throughout the United States and Canada to retail, supermarket, and wholesale bakeries.

Operating profit for these segments excludes unallocated corporate expenses (variances to planned corporate overhead expenses, variances to planned domestic employee benefits and incentives, all stock compensation costs, annual contributions to the General Mills Foundation, and other items that are not part of our measurement of segment operating performance, including gains and losses from commodity derivatives entered into after May 27, 2007, until passed back to our operating segments in accordance with our internal hedge documentation as discussed in Note 6), and restructuring, impairment, and other exit costs. These items affecting operating profit are centrally managed at the corporate level and are excluded from the measure of segment profitability reviewed by executive management. Under our supply chain organization, our manufacturing, warehouse, and distribution activities are substantially integrated across our operations in order to maximize efficiency and productivity. As a result, fixed assets and depreciation and amortization expenses are neither maintained nor available by operating segment. Our operating segment results were as follows:

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In millions	Quarter Ended		Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006	Nov. 25, 2007	Nov. 26, 2006
Net sales:				
U.S. Retail	\$ 2,521.0	\$ 2,441.7	\$ 4,552.7	\$ 4,351.7
International	665.7	544.6	1,265.1	1,050.2
Bakeries and Foodservice	516.7	480.3	957.6	925.1
Total	\$ 3,703.4	\$ 3,466.6	\$ 6,775.4	\$ 6,327.0
Operating profit:				
U.S. Retail	\$ 583.8	\$ 595.6	\$ 1,057.1	\$ 1,042.9
International	84.3	61.9	155.3	117.8
Bakeries and Foodservice	48.0	56.1	82.0	85.1
Total segment operating profit	716.1	713.6	1,294.4	1,245.8
Corporate unallocated expenses	26.2	39.5	79.9	82.8
Restructuring, impairment, and other exit costs (income)	2.8	(1.1)	17.3	(3.0)
Operating profit	\$ 687.1	\$ 675.2	\$ 1,197.2	\$ 1,166.0

(18) New Accounting Pronouncements

In the first quarter of fiscal 2008, we adopted Staff Accounting Bulletin No. 108 “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements” (SAB 108). SAB 108 provides interpretive guidance on the process and diversity in practice of quantifying financial statement misstatements resulting in the potential carryover of improper amounts on the balance sheet. The SEC believes that registrants should quantify errors using both a balance sheet and income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. The adoption of SAB 108 did not have a material impact on our results of operations or financial condition.

Also in the first quarter of fiscal 2008, we adopted SFAS No. 155, “Hybrid Instruments” (SFAS 155). SFAS 155 amends SFAS No. 133 “Accounting for Derivative Instruments and Hedging Activities” and SFAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.” SFAS 155 is effective for all financial instruments acquired or issued after May 27, 2007. The adoption of SFAS 155 did not have any impact on our results of operations or financial condition.

In September 2006, the FASB ratified the consensus of Emerging Issues Task Force Issue No. 06-5, “Accounting for Purchases of Life Insurance-Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4” (EITF 06-5). EITF 06-5 requires that a policyholder consider any additional amounts included in the contractual terms of the policy in determining the amount that could be realized under the insurance contract on a policy by policy basis. We adopted EITF 06-5 in the first quarter of fiscal 2008, and it did not have any impact on our results of operations or financial condition.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

INTRODUCTION

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the MD&A included in our Annual Report on Form 10-K for the fiscal year ended May 27, 2007, for important background regarding, among other things, our key business drivers. Significant trademarks and service marks used in our business are set forth in *italics* herein. Certain terms used throughout this report are defined in a glossary on page 32 of this report.

CONSOLIDATED RESULTS OF OPERATIONS

Second Quarter Results

For the second quarter of fiscal 2008, we reported diluted earnings per share of \$1.14, up 5.6 percent from \$1.08 per share earned in the same period last year. Net earnings were \$390.5 million in the quarter, up 1.3 percent from \$385.4 million last year. Net sales grew 6.8 percent to \$3.7 billion and total segment operating profit of \$716.1 million was consistent with the second quarter of fiscal 2007. (See page 32 for a discussion of this measure not defined by generally accepted accounting principles (GAAP)).

Net sales growth during the second quarter of fiscal 2008 was the result of 5.6 points of growth from net price realization and product mix and 1.4 points of favorable foreign currency exchange, offset by 0.2 points of decreased combined segment volume. During the second quarter of fiscal 2008, volume was essentially flat as growth in the International operating segment was offset by declines in Bakeries and Foodservice including the effects of product lines divested in fiscal 2007, and U.S. Retail. On November 1, 2007, we voluntarily recalled all pepperoni varieties of *Totino's* and *Jeno's* frozen pizzas (sold primarily in our U.S. Retail operating segment) manufactured on or before October 30, 2007 due to potential contamination. The pizza recall did not significantly impact our net sales in the second quarter.

Components of net sales growth Second quarter of fiscal 2008 vs. second quarter of fiscal 2007	U.S. Retail	International	Bakeries and Foodservice	Combined Segments
Volume (a)	-1.9 pts	8.1 pts	-1.0 pts	-0.2 pts
Price/product mix	5.1 pts	5.1 pts	8.6 pts	5.6 pts
Foreign currency exchange	NA	9.0 pts	NA	1.4 pts
Net sales growth	3.2 pts	22.2 pts	7.6 pts	6.8 pts

(a) Measured in tons based on the stated weight of our product shipments.

Cost of sales increased \$185.2 million from the second quarter of fiscal 2007 to \$2,372.2 million. Higher input costs and changes in mix increased cost of sales by \$178.8 million. We recorded \$32.8 million of mark-to-market net gains on our commodity derivatives in the second quarter of fiscal 2008, pursuant to our policy described in Note 6 on page 9, \$15.1 million of which will mitigate future input cost inflation. We also recorded \$17.3 million of accelerated depreciation on long-lived assets associated with our previously announced restructuring action at our plant in Trenton, Ontario. In addition, we incurred \$19.0 million of costs, including product write offs, logistics, and other costs, related to the voluntary frozen pizza recall.

Selling, general, and administrative (SG&A) expenses were up \$35.8 million in the second quarter of fiscal 2008 versus the same period in fiscal 2007. The increase in SG&A was primarily driven by a 10.5 percent increase in consumer marketing expense. SG&A expenses as a percent of net sales in fiscal 2008 decreased 20 basis points from fiscal 2007 to 17.3 percent.

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Restructuring, impairment, and other exit costs (income) were \$2.8 million of expense for the second quarter of fiscal 2008 and \$1.1 million of income for the same period of fiscal 2007, comprised of the following:

Expense (income), in millions	Quarter Ended	
	Nov. 25, 2007	Nov. 26, 2006
Closure of Poplar, Wisconsin plant	\$ 2.7	\$ —
Loss from divestiture of par-baked bread product line	—	(0.3)
Charges associated with restructuring actions previously announced	0.1	(0.8)
Total	\$ 2.8	\$ (1.1)

During the second quarter of fiscal 2008, we approved a plan to transfer *Old El Paso* production from our Poplar, Wisconsin facility to other plants and close the Poplar facility. This action to improve capacity utilization and reduce costs affects 113 employees at the Poplar facility, and resulted in a charge of \$2.7 million consisting entirely of employee severance. We anticipate this project will be completed by January 31, 2009.

Net interest expense for the second quarter of fiscal 2008 totaled \$115.9 million, a \$5.4 million increase from the same period of fiscal 2007. Average interest bearing instruments increased \$539.6 million leading to an \$8.2 million increase in net interest expense, while average interest rates decreased 20 basis points generating a \$2.8 million decrease in net interest expense. Average debt balances increased to fund higher share repurchases in anticipation of our issuance of shares to settle the forward contract with Lehman Brothers.

The **effective tax rate** for the second quarter of fiscal 2008 was 36.5 percent compared to 35.9 percent for the second quarter of fiscal 2007. The 0.6 percentage point increase in the effective tax rate is primarily due to a 1.8 percent reduction in the estimated value of tax credits and a 0.5 percent increase in the state tax rate which were partially offset by a 0.7 percent reduction of deferred taxes caused by a law change in Michigan, a 0.4 percent decrease related to additional domestic deductions, a 0.3 percent reduction related to additional foreign tax credits and 0.3 percent of miscellaneous other items.

After-tax earnings from joint ventures increased \$4.2 million from the second quarter of fiscal 2007, to \$27.6 million. Net sales for Cereal Partners Worldwide (CPW) increased 21.4 percent driven by higher volume, including 5 points of favorable foreign exchange. Net sales for our Häagen-Dazs ice cream joint ventures in Asia grew 3.6 percent as an increase in sales volume was partially offset by unfavorable foreign exchange. 8th Continent, our soy products joint venture, recorded a 15.4 percent net sales decrease in the second quarter of fiscal 2008.

Average diluted shares outstanding decreased by 15.0 million in the second quarter of fiscal 2008, from the same period a year ago due primarily to the repurchase of 29.3 million shares of our common stock since the end of the second quarter of fiscal 2007. This was partially offset by the issuance of 14.3 million shares to settle the forward contract with Lehman Brothers, the issuance of shares upon stock option exercises, the issuance of annual stock awards, and the vesting of restricted stock units.

Six-month Results

For the six-month period ended November 25, 2007, we reported diluted earnings per share of \$1.95, up 7.7 percent from \$1.81 per share earned in the same period last year. Net earnings were \$679.4 million, up 4.2 percent from \$652.3 million last year. Net sales for the six-month period grew 7.1 percent to \$6.8 billion and total segment operating profit increased 3.9 percent to \$1,294.4 million (See page 32 for a discussion of this measure not defined by GAAP).

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Net sales growth during the six-month period ended November 25, 2007, was the result of 1.1 points of combined segment volume growth, 4.6 points of growth from net price realization and product mix, and 1.3 points of favorable foreign currency exchange. Volume growth was recorded in our U.S. Retail and International operating segments, while Bakeries and Foodservice volumes declined, including the effects of divested product lines in fiscal 2007. As discussed previously, on November 1, 2007, we voluntarily recalled certain varieties of frozen pizza. The pizza recall did not significantly impact our net sales for the six-month period ended November 25, 2007.

Components of net sales growth Six-month period ended Nov. 25, 2007 vs. six-month period ended Nov. 26, 2006	U.S. Retail	International	Bakeries and Foodservice	Combined Segments
Volume (a)	0.2 pts	8.4 pts	-2.9 pts	1.1 pts
Price/product mix	4.4 pts	4.0 pts	6.4 pts	4.7 pts
Foreign currency exchange	NA	8.1 pts	NA	1.3 pts
Net sales growth	4.6 pts	20.5 pts	3.5 pts	7.1 pts

(a) Measured in tons based on the stated weight of our product shipments.

Cost of sales increased \$304.3 million from the six-month period ended November 26, 2006, to \$4,288.0 million. Higher volume drove \$51.6 million of this increase. Higher input costs and changes in mix increased cost of sales by \$258.6 million. We recorded \$42.1 million of mark-to-market net gains on our commodity derivatives in the six-month period ended November 25, 2007, pursuant to our policy described in Note 6 on page 9, \$12.1 million of which will mitigate future input cost inflation. We also recorded \$17.3 million of accelerated depreciation on long-lived assets associated with our previously announced restructuring action at our plant in Trenton, Ontario. In addition, we incurred \$19.0 million of costs, including product write offs, logistics, and other costs, related to the voluntary frozen pizza recall.

SG&A expenses were up \$92.6 million in the six-month period ended November 25, 2007, versus the same period in fiscal 2007. SG&A expenses as a percent of net sales in fiscal 2008 increased 10 basis points from fiscal 2007 to 18.8 percent. This increase was primarily driven by a 10.5 percent increase in consumer marketing expense and \$10.9 million of costs associated with the remarketing of the Class A and Series B-1 Interests of our subsidiary General Mills Cereals, LLC (GMC).

Restructuring, impairment, and other exit costs (income) were \$17.3 million of expense for the six-month period ended November 25, 2007, and \$3.0 million of income for the same period last year, comprised of the following:

Expense (income), in millions	Six-Month Period Ended	
	Nov. 25, 2007	Nov. 26, 2006
Closure of Poplar, Wisconsin plant	\$ 2.7	\$ —
Closure of Allentown, Pennsylvania plant	10.1	—
Closure of Trenton, Ontario plant	8.5	—
Restructuring at Chanhassen, Minnesota plant	3.0	—
Gain on sale of previously closed Vallejo, California plant	(7.1)	—
Gain on sale of previously closed San Adrian, Spain plant	—	(8.6)
Loss from divestiture of par-baked bread product line	—	5.9
Charges associated with restructuring actions previously announced	0.1	(0.3)
Total	\$ 17.3	\$ (3.0)

During the six-month period ended November 25, 2007, we took additional restructuring actions beyond the item described in our Second Quarter Results section on page 22.

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Due to declining financial results, we decided to exit our frozen waffle product line (retail and foodservice) and to close our frozen waffle plant in Allentown, Pennsylvania, affecting 111 employees. We recorded a charge of \$10.1 million related to this closure, consisting of \$3.9 million of employee severance and a \$6.2 million non-cash impairment charge against long-lived assets at the plant. We also completed an analysis of the viability of our Bakeries and Foodservice frozen dough facility in Trenton, Ontario, and will close the facility, affecting 470 employees. We recorded an \$8.5 million charge for employee severance and curtailment charges associated with a defined benefit pension plan. These actions, including the anticipated timing of the disposition of the plants we will close, are expected to be completed by February 28, 2009. We also restructured our production scheduling and discontinued our cake product line at our Chanhassen, Minnesota Bakeries and Foodservice plant. These actions affected 125 employees, and we recorded a charge for employee severance of \$3.0 million. These actions are expected to be completed by the end of fiscal 2008.

Collectively, the total charges we expect to incur with respect to these fiscal 2008 restructuring actions are approximately \$70.0 million, of which \$48.1 million is expected to be recognized in fiscal 2008. This includes a \$17.3 million non-cash second quarter charge related to accelerated depreciation on long-lived assets at our Trenton, Ontario plant, and an additional amount will be recorded in the third quarter prior to the plant's closure. The accelerated depreciation charges are recorded in cost of sales in our Consolidated Statements of Earnings, and in unallocated corporate expenses in our segment results.

During the six-month period ended November 25, 2007, we sold our previously closed Vallejo, California plant and received \$10.6 million in proceeds.

In the six-month period ended November 26, 2006, we sold our previously closed plant in San Adrian, Spain for proceeds of \$9.5 million. We also received net proceeds of \$11.7 million from the divestiture of our par-baked bread product line.

Net interest expense for the six-month period ended November 25, 2007, totaled \$229.2 million, a \$13.7 million increase from the same six-month period last year. Average interest bearing instruments increased \$731.0 million leading to a \$22.7 million increase in net interest expense, while average interest rates decreased 20 basis points generating a \$9.0 million decrease in net interest expense. Average debt balances have increased to fund higher share repurchases in anticipation of our issuance of shares to settle the forward contract with Lehman Brothers.

The **effective tax rate** for the six-month period ended November 25, 2007 was 35.0 percent compared to 35.8 percent for the same period of fiscal 2007. The 0.8 percentage point decrease is primarily due to a 0.7 percent discrete tax decrease from international deferred foreign income taxes resulting from tax rate changes, a 1.0 percent benefit related to discrete and general foreign tax credits, a 0.4 percent decrease related to additional domestic deductions and 0.3 percent of miscellaneous other items. These were partially offset by a 1.1 percent reduction in the estimated value of other tax credits and a 0.5 percent increase in the state tax rate. The impact of the Michigan law change which impacted first and second quarters in offsetting amounts had no impact on the year to date effective tax rate.

After-tax earnings from joint ventures increased \$7.5 million from the six-month period ended November 26, 2006, to \$50.0 million. Net sales for CPW increased 23.5 percent driven by higher volume, including 3.9 points of growth from the acquisition of Uncle Tobys, and 5 points of favorable foreign exchange. Net sales for our Häagen-Dazs ice cream joint ventures in Asia matched prior-year levels as an increase in sales volume was offset by unfavorable foreign exchange. 8th Continent recorded a 15.5 percent net sales decrease in the six-month period ended November 25, 2007.

Average diluted shares outstanding decreased by 16.6 million in the six-month period ended November 25, 2007, from the same period a year ago due primarily to the repurchase of 29.3 million shares of our common stock since the end of the second quarter of fiscal 2007, 21.0 million shares of which were purchased in the first six-month period of fiscal 2008, partially offset by the issuance of 14.3 million shares to settle the forward contract with Lehman Brothers, the issuance of shares upon stock option exercises, the issuance of annual stock awards, and the vesting of restricted stock units.

SEGMENT OPERATING RESULTS**U.S. Retail Segment Results**

Net sales for our U.S. Retail operations grew 3.2 percent in the second quarter of fiscal 2008, to \$2,521.0 million. Net price realization and product mix drove 5.1 points of growth. Volume on a tonnage basis fell 1.9 percentage points. The voluntary frozen pizza recall did not significantly impact our U.S. Retail net sales in the second quarter of fiscal 2008.

Net sales for our U.S. Retail operations were up 4.6 percent in the six-month period ended November 25, 2007, to \$4,552.7 million. Net price realization and product mix drove 4.4 points of growth. Volume on a tonnage basis increased 0.2 percentage points. The voluntary frozen pizza recall did not significantly impact our U.S. Retail net sales in the six-month period ended November 25, 2007.

U.S. Retail Net Sales Percentage Change by Division

	Quarter Ended	Six-Month Period Ended
	Nov. 25, 2007	Nov. 25, 2007
Snacks	12.0%	14.0%
Yoplait	11.3	7.3
Big G	2.7	4.0
Baking Products	2.5	4.1
Meals	0.9	2.9
Pillsbury	-1.8	1.3
Small Planet Foods	13.6	5.8
Total	3.2%	4.6%

During the second quarter of fiscal 2008, Snacks net sales grew 12.0 percent driven by continued strong sales for *Nature Valley* grain snacks, *Fiber One* bars, and fruit snacks. Yoplait recorded net sales growth of 11.3 percent, reflecting net price realization, continued strong performance from *Yoplait Light* yogurt, and new products, including *Yo-Plus* yogurt. Net sales for Big G cereals grew 2.7 percent, driven mainly by pricing and package size changes on established cereal brands. The Meals division recorded a 0.9 percent net sales increase, led by *Progresso* ready-to-serve soups that offset slight declines in our dry dinners category. Pillsbury net sales declined 1.8 percent, as the impact of the voluntary frozen pizza recall more than offset growth in other categories within this division.

Operating profits for the second quarter of fiscal 2008, declined 2.0 percent to \$583.8 million from \$595.6 million in the same period a year ago. Volume declines decreased operating profit by \$21.9 million. Increased supply chain costs of \$65.1 million, excluding the effect of the frozen pizza recall, and a 7.1 percent increase in consumer marketing expenses were offset by favorable price and product mix. In addition, the voluntary frozen pizza recall reduced operating profits by \$19.9 million.

Operating profits for the six-month period ended November 25, 2007, improved 1.4 percent to \$1,057.1 million from \$1,042.9 million in the same period a year ago. Volume growth increased operating profit by \$5.7 million. Increased supply chain costs of \$96.6 million, excluding the effect of the frozen pizza recall, and an 8.1 percent increase in consumer marketing expenses were more than offset by favorable price and product mix. In addition, the voluntary frozen pizza recall reduced operating profits by \$19.9 million.

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International Segment Results

Net sales for our International segment were up 22.2 percent in the second quarter of fiscal 2008 to \$665.7 million. This growth was driven by an 8.1 point increase in sales volume, 9.0 points of favorable foreign exchange, and 5.1 points of net price realization and product mix. Net sales were up 20.5 percent in the six-month period ended November 25, 2007 to \$1,265.1 million. This growth was driven by an 8.4 point increase in sales volume, 8.1 points of favorable foreign exchange, and 4.0 points of net price realization and product mix. Sales volumes increased across all of our geographic regions, especially in Europe and Latin America.

International Net Sales Percentage Change by Geographic Region

	Quarter Ended	Six-Month Period Ended
	Nov. 25, 2007	Nov. 25, 2007
Europe	19.9%	18.0%
Canada	15.5	13.4
Asia/Pacific	24.4	21.2
Latin America and South Africa	42.6	43.1
Total	22.2%	20.5%

For the second quarter of fiscal 2008, net sales in Europe grew 19.9 percent reflecting strong performance from *Old El Paso* and *Nature Valley* across the region, and especially in the United Kingdom. Net sales in Canada increased 15.5 percent, led by *Nature Valley* grain snacks, ready-to-eat cereals, and *Old El Paso* products. In the Asia/Pacific region, net sales grew by 24.4 percent led by strong growth for *Häagen-Dazs* in China and new *Wanchai Ferry* products. Latin America and South Africa net sales increased 42.6 percent led by market share gains and pricing actions taken in key countries.

Operating profits for the second quarter of fiscal 2008 improved 36.2 percent to \$84.3 million from \$61.9 million in the same period a year ago, with foreign currency exchange contributing 24.6 points of that growth. The growth was also driven by a \$13.6 million increase from higher volumes resulting from increases in consumer marketing spending. Net price realization offset supply chain and administrative cost increases.

Operating profits for the six-month period ended November 25, 2007 improved 31.8 percent to \$155.3 million from \$117.8 million in the same period a year ago, with foreign currency exchange contributing 20.3 points of that growth. The growth was also driven by a \$28.0 million increase from higher volumes resulting from increases in consumer marketing spending. Net price realization offset supply chain and administrative cost increases.

Bakeries and Foodservice Segment Results

Net sales for our Bakeries and Foodservice segment increased 7.6 percent to \$516.7 million in the second quarter of fiscal 2008. The increase in net sales was driven by an 8.6 point benefit from price increases taken to counter rising input costs, and changes in product mix. This was offset somewhat by a 1.0 point decline in volume, mainly in the distributors and restaurants customer channel, and included the effects of frozen pie and par-baked bread product lines divested in fiscal 2007.

Net sales for our Bakeries and Foodservice segment increased 3.5 percent to \$957.6 million in the six-month period ended November 25, 2007. The increase in net sales was driven mainly by 6.4 points of benefit from net price realization and product mix. This was partially offset by a 2.9 point decline in volume, mainly in the distributors and restaurants customer channel, and included the effects of frozen pie and par-baked bread product lines divested in fiscal 2007.

Bakeries and Foodservice Net Sales Percentage Change by Customer Channel

	Quarter Ended	Six-Month Period Ended
	Nov. 25, 2007	Nov. 25, 2007
Distributors and restaurants	3.2%	(0.4)%
Bakery channels	13.1	7.3
Convenience stores and vending	6.2	5.1
Total	7.6%	3.5%

Operating profits for the segment for the second quarter of fiscal 2008 were \$48.0 million, down from \$56.1 million in the second quarter of fiscal 2007. For the six-month period ended November 25, 2007, operating profits for the segment were \$82.0 million, down from \$85.1 million in the same period a year ago. The decreases for the quarter and six-month period were largely driven by higher input costs and \$3.0 million of expenses for conversion from brokers to a direct sales force for the organization. This was partially offset by manufacturing efficiencies and benefits from prior restructuring activities.

Unallocated Corporate Expenses

For the second quarter, unallocated corporate expenses were \$26.2 million in fiscal 2008 compared to \$39.5 million in fiscal 2007. The decrease is primarily due to a net gain on commodity derivatives of \$15.1 million, the recognition of a previously deferred gain on the sale of a corporate investment of \$10.8 million and lower compensation costs. These benefits were partially offset by \$17.3 million of accelerated depreciation on long-lived assets associated with our previously announced restructuring action at our plant in Trenton, Ontario.

For the six-month period ended November 25, 2007, unallocated corporate expenses were \$79.9 million, compared to \$82.8 million for the same period last year. The decrease is primarily due to a net gain on commodity derivatives of \$12.1 million and the recognition of a previously deferred gain on the sale of a corporate investment of \$10.8 million. These were offset by \$17.3 million of accelerated depreciation on long-lived assets associated with our previously announced restructuring action at our plant in Trenton, Ontario and \$10.9 million of costs related to the remarketing of the Class A and Series B-1 interests in GMC.

LIQUIDITY

During the six-month period ended November 25, 2007, our operations generated \$443.7 million of cash compared to \$565.2 million of cash in the same period last year. The \$121.5 million decrease in cash from operations was primarily due to increased working capital (accounts receivable and inventory).

During the six-month period ended November 25, 2007, \$374.6 million of cash was used to increase inventories, mainly due to inflation in commodity prices and higher levels of raw material inventories.

Cash used by investing activities decreased \$138.1 million from the six-month period ended November 26, 2006. Last year's period included the acquisition of the Uncle Tobys business by our CPW joint venture.

Financing activities used \$190.9 million of cash in the six-month period ended November 25, 2007. Net cash provided by notes payable was \$744.0 million. We used a significant amount of cash flows from notes payable to finance share repurchases and our repurchases of the Series B-1 interests in GMC and the Series A preferred stock of General Mills Capital, Inc. We used the \$700.0 million proceeds from the issuance of long-term debt to reduce outstanding commercial paper balances. Also, during fiscal 2008, we received \$750.0 million as part of the settlement of a forward contract with Lehman Brothers and used the cash to reduce outstanding commercial paper balances.

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On August 7, 2007, we repurchased for a net amount of \$843.0 million all of the outstanding Series B-1 Interests in GMC as part of a required remarketing of those interests. The purchase price reflected the Series B-1 Interests' original capital account balance of \$835.0 million and \$8.0 million of capital account appreciation attributable and paid to the third party holder of the Series B-1 Interests. The capital appreciation paid to the third party holder of the Series B-1 Interests was recorded as a reduction to retained earnings, a component of stockholders' equity, on the Consolidated Balance Sheets, and reduced net earnings available to common stockholders in our basic and diluted earnings per share (EPS) calculations.

We and the third party holder of all of GMC's outstanding Class A limited membership interests (Class A Interests) agreed to reset, effective on June 28, 2007, the preferred rate of return applicable to the Class A Interests to the sum of 3 month LIBOR plus 65 basis points. On June 28, 2007, we sold \$92.3 million of additional Class A Interests to the same third party. There was no gain or loss associated with these transactions. As of November 25, 2007, the carrying value of all outstanding Class A Interests on our Consolidated Balance Sheets was \$242.3 million, and the capital account balance of the Class A Interests, upon which preferred distributions are calculated, was \$248.1 million.

On June 28, 2007, we repurchased for \$150.0 million all of the outstanding Series A preferred stock of our subsidiary General Mills Capital, Inc. using proceeds from the sale of the Class A Interests and commercial paper. There was no gain or loss associated with this repurchase.

During the six-month period ended November 25, 2007, we repurchased 21.0 million shares of common stock for \$1,226.5 million. As of November 25, 2007, we had unpaid obligations associated with our share repurchases totaling \$0.4 million included in other current liabilities. We settled these obligations shortly after the end of our fiscal quarter.

On December 10, 2007, our Board of Directors approved a quarterly dividend of 39 cents per share, payable on February 1, 2008, to shareholders of record on January 10, 2008. During the six-month period ended November 25, 2007, we paid \$259.4 million in dividends compared to \$247.4 million in the same period last year. In addition, the Board of Directors approved the retirement of 125.0 million shares of common stock in treasury effective December 10, 2007. This action will reduce common stock by \$12.5 million, reduce additional paid-in capital by \$5,068.3 million, and reduce common stock in treasury by \$5,080.8 million on our Consolidated Balance Sheets as of that date.

CAPITAL RESOURCES

Our capital structure was as follows:

<u>In millions</u>	<u>Nov. 25, 2007</u>	<u>May 27, 2007</u>
Notes payable	\$ 2,046.0	\$ 1,254.4
Current portion of long-term debt	2,049.2	1,734.0
Long-term debt	3,599.1	3,217.7
Total debt	7,694.3	6,206.1
Minority interests	242.3	1,138.8
Stockholders' equity	5,679.5	5,319.1
Total capital	\$ 13,616.1	\$ 12,664.0

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Commercial paper is a continuing source of short-term financing. We issue commercial paper in the United States, Canada, and Europe. Our commercial paper borrowings are supported by fee-paid committed credit lines consisting of a \$1.9 billion facility expiring in October 2012 and a \$1.1 billion facility expiring in October 2010. As of November 25, 2007, we did not have any outstanding borrowings under these agreements.

As of October 25, 2007, we terminated our credit agreement dated August 3, 2007, which provided an aggregate revolving commitment of \$750.0 million and was scheduled to expire on December 6, 2007.

On October 15, 2007, we and Lehman Brothers settled the forward contract established between the parties in October 2004 in conjunction with the issuance by Lehman Brothers of \$750.0 million of notes that were mandatorily exchangeable for shares of our common stock. In settlement of that forward contract, we issued 14.3 million shares of our common stock and received \$750.0 million in cash from Lehman Brothers. We used the cash received to reduce outstanding commercial paper balances.

On October 9, 2007, we entered into a new five-year credit agreement with an initial aggregate revolving commitment of \$1.9 billion which is scheduled to expire in October 2012. As of November 25, 2007, we do not have any outstanding borrowings under this agreement or any other credit facility. Concurrent with the execution of the new credit agreement, we terminated our five-year credit agreement dated January 20, 2004, which provided \$750.0 million of revolving credit and was scheduled to expire in January 2009, and our amended and restated credit agreement, dated October 17, 2006, which provided \$1.1 billion of revolving credit and was scheduled to expire in October 2007.

Our credit facilities, certain of our long-term debt agreements, and our minority interests contain restrictive covenants. As of November 25, 2007, we were in compliance with all of these covenants.

We have \$2.0 billion of long-term debt maturing in the next 12 months and classified as current, including \$1.4 billion that may mature in fiscal 2008 based on the put rights of the note holders. We also have classified \$142.4 million of long-term debt as current based on our intention to redeem the debt within the next 12 months. We believe that cash flows from operations, together with available short- and long-term debt financing, will be adequate to meet our liquidity and capital needs for at least the next 12 months.

On August 29, 2007, we completed the sale of \$700.0 million of 5.65 percent fixed-rate notes due September 10, 2012. The proceeds of the notes were used to repay outstanding commercial paper. Interest on the notes is payable semi-annually in arrears. The notes may be redeemed at our option at any time for a specified make-whole amount. The notes are senior unsecured, unsubordinated obligations and contain a change of control provision, as defined in the instruments governing the notes.

We have an effective shelf registration statement on file with the Securities and Exchange Commission covering the sale of debt securities, common stock, preference stock, depository shares, securities warrants, purchase contracts, purchase units, and units. As of November 25, 2007, \$3.0 billion remained available under the shelf registration for future use.

OFF BALANCE-SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

There were no material changes outside the ordinary course of our business in our contractual obligations or off-balance-sheet arrangements during the first six months of fiscal 2008, except for a new data contract that we entered into in June. We have contractual obligations of \$155.2 million over the eight year life of this contract.

SIGNIFICANT ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 2 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended May 27, 2007. The accounting policies used in preparing our interim fiscal 2008 Consolidated Financial Statements are the same as those described in our Form 10-K, except as discussed in Notes 6, 16, and 18 to these Consolidated Financial Statements for the quarterly and six-month periods ended November 25, 2007.

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Our significant accounting estimates are those that have meaningful impact on the reporting of our financial condition and results of operations. These estimates include our accounting for promotional expenditures, intangible assets, stock compensation, income taxes, and defined benefit pension, other postretirement, and postemployment benefits. Except for changes in these estimates as disclosed below, the assumptions and methodologies used in the determination of those estimates as of November 25, 2007, are the same as those described in our Annual Report on Form 10-K for the fiscal year ended May 27, 2007.

Stock Compensation

We have various stock-based compensation programs under which awards, including stock options, restricted stock, and restricted stock units, may be granted to employees and non-employee directors. Stock option grants are made at 100 percent of the fair market value of our stock at the date of grant. These awards generally vest over four years and have a ten-year and one-month term. The expense recorded in our Consolidated Financial Statements is based on the fair value of the awards.

We estimate the fair value of each option on the grant date using the Black-Scholes option-pricing model, which requires us to make predictive assumptions regarding future stock price volatility, employee exercise behavior, and dividend yield. We estimate our future stock price volatility using the historical volatility over the expected term of the option, excluding time periods of volatility we believe a marketplace participant would exclude in estimating our stock price volatility. For the fiscal 2008 grants, we have excluded historical volatility for fiscal 2002 and prior, primarily because volatility driven by the acquisition of Pillsbury does not reflect what we believe to be expected future volatility. We also have considered, but did not use, implied volatility in our estimate, because trading activity in options on our stock, especially those with tenors of greater than 6 months, is insufficient to provide a reliable measure of expected volatility. Our method of selecting the other valuation assumptions is explained on pages 58 and 59 in our Annual Report on Form 10-K for the fiscal year ended May 27, 2007.

Income Taxes

We adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation (FIN) No 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109" (FIN 48), as of the beginning of fiscal 2008. Prior to adoption, our policy was to establish reserves that reflected the probable outcome of known tax contingencies. The effects of final resolution, if any, were recognized as changes to the effective income tax rate in the period of resolution. FIN 48 requires application of a more likely than not threshold to the recognition and derecognition of uncertain tax positions. FIN 48 permits us to recognize the amount of tax benefit that has a greater than 50 percent likelihood of being ultimately realized upon settlement. It further requires that a change in judgment related to the expected ultimate resolution of uncertain tax positions be recognized in earnings in the quarter of such change.

Annually we file more than 350 income tax returns in approximately 100 global taxing jurisdictions. A number of years may elapse before an uncertain tax position is audited and finally resolved. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax position, we believe that our reserves for income taxes reflect the most likely outcome. We adjust these reserves, as well as the related interest, in light of changing facts and circumstances. Settlement of any particular position would usually require the use of cash.

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The number of years with open tax audits varies depending on the tax jurisdiction. Our major taxing jurisdictions include the United States (federal and state) and Canada. With limited exceptions, the Company is no longer subject to United States federal examinations by the Internal Revenue Service (IRS) for fiscal years before 2002. The IRS recently concluded field examinations for our 2002 and 2003 fiscal years. A payment of \$24.8 million was made during the first quarter of fiscal 2008 to cover the additional tax liability plus interest related to all agreed adjustments for this audit cycle. The IRS also proposed additional adjustments for the 2002-2003 audit cycle including several adjustments to the tax benefits associated with the sale of minority interests in our GMC subsidiary. We believe we have meritorious defenses and intend to vigorously defend our position. Our potential liability for this matter is significant and, notwithstanding our reserves against this potential liability, an unfavorable resolution could have a material adverse impact on our results of operations and cash flows from operations. We do not expect the amount of our tax reserves for these issues to change in the next 12 months. The IRS initiated its audit of our fiscal 2004 through 2006 tax years during the first quarter of fiscal 2008.

Various tax examinations by United States state taxing authorities could be conducted for any open tax year, which vary by jurisdiction, but are generally from 3 to 5 years. Currently, several state examinations are in progress. The Canada Revenue Agency is conducting an audit of our income tax returns in Canada for fiscal years 2003 (which is our earliest tax year still open for examination) through 2005. We do not anticipate that any United States state tax or Canadian tax adjustments will have a significant impact on our financial position or results of operations.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB approved the issuance of Statement of Financial Accounting Standards (SFAS) No. 141 (revised 2007) "Business Combinations" (SFAS 141R). SFAS 141R establishes principles and requirements for how the acquirer in a business combination recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any controlling interest; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141R applies to business combinations for which the acquisition date is on or after December 15, 2008. We are evaluating the impact of SFAS 141R on our results of operations and financial condition.

In December 2007, the FASB approved the issuance of SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51" (SFAS 160). SFAS 160 establishes accounting and reporting standards that require the ownership interest in subsidiaries held by parties other than the parent be clearly identified and presented in the Consolidated Balance Sheets within equity, but separate from the parent's equity; the amount of consolidated net income attributable to the parent and the noncontrolling interest be clearly identified and presented on the face of the Consolidated Statement of Earnings; and changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently. This statement is effective for fiscal years beginning on or after December 15, 2008, which for us is the first quarter of fiscal 2010. We are evaluating the impact of SFAS 160 on our results of operations and financial condition.

In June 2007, the FASB approved the issuance of Emerging Issues Task Force Issue (EITF) No. 07-3, "Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities" (EITF 07-3). EITF 07-3 requires that nonrefundable advance payments for future research and development activities for materials, equipment, facilities, and purchased intangible assets that have an alternative future use be recognized in accordance with SFAS No. 2, "Accounting for Research and Development Costs." EITF 07-3 is effective for fiscal years beginning after December 15, 2007, which for us is the first quarter of fiscal 2009. We are evaluating the impact of EITF 07-3 on our results of operations and financial condition.

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In June 2007, the FASB approved the issuance of EITF No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards" (EITF 06-11). EITF 06-11 requires that tax benefits from dividends paid on unvested restricted shares be charged directly to stockholders' equity instead of benefiting income tax expense. EITF 06-11, which will be effective for us in the first quarter of fiscal 2009, is expected to increase our effective income tax rate by approximately 20 basis points.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of SFAS No. 115" (SFAS 159). This statement provides companies with an option to measure, at specified election dates, many financial instruments and certain other items at fair value that are not currently measured at fair value. A company that adopts SFAS 159 will report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. This statement also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. This statement is effective for fiscal years beginning after November 15, 2007, which for us is the first quarter of fiscal 2009. We are evaluating the impact of SFAS 159 on our results of operations and financial condition.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS 157). This statement provides a single definition of fair value, a framework for measuring fair value, and expanded disclosures concerning fair value. Previously, different definitions of fair value were contained in various accounting pronouncements creating inconsistencies in measurement and disclosures. SFAS 157 applies under those previously issued pronouncements that prescribe fair value as the relevant measure of value, except SFAS 123R and related interpretations and pronouncements that require or permit measurement similar to fair value but are not intended to measure fair value. For financial assets and liabilities, this pronouncement is effective for fiscal years beginning after November 15, 2007, which for us is the first quarter of fiscal 2009. For non-financial assets and liabilities, it is effective for fiscal years beginning after November 15, 2008, which for us is the first quarter of fiscal 2010. We are evaluating the impact of SFAS 157 on our results of operations and financial condition.

NON-GAAP MEASURES

We have included in this MD&A a measure of financial performance that is not defined by GAAP. This non-GAAP measure should be viewed in addition to, and not in lieu of, the comparable GAAP measure.

Total Segment Operating Profit

This non-GAAP measure is used in internal management reporting and as a component of the Board of Directors' rating of our performance for management and employee incentive compensation. Management and the Board of Directors believe that this measure provides useful information to investors because it is the profitability measure we use to evaluate segment performance. A reconciliation of this measure to the relevant GAAP measure, operating profit, is included in Note 17 to the Consolidated Financial Statements included in this Form 10-Q.

GLOSSARY

Derivatives. Financial instruments that we use to manage our risk arising from changes in commodity prices, interest rates, foreign exchange rates, and stock prices.

Generally Accepted Accounting Principles (GAAP). Guidelines, procedures, and practices that we are required to use in recording and reporting accounting information in our published financial statements.

Goodwill. The difference between the purchase price of acquired companies and the related fair values of net assets acquired.

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Hedge accounting. Special accounting for qualifying hedges that allows changes in a hedging instrument's fair value to offset corresponding changes in the hedged item in the same reporting period. Hedge accounting is permitted for certain hedging instruments and hedged items, only if the hedging relationship is highly effective, and only prospectively from the date a hedging relationship is formally documented.

Interest bearing instruments. Notes payable, long term debt, including current portion, minority interests, cash and cash equivalents and certain interest bearing investments classified within prepaid expenses and other current assets and other assets.

LIBOR. London Interbank Offered Rate.

Minority interests. Preferred stock and interests of subsidiaries held by third parties.

Net price realization. The impact of list and promoted price increases, net of trade and other promotion costs.

Total debt. Notes payable and long-term debt, including current portion.

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report contains or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our management's current expectations and assumptions. We also may make written or oral forward-looking statements, including statements contained in our filings with the SEC and in 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.

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 in future periods to differ materially from any current opinions or 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.

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You should also consider the risk factors that we identify on pages 5 through 10 of our Annual Report on Form 10-K for the fiscal year ended May 27, 2007, which could also affect our future results.

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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in our market risk during the six-month period ended November 25, 2007. For additional information, see Item 7A of our Annual Report on Form 10-K for the fiscal year ended May 27, 2007.

Item 4. Controls and Procedures.

We, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of November 25, 2007, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

During our fiscal quarter ended November 25, 2007, we made a change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. During the second quarter of fiscal 2008, we finalized the design of, tested, and implemented a new consolidation and financial reporting system.

Part II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table sets forth information with respect to shares of our common stock that we purchased during the fiscal quarter ended November 25, 2007.

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program (b)	Maximum Number of Shares that may yet be Purchased Under the Program (b)
Aug. 27, 2007- Sep. 30, 2007	45,304	\$ 57.56	45,304	45,723,021
Oct. 1, 2007- Oct. 28, 2007	28,959	\$ 57.47	28,959	45,694,062
Oct. 29, 2007- Nov. 25, 2007	31,500	\$ 57.05	31,500	45,662,562
Total	105,763	\$ 57.39	105,763	45,662,562

- (a) The total number of shares purchased includes: (i) 89,100 shares purchased from the ESOP fund of our 401(k) savings plan, and (ii) 16,663 shares of restricted stock withheld for the payment of withholding taxes upon vesting of restricted stock. These amounts include 7,000 shares acquired at an average price of \$57.10 for which settlement occurred after November 25, 2007.
- (b) On December 11, 2006, our Board of Directors approved and we announced an authorization for the repurchase of up to 75,000,000 shares of our common stock. Purchases can be made in the open market or in privately negotiated transactions, including the use of call options and other derivative instruments, Rule 10b5-1 trading plans, and accelerated repurchase programs. The Board did not specify an expiration date for the authorization.

Item 4. Submission of Matters to a Vote of Security Holders.

- (a) The Annual Meeting of Stockholders was held on September 24, 2007.
- (b) All 13 directors nominated were elected at the Annual Meeting.
- (c) For the election of directors, the results were as follows:

Paul Danos	For	280,570,251
	Against	3,991,796
	Abstain	2,736,672
William T. Esrey	For	276,457,998
	Against	7,881,373
	Abstain	2,959,348
Raymond V. Gilmartin	For	278,737,860
	Against	5,875,543
	Abstain	2,685,316
Judith Richards Hope	For	277,218,605
	Against	7,293,715
	Abstain	2,786,399
Heidi G. Miller	For	157,632,908
	Against	126,093,387
	Abstain	3,572,424

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Hilda Ochoa-Brillembourg	For	278,868,332
	Against	5,571,543
	Abstain	2,858,844
Steve Odland	For	280,570,590
	Against	4,005,254
	Abstain	2,722,875
Kendall J. Powell	For	279,073,001
	Against	5,530,391
	Abstain	2,695,327
Michael D. Rose	For	269,341,178
	Against	15,168,847
	Abstain	2,788,694
Robert L. Ryan	For	279,846,138
	Against	4,736,403
	Abstain	2,716,178
Stephen W. Sanger	For	277,238,988
	Against	7,254,588
	Abstain	2,805,143
A. Michael Spence	For	241,217,918
	Against	42,880,192
	Abstain	3,200,609
Dorothy A. Terrell	For	277,743,720
	Against	6,813,841
	Abstain	2,741,158

The appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2008 was ratified:

For:	280,467,174
Against:	4,804,721
Abstain:	2,026,824

The 2007 Stock Compensation Plan was adopted:

For:	193,892,164
Against:	52,280,014
Abstain:	3,106,120
Broker Non-Vote:	38,020,421

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Item 6.	Exhibits.	
	Exhibit 3.1	By-laws of General Mills, Inc.
	Exhibit 10.1	General Mills, Inc. 2007 Stock Compensation Plan (incorporated herein by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed September 28, 2007)
	Exhibit 10.2	Amendment No. 1, dated as of October 9, 2007, to Five-Year Credit Agreement, dated as of October 21, 2005, among General Mills, Inc., the several financial institutions from time to time party to the agreement and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed October 15, 2007)
	Exhibit 10.3	Five-Year Credit Agreement, dated as of October 9, 2007, among General Mills, Inc., the several financial institutions from time to time party to the agreement and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed October 15, 2007)
	Exhibit 10.4	Amendment to Credit Agreements, dated as of October 31, 2007, among General Mills, Inc., various financial institutions, and JPMorgan Chase Bank, N.A., as Administrative Agent
	Exhibit 12.1	Computation of Ratio of Earnings to Fixed Charges
	Exhibit 31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
	Exhibit 31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
	Exhibit 32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
	Exhibit 32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENERAL MILLS, INC.

(Registrant)

Date December 19, 2007

/s/ Siri S. Marshall

Siri S. Marshall
Senior Vice President,
General Counsel and Secretary

Date December 19, 2007

/s/ Richard O. Lund

Richard O. Lund
Vice President, Controller
(Principal Accounting Officer)

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
3.1	By-laws of General Mills, Inc.
10.4	Amendment to Credit Agreements, dated as of October 31, 2007, among General Mills, Inc., various financial institutions, and JPMorgan Chase Bank, N.A., as Administrative Agent
12.1	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

BY-LAWS

of

GENERAL MILLS, INC.

as amended

through

December 11, 2006

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BY-LAWS
of
GENERAL MILLS, INC.

ARTICLE I

STOCKHOLDERS

SECTION 1. Place of Holding Meeting: Meetings of stockholders may be held within or without the State of Delaware, and, as determined by the board of directors or the stockholders.

SECTION 2. Quorum: Any number of stockholders together holding one-half (1/2) in amount of the stock issued and outstanding entitled to vote, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of business, except as may be otherwise provided by law, by the certificate of incorporation, or by these by-laws. At any meeting of stockholders for the election of directors at which any class or classes of stock or any one or more series of any class or classes of stock shall have a separate vote as such class or series for the election of directors by such class or series, the absence of a quorum of any other class of stock or of any other series of any class of stock shall not prevent the election of the directors to be elected by such class or series. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 3. Adjournment of Meetings: If less than a quorum shall be in attendance at the time for which the meeting shall have been called, the meeting may be adjourned from time to time by the chairman of the meeting or by a majority vote of the stockholders present or represented, without any notice other than by announcement at the meeting, until a quorum shall attend. Any meeting at which a quorum is present may also be adjourned, in like manner, for such time, or upon such call, as may be determined by the chairman of the meeting or by a majority vote of the stockholders. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called. In the absence of a quorum of any class or classes of stock or any one or more series of any class or classes of stock at any meeting of stockholders at which more than one class or series of stock shall be entitled to vote separately as a class or series for the election of directors, a majority in interest of the stockholders present in person or by proxy of the class or classes or one or more series of stock which lack a quorum shall also have the power to adjourn the meeting for the election of directors which they are entitled to elect, from time to time, without notice other than by announcement at the meeting, until a quorum of such class or classes or one or more series of stock shall be present.

SECTION 4. Annual Election of Directors: The annual meeting of stockholders for the election of directors and the transaction of other business shall be held on such date and at such time as may be fixed by resolution of the board of directors.

The directors elected annually shall hold office until the next annual election and until their successors are respectively elected and qualified; provided, however, in the event that the holders of any class or classes of stock or any one or more series of any class or classes of stock have the right to elect directors separately as a class or series and such right shall have vested, such right may be exercised as provided in the certificate of incorporation of the corporation.

The secretary shall prepare, or cause to be prepared, at least ten (10) days before every election, a complete list of stockholders entitled to vote, arranged in alphabetical order, and such list shall be open for such ten (10) days to the examination of any stockholder, for any purpose germane to the meeting, and shall be produced and kept at the time and place of election during the whole time thereof, subject to the inspection of any stockholder who may be present.

SECTION 5. Special Meetings: How Called: Special meetings of the stockholders for any purpose or purposes may be called by the chairman of the board of directors or by resolution of the board of directors. Special meetings of the holders of any class or classes of stock or any one or more series of any class or classes of stock for the purpose of electing directors in accordance with a special right as a class or series shall be called as provided in the certificate of incorporation of the corporation.

SECTION 6. Voting at Stockholders' Meetings: The board of directors shall determine the voting power of any cumulative preference stock in accordance with article IV of the certificate of incorporation.

(a) **Election of Directors.** Except as set forth below in this paragraph (a), election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot and, subject to the rights of the holders of any class or series of stock to elect directors separately, each director shall be elected by a majority of the votes cast with respect to the director by stockholders entitled to vote and present in person or represented by proxy. For purposes of this by-law, a majority of the votes cast means that the number of shares voted "for" a director must exceed 50% of the votes cast "for" and "against" that director, excluding abstentions. Notwithstanding the foregoing, if as of the tenth day prior to the date that the corporation first mails out its notice of meeting, the number of nominees standing for election at any meeting of the stockholders exceeds the number of directors to be elected, the directors shall be elected by a plurality of the votes cast at the meeting. If a director is not elected, the director shall promptly tender his or her resignation to the chairman of the board following certification of the vote. The corporate governance committee shall make a recommendation to the board of directors on whether to accept or reject the resignation, or whether other action should be taken. The board of directors shall act on the committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation shall not participate in the board's decision.

(b) **Other Matters.** At all meetings of stockholders, all other questions, except as otherwise provided by law or the certificate of incorporation, shall be determined by a majority of the votes cast by stockholders entitled to vote and present in person or represented by proxy.

(c) **Vote Tabulation.** Votes may be cast by any stockholder entitled to vote in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized, or by proxy sent by cable, telegram or by any means of electronic communication permitted by law, which results in a writing from such stockholder or by his attorney, and delivered to the secretary of the meeting. No proxy shall be voted after three (3) years from its date, unless said proxy provides for a longer period. In determining the number of votes cast for or against a proposal or nominee, shares abstaining from voting on a matter (including elections) will not be treated as a vote cast. A non-vote by a broker will be counted for purposes of determining a quorum but not for purposes of determining the number of votes cast.

SECTION 7. Notice of Stockholders' Meetings: Written notice, stating the time and place of the meeting and, in case of a special meeting, stating also the general nature of the business to be considered, shall be given by the secretary by mailing, or causing to be mailed, such notice, postage prepaid, to each stockholder entitled to vote, at his post office address as the same appears on the stock books of the corporation, or by delivering such notice to him personally, at least ten (10) days before the meeting, or by delivering through any means of electronic communication permitted by law.

SECTION 8. Notice of Stockholder Business and Nominations:

(a) **Annual Meetings of Stockholders.**

(1) Nominations of persons for election to the board of directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the corporation's notice of meeting, (B) by or at the direction of the board of directors or (C) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in this section 8, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this section 8.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a) (1) of this section 8, the stockholder must have given timely notice thereof in writing to the secretary of the corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14a-11 thereunder (including a description of all agreements, arrangements or understandings between the stockholder and each nominee for election or re-election and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner and (ii) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this section 8 to the contrary, in the event that the number of directors to be elected to the board of directors of the corporation is increased and there is no public announcement by the corporation naming all of the nominees for director or specifying the size of the increased board of directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this section 8 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(b) **Special Meetings of Stockholders.** Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of meeting (A) by or at the direction of the board of directors or (B) provided that the board of directors has determined that directors shall be elected at such meeting, by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this section 8, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this section 8. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(2) of this section 8 shall be delivered to the secretary at the principal executive offices of the corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) **General.**

(1) Only such persons who are nominated in accordance with the procedures set forth in this section 8 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this section 8. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this section 8 and, if any proposed nomination or business is not in compliance with this section 8, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this section 8, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this section 8, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this section 8. Nothing in this section 8 shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or any successor rule regarding shareholder proposals or (ii) of the holders of any series of cumulative preference stock to elect directors under specified circumstances pursuant to the terms of such preference stock.

ARTICLE II

DIRECTORS

SECTION 1. Organization: The board of directors may hold a meeting for the purpose of organization and the transaction of other business, if a quorum be present, immediately before or after the annual meeting of the stockholders and immediately before or after any special meeting at which directors are elected. Notice of such meeting need not be given. Such organizational meeting may be held at any other time or place, which shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or in a consent and waiver of notice thereof signed by all the directors.

SECTION 2. Election of Officers: At such meeting the board of directors may elect from among its number a chairman of the board of directors, one or more persons to serve as a vice chairman; a president and one or more corporate and company vice presidents, a secretary, a treasurer, a senior vice president, financial operations, one or more assistant secretaries, and one or more assistant treasurers who need not be members of the Board of Directors. Such officers shall hold office until the next annual election of officers and until their successors are respectively elected and qualified, unless removed by the board of directors as provided in section 11 of article III.

SECTION 3. Regular Meetings: Regular meetings of the board of directors shall be held on such dates as are designated, from time to time, by resolutions of the board, and shall be held at the principal office of the corporation, or at such other location or locations as the board selects. Each regular meeting shall commence at the time designated by the Chairman of the Board on at least five (5) days' written notice to each director when sent by mail and on at least three (3) days' notice when sent by private express carrier or transmitted by telex, facsimile or similar means.

SECTION 4. Special Meetings: How Called: Notice: Special meetings of the board of directors may be called by the chairman of the board, a vice chairman of the board, the president or a majority of the directors. Written notice of the time, place and purposes of each special meeting shall be sent by private express carrier or transmitted by telex, facsimile or similar means to each director at least twenty-four (24) hours prior to such meeting. Notwithstanding the preceding, any meeting of the board of directors shall be a legal meeting without any notice thereof if all the members of the board shall be present, or if all absent members waive notice thereof.

SECTION 5. Number: Qualifications: Quorum: Term:

(a) The Board of Directors shall determine the number of directors on the board, which shall be at least seven (7) and no more than fifteen (15).

(b) No person shall be eligible to become or to remain a director of the corporation unless the person is a stockholder in the corporation. Not more than six (6) of the members of the board of directors shall be officers or employees of the corporation; but the chairman of the board shall not be deemed such an officer or employee.

(c) Subject to the provisions of the certificate of incorporation, as amended, a majority of the total number of the directors shall constitute a quorum for the transaction of business. The affirmative vote of the majority of the directors present at a meeting at which a quorum is constituted shall be the act of the board of directors, unless the certificate of incorporation shall require a vote of a greater number.

(d) Except as otherwise provided in these by-laws, directors shall hold office until the next succeeding annual stockholders' meeting and thereafter until their successors are respectively elected and qualified.

SECTION 6. Place of Meetings: The board of directors may hold its meetings and keep the books of the corporation within or outside of the State of Delaware, at any office or offices of the corporation, or at any other place, as it may from time to time by resolution determine.

SECTION 7. Powers of Directors: The business and affairs of the corporation shall be managed under the direction of the board of directors. Subject to the restrictions imposed by law, by the certificate of incorporation or by these by-laws, the board of directors may exercise all the powers of the corporation.

SECTION 8. Vacancies: Except as otherwise provided in the certificate of incorporation, any vacancy in the board of directors because of death, resignation, disqualification, increase in number of directors, or any other cause may be filled by a majority of the remaining directors, though less than a quorum, at any regular or special meeting of the directors; or any such vacancy resulting from any cause whatsoever may be filled by the stockholders at the first annual meeting held after such vacancy shall occur or at a special meeting thereof called for the purpose.

SECTION 9. Resignation of Directors: Any director of the corporation may resign at any time by giving written notice to the chairman of the board or to the secretary of the corporation. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 10. Compensation of Directors: The board of directors shall have the authority to fix the compensation of directors. In addition, each director shall be entitled to be reimbursed by the corporation for expenses incurred in attending meetings of the board of directors or of any committee of which he or she is a member. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation for such services from the corporation; provided, however, that any person who is receiving a stated compensation as an officer of the corporation for services as such officer shall not receive any additional compensation for services as a director during such period. A director entitled to receive stated compensation for services as director, who shall serve for only a portion of a year, shall be entitled to receive only that portion of the annual stated compensation on which the period of service during the year bears to the entire year. The annual compensation of directors shall be paid at such times and in such installments as the board of directors may determine.

SECTION 11. Executive Committee:

(a) The board of directors may in its discretion appoint an executive committee.

(b) Not more than four (4) members shall be officers or employees of the corporation but the chairman of the board shall not be deemed such an officer or employee.

(c) A majority shall constitute a quorum, and in every case the affirmative vote of a majority of all the members of the committee shall be necessary for the adoption of any motion, provided that in order to procure and maintain a quorum at any meeting of the executive committee in the absence or disqualification of any member of such committee, the member or members thereof present at such meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the board of directors (subject always to the limitations of subsection (b) above) to act at the meeting in the place of any such absent or disqualified member.

(d) Each member of the executive committee, if appointed, shall hold office until the election at the next succeeding annual meeting of the stockholders of the corporation of a new board of directors; subject to the provisions of section 14 of this article.

SECTION 12. Executive Committee: Powers: During the intervals between the meetings of the board of directors, the executive committee shall have and may exercise all the powers of the board of directors in the direction of the business and affairs of the corporation, including power to authorize the execution of any papers and to authorize the seal of the corporation to be affixed to all papers which may require it, in such manner as such committee shall deem best for the interests of the corporation, in all cases in which specific directions shall not have been given by the board of directors.

SECTION 13. Executive Committee: Organization: Meetings, Etc.: The chairman of the executive committee shall preside at all meetings of the executive committee and the secretary of the corporation shall act as secretary of the executive committee. In the absence of the chairman of the executive committee the committee shall appoint another member thereof to act as chairman of the meeting, and in the absence of the secretary, an assistant secretary of the corporation shall act as secretary of the meeting. In the absence of all of such persons, the committee shall appoint a chairman or a secretary of the meeting, as the case may be. If an executive committee shall be appointed it shall hold regular meetings on such dates and at such times and places as the chairman or a majority of the members of the executive committee shall determine, unless the board of directors shall otherwise provide. A special meeting of the executive committee may be called by the chairman of the board, the chairman of the executive committee or the secretary of the corporation upon such notice as may be given for special meetings of the board of directors. Any meeting of the executive committee shall be a legal meeting without notice thereof if all the members of the committee shall be present or if all absent members waive notice thereof. The committee shall keep a record of its acts and proceedings and report thereon to the board of directors at the regular meeting thereof held next after they shall have been taken.

SECTION 14. Resignation and Removal of Member of Executive Committee: Any member of the executive committee may resign at any time or may be removed at any time either with or without cause by resolution adopted by a majority of the whole board of directors at any meeting of the board of directors at which a quorum is present.

SECTION 15. Vacancies in the Executive Committee: Any vacancy in the executive committee shall be filled in the manner prescribed by these by-laws for the original appointment of such committee.

SECTION 16. Other Committees: The board of directors may by resolution designate one or more other committees, in addition to the executive committee, each of which shall consist of two or more directors of the corporation. The board of directors may designate one or more directors as alternate members of any such other committee, who may replace any absent or disqualified member at any meeting of such committee. Any such other committee may, to the extent permitted by law, exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the

absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Each such committee shall keep written minutes of its proceedings and shall report such proceedings to the board of directors when required. The chairman or a majority of the members of any such other committee may fix the time and place of its meetings, unless the board of directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in sections 3 and 4 of this article II with respect to meetings of the board of directors. The board of directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the board of directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the corporation; provided, however, that no such committee shall have or may exercise any authority limited by law to the board of directors or a committee thereof.

SECTION 17. Electronic Communications at Meetings: Members of the board of directors, or any committee thereof, may participate in a meeting of the board of directors or such committee by means of communication through which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

ARTICLE III

OFFICERS

SECTION 1. Titles: The corporate and company officers to be elected by the board of directors shall be a chairman of the board of directors and, at the board's discretion, one or more persons to serve as a vice chairman, a president, who may also be the chairman, one or more corporate or company vice presidents, a secretary, a treasurer, a senior vice president, financial operations, one or more assistant secretaries, and one or more assistant treasurers. The board shall designate one of the corporate officers to serve as chief executive officer.

SECTION 2. Chairman: The chairman of the board of directors shall preside at all meetings of the board, all meetings of the stockholders, as well as all meetings of the executive committee. The chairman, upon being designated the chief executive officer, shall have supervisory authority over the policies of the corporation as well as the management and control of the business and affairs of the corporation. He or she shall also exercise such other powers as the board of directors may from time to time direct or which may be required by law.

SECTION 3. Vice Chairman: Any officer or officers serving as vice chairman shall have such duties and responsibilities relating to the management of the corporation as may be defined and designated by the chief executive officer or the board of directors.

SECTION 4. President: The president shall have responsibility for the management of the operating businesses of the corporation and shall do and perform all acts incident to the office of president or which are authorized by the chief executive officer, the board of directors or as may be required by law.

SECTION 5. Vice President(s): Each corporate vice president shall have such designations and such powers and shall perform such duties as may be assigned by the board of directors or the chief executive officer. The board of directors may designate one or more corporate vice presidents to be a senior executive vice president, executive vice president, senior vice president, or group vice president.

Each company vice president shall have such designations and such powers, and shall perform such duties as may be assigned by the board of directors, the chief executive officer or by a corporate vice president.

SECTION 6. Secretary: The secretary shall:

- (a) keep the minutes of the meetings of the stockholders, of the board of directors and of the executive committee in books provided for the purpose;
- (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law;
- (c) be custodian of the records and have charge of the seal of the corporation and see that it is affixed to all stock certificates prior to their issuance and to all documents the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws;
- (d) have charge of the stock books of the corporation and keep or cause to be kept the stock and transfer books in such manner as to show at any time the amount of the stock of the corporation issued and outstanding, the manner in which and the time when such stock was paid for, the names, alphabetically arranged, and the addresses of the holders of record thereof, the number of shares held by each, and the time when each became such holder of record; exhibit or cause to be exhibited at all reasonable times to any director, upon application, the original or duplicate stock ledger;
- (e) see that the books, reports, statements, certificates and all other documents and records required by law are properly kept, executed and filed; and
- (e) see that the books, reports, statements, certificates and all other documents and records required by law are properly kept, executed and filed; and
- (f) in general, perform all duties incident to the office of secretary, and such other duties as from time to time may be assigned by the board of directors.

SECTION 7. Assistant Secretary: The board of directors may elect an assistant secretary or more than one assistant secretary. At the request of the secretary, or in his or her absence or disability, an assistant secretary may perform all the duties of the secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the secretary. Each assistant secretary shall have such other powers and shall perform such other duties as may be assigned by the board of directors.

SECTION 8. Treasurer: The treasurer, if required so to do by the board of directors, shall give a bond for the faithful discharge of his or her duties in such sum, and with such sureties, as the board of directors shall require. The treasurer shall:

- (a) have charge and custody of, and be responsible for, all funds and securities of the corporation (until deposited to the credit or account of the corporation with an authorized depository) and deposit all such funds in the name of the corporation in such banks, banking firms, trust companies or other depositories as shall be selected in accordance with the provisions of article V of these by-laws;

(b) exhibit at all reasonable times the books of account and records to any of the directors of the corporation upon application during business hours at the office of the corporation where such books and records are kept;

(c) receive, and give receipt for, moneys due and payable to the corporation from any source whatsoever; and

(d) in general, perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the board of directors.

The Chief Executive Officer may designate another title for a corporate officer fulfilling the duties described herein.

SECTION 9. Assistant Treasurer: The board of directors may elect an assistant treasurer or more than one assistant treasurer. At the request of the treasurer, or in his or her absence or disability, an assistant treasurer may perform all the duties of the treasurer and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the treasurer. Each assistant treasurer shall have such other powers and shall perform such other duties as may be assigned by the board of directors.

SECTION 10. Senior Vice President, Financial Operations: The senior vice president, financial operations shall perform all of the duties incident to the office of senior vice president, financial operations, as such duties may from time to time be designated or approved by the board of directors. Included in such duties shall be the establishment and maintenance of sound accounting and auditing policies and practices, in respect to which duties he or she shall be responsible directly to the board of directors through its chairman.

The Chief Executive Officer may designate another title for a corporate officer fulfilling the duties described herein.

SECTION 11. Resignation and Removal of Officers: Any officer of the corporation may resign at any time by giving written notice to the chairman of the board or to the secretary. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Any officer may be removed for cause at any time by a majority of the board of directors and any officer may be removed summarily without cause by such vote.

SECTION 12. Salaries: The salaries of officers shall be fixed from time to time by the board of directors or the executive committee or other committee appointed by the board. The board of directors or the executive committee of the board may authorize and empower the chief executive officer, the president, any vice chairman, or any vice president of the corporation designated by the board of directors or by the executive committee to fix the salaries of all officers of the corporation who are not directors of the corporation. No officer shall be prevented from receiving a salary by reason of the fact that he or she is also a director of the corporation.

ARTICLE IV
CAPITAL STOCK

SECTION 1. Issue of Certificates and Uncertificated Stock: Shares of the capital stock of the corporation shall be represented by certificates or uncertificated and shall be in such forms as shall be approved by the board of directors. Each stockholder shall be entitled to a certificate for shares of stock under the seal of the corporation, signed by the chairman, the president, a vice chairman or a vice president and also by the secretary or an assistant secretary or by the treasurer or an assistant treasurer; provided, however, that where a certificate is countersigned by a transfer agent, other than the corporation or its employee, or by a registrar, other than the corporation or its employee, the corporate seal and any other signature on such certificate may be a facsimile, engraved, stamped or printed. In case any officer, transfer agent or registrar of the corporation who shall have signed, or whose facsimile signature shall have been used on any such certificate, shall cease to be such officer, transfer agent or registrar, whether because of death, resignation, or otherwise, before such certificate shall have been delivered by the corporation, such certificate shall nevertheless be deemed to have been adopted by the corporation and may be issued and delivered as though the person who signed such certificate or whose facsimile signature shall have been used thereon had not ceased to be such officer, transfer agent or registrar.

SECTION 2. Transfer of Shares: The shares of stock of the corporation shall be transferable upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives, and upon such transfer the old certificates shall be surrendered to the corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other person as the board of directors may designate, by whom they shall be cancelled, and new certificates shall thereupon be issued for the shares so transferred to the person entitled thereto. Upon a transfer of uncertificated shares, the record of such person's stock shall be cancelled and shares shall be transferred to the person entitled thereto upon the issuance of a certificate or an electronic transfer of such shares. A record shall be made of each transfer and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer.

SECTION 3. Dividends: The board of directors may declare lawful dividends as and when it deems expedient. Before declaring any dividend, there may be reserved out of the accumulated profits such sum or sums as the board of directors from time to time, in its discretion, thinks proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends, or for such other purposes as the board of directors shall think conducive to the interests of the corporation.

SECTION 4. Lost Certificates: Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact, and if requested to do so by the board of directors of the corporation shall advertise such fact in such manner as the board of directors may require, and shall give to the corporation, its transfer agent and registrar, if any, a bond of indemnity in such sum as the board of directors may direct, in a form satisfactory to the board of directors and to the transfer agent and registrar of the corporation, if any, and with or without sureties as the board of directors with the approval of the transfer agent and registrar, if any, may prescribe; whereupon the chairman, the president, a vice chairman or a vice president and the treasurer or an assistant treasurer or the secretary or an assistant secretary may cause to be issued a new certificate of the same tenor and for the same number of shares as the one alleged to have been lost or destroyed. The issuance of such new certificates shall be under the control of the board of directors.

SECTION 5. Rules as to Issue of Certificates: The board of directors may make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock of the corporation. It may appoint one or more transfer agents and/or registrars of transfers, and may require all certificates of stock to bear the signature of either or both. Each and every person accepting from the corporation certificates of stock therein shall furnish the corporation with a written statement of his or her residence or post office address, and in the event of changing such residence shall advise the corporation of such new address.

SECTION 6. Holder of Record Deemed Holder in Fact: The board of directors shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by law.

SECTION 7. Fixing Record Date: The board of directors shall have the power to fix in advance a date, not exceeding sixty (60) days preceding the date of any meeting of stockholders or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

ARTICLE V

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

SECTION 1. Contracts, Etc.: How Executed: The board of directors or such officer or person to whom such power shall be delegated by the board of directors by resolution, except as in these by-laws otherwise provided, may authorize any officer or officers, agent or agents, either by name or by designation of their respective offices, positions or class, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and, unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

SECTION 2. Loans: No loans shall be contracted on behalf of the corporation and no negotiable paper shall be issued in its name, unless and except as authorized by the vote of the board of directors or by such officer or person to whom such power shall be delegated by the board of directors by resolution. When so authorized by the board of directors or by such officer or person to whom such power shall be delegated by the board of directors by resolution, any officer or agent of the corporation may obtain loans and advances at any time for the corporation from any bank, banking firm, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the corporation, and, when authorized as aforesaid to give security for the payment of any loan, advance, indebtedness or liability of the corporation, may pledge, hypothecate or transfer any and all stocks, securities and other

personal property at any time held by the corporation, and to that end endorse, assign and deliver the same, but only to the extent and in the manner authorized by the board of directors. Such authority may be general or confined to specific instances.

SECTION 3. Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation with such banks, banking firms, trust companies or other depositories as the board of directors may select or as may be selected by any officer or officers, agent or agents of the corporation to whom such power may be delegated from time to time by the board of directors.

SECTION 4. Checks, Drafts, Etc.: All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall be determined from time to time by resolution of the board of directors or by such officer or person to whom such power of determination shall be delegated by the board of directors by resolution. Endorsements for deposit to the credit of the corporation in any of its authorized depositories may be made, without any countersignature, by the chairman of the board, the president, a vice chairman, or any vice president, or the treasurer or any assistant treasurer, or by any other officer or agent of the corporation appointed by any officer of the corporation to whom the board of directors, by resolution, shall have delegated such power of appointment, or by hand-stamped impression in the name of the corporation.

SECTION 5. Transaction of Business: The corporation, or any division or department into which any of the business or operations of the corporation may have been divided, may transact business and execute contracts under its own corporate name, its division or department name, a trademark or a trade name.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 1.

(a) **Fiscal Year:** The fiscal year of the corporation shall end with the last Sunday of May of each year.

(b) **Staff and Divisional Titles:** The chief executive officer may appoint at his or her discretion such persons to hold the title of staff vice president, divisional president or divisional vice president or other similar designation. Such persons shall not be officers of the corporation and shall retain such title at the sole discretion of the chief executive officer who may from time to time make or revoke such designation.

SECTION 2. Notice and Waiver of Notice: Whenever any notice is required by these by-laws to be given, personal notice to the person is not meant unless expressly so stated; and any notice so required shall be deemed to be sufficient if given by depositing the same in a post office or post box in a sealed postpaid wrapper, addressed to the person entitled thereto at the post office address as shown on the stock books of the corporation, in case of a stockholder, and at the last known post office address in case of an officer or director who is not a stockholder; and such notice shall be deemed to have been given on the day of such deposit. In the case of notice by private express carrier, telex, facsimile or similar means, notice shall be deemed to be sufficient if transmitted or sent to the person entitled to notice or to any person at the residence or usual place of business of the person entitled to notice who it is reasonably

believed will convey such notice to the person entitled thereto; and notice shall be deemed to have been given at the time of receipt at such residence or place of business. Any notice required by these by-laws may be given to the person entitled thereto personally and attendance of a person at a meeting shall constitute a waiver of notice of such meeting. Whenever notice is required to be given under these by-laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

SECTION 3. Inspection of Books: The board of directors shall determine from time to time whether and, if allowed, when and under what conditions and regulations the accounts, records and books of the corporation (except such as may, by statute, be specifically open to inspection), or any of them, shall be open to the inspection of the stockholders, and the stockholders' rights in this respect are and shall be restricted and limited accordingly.

SECTION 4. Construction: All references herein (i) in the plural shall be construed to include the singular, (ii) in the singular shall be construed to include the plural and (iii) in the masculine gender shall be construed to include the feminine gender, if the context so requires.

SECTION 5. Adjournment of Meetings: If less than a quorum shall be present at any meeting of the board of directors of the corporation, or of the executive committee of the board, or other committee, the meeting may be adjourned from time to time by a majority vote of members present, without any notice other than by announcement at the meeting, until a quorum shall attend. Any meeting at which a quorum is present may also be adjourned in like manner, for such time or upon such call, as may be determined by vote. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting originally held if a quorum had been present thereat.

SECTION 6. Indemnification:

(a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding to the fullest extent permitted by Delaware law.

(b) To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsection (a) or in defense of any claim, issue or matter therein, the person shall be indemnified or reimbursed against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(c) Any indemnification under sub-section (a) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in sub-section (a) of this section. Such determination shall be made (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by a majority vote of such

directors, even though less than a quorum, or (3) if there are no such directors, or, if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders, or (5) in the case of a determination with respect to employees or agents (who are not then directors or officers of the corporation), by the Chief Executive Officer, the President, a Vice Chairman or the General Counsel.

(d) Expenses (including attorneys' fees) incurred by an officer or director in defending a civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

(e) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(f) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against any such person and incurred by any such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this section.

(g) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as the person would have with respect to such constituent corporation if its separate existence had continued.

(h) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

(i) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. Resolution of Board of Directors Providing for Issuance of Cumulative Preference Stock: For purposes of these by-laws the certificate of incorporation shall be deemed to include any certificate filed and recorded in accordance with section 151(g) of the Delaware Corporation Law which, in accordance with said section, sets forth the resolution or resolutions adopted by the board of directors providing for the issuance of cumulative preference stock or any series thereof.

ARTICLE VII
AMENDMENTS

SECTION 1. Amendment of By-Laws: All by-laws of the corporation shall be subject to alteration or repeal, and new by-laws may be made, either by the stockholders at an annual meeting or at any special meeting, provided notice of the proposed alteration or repeal or of the proposed new by-laws be included in the notice of any such special meeting, or by the affirmative vote of a majority of the whole board of directors of the corporation at any regular meeting or at any special meeting of the board of directors, provided that notice of the proposed alteration or repeal or of the proposed new by-laws be included in the notice of any such special meeting; and provided further that no by-law shall be adopted which shall be in conflict with the provisions of the certificate of incorporation or any amendment thereto. By-laws made or altered by the stockholders or by the board of directors shall be subject to alteration or repeal either by the stockholders or by the board of directors; provided, however, that the board of directors shall have no power or authority to alter or repeal sub-section (b) of section 5 or sub-section (b) of section 11 of article II of these by-laws, respecting eligibility of officers or employees of the corporation as members of the board of directors and of the executive committee of the board or to make any alteration in sub-section (a) of section 5 of said article II which would reduce the number composing the board of directors below seven (7) or above fifteen (15); the sole right to make any such change being reserved to the stockholders. So long as any class or classes of stock or any one or more series of any class or classes of stock which have a separate vote as such class or series for the election of directors by such class or series shall be outstanding, no alteration, amendment, or repeal of the provisions of sections 2, 3, 4, 5 and 6 of article I, sections 1, 5, 8 and 9 of article II, section 7 of article VI, and article VII of these by-laws which affects adversely the rights or preferences of any such outstanding class or series of stock shall be made without the consent or affirmative vote of the holders of at least two-thirds (2/3) of each such class or series entitled to vote; provided, however, that any increase or decrease in the number of directors set forth in the first sentence of sub-section (a) of section 5 of article II shall not be deemed adversely to affect such rights or preferences.

AMENDMENT TO CREDIT AGREEMENTS

AMENDMENT dated as of October 31, 2007 to (i) the Five-Year Credit Agreement dated as of October 21, 2005, as amended, among General Mills, Inc., as borrower, the several financial institutions from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, and (ii) the Five-Year Credit Agreement dated as of October 9, 2007 among General Mills, Inc., as borrower, the several financial institutions from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (the Five-Year Credit Agreements referred to in (i) and (ii) above, collectively, the “**Agreements**”).

The parties hereto agree as follows:

SECTION 1. *Definitions; References.* Unless otherwise specifically defined herein, each capitalized term used herein which is defined in the Agreements shall have the meaning assigned to such term in the Agreements. Each reference to “hereof”, “hereunder”, “herein” and “hereby” and each other similar reference and each reference to “this Agreement” and each other similar reference contained in any Agreement shall from and after the date hereof refer to such Agreement as amended hereby.

SECTION 2. *Amendments.* Section 6.03(a) of each Agreement is amended to read in its entirety as follows:

(a) of the occurrence of any Default or Event of Default;

SECTION 3. *Representations and Warranties.* The Company hereby represents and warrants that as of the date hereof and after giving effect hereto:

(a) no Default has occurred and is continuing; and

(b) each representation and warranty of the Company set forth in each Agreement after giving effect to this Amendment is true and correct as though made on and as of such date.

SECTION 4. *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 5. *Counterparts; Effectiveness.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective as to each Agreement as of the date hereof when such Administrative Agent shall have received duly executed counterparts hereof signed by the Company and the Majority Banks under such Agreement.

GENERAL MILLS, INC.

By: /s/ Daralyn B. Peifer

Name: Daralyn B. Peifer

Title: Vice President, Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Bank

By: /s/ Tony Yung
Name: Tony Yung
Title: Vice President

ABN AMRO BANK N.V.

By: /s/ Michele Costello
Name: Michele Costello
Title: Director

By: /s/ Brendan Korb
Name: Brendan Korb
Title: Director

Bank of America, N.A.

By: /s/ David L. Catherall
Name: David L. Catherall
Title: Senior Vice President

THE BANK OF NEW YORK

By: /s/ John T. Smathers
Name: John T. Smathers
Title: Vice President

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

By: /s/ Victor Pierzchalski
Name: Victor Pierzchalski
Title: Vice President & Manager

BARCLAYS BANK PLC

By: /s/ David Barton
Name: David Barton
Title: Associate Director

BNP Paribas

By: /s/ Andrew Strait
Name: Andrew Strait
Title: Managing Director

By: /s/ Michael Pearce
Name: Michael Pearce
Title: Director

CALYON NEW YORK BRANCH

By: /s/ Greg Hennenfent
Name: Greg Hennenfent
Title: Director

By: /s/ Blake Wright
Name: Blake Wright
Title: Managing Director

CITIBANK, N.A.

By: /s/ Richard M. Levin
Name: Richard M. Levin
Title: Vice President

COÖPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A.,
"ROBOBANK INTERNATIONAL" NEW
YORK BRANCH

By: /s/ Peter Glawe
Name: Peter Glawe
Title: Vice President

By: /s/ Rebecca Morrow
Name: Rebecca Morrow
Title: Executive Director

CREDIT SUISSE, Cayman Islands Branch

By: /s/ Karl Studer
Name: Karl Studer
Title: Director

By: /s/ Alain Schmid
Name: Alain Schmid
Title: Assistant Vice President

DEUTSCHE BANK AG New York Branch
As Documentation Agent and as a Bank

By: /s/ Frederick W. Laird
Name: Frederick W. Laird
Title: Managing Director

By: /s/ Heidi Sandquist
Name: Heidi Sandquist
Title: Vice President

LEHMAN BROTHERS COMMERCIAL BANK

By: /s/ Brian McNany
Name: Brian McNany
Title: Authorized Signatory

LEHMAN COMMERCIAL PAPER INC.

By: /s/ Ahuva Schwager
Name: Ahuva Schwager
Title: Authorized Signatory

MELLON BANK, N.A.

By: /s/ John T. Smathers
Name: John T. Smathers
Title: First Vice President

Merrill Lynch Bank USA

By: /s/ David Millett
Name: David Millett
Title: Vice President

MIZUHO CORPORATE BANK, LTD.

By: /s/ Hidekatsu Take
Name: Hidekatsu Take
Title: Deputy General Manager

MORGAN STANLEY BANK

By: /s/ Daniel Twenge
Name: Daniel Twenge
Title: Authorized Signatory

SUMITOMO MITSUI BANKING
CORPORATION

By: /s/ Yoshihiro Hyakutome
Name: Yoshihiro Hyakutome
Title: General Manager

SunTrust Bank

By: /s/ Hugh E. Brown
Name: Hugh E. Brown
Title: Director

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: /s/ Allison S. Gelfman
Name: Allison S. Gelfman
Title: Vice President and Senior Banker

U.S. Bank National Association

By: /s/ Karen Weathers
Name: Karen Weathers
Title: Vice President

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

Dollars in millions	Six-Month Period Ended		Fiscal Year Ended				
	Nov. 25, 2007	Nov. 26, 2006	May 27, 2007	May 28, 2006	May 29, 2005	May 30, 2004	May 25, 2003
Earnings before income taxes and after-tax earnings from joint ventures	\$ 968.0	\$ 950.5	\$ 1,631.3	\$ 1,559.4	\$ 1,807.6	\$ 1,502.3	\$ 1,309.6
Distributed income of equity investees	16.2	10.0	45.2	77.4	83.0	60.0	94.6
Plus: Fixed charges (1)	262.0	245.9	496.8	462.8	524.1	569.0	619.1
Plus: amortization of capitalized interest, net of interest capitalized	1.2	—	—	1.7	0.9	(4.6)	(4.5)
Earnings available to cover fixed charges	\$ 1,247.4	\$ 1,206.4	\$ 2,173.3	\$ 2,101.3	\$ 2,415.6	\$ 2,126.7	\$ 2,018.8
Ratio of earnings to fixed charges	4.76	4.91	4.37	4.54	4.61	3.74	3.26
(1) Fixed charges:							
Interest and minority interest expense	\$ 243.6	\$ 228.4	\$ 460.8	\$ 427.4	\$ 488.3	\$ 537.0	\$ 589.7
Rentals (1/3)	18.4	17.5	36.0	35.4	35.8	32.0	29.4
Total fixed charges	\$ 262.0	\$ 245.9	\$ 496.8	\$ 462.8	\$ 524.1	\$ 569.0	\$ 619.1

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

I, Kendall J. Powell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Mills, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 19, 2007

/s/ Kendall J. Powell

Kendall J. Powell
Chief Executive Officer

I, Donal L. Mulligan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Mills, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 19, 2007

/s/ Donal L. Mulligan
Donal L. Mulligan
Executive Vice President and
Chief Financial Officer

I, Kendall J. Powell, Chief Executive Officer of General Mills, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 25, 2007 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 19, 2007

/s/ Kendall J. Powell

Kendall J. Powell
Chief Executive Officer

I, Donal L. Mulligan, Executive Vice President and Chief Financial Officer of General Mills, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended November 25, 2007 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 19, 2007

/s/ Donal L. Mulligan
Donal L. Mulligan
Executive Vice President and
Chief Financial Officer
