

GENERAL MILLS INC
Form 8-K
April 11, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **April 11, 2007**

GENERAL MILLS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of Incorporation)

001-01185
(Commission
File Number)

41-0274440
(IRS Employer
Identification No.)

Number One General Mills Boulevard
Minneapolis, Minnesota
(Mail: P.O. Box 1113)
(Address of Principal Executive Offices)

55426
(Mail: 55440)
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On April 11, 2007, General Mills, Inc. (the Company) sold \$1.15 billion aggregate principal amount of Floating Rate Convertible Senior Notes due April 11, 2037 (the Notes) to Morgan Stanley & Co. Incorporated (Morgan Stanley).

The Notes are governed by an indenture, dated as of April 11, 2007 (the Indenture), between the Company and The Bank of New York Trust Company, N.A., as trustee (the Trustee). A copy of the Indenture is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

The Notes will bear interest at an annual rate equal to one-month LIBOR minus 0.07 percent, subject to monthly reset, provided that such rate will never be less than zero percent per annum. Interest on the Notes is payable quarterly in arrears on January 11, April 11, July 11 and October 11 of each year, beginning July 11, 2007. The Notes will mature on April 11, 2037.

The Notes will be convertible at any time prior to the close of business on the business day immediately preceding April 11, 2037. The Notes are convertible into cash and, at the option of the Company, shares of the Company's common stock, par value \$0.10 per share (the Common Stock), at an initial conversion rate (subject to adjustment) of 10 shares of Common Stock per \$1,000 principal amount of Notes (which is equal to an initial conversion price of \$100 per share). If converted, holders of the Notes will receive, for each \$1,000 principal amount of Notes surrendered for conversion, cash and, if applicable, shares of Common Stock equal to the sum of the daily settlement amounts for each trading day during a related ten-trading day observation period. The daily settlement amount for each of the ten trading days during an observation period will consist of (a) an amount in cash equal to the lesser of \$100 and the daily conversion value relating to such day and (b) to the extent such daily conversion value exceeds \$100, a number of shares of Common Stock (subject to the Company's right to pay cash in lieu of all or part of such shares of Common Stock), equal to (A) the difference between such daily conversion value and \$100 divided by (B) the price of the Common Stock for such day.

The holders of the Notes who convert their Notes in connection with a change in control, as defined in the Indenture, may be entitled to a make-whole premium in the form of an increase in the conversion rate. Additionally, in the event of a change in control, the holders of the Notes may require the Company to repurchase all or part of their Notes for cash at a purchase price equal to 100% of the principal amount of their Notes, plus accrued and unpaid interest, if any, up to but not including the date of repurchase.

The Company may redeem all or part of the Notes for cash at any time on or after April 11, 2008 at 100% of their principal amount, plus accrued and unpaid interest, if any, up to but not including the redemption date. The holders of the Notes may require the Company to repurchase all or part of the Notes for cash on each of April 11, 2008, 2009, 2012, 2017, 2022, 2027 and 2032 at 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest, if any, up to and including the calendar day immediately preceding the date on which the payment of the repurchase price is made.

The Notes are the Company's unsecured and unsubordinated obligations and rank equal in priority among themselves and with all of the Company's existing and future unsecured and

Item **Financial Statements and Exhibits.**
9.01

(d) Exhibits.

- | | |
|-----|--|
| 4.1 | Indenture, dated as of April 11, 2007, between General Mills, Inc. and The Bank of New York Trust Company, N.A., as trustee. |
| 4.2 | Registration Rights Agreement, dated as of April 11, 2007, between Morgan Stanley & Co. Incorporated and General Mills, Inc. |

4

SIGNATURE

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 hereunto duly authorized.

Date: April 11, 2007

GENERAL MILLS, INC.

By: /s/ James A. Lawrence
Name: James A. Lawrence
Title: Vice Chairman and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
4.1	Indenture, dated as of April 11, 2007, between General Mills, Inc. and The Bank of New York Trust Company, N.A., as trustee.
4.2	Registration Rights Agreement, dated as of April 11, 2007, between Morgan Stanley & Co. Incorporated and General Mills, Inc.

6
