

GENERAL MILLS INC
Form 11-K
June 29, 2006

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

FORM 11-K

(Mark One):

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the fiscal year ended December 31, 2005.

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the transition period from _____ to _____.

Commission file number: 1-1185

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

General Mills 401(k) Savings Plan

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

General Mills, Inc.
Number One General Mills Boulevard
Minneapolis, Minnesota 55426
(Mail: P.O. Box 1113, Zip: 55440-1113)

GENERAL MILLS 401(k) SAVINGS PLAN

Financial Statements and Supplementary Schedules

December 31, 2005 and 2004

(With Report of Independent Registered Public Accounting Firm Thereon)

Report of Independent Registered Public Accounting Firm

The Benefit Finance Committee of General Mills, Inc.
General Mills 401(k) Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the General Mills 401(k) Savings Plan (the Plan) as of December 31, 2005 and 2004, and the related statements of changes in net assets available for benefits for the year ended December 31, 2005 and the period from June 1, 2004 to December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 and the period from June 1, 2004 to December 31, 2004, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) and of reportable transactions as of and for the year ended December 31, 2005 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Minneapolis, Minnesota

June 28, 2006

GENERAL MILLS 401(k) SAVINGS PLAN

Statement of Net Assets Available for Benefits

December 31, 2005

	Allocated	Unallocated	Total
Assets:			
Participant-directed investments:			
Interest-bearing cash and short-term investments	\$ 10,985,659		10,985,659
Master Trust Investment Accounts (MTIA)	1,514,236,058		1,514,236,058
All other investments:			
Common stock	359,096,729		359,096,729
Unallocated insurance contracts	12,500,021		12,500,021
Participant loan fund	26,123,433		26,123,433
Directed brokerage fund	50,708,076		50,708,076
	1,973,649,976		1,973,649,976
Total participant-directed investments			
	1,973,649,976		1,973,649,976
Nonparticipant-directed investments:			
Interest-bearing cash and short-term investments		61,750	61,750
Investments, at fair value:			
Common stock		10,658,615	10,658,615
		10,720,365	10,720,365
Total nonparticipant-directed investments			
		10,720,365	10,720,365
Total investments			
	1,973,649,976	10,720,365	1,984,370,341

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	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Receivables:			
Employer contributions		1,675,582	1,675,582
Employee contributions	1,929,773		1,929,773
Interest and dividends	34,931	2,166	37,097
Miscellaneous	13,353		13,353
	<u>1,975,628,033</u>	<u>12,398,113</u>	<u>1,988,026,146</u>
Liabilities:			
Accounts payable expenses	1,508,658		1,508,658
Loans		4,014,000	4,014,000
	<u>1,508,658</u>	<u>4,014,000</u>	<u>5,522,658</u>
Total liabilities	1,508,658	4,014,000	5,522,658
Net assets available for benefits	<u>\$ 1,974,119,375</u>	<u>8,384,113</u>	<u>1,982,503,488</u>

See accompanying notes to financial statements.

GENERAL MILLS 401(k) SAVINGS PLAN

Statement of Net Assets Available for Benefits

December 31, 2004

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Assets:			
Participant-directed investments:			
Interest-bearing cash and short-term investments	\$ 9,098,137		9,098,137
Master Trust Investment Accounts (MTIA)	1,398,154,411		1,398,154,411
All other investments:			
Common stock	106,363,834		106,363,834
Unallocated insurance contracts	12,120,362		12,120,362
Participant loan fund	24,346,959		24,346,959
Directed brokerage fund	45,924,253		45,924,253
	<u>1,596,007,956</u>	<u></u>	<u>1,596,007,956</u>
Total participant-directed investments	1,596,007,956		1,596,007,956
Nonparticipant-directed investments:			

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	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Investments:			
Interest-bearing cash and short-term Investments, at fair value:	87,024	574,636	661,660
Common stock	269,992,629	20,185,376	290,178,005
Total nonparticipant-directed investments	270,079,653	20,760,012	290,839,665
Total investments	1,866,087,609	20,760,012	1,886,847,621
Receivables:			
Employer contributions		1,262,035	1,262,035
Employee contributions	1,971,314		1,971,314
Interest and dividends	16,039	3,575	19,614
Miscellaneous	13,356		13,356
Total assets	1,868,088,318	22,025,622	1,890,113,940
Liabilities:			
Accounts payable expenses	891,669		891,669
Loans		7,176,000	7,176,000
Total liabilities	891,669	7,176,000	8,067,669
Net assets available for benefits	\$ 1,867,196,649	14,849,622	1,882,046,271

See accompanying notes to financial statements.

GENERAL MILLS 401(k) SAVINGS PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2005

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Net assets available for benefits at beginning of period	\$ 1,867,196,649	14,849,622	1,882,046,271
Investment income:			
Income from MTIA	124,991,690		124,991,690

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	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Income from all other investments:			
Dividends and interest	11,249,568	430,762	11,680,330
Net realized/unrealized depreciation in fair market value of investments	(640,188)	(123,399)	(763,587)
Total net investment income	<u>135,601,070</u>	<u>307,363</u>	<u>135,908,433</u>
Contributions:			
Employees	78,796,801		78,796,801
Employer		16,412,965	16,412,965
Total contributions	<u>78,796,801</u>	<u>16,412,965</u>	<u>95,209,766</u>
Miscellaneous	(579,652)	579,652	
Allocation of 465,421 shares of common stock of General Mills, Inc. at market	22,685,559		22,685,559
Total additions	<u>236,503,778</u>	<u>17,299,980</u>	<u>253,803,758</u>
Distributions and expenses:			
Interest expense		(466,590)	(466,590)
Administrative expenses	(2,437,215)	(613,340)	(3,050,555)
Distributions to participants/beneficiaries	(127,143,837)		(127,143,837)
Allocation of 465,421 shares of common stock of General Mills, Inc. at market		(22,685,559)	(22,685,559)
Total deductions	<u>(129,581,052)</u>	<u>(23,765,489)</u>	<u>(153,346,541)</u>
Net assets available for benefits at end of period	<u>\$ 1,974,119,375</u>	<u>8,384,113</u>	<u>1,982,503,488</u>

See accompanying notes to financial statements.

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GENERAL MILLS 401(k) SAVINGS PLAN

Statement of Changes in Net Assets Available for Benefits

Period from June 1, 2004 through December 31, 2004

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Net assets available for benefits at beginning of period	\$ 1,734,821,375	20,152,769	1,754,974,144
Investment income:			
Income from MTIA	98,052,122		98,052,122
Income from all other investments:			
Dividends and interest	5,737,621	340,990	6,078,611
Net realized/unrealized appreciation in fair market value of investments	31,669,459	1,397,362	33,066,821
Total net investment income	135,459,202	1,738,352	137,197,554
Contributions:			
Employees	47,582,593		47,582,593
Employer		8,048,448	8,048,448
Total contributions	47,582,593	8,048,448	55,631,041
Miscellaneous	(605,232)	596,555	(8,677)
Allocation of 315,399 shares of common stock of General Mills, Inc. at market	14,535,339		14,535,339
Total additions	196,971,902	10,383,355	207,355,257
Distributions and expenses:			
Interest expense		(586,029)	(586,029)
Administrative expenses	(1,039,028)	(565,134)	(1,604,162)
Distributions to participants/beneficiaries	(63,557,600)		(63,557,600)
Allocation of 315,399 shares of common stock of General Mills, Inc. at market		(14,535,339)	(14,535,339)
Total deductions	(64,596,628)	(15,686,502)	(80,283,130)
Net assets available for benefits at end of period	\$ 1,867,196,649	14,849,622	1,882,046,271

See accompanying notes to financial statements.

GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

(1) Description of the Plan

The following brief description of the General Mills 401(k) Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan document for more complete information.

The Plan is sponsored by General Mills, Inc. (the Company or General Mills) and administered by various committees. The Plan is a defined contribution employee pension benefit plan designed to offer employees of General Mills the opportunity to participate in a savings and investment program and to provide a source of additional income for retirement. The Plan allows for the withdrawal of certain vested funds during a participant's active career, subject to significant restrictions.

The Plan was amended and restated effective January 1, 2005. Under the Plan, nonhighly compensated employees of General Mills may elect to contribute up to 30% of his or her compensation and highly compensated individuals may elect to contribute up to 15% of his or her compensation (as defined by the Plan) on a before-tax basis to certain combinations of 16 investment funds, as described in note 5. Certain classifications of employees are also permitted to make contributions on an after-tax basis. The total of before-tax and after-tax contributions in no event can be more than 30% of compensation for nonhighly compensated employees and 15% of compensation for highly compensated employees. Additionally, the Plan was amended on September 1, 2002 to allow eligible participants to make catch-up contributions. Company matching contributions are made by allocations of shares of General Mills common stock, which are credited to each employee's account in the employee stock ownership plan (ESOP Fund). The percentage of compensation contributed to the Plan by employees which is eligible for Company matching and the level of Company matching contributions vary among employee classifications.

(2) Summary of Significant Accounting Policies**(a) Basis of Presentation**

The accompanying financial statements have been prepared under the accrual-basis method of accounting in accordance with U.S. generally accepted accounting principles.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for participants and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

(c) Risks and Uncertainties

The Plan provides for investment in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

(Continued)

GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

(d) Concentration of Market Risk

At December 31, 2005 and 2004, approximately 19% and 21%, respectively, of the Plan's net assets were invested in the common stock of General Mills. The underlying value of General Mills is entirely dependent upon the performance of General Mills and the market's evaluation of such performance. It is at least reasonably possible that changes in the fair value of General Mills common stock in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

(e) Investments

The investments of the Plan in the GMI Investment Trust (the Investment Trust) are valued at fair value. Pooled funds consist of master trust investment accounts (MTIA) and funds pooled for the purpose of forming participant investment options. Fair value of the Plan's investments in the pooled funds and in common stock of the Company is based on market values of the underlying securities, as discussed in notes 4 and 5. Short-term investments are stated at cost, which approximates fair value. The Pooled Savings Fixed Fund and U.S. Treasury Fund consist of fixed income securities and investment contracts issued by banks or insurance companies, which are valued at cost plus accumulated interest (contract value), as this is the basis upon which amounts may be withdrawn from the contracts. Contract value approximates fair value.

Security transactions are recognized on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The cost of investment securities sold is determined on the weighted average basis.

The Plan accounts for certain changes in net assets as follows:

Dividends and interest, net realized and unrealized appreciation (depreciation), and administrative expenses of the investment funds are recognized by the Plan only as they are reflected in the Plan's proportionate share of net increases (decreases) in the market value of the underlying pooled funds.

Net realized appreciation (depreciation) is recognized by the Plan upon the sale of investment securities or portions thereof on the basis of average cost to each investment manager's portfolio.

(3) Forfeitures and Vesting

Participants who terminate their employment with the Company forfeit the nonvested portion of the Company's contributions to their accounts. However, if terminated participants are re-employed by the Company within 60 months of termination, such forfeited nonvested portion of the Company's contributions is restored to their Plan accounts if the participants repay the amount previously withdrawn from their Company contribution accounts, if any, within 60 months from the date of re-employment. Forfeitures to the Plan can be used to offset future Company contributions, reinstate previously forfeited amounts to reemployed participants, and cover administrative expenses incurred by the leveraged accounts. For the periods ending December 31, 2005 and 2004, \$579,653 and \$594,941, respectively, were forfeited by participants.

(Continued)

GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

The Company's contributions vest in accordance with the following schedule:

<u>Employee's eligibility service</u>	<u>Vested percentage</u>
1 year but less than 2 years	20%
2 years but less than 3 years	40%
3 years but less than 4 years	60%
4 years but less than 5 years	80%
5 years or more	100%

If a participant retires, dies while an active employee, becomes totally and permanently disabled, or if a participant's employment with the Company is involuntarily terminated due to any reason other than illegal activities, gross misconduct, or violation of the Company's Code of Conduct, or if the Plan is terminated by the Company, the participant will become 100% vested regardless of the length of Company service.

(4) Investments

Participants, at their discretion, may direct their contributions to any of the 16 investment funds listed below.

US Equity Funds:	International Equity Funds:	Balanced Funds:
Diversified US Equity	Diversified International	Moderate Balanced
Aggressive Equity	Int'l Developed Markets	Aggressive Balanced
Growth Equity	Int'l Emerging Markets	Conservative Balanced
Value Equity		
Small and Mid Cap Equity	Fixed Income Funds:	Self-directed brokerage:
S&P 500 Enhanced Index	Fixed Income	Fidelity BrokerageLink
Company Stock	US Treasury	

The Company's contributions to the Plan are invested in the ESOP Fund.

The following table presents the fair value of investments in the pooled funds and common stock that represent 5% or more of the Plan's net assets:

		<u>December 31,</u>	
		<u>2005</u>	<u>2004</u>
General Mills, Inc common stock	participant directed	\$ 359,096,729	106,363,834
General Mills, Inc common stock	nonparticipant directed	10,658,615	290,178,005

(Continued)

GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

Net appreciation (depreciation) in the fair value of the Plan's investment not held in MTIAs, including gains and losses on investments bought and sold, as well as held during the year ended December 31, 2005 and the period from June 1, 2004 through December 31, 2004 are as follows:

	December 31,	
	2005	2004
General Mills, Inc. common stock	\$ (763,587)	33,066,821
Net (depreciation) appreciation in fair value of investments (not including MTIA)	\$ (763,587)	33,066,821

The fair values of the nonparticipant-directed portion of the ESOP Fund are \$6,708,531 and \$283,574,762 as of December 31, 2005 and 2004, respectively. Prior to October 2005, all amounts credited to participants' ESOP accounts were invested in the ESOP Fund and could not be transferred to any of the Plan's other investment funds. However, beginning in October 2005 all participants are able to transfer amounts in their ESOP accounts to any of the Plan's other investment funds. Therefore, only the unallocated General Mills common shares are considered to be nonparticipant-directed.

Significant components of the changes in net assets relating to the nonparticipant-directed portion of the ESOP Fund for the year ended December 31, 2005 and the period from June 1, 2004 through December 31, 2004 are as follows:

	December 31,	
	2005	2004
Changes in nonparticipant-directed funds:		
Net appreciation (depreciation)	\$ (123,399)	21,662,170
Dividends and interest	430,762	5,101,069
Total net investment income	307,363	26,763,239
Contributions		8,048,448
Distributions to participants		(6,752,214)
Interest expense	(466,590)	(586,029)
Forfeitures	579,653	26,555
Administrative expenses	(613,340)	(783,707)
Transfers to participant-directed investments	2,052,576	(10,207,806)
Net change in nonparticipant-directed funds	\$ 1,859,662	16,508,486

(5) Master Trust Investment Accounts (MTIA)

The pension and savings plans of the Company are invested in the Investment Trust. Mellon Trust is the trustee and custodian of the Investment Trust. Investment managers each manage a portion of the MTIA in the Investment Trust and make investment decisions for the assets of such fund for which they are responsible within specific guidelines established by the General Mills Benefit Finance Committee.

GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

Transactions and assets of each of the MTIA are accounted for utilizing the following accounting policies:

Fund investments are valued as follows:

Fixed-income securities and common and preferred stocks traded on national exchanges are valued by the trustee at closing prices on the valuation date.

Unlisted investments are valued at prices quoted by various national markets and publications and/or independent financial analysts.

Short-term investments are stated at cost, which approximates fair value.

Investment contracts are valued at contract value, which represents net deposits made with banks or insurance companies under the contracts, plus interest at the contract rates. Contract value approximates fair value.

Positions in the stock index and bond futures contracts are marked-to-market daily and reflect gains and losses on a daily basis.

Option contracts are valued monthly and unrealized appreciation or depreciation is recorded.

Dividends, interest income, and administrative expenses are recorded on the accrual basis.

Purchases and sales of securities are recorded on a trade-date basis.

Deposits to and withdrawals from each fund by participating plans are made at fair value determined as of the end of the business day of the transaction.

GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

Net Assets, net investment income and gains and losses of the MTIA are allocated to the pension and savings plans based on each plans interest in the investment funds of the MTIA. The Plan's interest in all of the investment funds of the MTIA in the Investment Trust as of December 31 are as follows:

Investment funds in MTIA	Fair value of MTIA investment funds at December 31, 2005	Plan participation	MTIA investment funds at December 31, 2004	Plan participation
Pooled Equity Fund	\$ 1,702,012,565	18.8%	\$ 1,457,138,689	21.2%
Pooled International Fund	773,340,184	13.6	680,976,568	11.8
Pooled Savings Fixed Fund	564,086,028	98.3	545,268,555	98.4
Alliance Equity	329,203,906	18.4	263,094,919	22.0
Reich & Tang	198,256,370	6.7	214,639,707	8.3
Numeric Investors	153,262,201	5.1	154,914,583	4.9
Mellon Capital	115,562,123	26.6	94,525,425	22.3
Pooled International Developed Markets	580,360,552	5.3	520,969,446	4.6
Pooled International Emerging Markets	291,928,974	24.3	211,608,875	13.4
RCM Mid & Small Cap	658,622	35.0	58,176,725	19.5
RCM Large Cap			213,651,962	20.3
Southeastern Asset Management	89,331,215	31.0	76,298,816	33.9
Sanford Bernstein	137,362,345	29.9	125,374,717	30.5
General Mills Internal Equity	178,179,894	21.5	172,783,783	30.5
Arbor Capital	149,527,059	32.3	69,369,799	27.1
SIT	50,202,588	31.7	69,546,981	27.1
Boston Partners	185,067,460	21.5	156,208,811	23.8
Southeastern Small Cap	79,540,396	44.9	71,820,499	53.2
Numeric Small Cap	44,270,685		33,523,843	
WAMCO	126,556,026	24.6	95,423,579	33.9
Delaware Investments	147,518,017	15.1		
Sands Capital	146,266,390	15.4		

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GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

Disclosures on all investments funds of the MTIA in the Investment Trust and the net investment gain (loss) for the investment funds of the MTIA in the Investment Trust for the year ended December 31, 2005 are as follows:

Fair value as of December 31, 2005

	Pooled Equity Fund	Pooled International Fund	Pooled Savings Fixed Fund	Alliance Equity	Reich & Tang	Numeric Investors	Mellon Capital	Pooled International Developed Markets	Pooled International Emerging Markets
Short-term investments	\$ 24,331,397	3,763,066	10,864,057	2,393,393	1,840,787	153,757,211			949,6
Interest-bearing cash	10,483,354	67,543,695		759				71,069,148	
U.S. government securities	36,973,509								
Corporate debt	156,881,629				960				
Corporate stock preferred	2,983,956	2,196,543						2,043,606	
Corporate stock common	1,330,732,508	205,376,762		326,809,754	196,414,623	148,236,821		216,890,683	
Common/collective trust	84,779,310	166,723,575	33,863,433				115,562,123	104,698,528	89,477,7
Registered investment companies	44,852,362	191,099,233						201,911,658	
Investment contracts			519,358,538						
Limited partnership		118,999,531						46,101,668	99,785,5
Other investments	11,303,276	76,944,437							101,716,0
Written options	(1,308,736)								
Foreign currency contracts		1,098,271						1,308,069	
Short sales		(60,404,930)				(148,731,832)		(63,662,807)	
Fair value as of December 31, 2005	\$ 1,702,012,565	773,340,184	564,086,028	329,203,906	198,256,370	153,262,201	115,562,123	580,360,552	291,928,9

Net investment gain (loss) for the year ended December 31, 2005

	Pooled Equity Fund	Pooled International Fund	Pooled Savings Fixed Fund	Alliance Equity	Reich & Tang	Numeric Investors	Mellon Capital	Pooled International Developed Markets	Pooled International Emerging Markets
Net appreciation (depreciation) in fair value of investments:									
Interest-bearing cash	\$	3,092,496						3,519,299	
U.S. government securities	3,304,607								
Corporate debt	16,545,408								
Corporate stock preferred	1,885,623	(37,069)						(42,185)	
Corporate stock common	145,443,313	1,210,599		44,687,539	1,267,402	6,522,422		1,377,677	
Common/collective trust	(65,729,210)	72,935,843	1,350,427				5,036,699	58,964,144	24,037,7
Registered investment companies	90,690,433	10,044,563						11,430,839	

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Fair value as of December 31, 2005

Investment contracts									
Limited partnership		20,317,413						(4,493,368)	27,614,8
Other investments	1,708,607	25,407,941							28,914,5
Written options	22,294,597								
Foreign currency contracts									
Short sales		(1,986,265)				(13,501,400)		(2,260,394)	
Futures	(92,853,244)	8,381,719				2,051,281		9,538,501	
Interest	111,576	48,806	27,749,667	126,948	190,700	4,411,520		24,767	30,1
Dividends				1,464,128	2,055,526				
Net investment gain (loss) for the year ended December 31, 2005	\$ 123,401,709	139,416,046	29,100,094	46,278,615	3,513,629	(516,178)	5,036,699	78,059,280	80,597,3

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GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

Fair value as of December 31, 2005

	RCM Large Cap	Southeastern Asset Management	Sanford Bernstein	General Mills Internal Equity	Arbor Capital	SIT	Boston Partners	Southeastern Small Cap	Numeric Small Cap	WA
Short-term investments	\$	447,861	2,832,533	12,500,048	7,689,282	1,227,740	7,273,559		44,241,936	8,
Interest-bearing cash				13,299,012						
U.S. government securities				32,247,646						16,
Corporate debt		3,692,000		105,749,612			221,680			97,
Corporate stock preferred							2,068,894			1,
Corporate stock common		85,191,354	134,529,812	1,416,034	141,837,777	48,974,848	177,056,654		42,378,469	
Common/collective trust										
Registered investment companies				1,015,560			133,558	79,540,396		
Investment contracts										
Limited partnership										
Other investments				11,951,982						2,
Written options							(1,686,885)			
Foreign currency contracts										
Short sales									(42,349,719)	
Fair value as of December 31, 2005	\$	89,331,215	137,362,345	178,179,894	149,527,059	50,202,588	185,067,460	79,540,396	44,270,685	126,

Net investment gain (loss) for the year ended December 31, 2005

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Fair value as of December 31, 2005

	RCM Large Cap	Southeastern Asset Management	Sanford Bernstein	General Mills Internal Equity	Arbor Capital	SIT	Boston Partners	Southeastern Small Cap	Numeric Small Cap	WA
Net appreciation (depreciation) in fair value of investments:										
Interest-bearing cash	\$			(97,500)						
U.S. government securities				(444,850)						
Corporate debt				(281,937)			275,822			
Corporate stock preferred							208,309			
Corporate stock common	(4,726,384)	1,857,329	10,109,937	(643,358)	3,099,960	10,758,042	14,979,865			
Common/collective trust									4,818,861	
Registered investment companies				(100,060)			52,130	6,076,432		
Investment contracts										
Limited partnership										
Other investments				68,544						
Written options							657,947			
Foreign currency contracts				(1,049,400)						
Short sales									(1,788,744)	
Futures				5,129,427						1,
Interest	75,838	1,092,097	99,675	7,063,533	120,790	139,545	622,727		1,027,494	5,
Dividends	1,133,882	448,373	2,432,991	764,893	36,508	394,225	3,226,158	1,643,465		
Net investment gain (loss) for the year ended December 31, 2005	\$ (3,516,664)	3,397,800	12,642,603	10,409,290	3,257,258	11,291,813	20,022,957	7,719,897	4,057,610	5,

(Continued)

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GENERAL MILLS 401(k) SAVINGS PLAN

Notes to Financial Statements

December 31, 2005 and 2004

Disclosures on all investments funds of the MTIA in the Investment Trust and the net investment gain (loss) for the investment funds of the MTIA in the Investment Trust for the period from June 1, 2004 to December 31, 2004 are as follows:

Fair value as of December 31, 2004

	Pooled Equity Fund	Pooled International Fund	Pooled Savings Fixed Fund	Alliance Equity	Reich & Tang	Numeric Investors	Mellon Capital	Pooled International Developed Markets	Pooled International Emerging Markets
Short-term investments	\$ 1,461,683	1,053,377	17,553,087	4,068,189	4,605,832	152,434,218		975,422	1,196,666
Interest-bearing cash	12,036,047	59,597,161						64,987,027	

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Fair value as of December 31, 2004

U.S. government securities	34,570,085								
Corporate debt	126,761,274			980					
Corporate stock preferred	2,380,580	496,643						511,317	
Corporate stock common	1,164,022,063	54,630,731		259,026,230	210,032,895	149,389,088		57,866,443	
Common/collective trust	73,437,586	334,440,299	32,612,201				94,525,425	290,768,342	65,439,999
Registered investment companies	33,634,095	119,194,322						123,879,557	
Investment contracts			495,103,267						
Limited partnership		97,080,272						33,872,317	72,170,729
Other investments	10,747,729	64,148,064							72,801,499
Written options	(1,912,453)								
Foreign currency contracts		4,966,430						6,136,433	
Short sales		(54,630,731)				(146,908,723)		(58,027,412)	
Fair value as of December 31, 2004	\$ 1,457,138,689	680,976,568	545,268,555	263,094,419	214,639,707	154,914,583	94,525,425	520,969,446	211,608,879

Net investment gain (loss) for the period from June 1, 2004 to December 31, 2004

	Pooled Equity Fund	Pooled International Fund	Pooled Savings Fixed Fund	Alliance Equity	Reich & Tang	Numeric Investors	Mellon Capital	Pooled International Developed Markets	Pooled International Emerging Markets
Net appreciation (depreciation) in fair value of investments:									
Interest-bearing cash	\$	5,462,541						5,879,380	
U.S. government securities	500,450								
Corporate debt	54,656								
Corporate stock preferred	(122,644)	105,687						113,752	
Corporate stock common	117,453,525	690,368		16,718,463	19,077,247	21,353,470		743,049	
Common/collective trust	11,578,941	68,237,192	701,231				8,215,618	61,495,279	11,949,000
Registered investment companies	2,017,559	7,346,371						7,906,962	