

DARDEN RESTAURANTS INC
Form 11-K
October 24, 2008
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
[NO FEE REQUIRED].

For the fiscal year ended April 30, 2008.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
[NO FEE REQUIRED].

For the transition period from _____ to _____

Commission File Number 1-13666

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

Darden Savings Plan

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

DARDEN RESTAURANTS, INC.

5900 Lake Ellenor Drive

Orlando, Florida 32809

Table of Contents

REQUIRED INFORMATION

The following financial statements for the plan are being furnished herewith:

Report of Independent Registered Public Accounting Firm.

Audited Statement of Net Assets Available for Benefits as of April 30, 2008 and 2007, prepared in accordance with the financial reporting requirements of ERISA.

Audited Statement of Changes in Net Assets Available for Benefits for the years ended April 30, 2008 and 2007, prepared in accordance with the financial reporting requirements of ERISA.

Notes to Financial Statements.

Schedule 1 Schedule of Assets (Held at End of Year) April 30, 2008.

Schedule 2 Schedule of Reportable Transactions, Year Ended April 30, 2008.

Table of Contents

DARDEN SAVINGS PLAN

Financial Statements and Supplemental Schedules

April 30, 2008 and 2007

(With Report of Independent Registered Public Accounting Firm Thereon)

Table of Contents

DARDEN SAVINGS PLAN

Table of Contents

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	1
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statements of Changes in Net Assets Available for Benefits</u>	4
<u>Notes to Financial Statements</u>	6
<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u>	14
<u>Schedule H, Line 4j Schedule of Reportable Transactions</u>	15

Table of Contents

Report of Independent Registered Public Accounting Firm

Benefit Plan Financial Committee

Darden Restaurants, Inc.:

We have audited the accompanying statements of net assets available for benefits of the Darden Savings Plan (the Plan) as of April 30, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. 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. An audit also includes 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.

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 April 30, 2008 and 2007, and the changes in net assets available for benefits for the years then ended, 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 Schedule H, Line 4i Schedule of Assets (Held at End of Year) and Schedule H, Line 4j Schedule of Reportable Transactions 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

October 24, 2008
Orlando, Florida
Certified Public Accountants

Table of Contents**DARDEN SAVINGS PLAN**

Statement of Net Assets Available for Benefits

April 30, 2008

	Participant directed funds	Nonparticipant directed (ESOP) funds	Total
Assets:			
Investments, at fair value:			
Short-term investments	\$ 1,152,808	1,195,731	2,348,539
RiverSource Trust Stable Capital Fund II	56,439,098		56,439,098
Pimco Total Return Fund	14,608,867		14,608,867
RiverSource Trust Equity Index Fund I	52,655,730		52,655,730
T. Rowe Price Small Cap Stock Fund	30,761,695		30,761,695
EuroPacific Growth Fund	38,013,946		38,013,946
Harbor Capital Appreciation Fund	6,053,599		6,053,599
Davis New York Venture Fund	11,149,735		11,149,735
Vanguard Target Retirement Funds	14,413,954		14,413,954
Vanguard Strategic Equity Fund	7,468,504		7,468,504
Common stock of Darden Restaurants, Inc. allocated	27,484,910	137,728,579	165,213,489
Common stock of Darden Restaurants, Inc. unallocated		105,088,697	105,088,697
Participant loans	11,781,478		11,781,478
Total investments	271,984,324	244,013,007	515,997,331
Receivables:			
Participant contributions	420,862		420,862
Employer contribution		121,103	121,103
Accrued dividend and interest	144,131	1,252,767	1,396,898
Total receivables	564,993	1,373,870	1,938,863
Total assets	272,549,317	245,386,877	517,936,194
Liabilities:			
ESOP loan		17,109,954	17,109,954
Interest payable		21,858	21,858
Total liabilities		17,131,812	17,131,812
Net assets available for benefits	\$ 272,549,317	228,255,065	500,804,382
Number of participants (unaudited)	53,414	11,861	
See accompanying notes to financial statements.			

Table of Contents**DARDEN SAVINGS PLAN**

Statement of Net Assets Available for Benefits

April 30, 2007

	Participant directed funds	Nonparticipant directed (ESOP) funds	Total
Assets:			
Investments, at fair value:			
Short-term investments	\$ 757,432	2,147,048	2,904,480
RiverSource Trust Stable Capital Fund II	54,537,575		54,537,575
Pimco Total Return Fund	11,742,119		11,742,119
RiverSource Trust Equity Index Fund I	58,303,774		58,303,774
T. Rowe Price Small Cap Stock Fund	38,253,968		38,253,968
EuroPacific Growth Fund	36,478,214		36,478,214
Harbor Capital Appreciation Fund	5,182,143		5,182,143
Davis New York Venture Fund	11,837,640		11,837,640
Vanguard Target Retirement Funds	9,606,502		9,606,502
Vanguard Strategic Equity Fund	8,926,150		8,926,150
Common stock of Darden Restaurants, Inc. allocated	28,342,330	168,545,601	196,887,931
Common stock of Darden Restaurants, Inc. unallocated		158,967,205	158,967,205
Participant loans	11,440,114		11,440,114
Total investments	275,407,961	329,659,854	605,067,815
Receivables:			
Employer contribution		145,965	145,965
Accrued dividend and interest	161,997	1,842,183	2,004,180
Total receivables	161,997	1,988,148	2,150,145
Total assets	275,569,958	331,648,002	607,217,960
Liabilities:			
ESOP loan		20,792,954	20,792,954
Interest payable		58,688	58,688
Total liabilities		20,851,642	20,851,642
Net assets available for benefits	\$ 275,569,958	310,796,360	586,366,318
Number of participants (unaudited)	53,060	11,443	
See accompanying notes to financial statements.			

Table of Contents**DARDEN SAVINGS PLAN**

Statement of Changes in Net Assets Available for Benefits

Year ended April 30, 2008

	Participant directed funds	Nonparticipant directed (ESOP) funds	Total
Additions (reductions) to net assets attributed to:			
Investment income (loss):			
Net depreciation in fair value of investments	\$ (13,733,954)	(46,179,053)	(59,913,007)
Dividends and interest	8,337,360	5,400,029	13,737,389
Net investment loss	(5,396,594)	(40,779,024)	(46,175,618)
Participant loan activity during the year:			
Withdrawals	55,068		55,068
Repayments (including interest)	946,299		946,299
Total loan activity	1,001,367		1,001,367
Contributions:			
Participants	24,778,967		24,778,967
Employer		73,779	73,779
Total contributions	24,778,967	73,779	24,852,746
Total additions (reductions), net	20,383,740	(40,705,245)	(20,321,505)
Deductions from net assets attributed to:			
Benefits paid to participants	(31,057,979)	(32,561,093)	(63,619,072)
Interest expense		(986,034)	(986,034)
Administrative expenses	(578,358)	(56,967)	(635,325)
Transfers between funds	8,231,956	(8,231,956)	
Total deductions, net	(23,404,381)	(41,836,050)	(65,240,431)
Net decrease	(3,020,641)	(82,541,295)	(85,561,936)
Net assets available for benefits:			
Beginning of year	275,569,958	310,796,360	586,366,318
End of year	\$ 272,549,317	228,255,065	500,804,382

See accompanying notes to financial statements.

Table of Contents**DARDEN SAVINGS PLAN**

Statement of Changes in Net Assets Available for Benefits

Year ended April 30, 2007

	Participant directed funds	Nonparticipant directed (ESOP) funds	Total
Additions to net assets attributed to:			
Investment income:			
Net appreciation in fair value of investments	\$ 16,059,049	16,306,908	32,365,957
Dividends and interest	6,542,325	3,882,617	10,424,942
Net investment income	22,601,374	20,189,525	42,790,899
Participant loan activity during the year:			
Withdrawals	50,747		50,747
Repayments (including interest)	835,598		835,598
Total loan activity	886,345		886,345
Contributions:			
Participants	22,625,631		22,625,631
Employer		778,805	778,805
Total contributions	22,625,631	778,805	23,404,436
Total additions, net	46,113,350	20,968,330	67,081,680
Deductions from net assets attributed to:			
Benefits paid to participants	(23,541,338)	(30,695,521)	(54,236,859)
Interest expense		(1,275,069)	(1,275,069)
Administrative expenses	(271,061)	(81,954)	(353,015)
Transfers between funds	10,221,399	(10,221,399)	
Total deductions, net	(13,591,000)	(42,273,943)	(55,864,943)
Net increase (decrease)	32,522,350	(21,305,613)	11,216,737
Net assets available for benefits:			
Beginning of year	243,047,608	332,101,973	575,149,581
End of year	\$ 275,569,958	310,796,360	586,366,318

See accompanying notes to financial statements.

Table of Contents

DARDEN SAVINGS PLAN

Notes to Financial Statements

April 30, 2008 and 2007

(1) Description of the Plan

The following description of the Darden Savings Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan sponsored by Darden Restaurants, Inc. (Company). The Plan, as amended, was originally established in June 1973. The Plan covers certain employees of the Company's operating and administrative subsidiaries, and their divisions and affiliates who are age 21 or older, regardless of their length of service. The Plan also allows allocation of Company shares in the ESOP Fund (an employee stock ownership component of the Plan) for payment of incentive bonuses earned by certain restaurant management and Restaurant Support Center administrative employees that have at least five years of service with the Company, its subsidiaries or affiliates.

The Plan allows participants to immediately transfer ESOP Funds credited to their accounts to any of the Plan's other investment funds. Effective March 2004, the Plan was amended to temporarily suspend the allocation of Company shares in the ESOP Fund for incentive bonuses earned by restaurant management through August 2004 and then restrict the allocation of Company shares in the ESOP Fund for payment of incentive bonuses to individuals who were classified as qualified managers under the Plan as of May 31, 2003. This amendment also disallowed the allocation of Company shares in the ESOP Fund for payment of incentive bonuses earned by certain Restaurant Support Center administrative employees effective March 2004. The Plan was amended effective January 1, 2008 to allow the Plan to pay Plan expenses with dividends on unallocated shares of Company Stock to the extent they are not used for repayment of principal and interest on acquisition loans.

Eligible employees may elect to make primary contributions to the Plan ranging from 1% to 6% of their eligible compensation for each year on an after-tax or before-tax basis. Participants electing to contribute 6% may also elect to make unmatched contributions equal to between 1% and 19% of their eligible compensation for the year. The Company makes quarterly variable contributions to the Plan ranging from 25% to 120% of the primary contribution percentages made by the participants. The Company contribution varies depending on the Company's operating results. Plan matching provisions become effective for participants upon completion of 12 months of service and accumulation of 1,000 hours of service in an anniversary year. Income earned by the Plan is allocated to participants' accounts based on their relative account balances.

Participants may borrow from their vested account as follows: a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000, minus the highest outstanding loan balance in the preceding 12 months even if repaid; 50% of their vested account balance; or the vested balance in the participant's account excluding amounts in the ESOP Fund. The loan amount may not result in loan repayments which exceed 50% of the participant's 13 week average net take-home pay. Loan repayment terms generally may not exceed 5 years. The loans are secured by the balance in the participant's account and bear market rates of interest. Principal and interest is paid through payroll deductions and may be repaid in full at any time without penalty.

Table of Contents

DARDEN SAVINGS PLAN

Notes to Financial Statements

April 30, 2008 and 2007

On termination of service due to death, disability, retirement, induction into the Armed Forces of, or service with, the United States Government, or involuntary separation or elimination of position due to a sale, destruction, shut-down, or closing out of an activity or facility, a participant shall be entitled to a distribution of the total value of his or her account. All other terminating participants, including those who terminate service due to other reasons, will receive a lump sum distribution of their vested account balance if such balance is \$1,000 or less (See note 3). Terminating participants having vested account balances greater than \$1,000 may elect either to receive a lump sum distribution or to leave their accounts in the Plan until attainment of age 65. Effective October 2003, the Plan was amended to allow the Plan to charge a quarterly fee to terminated participants who leave their accounts in the Plan. All benefits are recorded when paid.

Ameriprise Trust Company, a subsidiary of Ameriprise Financial, Inc. (Ameriprise) and formerly known as American Express Trust Company, previously performed the trustee and administrative duties for the Plan. On June 1, 2006, Wachovia Bank, N.A. acquired the defined contribution recordkeeping business of Ameriprise. Upon completion of the acquisition, the defined contribution recordkeeping business of Ameriprise became part of Wachovia Retirement Services, a division of Wachovia Bank, N.A. Effective June 1, 2006, Wachovia Retirement Services (Trustee) began to serve as trustee and administrator of the Plan.

Each participant is entitled to exercise voting rights attributable to the common stock of the Company shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee will vote any allocated shares for which instructions have not been given by a participant and any unallocated shares in the same proportion as votes received.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Plan are prepared under the accrual method of accounting.

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

Dividends and interest, net realized and unrealized gains or losses and administrative expenses of the Participant Directed Funds (excluding Company Common Stock Fund) are recognized by the Plan only as they are reflected in the Plan's proportionate share of net increases (decreases) in the fair value of the respective funds; and

Net realized gains or losses are recognized by the Plan upon the sale of investment securities on the basis of weighted average cost.

(b) Investments

Plan investments are recorded at fair value. When available, fair value is determined by quoted market prices. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Short-term investments are stated at cost, which approximates fair value. Participant loans are valued at their outstanding balances, which approximates fair value. Investments in common collective trusts are carried at fair value based on the fair value of the underlying securities in which the account is invested.

Table of Contents

DARDEN SAVINGS PLAN

Notes to Financial Statements

April 30, 2008 and 2007

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

The Plan's investments include funds which invest in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Plan's financial statements and schedules. The financial markets have been subject to considerable turmoil subsequent to April 30, 2008 and the fair value of certain of the Plan's investments may have significantly deteriorated.

As of April 30, 2008, 52% of the Plan's investments are in the common stock of the Company. Accordingly, changes in the value of the Company's common stock could have a greater effect on the Plan's financial statements than other Plan investments.

(c) Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States, requires the Plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of additions to and deductions from those net assets during the reporting period. Actual results could differ from those estimates.

(d) Reclassifications

Certain reclassifications have been made to prior year amounts to conform to current year presentation.

(e) Application of New Accounting Standards

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measures required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, which will require us to adopt these provisions for the plan year ended April 30, 2009. We do not believe the adoption of SFAS No. 157 will have a significant impact on these financial statements.

(3) Forfeitures and Vesting

Vested rights to Company contribution amounts accrue at a rate of 5% per quarter beginning with the participant's fifth quarter of service. Forfeitures of nonvested Company contributions to the Plan can be used in the following order of priority: cover administrative expenses incurred by the Plan, reinstate

Table of Contents**DARDEN SAVINGS PLAN**

Notes to Financial Statements

April 30, 2008 and 2007

previously forfeited amounts to rehired employees and cover Company matching contributions. During the 2008 and 2007 Plan years, \$474,786 and \$182,098, respectively, of forfeitures were used to cover administrative expenses of the Plan. No forfeited funds were used to cover Company contributions during 2008 or 2007.

(4) Choice of Investments

As of April 30, 2008, participant contributions to the Plan may be directed to 15 basic investment alternatives: RiverSource Trust Stable Capital Fund II, PIMCO Total Return Fund, RiverSource Trust Equity Index Fund I, T. Rowe Price Small Cap Stock Fund, EuroPacific Growth Fund, Harbor Capital Appreciation Fund, Davis New York Venture Fund, Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2035 Fund, Vanguard Target Retirement 2025 Fund, Vanguard Target Retirement 2015 Fund, Vanguard Target Retirement 2005 Fund, Vanguard Target Retirement Income Fund, Vanguard Strategic Equity Fund and Company Common Stock Fund. Company contributions to the Plan are invested in the ESOP Fund.

(5) Investments

The following table presents the fair value of investments that represent 5% or more of the Plan's net assets at April 30, 2008 and 2007:

	2008	2007
Investments at fair value:		
RiverSource Trust Stable Capital Fund II, 2,713,515 and 2,746,378 shares at April 30, 2008 and 2007, respectively	\$ 56,439,098	54,537,575
RiverSource Trust Equity Index Fund I, 1,167,688 and 1,230,193 shares at April 30, 2008 and 2007, respectively	52,655,730	58,303,774
T. Rowe Price Small Cap Stock Fund, 1,081,255 and 1,072,140 shares at April 30, 2008 and 2007, respectively	30,761,695	38,253,968
EuroPacific Growth Fund, 778,177 and 731,319 shares at April 30, 2008 and 2007, respectively	38,013,946	36,478,214
Common stock of Darden Restaurants, Inc. (including \$242,817,276 and \$327,512,806 of non-participant directed funds at April 30, 2008 and 2007, respectively), 7,597,026 and 8,578,957 shares at April 30, 2008 and 2007, respectively	270,302,186	355,855,136
Total dividends received by the Plan from the common stock of the Company for the years ended April 30, 2008 and 2007 were \$5,683,997 and \$4,191,681, respectively.		

Table of Contents**DARDEN SAVINGS PLAN**

Notes to Financial Statements

April 30, 2008 and 2007

The Plan's investments appreciated (depreciated) in value, net, as follows:

	2008	2007
RiverSource Trust Stable Capital Fund II	\$ 2,527,079	2,407,773
Pimco Total Return Fund	1,272,134	159,504
RiverSource Trust Equity Index Fund I	(2,717,756)	7,612,390
T. Rowe Price Small Cap Stock Fund	(7,599,907)	(730,022)
EuroPacific Growth Fund	(1,091,001)	2,428,631
Harbor Capital Appreciation Fund	43,213	251,320
Davis New York Venture Fund	(611,952)	1,341,627
Vanguard Target Retirement Funds	(390,662)	683,113
Vanguard Strategic Equity Fund	(2,217,702)	467,872
Common stock of Darden Restaurants, Inc.	(2,947,400)	1,436,841
ESOP Fund	(46,179,053)	16,306,908
Total	\$ (59,913,007)	32,365,957

(6) Common Stock of Darden Restaurants Inc.

At April 30, 2008 and 2007, the fair value of the shares held in participant directed accounts was \$27,484,910 (772,482 shares) and \$28,342,330 (683,277 shares), respectively. Participants should refer to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

(7) ESOP Fund

The ESOP Fund consists of common stock of the Company and cash which is held in short-term investments. All amounts credited to participants' ESOP accounts will be invested in the ESOP Fund. Effective June 2002, the Plan was amended to allow participants to immediately transfer ESOP funds credited to their accounts to any of the Plan's other investment funds. However, amounts may not be transferred from any of the other investment funds into the ESOP Fund.

At April 30, 2008 and 2007, the ESOP Fund consists of 6,824,544 and 7,895,680 shares, respectively, of the Company's common stock. Of the total shares held by the ESOP Fund, 3,870,955 shares at April 30, 2008 and 4,063,298 shares at April 30, 2007 of Company common stock have been allocated to individual participant accounts. The remaining 2,953,589 shares at April 30, 2008 and 3,832,382 shares at April 30, 2007 of Company common stock, which are held by the Trustee, are unallocated (suspense) shares reserved for future Company matching contributions and incentive bonuses to individuals who were classified as qualified managers under the Plan as of May 31, 2003. The shares become available for allocation to participants' accounts as ESOP loan principal and interest is paid. At April 30, 2008, the fair value of the 2,953,589 unallocated Company shares was \$105,088,697 and the fair value of the 3,870,955 allocated shares was \$137,728,579. At April 30, 2007, the fair value of the 3,832,382 unallocated Company shares was \$158,967,205 and the fair value of the 4,063,298 allocated shares was \$168,545,601. Cash dividends on allocated shares of Company stock can be used to repay promissory notes or are

Table of Contents**DARDEN SAVINGS PLAN**

Notes to Financial Statements

April 30, 2008 and 2007

allocated as earnings to each Participant's ESOP account. Cash dividends on unallocated shares of Company stock can be used to repay promissory notes, pay Plan expenses or are allocated to Participant ESOP accounts.

In October 2007, the ESOP paid the Company in full for one of its outstanding promissory notes. The ESOP Fund has two remaining promissory notes payable to the Company, with outstanding principal balances as of April 30, 2008 of \$15,504,000 and \$1,605,954 and three remaining promissory notes payable to the Company as of April 30, 2007 of \$2,287,000, \$16,900,000, and \$1,605,954. The notes bear interest at variable rates payable on a monthly, bi-monthly, or quarterly basis at the discretion of the Company. As of April 30, 2008 and 2007, the interest rate on the notes was 3.066% and 5.645%, respectively. No principal payments on the remaining notes are required until the due dates, December 15, 2014 and December 31, 2018, respectively. Any or all of the principal may be prepaid at any time. For the years ended April 30, 2008 and 2007, the ESOP Fund utilized dividends received to make principal payments of \$3,683,000 and \$3,278,000, respectively.

(8) Related Party Transactions

Certain plan investments are in common stock of the Company and therefore these transactions qualify as party-in-interest transactions. The Company pays the Trustee's administrative and trustee fees. Such fees, net of plan forfeitures and fees paid by terminated participants used to cover plan expense, were \$553,446 and \$301,562 for the years ended April 30, 2008 and 2007, respectively.

Certain plan investments are loans to participants who are employees of the Company and, therefore, these transactions qualify as party-in-interest transactions. Terminated participants that elect to leave their accounts in the Plan are required to pay quarterly fees. Therefore, these transactions also qualify as party-in-interest transactions. Fees paid by participants were \$78,660 and \$58,766 for the years ended April 30, 2008 and 2007, respectively.

(9) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the accompanying financial statements to the Form 5500:

	2008	2007
Net assets available for benefits per the accompanying financial statements	\$ 500,804,382	586,366,318
Due to plan participants		(126,050)
Participant loans deemed distributions	(195,096)	(77,640)
Net assets available for benefits per Form 5500	\$ 500,609,286	586,162,628

Table of Contents**DARDEN SAVINGS PLAN**

Notes to Financial Statements

April 30, 2008 and 2007

The following is a reconciliation of total (reductions) additions, net, per the accompanying financial statements to the Form 5500:

	2008	2007
Total (reductions) additions, net, per the accompanying financial statements	\$ (20,321,505)	67,081,680
Interest income on deemed distributed loans	7,298	
Total (reductions) additions per Form 5500	\$ (20,314,207)	67,081,680

The following is a reconciliation of total deductions, net, per the accompanying financial statements to the Form 5500:

	2008	2007
Total deductions, net, per the accompanying financial statements	\$ 65,240,431	55,864,943
Amounts allocated to withdrawing participants at end of year		126,050
Amounts allocated to withdrawing participants at beginning of year	(126,050)	(276,562)
Deemed distributed loans offset by total distributions	(39,680)	(22,044)
Change in deemed loans	164,434	(6,431)
Total deductions per Form 5500	\$ 65,239,135	55,685,956

(10) Tax Status

The Plan obtained its latest determination letter on July 15, 2002, in which the Internal Revenue Service stated that the Plan, as designed through November 13, 2001, was in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Company believes that the Plan currently is designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, the Plan qualifies under Section 401(a) and 4975(e)(7) and the related trust is tax exempt as of April 30, 2008. Therefore, no provision for income taxes has been included in the Plan's financial statements.

(11) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974. In the event of Plan termination, no further contributions shall be made to the Trust Fund by either the Company or the participants, participants would become fully vested in their employer contributions and the related Plan trust would be used exclusively for the benefit of participants and beneficiaries after the payment of liquidation expenses. Any unallocated leveraged shares in the

Table of Contents

DARDEN SAVINGS PLAN

Notes to Financial Statements

April 30, 2008 and 2007

ESOP Fund would be sold to the Company or on the open market. The proceeds of such sale would be used to satisfy any outstanding acquisition loans and the balance of any amounts remaining would be allocated to each participant in proportion to each participant's ESOP account balance to the total of all ESOP account balances.

(12) Subsequent Events

On October 1, 2007, the Company acquired RARE Hospitality International, Inc. (RARE), which is the trustee of the RARE Hospitality International, Inc. Savings Plan (RARE Savings Plan). In July 2008, the assets of the RARE Savings Plan were merged with the assets of the Plan.

Table of Contents**DARDEN SAVINGS PLAN**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

April 30, 2008

Issuer	Face amount		Current value
	or number of units	Cost	
Common stock of Darden Restaurants, Inc.*, **	7,597,026	\$ 52,618,800	270,302,186
RiverSource Trust Stable Capital Fund II	2,713,515	51,088,660	56,439,098
Pimco Total Return Fund	1,259,613	14,178,740	14,608,867
RiverSource Trust Equity Index Fund I	1,167,688	43,345,410	52,655,730
T. Rowe Price Small Cap Stock Fund	1,081,255	31,465,871	30,761,695
EuroPacific Growth Fund	778,177	30,678,262	38,013,946
Harbor Capital Appreciation Fund	172,615	5,673,471	6,053,599
Davis New York Venture Fund	289,754	10,100,525	11,149,735
Vanguard Target Retirement 2045 Fund	146,586	2,141,678	2,126,961
Vanguard Target Retirement 2035 Fund	243,206	3,394,481	3,417,037
Vanguard Target Retirement 2025 Fund	296,002	3,928,925	3,930,906
Vanguard Target Retirement 2015 Fund	274,678	3,420,091	3,507,633
Vanguard Target Retirement 2005 Fund	60,897	711,359	726,497
Vanguard Target Retirement Income Fund	63,736	698,007	704,920
Vanguard Strategic Equity Fund	384,182	8,823,278	7,468,504
Participant Loans outstanding interest rates ranging from 5.00% 10.50% with varying maturities*	2,363	11,781,478	11,781,478
RiverSource Trust Company Short-term Investment Fund	2,348,539	2,348,539	2,348,539

* Party-in-interest

** Includes unallocated shares held in the ESOP Fund as collateral for the promissory notes payable. See accompanying report of independent registered public accounting firm.

Table of Contents

DARDEN SAVINGS PLAN

Schedule H, Line 4j Schedule of Reportable Transactions

Year ended April 30, 2008

5% series of transactions by security issue described in 29 CFR 2520 [(103-6(c)(i)(iii)]

Issuer/description	Purchases		Sales		Cost of asset	Current value on transaction date	Net loss
	Number of Transactions	Purchase Price	Number of Transactions	Selling Price			
RiverSource Trust Company Short-term Investment Fund	17	\$ 45,183,558		\$	\$ 45,183,558	\$ 45,183,558	\$
RiverSource Trust Company Short-term Investment Fund			6	44,770,270	44,770,270	44,770,270	
Common stock of Darden Restaurants, Inc.*	14	9,259,890			9,259,890	9,259,890	
Common stock of Darden Restaurants, Inc.*			32	45,996,939	48,731,990	45,996,939	(2,735,051)

* Party-in-interest

See accompanying report of independent registered public accounting firm.

Table of Contents

EXHIBITS

23 Consent of KPMG LLP, Independent Registered Public Accounting Firm.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Darden Savings Plan has duly caused this Annual Report to be signed on its behalf by the Benefit Plan Financial Committee (as the person who administers the financial aspects of the Darden Savings Plan), by the undersigned hereunto duly authorized.

DARDEN SAVINGS PLAN

By: Benefit Plan Financial Committee,
as financial administrator of
the Darden Savings Plan

Dated: October 24, 2008

By: /s/ C. Bradford Richmond
C. Bradford Richmond, Chairperson
Benefit Plan Financial Committee
Darden Restaurants, Inc.

Table of Contents

EXHIBIT INDEX

Exhibit Number	Title
23	Consent of KPMG LLP, as Independent Registered Public Accounting Firm.