

Edgar Filing: DARDEN RESTAURANTS INC - Form 11-K

DARDEN RESTAURANTS INC  
Form 11-K  
October 26, 2004

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

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FORM 11-K  
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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, 2004.  
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

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REQUIRED INFORMATION

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

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Report of Independent Registered Public Accounting Firm.

Audited Statement of Net Assets Available for Benefits with Fund Information as of April 30, 2004 and 2003, prepared in accordance with the financial reporting requirements of ERISA.

Audited Statement of Changes in Net Assets Available for Benefits with Fund Information for the years ended April 30, 2004, and 2003, 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, 2004.

Schedule 2 - Schedule of Reportable Transactions, Year Ended April 30, 2004.

DARDEN SAVINGS PLAN

Financial Statements and Supplemental Schedules

April 30, 2004 and 2003

(With Independent Auditors' Report Thereon)

DARDEN SAVINGS PLAN

Table of Contents

	Page
Report of Independent Registered Public Accounting Firm	1
Statement of Net Assets Available for Benefits with Fund Information	2
Statement of Changes in Net Assets Available for Benefits with Fund Information	6
Notes to Financial Statements	10
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	16
Schedule H, Line 4j - Schedule of Reportable Transactions	17

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 with fund information of the Darden Savings Plan (the Plan) as of April 30, 2004 and 2003, and the related statements of changes in net assets available for benefits with fund information for the years ended April 30, 2004 and 2003. 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.

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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, 2004 and 2003, 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 schedules are the responsibility of the Plan's management. The fund information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for plan benefits of each fund. The supplemental schedules and fund information 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

September 15, 2004

DARDEN SAVINGS PLAN

Statement of Net Assets Available for Benefits with Fund Information

April 30, 2004

		Participant directed
American Express Trust Stable Capital	Pimco Total Return	American Express Trust Equity Index
		S

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	Fund II	Fund	Fund I	St
<b>Assets</b>				
Investments, at fair value:				
Short-term investments, at cost				
which approximates fair value	\$	--	--	--
American Express Trust Stable Capital Fund II	47,634,949	--	--	--
Pimco Total Return Fund	--	8,871,620	--	--
American Express Trust Equity Index Fund I	--	--	43,389,436	--
T. Rowe Price Small Cap Stock Fund	--	--	--	--
EuroPacific Growth Fund	--	--	--	--
MSIF Trust U.S. Mid Cap Value Portfolio	--	--	--	--
Harbor Capital Appreciation Fund	--	--	--	--
Davis New York Venture Fund	--	--	--	--
Common stock of Darden Restaurants, Inc.	--	--	--	--
Participant loans	--	--	--	--
<b>Total investments</b>	<b>47,634,949</b>	<b>8,871,620</b>	<b>43,389,436</b>	
<b>Receivables:</b>				
Participant contributions	71,368	22,631	84,506	
Employer contribution	--	--	--	
Accrued dividend and interest	--	--	--	
<b>Total receivables</b>	<b>71,368</b>	<b>22,631</b>	<b>84,506</b>	
<b>Total assets</b>	<b>47,706,317</b>	<b>8,894,251</b>	<b>43,473,942</b>	
<b>Liabilities</b>				
ESOP Loan	--	--	--	
Interest payable	--	--	--	
<b>Total liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Net assets available for benefits</b>	<b>\$ 47,706,317</b>	<b>8,894,251</b>	<b>43,473,942</b>	
<b>Number of participants (unaudited)</b>	<b>7,075</b>	<b>3,934</b>	<b>8,351</b>	

See accompanying notes to financial statements.

Participant directed				Non-participant directed	
MSIF Trust	Harbor	Davis	Company	Participant	
U.S. Mid Cap	Capital	New York	Common	Loan	ESOP
Value	Appreciation	Venture			

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Portfolio	Fund	Fund	Stock Fund	Fund	Fund
--	--	--	635,584	--	391,761
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
3,289,510	--	--	--	--	--
--	2,349,006	--	--	--	--
--	--	3,989,620	--	--	--
--	--	--	16,940,350	--	243,498,531
--	--	--	--	8,515,281	--
3,289,510	2,349,006	3,989,620	17,575,934	8,515,281	243,890,292
9,886	9,436	11,503	35,432	--	--
--	--	--	--	--	419,280
--	--	--	--	--	430,991
9,886	9,436	11,503	35,432	--	850,271
3,299,396	2,358,442	4,001,123	17,611,366	8,515,281	244,740,563
--	--	--	--	--	29,418,000
--	--	--	--	--	18,631
--	--	--	--	--	29,436,631
3,299,396	2,358,442	4,001,123	17,611,366	8,515,281	215,303,932
2,050	2,007	2,156	3,852	2,128	11,341

DARDEN SAVINGS PLAN

Statement of Net Assets Available for Benefits with Fund Information

April 30, 2003

Participant directed

American

American

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	Express Trust Stable Capital Fund II	Pimco Total Return Fund	Express Trust Equity Index Fund I	S
Assets				
Investments, at fair value:				
Short-term investments, at cost				
which approximates fair value	\$ --	--	--	
American Express Trust Stable Capital Fund II	46,184,063	--	--	
Pimco Total Return Fund	--	9,275,788	--	
American Express Trust Equity Index Fund I	--	--	33,079,502	
T. Rowe Price Small Cap Stock Fund	--	--	--	
EuroPacific Growth Fund	--	--	--	
MSIF Trust U.S. Mid Cap Value Portfolio	--	--	--	
Harbor Capital Appreciation Fund	--	--	--	
Davis New York Venture Fund	--	--	--	
Common stock of Darden Restaurants, Inc.	--	--	--	
Participant loans	--	--	--	
<b>Total investments</b>	<b>46,184,063</b>	<b>9,275,788</b>	<b>33,079,502</b>	
Receivables:				
Employer contribution	--	--	--	
Accrued dividend and interest	--	--	--	
<b>Total receivables</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Total assets</b>	<b>46,184,063</b>	<b>9,275,788</b>	<b>33,079,502</b>	
Liabilities				
ESOP Loan	--	--	--	
Interest payable	--	--	--	
<b>Total liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Net assets available for benefits</b>	<b>\$ 46,184,063</b>	<b>9,275,788</b>	<b>33,079,502</b>	
Number of participants (unaudited)	7,453	4,002	8,731	

See accompanying notes to financial statements.

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MSIF Trust U.S. Mid Cap Value Portfolio	Harbor Capital Appreciation Fund	Davis New York Venture Fund	Company Common Stock Fund	Participant Loan Fund	ESOP Fund
--	--	--	368,095	--	197,825
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,038,422	--	--	--	--	--
--	867,010	--	--	--	--
--	--	1,257,505	--	--	--
--	--	--	14,819,996	--	213,650,467
--	--	--	--	7,927,586	--
1,038,422	867,010	1,257,505	15,188,091	7,927,586	213,848,292
--	--	--	--	--	110,374
--	--	--	--	--	495,872
--	--	--	--	--	606,246
1,038,422	867,010	1,257,505	15,188,091	7,927,586	214,454,538
--	--	--	--	--	34,450,000
--	--	--	--	--	25,034
--	--	--	--	--	34,475,034
1,038,422	867,010	1,257,505	15,188,091	7,927,586	179,979,504
1,516	1,549	1,598	4,207	2,128	11,516

DARDEN SAVINGS PLAN

Statement of Changes in Net Assets Available for Benefits with Fund Information

Year ended April 30, 2004



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	Participant directed			
	American Express Trust Stable Capital Fund II	Pimco Total Return Fund	American Express Trust Equity Index Fund I	T. P Sm St
Additions to net assets attributed to:				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 1,909,145	(199,615)	7,643,873	
Dividends and interest	307	400,489	221	
Net investment income	1,909,452	200,874	7,644,094	
Participant loan activity during the year:				
Withdrawals	(1,168,050)	(401,869)	(1,216,554)	
Repayments (including interest)	935,673	267,609	1,099,770	
Total loan activity	(232,377)	(134,260)	(116,784)	
Contributions:				
Participants	4,059,839	1,341,702	4,668,096	
Employer	--	--	--	
Total contributions	4,059,839	1,341,702	4,668,096	
Total additions, net	5,736,914	1,408,316	12,195,406	
Deductions from net assets attributed to:				
Benefits paid to participants	(4,563,814)	(740,334)	(3,159,545)	
Interest expense	--	--	--	
Administrative expenses	(17,465)	(2,304)	(13,483)	
Transfers between funds	366,619	(1,047,215)	1,372,062	
Total deductions, net	(4,214,660)	(1,789,853)	(1,800,966)	
Net assets available for benefits:				
Beginning of year	46,184,063	9,275,788	33,079,502	
End of year	\$ 47,706,317	8,894,251	43,473,942	

See accompanying notes to financial statements.

Participant directed				Non-participant directed
MSIF Trust U.S. Mid Cap	Harbor Capital	Davis New York Company	Participant	

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Value Portfolio	Appreciation Fund	Venture Fund	Common Stock Fund	Loan Fund	ESOP Fund
530,335	213,241	517,921	4,073,405	--	60,408,089
375	3,597	17,875	64,820	--	893,746
530,710	216,838	535,796	4,138,225	--	61,301,835
(126,434)	(99,244)	(141,760)	(720,467)	5,111,588	--
47,546	60,036	76,911	643,516	(3,619,880)	--
(78,888)	(39,208)	(64,849)	(76,951)	1,491,708	--
415,384	447,657	531,060	2,078,090	--	--
--	--	--	--	--	4,930,044
415,384	447,657	531,060	2,078,090	--	4,930,044
867,206	625,287	1,002,007	6,139,364	1,491,708	66,231,879
(202,391)	(170,585)	(173,630)	(1,764,163)	(904,013)	(23,427,375)
--	--	--	--	--	(477,231)
(310)	(390)	(396)	(6,203)	--	(315,809)
1,596,469	1,037,120	1,915,637	(1,945,723)	--	(6,687,036)
1,393,768	866,145	1,741,611	(3,716,089)	(904,013)	(30,907,451)
1,038,422	867,010	1,257,505	15,188,091	7,927,586	179,979,504
3,299,396	2,358,442	4,001,123	17,611,366	8,515,281	215,303,932

7

DARDEN SAVINGS PLAN

Statement of Changes in Net Assets Available for Benefits with Fund Information

Year ended April 30, 2003

Participant directed			
American Express Trust Stable	Pimco Total Return	American Express Trust Equity	T. P. Sm

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	Capital Fund II	Fund	Index Fund I	St
Additions to net assets attributed to:				
Investment income (loss):				
Net appreciation (depreciation) in fair value of investments	\$ 2,114,042	192,987	(4,867,336)	(
Dividends and interest	617	545,101	--	
Net investment income (loss)	2,114,659	738,088	(4,867,336)	(
Participant loan activity during the year:				
Withdrawals	(1,266,233)	(397,904)	(1,222,024)	
Repayments (including interest)	868,875	205,051	1,059,239	
Total loan activity	(397,358)	(192,853)	(162,785)	
Contributions:				
Participants	4,150,045	1,361,373	5,099,814	
Employer	--	--	--	
Total contributions	4,150,045	1,361,373	5,099,814	
Total additions, net	5,867,346	1,906,608	69,693	(
Deductions from net assets attributed to:				
Benefits paid to participants	(4,547,727)	(641,565)	(2,490,221)	
Interest expense	--	--	--	
Administrative expenses	(44,221)	(4,372)	(9,336)	
Transfers between funds	4,691,620	2,647,871	(1,264,229)	
Total deductions, net	99,672	2,001,934	(3,763,786)	
Net assets available for benefits:				
Beginning of year	40,217,045	5,367,246	36,773,595	
End of year	\$ 46,184,063	9,275,788	33,079,502	

See accompanying notes to financial statements.

Participant directed					Non-participant directed
MSIF Trust		Davis New		Participant	
U.S. Mid Cap Value Portfolio	Harbor Capital Appreciation Fund	York Venture Fund	Company Common Stock Fund	Loan Fund	ESOP Fund

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(194,741)	(130,675)	(94,029)	(7,188,326)	--	(116,271,567)
--	1,279	6,201	53,382	--	1,019,378
(194,741)	(129,396)	(87,828)	(7,134,944)	--	(115,252,189)
(26,632)	(44,923)	(55,620)	(1,200,985)	5,391,107	--
19,844	29,058	33,990	750,400	(3,337,996)	--
(6,788)	(15,865)	(21,630)	(450,585)	2,053,111	--
308,978	355,294	364,534	2,413,070	--	--
--	--	--	--	--	4,530,363
308,978	355,294	364,534	2,413,070	--	4,530,363
107,449	210,033	255,076	(5,172,459)	2,053,111	(110,721,826)
(40,026)	(38,001)	(39,326)	(1,674,269)	(704,245)	(23,085,364)
--	--	--	--	--	(719,696)
(59)	(81)	(175)	(6,443)	--	(564,044)
151,366	118,990	256,518	216,292	--	(6,085,492)
111,281	80,908	217,017	(1,464,420)	(704,245)	(30,454,596)
819,692	576,069	785,412	21,824,970	6,578,720	321,155,926
1,038,422	867,010	1,257,505	15,188,091	7,927,586	179,979,504

9

DARDEN SAVINGS PLAN

Notes to Financial Statements

April 30, 2004 and 2003

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

The Plan, as amended, was originally established in June 1973. The Plan covers certain employees of Darden Restaurants, Inc.'s operating and administrative subsidiaries, and their divisions and affiliates (collectively, the Company) who are 21 or over, regardless of their length

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of service. The Plan also allows allocation of Company shares in the ESOP Fund (an employee stock ownership plan which is a component of the Plan) for payment of incentive bonuses earned by certain restaurant management and Restaurant Support Center administrative employees that have five years of service with the Company. 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.

Effective June 2002, the Plan allows participants to immediately transfer ESOP funds credited to their accounts to any of the Plan's other investment funds. The Plan was amended to change the maximum Company variable contribution from 100% to 120% effective July 2002. Effective January 2004, the plan was amended to allow employees other than qualified managers to contribute up to 25% of their eligible compensation each year. Effective April 29, 2004, the deferral limit for qualified managers was also raised to 25% of eligible pay.

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; 50% of their vested account balance; an amount which would result in loan repayments not to exceed 50% of the participant's 13 week average net take-home pay; or the vested balance in the participant's account excluding amounts in the ESOP Fund. Loan transactions are accounted for as a transfer to (from) the investment fund from (to) the Participant Loan Fund. 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.

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

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distribution of the total value of his or her account. If that participant had a vested account balance as of June 1, 1990, he or she may elect monthly installments not to exceed 120 months. 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 \$5,000 or less. Terminating participants having vested account balances greater than \$5,000 may elect either 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 annual fees to terminated participants who leave their accounts in the Plan. All benefits are recorded when paid.

Trustee and administrative duties of the Plan are being performed by American Express Trust Company.

### (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:

- o Dividends and interest, net realized and unrealized gains or losses and administrative expenses of the American Express Trust Stable Capital Fund II, Pimco Total Return Fund, American Express Trust Equity Index Fund I, T. Rowe Price Small Cap Stock Fund, EuroPacific Growth Fund, MSIF Trust U.S. Mid Cap Value Portfolio, Harbor Capital Appreciation Fund, and the Davis New York Venture 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
- o 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. Fair value is determined by quoted market prices. Short-term investments are stated at cost, which approximates fair value. Participant loans are valued at amortized cost which approximates fair value.

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 the amounts reported in the Plan's financial statements and schedules.

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## Notes to Financial Statements

April 30, 2004 and 2003

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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.

(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 previously forfeited amounts to rehired employees and cover Company matching contributions. During the 2004 and 2003 Plan years, \$258,437 and \$419,458, respectively, of forfeitures were used to cover administrative expenses of the Plan. No forfeited funds were used to cover Company contributions.

(4) Choice of Investments

Participant contributions to the Plan may be directed to nine basic investment alternatives: American Express Trust Stable Capital Fund II, Pimco Total Return Fund, American Express Trust Equity Index Fund I, T. Rowe Price Small Cap Stock Fund, EuroPacific Growth Fund, MSIF Trust U.S. Mid Cap Value Portfolio, Harbor Capital Appreciation Fund, Davis New York Venture 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, 2004 and 2003:

Investments at fair value:	2004	2003
	-----	-----
American Express Trust Stable Capital Fund II, 2,703,766 shares at April 30, 2004 and 2003, respectively	\$ 47,634,949	46,184,063
American Express Trust Equity Index Fund I, 1,286,757 and 1,202,803 shares at April 30, 2004 and 2003, respectively	43,389,436	33,079,502
T. Rowe Price Small Cap Stock Fund, 881,215 and 800,927 shares at April 30, 2004 and 2003, respectively	25,044,144	17,588,346
Common stock of Darden Restaurants, Inc. (including \$243,498,531 and \$213,650,467 of non-participant directed funds at April 30, 2004 and 2003, respectively), 11,493,331 and 13,047,999 shares at April 30, 2004 and 2003, respectively	260,438,881	228,470,463

## DARDEN SAVINGS PLAN

## Notes to Financial Statements

April 30, 2004 and 2003

## (6) Company Common Stock Fund

Amounts in the Company Common Stock Fund are invested in the common stock of Darden Restaurants, Inc. At April 30, 2004 and 2003, the fair value of the shares held in participant directed accounts was \$16,940,350 (747,588 shares) and \$14,819,996 (846,373 shares), respectively. Participants should refer to the consolidated financial statements of Darden Restaurants, Inc. 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, 2004, the ESOP Fund consists of 10,745,743 shares of the Company's common stock. Of the total shares held by the ESOP Fund, 4,310,131 shares of Company common stock have been allocated to individual participant accounts. The remaining 6,435,612 shares of Company common stock are 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, 2004, the fair value of the 6,435,612 unallocated Company shares was \$145,830,974 and the fair value of the 4,310,131 allocated shares was \$97,667,557. At April 30, 2003, the fair value of the 7,634,040 unallocated Company shares was \$133,672,034 and the fair value of the 4,567,586 allocated shares was \$79,978,433.

The ESOP Fund has two promissory notes payable to Darden Restaurants, Inc., with outstanding principal balances of \$12,518,000 and \$16,900,000 as of April 30, 2004 and \$17,550,000 and \$16,900,000 as of April 30, 2003. The notes bear interest at variable rates payable on a monthly or bi-monthly basis at the discretion of the Company. As of April 30, 2004 and 2003, the interest rate was 1.425 percent and 1.635 percent, respectively. No principal payments on the notes are required until the due dates, December 31, 2007 and December 15, 2014, respectively. Any or all of the principal may be prepaid at any time. For the years ended April 30, 2004 and 2003, the ESOP Fund made principal payments of \$5,032,000 and \$4,690,000, respectively.

## (8) Related Party Transactions

Certain plan investments are units of participation in common trust funds and shares of mutual funds managed by American Express Trust Company. As mentioned in Note 1, American Express Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. The Company pays the American Express Trust



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Company's administrative and trustee fees. Such fees, net of plan forfeitures and fees paid by terminated participants used to cover plan expense, were \$594,214 and \$273,520 for the years ended April 30, 2004 and 2003, respectively.

13

(Continued)

### DARDEN SAVINGS PLAN

#### Notes to Financial Statements

April 30, 2004 and 2003

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 annual fees. Therefore, these transactions also qualify as party-in-interest transactions. Annual fees paid by participants were \$37,492 and \$0 for the years ended April 30, 2004 and 2003, 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:

	2004	2003
Net assets available for benefits per the accompanying financial statements	\$ 392,453,103	322,213,307
Due to plan participants	(175,755)	(75,637)
Deemed loans	(92,116)	--
	\$ 392,185,232	322,137,670
Net assets available for benefit per Form 5500	\$ 392,185,232	322,137,670
	=====	=====

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

	2004	2003
Total additions per the accompanying financial statements	\$ 108,902,793	106,805,590
Interest income on deemed distributed loans	2,584	--
	\$ 108,905,377	106,805,590
Total additions per Form 5500	\$ 108,905,377	106,805,590
	=====	=====

The following is a reconciliation of benefits paid to participants per the accompanying financial statements to the Form 5500:

	2004	2003
Total deductions per the accompanying financial statements	\$ 38,662,997	36,545,211
Amounts allocated to withdrawing participants at end of year	175,755	75,637

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Amounts allocated to withdrawing participants at beginning of year	(75,637)	(463,490)
Deemed distributed loans offset by total distributions	(10,932)	--
Change in deemed loans	105,632	--
	-----	-----
Total deductions per Form 5500	\$ 38,857,815	36,157,358
	=====	=====

14

(Continued)

DARDEN SAVINGS PLAN

Notes to Financial Statements

April 30, 2004 and 2003

(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. 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, 2004. 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 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.

15

(Continued)

Schedule 1

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DARDEN SAVINGS PLAN

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

April 30, 2004

Issuer	Face amount or number of units	Cost
Common stock of Darden Restaurants, Inc.*	11,493,331	\$ 54,204,898
American Express Trust Stable Capital Fund II*	2,703,766	42,465,742
Pimco Total Return Fund	831,455	8,946,843
American Express Trust Equity Index Fund I*	1,286,757	42,204,594
T. Rowe Price Small Cap Stock Fund	881,215	20,847,005
EuroPacific Growth Fund	519,955	15,105,791
MSIF Trust U.S. Mid Cap Value Portfolio	160,935	2,903,077
Harbor Capital Appreciation Fund	90,381	2,298,991
Davis New York Venture Fund	142,182	3,486,167
Participant Loans outstanding - interest rates ranging from 5.00% - 10.5% with varying maturities*	2,128	--
American Express Trust Company Short-term Investment Fund*	1,027,345	1,027,345

\*Party-in-interest

See accompanying independent auditors' report.

16

Schedule 2

DARDEN SAVINGS PLAN

Schedule H, line 4j - Schedule of Reportable Transactions

Year ended April 30, 2004

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

Issuer/Description	Purchases		Sales	
	Number	Amount	Number	Amount
American Express Trust Company Short-term Investment Fund*	273	\$ 22,338,486	410	\$ 21,861,414
Common stock of Darden Restaurants, Inc.*	85	1,797,762	130	33,761,167

\*Party-in-interest

See accompanying independent auditors' report.

17

### 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 25, 2004

By: /s/ Linda J. Dimopoulos

-----  
Linda J. Dimopoulos, Chairman  
Benefit Plan Financial Committee  
Darden Restaurants, Inc.

EXHIBIT INDEX

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