

Five-Year Financial Summary

Financial Review 2011

<i>(In millions, except per share data)</i>	Fiscal Year Ended				
	May 29, 2011	May 30, 2010	May 31, 2009 ⁽²⁾	May 26, 2008	May 27, 2007
Operating Results⁽³⁾					
Sales	\$ 7,500.2	\$ 7,113.1	\$ 7,217.5	\$ 6,626.5	\$ 5,567.1
Costs and expenses:					
Cost of sales:					
Food and beverage	\$ 2,173.6	\$ 2,051.2	\$ 2,200.3	\$ 1,996.2	\$ 1,616.1
Restaurant labor	\$ 2,396.9	\$ 2,350.6	\$ 2,308.2	\$ 2,124.7	\$ 1,808.2
Restaurant expenses	\$ 1,129.0	\$ 1,082.2	\$ 1,128.4	\$ 1,017.8	\$ 834.5
Total cost of sales, excluding restaurant depreciation and amortization ⁽⁴⁾	\$ 5,699.5	\$ 5,484.0	\$ 5,636.9	\$ 5,138.7	\$ 4,258.8
Selling, general and administrative	\$ 738.0	\$ 684.5	\$ 665.6	\$ 641.7	\$ 534.6
Depreciation and amortization	\$ 316.8	\$ 300.9	\$ 283.1	\$ 245.7	\$ 200.4
Interest, net	\$ 93.6	\$ 93.9	\$ 107.4	\$ 85.7	\$ 40.1
Asset impairment, net	\$ 4.7	\$ 6.2	\$ 12.0	\$ -	\$ 2.4
Total costs and expenses	\$ 6,852.6	\$ 6,569.5	\$ 6,705.0	\$ 6,111.8	\$ 5,036.3
Earnings before income taxes	\$ 647.6	\$ 543.6	\$ 512.5	\$ 514.7	\$ 530.8
Income taxes	\$ (168.9)	\$ (136.6)	\$ (140.7)	\$ (145.2)	\$ (153.7)
Earnings from continuing operations	\$ 478.7	\$ 407.0	\$ 371.8	\$ 369.5	\$ 377.1
(Losses) earnings from discontinued operations, net of tax (benefit) expense of \$(1.5), \$(1.5), \$0.2, \$3.0, and \$(112.9)	\$ (2.4)	\$ (2.5)	\$ 0.4	\$ 7.7	\$ (175.7)
Net earnings	\$ 476.3	\$ 404.5	\$ 372.2	\$ 377.2	\$ 201.4
Basic net earnings per share:					
Earnings from continuing operations	\$ 3.50	\$ 2.92	\$ 2.71	\$ 2.63	\$ 2.63
(Losses) earnings from discontinued operations	\$ (0.02)	\$ (0.02)	\$ -	\$ 0.06	\$ (1.23)
Net Earnings	\$ 3.48	\$ 2.90	\$ 2.71	\$ 2.69	\$ 1.40
Diluted net earnings per share:					
Earnings from continuing operations	\$ 3.41	\$ 2.86	\$ 2.65	\$ 2.55	\$ 2.53
(Losses) earnings from discontinued operations	\$ (0.02)	\$ (0.02)	\$ -	\$ 0.05	\$ (1.18)
Net Earnings	\$ 3.39	\$ 2.84	\$ 2.65	\$ 2.60	\$ 1.35
Average number of common shares outstanding:					
Basic	136.8	139.3	137.4	140.4	143.4
Diluted	140.3	142.4	140.4	145.1	148.8
Financial Position					
Total assets ⁽¹⁾	\$ 5,466.6	\$ 5,276.1	\$ 5,056.6	\$ 4,761.1	\$ 2,908.7
Land, buildings and equipment, net	\$ 3,622.0	\$ 3,403.7	\$ 3,306.7	\$ 3,066.0	\$ 2,184.4
Working capital (deficit) ⁽¹⁾	\$ (623.0)	\$ (519.6)	\$ (493.8)	\$ (631.1)	\$ (491.2)
Long-term debt, less current portion	\$ 1,407.3	\$ 1,408.7	\$ 1,632.3	\$ 1,634.3	\$ 491.6
Stockholders' equity	\$ 1,936.2	\$ 1,894.0	\$ 1,606.0	\$ 1,409.1	\$ 1,094.5
Stockholders' equity per outstanding shares	14.38	13.47	11.53	10.03	7.74
Other Statistics					
Cash flow from operations ⁽²⁾⁽³⁾	\$ 894.7	\$ 903.4	\$ 783.5	\$ 766.8	\$ 569.8
Capital expenditures ⁽³⁾⁽⁵⁾	\$ 547.7	\$ 432.1	\$ 535.3	\$ 1,627.3	\$ 345.2
Dividends paid	\$ 175.5	\$ 140.0	\$ 110.2	\$ 100.9	\$ 65.7
Dividends paid per share	1.28	1.00	0.80	0.72	0.46
Advertising expense ⁽²⁾⁽³⁾	340.2	311.9	308.3	257.8	230.0
Stock price:					
High	52.12	49.01	40.26	47.08	45.88
Low	37.08	29.94	13.54	20.99	33.29

Close	\$	50.92	\$	42.90	\$	36.17	\$	31.74	\$	45.32
Number of employees		178,380		174,079		178,692		178,200		156,500
Number of restaurants ⁽³⁾		1,894		1,824		1,773		1,702		1,324

(1) Amounts for fiscal years 2007 - 2010 have been adjusted to reflect our workers compensation and general liability and gift card fee reclassifications. See note 1 to our consolidated financial statements in our 10/K.

(2) Fiscal year 2009 consisted of 53 weeks while all other fiscal years consisted of 52 weeks.

(3) Consistent with our consolidated financial statements, information has been presented on a continuing operations basis. Accordingly, the activities related to Smokey Bones, Rocky River Grillhouse and the nine Bahama Breeze restaurants closed or sold in fiscal 2007 and 2008 have been excluded.

(4) Excludes restaurant depreciation and amortization of

\$	295.6	\$	283.4	\$	267.1	\$	230.0	\$	186.4
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(5) Fiscal 2008 includes net cash used in the acquisition of RARE Hospitality International, Inc. of \$1.20 billion in addition to \$429.2 million of capital expenditures related principally to building new restaurants and replacing old restaurants and equipment.