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**DARDEN RESTAURANTS REPORTS FISCAL 2018 FIRST QUARTER RESULTS AND
REAFFIRMS FINANCIAL OUTLOOK FOR THE FULL FISCAL YEAR**

ORLANDO, Fla., Sept. 26, 2017 /PRNewswire/ -- Darden Restaurants, Inc., (NYSE:DRI) today reported its financial results for the first quarter ended August 27, 2017.

First Quarter 2018 Financial Highlights, Comparisons Versus Same Fiscal Quarter Last Year

- Total sales increased 12.9% to \$1.94 billion, including 11.2% growth from the addition of 141 Cheddar's Scratch Kitchen restaurants and 21 other net new restaurants
- Blended same-restaurant sales from Darden's legacy brands increased 1.7%
 - +1.9% for Olive Garden +2.0% for The Capital Grille -0.4% for Yard House
 - +2.6% for LongHorn Steakhouse +2.5% for Eddie V's -2.2% for Seasons 52
 - +1.2% for Bahama Breeze
- Same-restaurant sales for Cheddar's Scratch Kitchen were -1.4%
- Reported diluted net earnings per share from continuing operations increased 8.0% to \$0.95 and were negatively impacted by approximately \$0.04 related to Cheddar's Scratch Kitchen integration expenses
- Adjusted diluted net earnings per share from continuing operations increased 12.5% to \$0.99*
- The Company repurchased approximately \$100 million of its outstanding common stock

* See "Non-GAAP Information" below for more details

"Our focus on simplifying operations and providing an excellent value for our core consumer continues to yield strong sales growth," said CEO Gene Lee. "The teams continue to make appropriate investments in their brands and manage costs effectively. These actions have enabled Darden to outperform the industry."

Segment Performance

Segment profit represents sales, less costs for food and beverage, restaurant labor, restaurant expenses and marketing expenses.

(\$ in millions)	Q1 Sales			Q1 Segment Profit		
	2018	2017	% Change	2018	2017	% Change
Consolidated Darden	\$1,936.1	\$1,714.4	12.9%			
Olive Garden	\$989.9	\$961.2	3.0%	\$199.1	\$186.3	6.9%
LongHorn Steakhouse	\$404.5	\$386.3	4.7%	\$63.6	\$60.1	5.8%
Fine Dining	\$122.2	\$114.2	7.0%	\$19.2	\$16.9	13.6%
Other Business	\$419.5	\$252.7	66.0%	\$65.9	\$44.7	47.4%

U.S. Same-Restaurant Sales Results

	Q1	
	Olive Garden	LongHorn Steakhouse
Same-Restaurant Sales	1.9%	2.6%
Same-Restaurant Traffic	(0.3)%	0.1%
Pricing	1.5%	1.5%
Menu-mix	0.7%	1.0%

Share Repurchase Program

During the quarter, the Company repurchased approximately 1.2 million shares of its common stock for a total cost of approximately \$100 million. As of the end of the fiscal first quarter, the Company had approximately \$370 million remaining under the current \$500 million repurchase authorization.

Fiscal 2018 Financial Outlook

The Company reaffirmed its outlook for total sales growth of 11.5% to 13% driven by the addition of Cheddar's Scratch Kitchen and other new restaurant openings and same-restaurant sales growth from legacy Darden brands of approximately 1.0% to 2.0%. The Company also reaffirmed adjusted diluted net earnings per share from continuing operations is expected to be in the range of \$4.38 to \$4.50.* This financial outlook includes the expected full financial impact of Hurricanes Harvey and Irma.

* See "Non-GAAP Information" below for more details

Investor Conference Call

The Company will host a conference call and slide presentation on Tuesday, September 26 at 8:30 am ET to review its recent financial performance and reaffirm its financial outlook for the full fiscal year. To listen to the call live, please go to <https://www.webcaster4.com/Webcast/Page/1007/22469> at least fifteen minutes early to register, download, and install any necessary audio software. Prior to the call, a slide presentation will be posted on the Investor Relations section of our website at: www.darden.com. For those who cannot access the Internet, please dial 1-888-603-9230 and enter passcode 9992959. For those who cannot listen to the live broadcast, a replay will be available shortly after the call.

About Darden

Darden is a restaurant company featuring a portfolio of differentiated brands that include Olive Garden, LongHorn Steakhouse, Cheddar's Scratch Kitchen, Yard House, The Capital Grille, Seasons 52, Bahama Breeze and Eddie V's. Our people equal our success, and we are proud to employ more than 175,000 team members in over 1,700 restaurants. Together, we create memorable experiences for 380 million guests each year in communities across North America. For more information, please visit www.darden.com.

Information about Forward-Looking Statements

Forward-looking statements in this communication regarding our expected earnings performance and all other statements that are not historical facts, including without limitation statements concerning our future economic performance, are made under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Any forward-looking statements speak only as of the date on which such statements are first made, and we undertake no obligation to update such statements to reflect events or circumstances arising after such date. We wish to caution investors not to place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to materially differ from those anticipated in the statements. The most significant of these uncertainties are described in Darden's Form 10-K, Form 10-Q and Form 8-K reports. These risks and uncertainties include the ability to successfully integrate Cheddar's Scratch Kitchen operations into our business, technology failures including failure to maintain a secure cyber network, food safety and food-borne illness concerns, litigation, unfavorable publicity, risks relating to public policy changes and federal, state and local regulation of our business, long-term and non-cancelable property leases, labor and insurance costs, failure to execute a business continuity plan following a disaster, health concerns

including food-related pandemics or virus outbreaks, intense competition, failure to drive profitable sales growth, a lack of availability of suitable locations for new restaurants, higher-than-anticipated costs to open, close, relocate or remodel restaurants, an inability or failure to manage the accelerated impact of social media, a failure to execute innovative marketing tactics, a failure to develop and recruit effective leaders, a failure to address cost pressures, shortages or interruptions in the delivery of food and other products and services, adverse weather conditions and natural disasters, volatility in the market value of derivatives, economic factors specific to the restaurant industry and general macroeconomic factors including interest rates, disruptions in the financial markets, risks of doing business with franchisees, licensees and vendors in foreign markets, failure to protect our intellectual property, impairment in the carrying value of our goodwill or other intangible assets, failure of our internal controls over financial reporting and other factors and uncertainties discussed from time to time in reports filed by Darden with the Securities and Exchange Commission.

Non-GAAP Information

The information in this press release includes financial information determined by methods other than in accordance with U.S. generally accepted accounting principles (“GAAP”), such as adjusted diluted net earnings per share from continuing operations. The Company’s management uses these non-GAAP measures in its analysis of the Company’s performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company’s businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of these non-GAAP measures are included in this release.

Fiscal Q1 Reported to Adjusted Earnings Reconciliation

	Q1 2018				Q1 2017			
	Earnings Before Income Tax	Income Tax Expense	Net Earnings	Diluted Net Earnings Per Share	Earnings Before Income Tax	Income Tax Expense	Net Earnings	Diluted Net Earnings Per Share
\$ in millions, except EPS								
Reported Earnings from Continuing Operations	\$159.5	\$38.2	\$121.3	\$0.95	\$151.4	\$40.3	\$111.1	\$0.88
% Change vs Prior Year				8.0%				
Adjustments:								
Cheddar's integration expenses	6.4	2.2	4.2	0.04	—	—	—	—
Adjusted Earnings from Continuing Operations	\$165.9	\$40.4	\$125.5	\$0.99	\$151.4	\$40.3	\$111.1	\$0.88
% Change vs Prior Year				12.5%				

Reconciliation of Fiscal 2018 Reported to Adjusted Earnings Outlook

	2018	
Reported diluted net earnings per share from continuing operations	\$4.30	to \$4.44
Cheddar's integration expenses	0.13	0.10
Income tax expense	(0.05)	(0.04)
Adjusted diluted net earnings per share from continuing operations	\$4.38	to \$4.50

DARDEN RESTAURANTS, INC.
NUMBER OF COMPANY-OWNED RESTAURANTS

	<u>8/27/17</u>	<u>8/28/16</u>
Olive Garden ¹	847	843
LongHorn Steakhouse	491	483
Cheddar's Scratch Kitchen	141	—
Yard House	68	65
The Capital Grille	56	56
Bahama Breeze	38	36
Seasons 52	41	40
Eddie V's	19	16
Darden Continuing Operations	<u>1,701</u>	<u>1,539</u>

¹Includes six locations in Canada for all periods presented.

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DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(In millions, except per share data)
(Unaudited)

	Three Months Ended	
	8/27/2017	8/28/2016
Sales	\$ 1,936.1	\$ 1,714.4
Costs and expenses:		
Food and beverage	555.2	493.2
Restaurant labor	624.2	545.8
Restaurant expenses	342.9	303.7
Marketing expenses	66.0	63.7
General and administrative expenses	98.0	87.7
Depreciation and amortization	76.1	66.8
Impairments and disposal of assets, net	(0.8)	(7.8)
Total operating costs and expenses	\$ 1,761.6	\$ 1,553.1
Operating income	174.5	161.3
Interest, net	15.0	9.9
Earnings before income taxes	159.5	151.4
Income tax expense	38.2	40.3
Earnings from continuing operations	\$ 121.3	\$ 111.1
Losses from discontinued operations, net of tax benefit of \$(1.0) and \$(0.7), respectively	(2.3)	(0.9)
Net earnings	\$ 119.0	\$ 110.2
Basic net earnings per share:		
Earnings from continuing operations	\$ 0.97	\$ 0.89
Losses from discontinued operations	(0.02)	(0.01)
Net earnings	\$ 0.95	\$ 0.88
Diluted net earnings per share:		
Earnings from continuing operations	\$ 0.95	\$ 0.88
Losses from discontinued operations	(0.02)	(0.01)
Net earnings	\$ 0.93	\$ 0.87
Average number of common shares outstanding:		
Basic	125.2	124.9
Diluted	127.3	126.7

DARDEN RESTAURANTS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions)

	8/27/2017	5/28/2017
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 146.8	\$ 233.1
Receivables, net	57.6	75.9
Inventories	176.3	178.9
Prepaid income taxes	2.9	6.2
Prepaid expenses and other current assets	88.3	80.6
Assets held for sale	11.1	13.2
Total current assets	\$ 483.0	\$ 587.9
Land, buildings and equipment, net	2,318.8	2,272.3
Goodwill	1,172.2	1,201.7
Trademarks	950.2	950.2
Other assets	299.3	280.2
Total assets	\$ 5,223.5	\$ 5,292.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 256.8	\$ 249.5
Accrued payroll	123.9	149.1
Accrued income taxes	11.5	1.9
Other accrued taxes	61.9	54.2
Unearned revenues	353.1	388.6
Other current liabilities	451.1	445.9
Total current liabilities	\$ 1,258.3	\$ 1,289.2
Long-term debt	936.6	936.6
Deferred income taxes	151.9	145.6
Deferred rent	292.1	282.8
Other liabilities	525.9	536.4
Total liabilities	\$ 3,164.8	\$ 3,190.6
Stockholders' equity:		
Common stock and surplus	\$ 1,619.8	\$ 1,614.6
Retained earnings	515.0	560.1
Treasury stock	(7.8)	(7.8)
Accumulated other comprehensive income (loss)	(66.1)	(62.9)
Unearned compensation	(2.2)	(2.3)
Total stockholders' equity	\$ 2,058.7	\$ 2,101.7
Total liabilities and stockholders' equity	\$ 5,223.5	\$ 5,292.3

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended	
	8/27/2017	8/28/2016
Cash flows—operating activities		
Net earnings	\$ 119.0	\$ 110.2
Losses from discontinued operations, net of tax	2.3	0.9
Adjustments to reconcile net earnings from continuing operations to cash flows:		
Depreciation and amortization	76.1	66.8
Stock-based compensation expense	8.4	6.2
Change in current assets and liabilities and other, net	(26.4)	(11.0)
Net cash provided by operating activities of continuing operations	<u>\$ 179.4</u>	<u>\$ 173.1</u>
Cash flows—investing activities		
Purchases of land, buildings and equipment	(95.7)	(60.1)
Proceeds from disposal of land, buildings and equipment	2.9	3.8
Purchases of capitalized software and changes in other assets, net	(3.9)	(6.8)
Net cash used in investing activities of continuing operations	<u>\$ (96.7)</u>	<u>\$ (63.1)</u>
Cash flows—financing activities		
Proceeds from issuance of common stock	15.8	3.3
Income tax benefits credited to equity	—	0.6
Dividends paid	(79.1)	(70.5)
Repurchases of common stock	(100.2)	(195.6)
ESOP note receivable repayment	0.1	0.1
Principal payments on capital and financing leases	(1.0)	(1.0)
Net cash used in financing activities of continuing operations	<u>\$ (164.4)</u>	<u>\$ (263.1)</u>
Cash flows—discontinued operations		
Net cash used in operating activities of discontinued operations	(4.6)	(7.0)
Net cash used in discontinued operations	<u>\$ (4.6)</u>	<u>\$ (7.0)</u>
Decrease in cash and cash equivalents	(86.3)	(160.1)
Cash and cash equivalents - beginning of period	233.1	274.8
Cash and cash equivalents - end of period	<u>\$ 146.8</u>	<u>\$ 114.7</u>