

**BRINKER INTERNATIONAL, INC.**
**Statement of Income**
**Q1 & Q2 Fiscal 2017**

(In thousands)

	Q1 F17 Reported	%	Special Items (a)	Q1 F17 Adjusted	%	Q2 F17 Reported	%	Special Items (a)	Q2 F17 Adjusted	%
Revenues:										
Company Sales	\$ 737,410	97.2%	\$ -	\$ 737,410	97.2%	\$ 748,709	97.1%	\$ -	\$ 748,709	97.1%
Franchise and Other Revenues <sup>(1)</sup>	21,082	2.8%	-	21,082	2.8%	22,334	2.9%	-	22,334	2.9%
Total Revenues	<u>758,492</u>	100.0%	<u>-</u>	<u>758,492</u>	100.0%	<u>771,043</u>	100.0%	<u>-</u>	<u>771,043</u>	100.0%
Operating Costs and Expenses:										
Company Restaurants (excluding depreciation and amortization):										
Cost of Sales <sup>(2)</sup>	192,302	26.1%		192,302	26.1%	193,537	25.8%		193,537	25.8%
Restaurant Labor <sup>(2)</sup>	250,570	34.0%		250,570	34.0%	248,692	33.3%		248,692	33.3%
Restaurant Expenses <sup>(2)</sup>	<u>196,643</u>	26.6%		<u>196,643</u>	26.6%	<u>193,131</u>	25.8%		<u>193,131</u>	25.8%
Company Restaurant Expenses	639,515	86.7%		639,515	86.7%	635,360	84.9%		635,360	84.9%
Depreciation and Amortization <sup>(3)</sup>	38,886	5.1%		38,886	5.1%	39,305	5.1%		39,305	5.1%
General and Administrative <sup>(3)</sup>	32,537	4.3%		32,537	4.3%	33,546	4.4%		33,546	4.4%
Other Gains and Charges <sup>(3)</sup>	<u>6,078</u>	0.8%	<u>(6,078)</u>	<u>-</u>	0.0%	<u>1,306</u>	0.2%	<u>(1,306)</u>	<u>-</u>	0.0%
Total Operating Costs and Expenses	<u>717,016</u>	94.5%	<u>(6,078)</u>	<u>710,938</u>	93.7%	<u>709,517</u>	92.0%	<u>(1,306)</u>	<u>708,211</u>	91.9%
Operating Income	41,476	5.5%	6,078	47,554	6.3%	61,526	8.0%	1,306	62,832	8.1%
Interest Expense	8,809	1.2%		8,809	1.2%	13,641	1.8%		13,641	1.8%
Other, Net	<u>(299)</u>	0.0%		<u>(299)</u>	0.0%	<u>(383)</u>	-0.1%		<u>(383)</u>	-0.1%
Income Before Provision for Income Taxes	32,966	4.3%	6,078	39,044	5.1%	48,268	6.3%	1,306	49,574	6.4%
Provision for Income Taxes	<u>9,733</u>	29.5%	<u>2,325</u>	<u>12,058</u>	30.9%	<u>13,631</u>	28.2%	<u>323</u>	<u>13,954</u>	28.1%
Net Income	<u>\$ 23,233</u>	3.1%	<u>\$ 3,753</u>	<u>\$ 26,986</u>	3.6%	<u>\$ 34,637</u>	4.5%	<u>\$ 983</u>	<u>\$ 35,620</u>	4.6%
Basic Earnings per Share	\$ 0.42		\$ 0.07	\$ 0.49		\$ 0.70		\$ 0.02	\$ 0.71	
Diluted Earnings per Share	\$ 0.42		\$ 0.07	\$ 0.49		\$ 0.69		\$ 0.02	\$ 0.71	
Basic Weighted Average Shares	54,844		54,844	54,844		49,833		49,833	49,833	
Diluted Weighted Average Shares	55,576		55,576	55,576		50,480		50,480	50,480	

(a) Non - GAAP information excluding the impact of Special Items is provided to allow the reader to gain insight into the company's ongoing operations.

<sup>(1)</sup> Franchise and other revenues primarily includes royalties, development fees, franchise fees, Maggiano's banquet service charge income, gift card breakage and discounts, digital entertainment revenue, Chili's retail food product royalties and delivery fee income.

<sup>(2)</sup> As a percentage of company sales

<sup>(3)</sup> As a percentage of total revenues

**BRINKER INTERNATIONAL, INC.**
**Statement of Income**
**Q3 & Q4 Fiscal 2017**

(In thousands)

	Q3 F17 Reported	%	Special Items (a)	Q3 F17 Adjusted	%	Q4 F17 Reported	%	Special Items (a)	Discrete Tax Items (b)	Q4 F17 Adjusted	%
Revenues:											
Company Sales	\$ 790,624	97.5%		\$ 790,624	97.5%	\$ 785,836	96.9%			\$ 785,836	96.9%
Franchise and Other Revenues <sup>(1)</sup>	20,017	2.5%		20,017	2.5%	24,825	3.1%			24,825	3.1%
Total Revenues	<u>810,641</u>	100.0%		<u>810,641</u>	100.0%	<u>810,661</u>	100.0%			<u>810,661</u>	100.0%
Operating Costs and Expenses:											
Company Restaurants (excluding depreciation and amortization):											
Cost of Sales <sup>(2)</sup>	201,903	25.5%		201,903	25.5%	203,579	25.9%			203,579	25.9%
Restaurant Labor <sup>(2)</sup>	261,632	33.1%		261,632	33.1%	257,051	32.7%			257,051	32.7%
Restaurant Expenses <sup>(2)</sup>	<u>192,372</u>	24.4%		<u>192,372</u>	24.4%	<u>191,364</u>	24.4%			<u>191,364</u>	24.4%
Company Restaurant Expenses	655,907	83.0%		655,907	83.0%	651,994	83.0%			651,994	83.0%
Depreciation and Amortization <sup>(3)</sup>	39,335	4.9%		39,335	4.9%	38,883	4.8%			38,883	4.8%
General and Administrative <sup>(3)</sup>	35,931	4.4%		35,931	4.4%	30,805	3.8%			30,805	3.8%
Other Gains and Charges <sup>(3)</sup>	6,600	0.8%	(6,600)	-	0.0%	8,671	1.1%	(7,207)		1,464	0.2%
Total Operating Costs and Expenses	<u>737,773</u>	91.0%	(6,600)	<u>731,173</u>	90.2%	<u>730,353</u>	90.1%	(7,207)		<u>723,146</u>	89.2%
Operating Income	72,868	9.0%	6,600	79,468	9.8%	80,308	9.9%	7,207		87,515	10.8%
Interest Expense	13,658	1.7%		13,658	1.7%	13,439	1.7%			13,439	1.7%
Other, Net	(402)	-0.1%		(402)	-0.1%	(793)	-0.1%			(793)	-0.1%
Income Before Provision for Income Taxes	59,612	7.4%	6,600	66,212	8.2%	67,662	8.3%	7,207		74,869	9.2%
Provision for Income Taxes	<u>17,243</u>	28.9%	<u>2,525</u>	<u>19,768</u>	29.9%	<u>17,078</u>	25.2%	<u>2,607</u>	1,116	<u>20,801</u>	27.8%
Net Income	<u>\$ 42,369</u>	5.2%	<u>\$ 4,075</u>	<u>\$ 46,444</u>	5.7%	<u>\$ 50,584</u>	6.2%	<u>\$ 4,600</u>	<u>\$ (1,116)</u>	<u>\$ 54,068</u>	6.7%
Basic Earnings per Share	\$ 0.87		\$ 0.08	\$ 0.95		\$ 1.03		\$ 0.10	\$ (0.02)	\$ 1.11	
Diluted Earnings per Share	\$ 0.86		\$ 0.08	\$ 0.94		\$ 1.02		\$ 0.09	\$ (0.02)	\$ 1.09	
Basic Weighted Average Shares	48,954		48,954	48,954		48,917		48,917	48,917	48,917	
Diluted Weighted Average Shares	49,506		49,506	49,506		49,435		49,435	49,435	49,435	

Net Income (after reclass)	\$ 42,369	\$ 4,979	\$ 47,347
Diluted Earnings per Share (after reclass)	\$ 0.86	\$ 0.10	\$ 0.96

(a) Non - GAAP information excluding the impact of Special Items is provided to allow the reader to gain insight into the company's ongoing operations.

(b) Discrete tax items result from the resolution of certain tax positions which directly impacts tax expense.

(1) Franchise and other revenues primarily includes royalties, development fees, franchise fees, Maggiano's banquet service charge income, gift card breakage and discounts, digital entertainment revenue, Chili's retail food product royalties and delivery fee income.

(2) As a percentage of company sales

(3) As a percentage of total revenues

**BRINKER INTERNATIONAL, INC.**
**Statement of Income**
**YTD Q4 Fiscal 2017**

(In thousands)

	YTD Q4 F17 Reported	%	Special Items (a)	Discrete Tax Items (b)	YTD Q4 F17 Adjusted	%
Revenues						
Company Sales	\$ 3,062,579	97.2%			\$ 3,062,579	97.2%
Franchise and Other Revenues <sup>(1)</sup>	88,258	2.8%			88,258	2.8%
Total Revenues	<u>3,150,837</u>	100.0%			<u>3,150,837</u>	100.0%
Operating Costs and Expenses						
Company Restaurants						
Cost of Sales <sup>(2)</sup>	791,321	25.8%			791,321	25.8%
Restaurant Labor <sup>(2)</sup>	1,017,945	33.2%			1,017,945	33.2%
Restaurant Expenses <sup>(2)</sup>	<u>773,510</u>	25.3%			<u>773,510</u>	25.3%
Company Restaurant Expenses	2,582,776	84.3%			2,582,776	84.3%
Depreciation and Amortization <sup>(3)</sup>	156,409	5.0%			156,409	5.0%
General and Administrative <sup>(3)</sup>	132,819	4.2%			132,819	4.2%
Other Gains and Charges <sup>(3)</sup>	<u>22,655</u>	0.7%	<u>(22,655)</u>		<u>-</u>	0.0%
Total Operating Costs and Expenses	<u>2,894,659</u>	91.9%	<u>(22,655)</u>		<u>2,872,004</u>	91.2%
Operating Income	256,178	8.1%	22,655		278,833	8.8%
Interest Expense	49,547	1.6%			49,547	1.6%
Other, Net	<u>(1,877)</u>	-0.1%			<u>(1,877)</u>	-0.1%
Income Before Provision for Income Taxes	208,508	6.6%	22,655		231,163	7.3%
Provision for Income Taxes	<u>57,685</u>	27.7%	<u>8,340</u>	<u>1,116</u>	<u>67,141</u>	29.0%
Net Income	<u>\$ 150,823</u>	4.8%	<u>\$ 14,315</u>	<u>\$ (1,116)</u>	<u>\$ 164,022</u>	5.2%
Basic Earnings per Share	\$ 2.98		\$ 0.28	\$ (0.02)	\$ 3.24	
Diluted Earnings per Share	\$ 2.94		\$ 0.28	\$ (0.02)	\$ 3.20	
Basic Weighted Average Shares	50,638		50,638	50,638	50,638	
Diluted Weighted Average Shares	51,250		51,250	51,250	51,250	

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(1) Franchise and other revenues primarily includes royalties, development fees, franchise fees, Maggiano's banquet service charge income, gift card breakage and discounts, digital entertainment revenue, Chili's retail food product royalties and delivery fee income.

(2) As a percentage of company sales

(3) As a percentage of total revenues