

BRINKER INTERNATIONAL, INC.
Statement of Income
Q1 & Q2 Fiscal 2014
(In thousands)

(Updated October 21, 2014) Beginning in fiscal 2015, income primarily related to Maggiano's delivery is included in Franchise and other revenues. This income was previously included in Restaurant expenses. The fiscal 2014 consolidated statement of income has been adjusted to conform to the fiscal 2015 presentation. This adjustment has no effect on net income previously reported.

	Q1 F14 Reported	%	Special Items (a)	Q1 F14 Adjusted	%	Q2 F14 Reported	%	Special Items (a)	Q2 F14 Adjusted	%
Revenues:										
Company Sales	\$ 664,502	97.1%		\$ 664,502	97.1%	\$ 684,385	97.0%		\$ 684,385	97.0%
Franchise and Other Revenues ⁽¹⁾	20,158	2.9%		20,158	2.9%	21,277	3.0%		21,277	3.0%
Total Revenues	<u>684,660</u>	100.0%		<u>684,660</u>	100.0%	<u>705,662</u>	100.0%		<u>705,662</u>	100.0%
Operating Costs and Expenses:										
Company Restaurants (excluding depreciation and amortization):										
Cost of Sales ⁽²⁾	180,658	27.2%		180,658	27.2%	185,179	27.1%		185,179	27.1%
Restaurant Labor ⁽²⁾	218,716	32.9%		218,716	32.9%	219,919	32.1%		219,919	32.1%
Restaurant Expenses ⁽²⁾	167,690	25.2%		167,690	25.2%	171,144	25.0%		171,144	25.0%
Company Restaurant Expenses	<u>567,064</u>	85.3%		<u>567,064</u>	85.3%	<u>576,242</u>	84.2%		<u>576,242</u>	84.2%
Depreciation and Amortization ⁽³⁾	33,156	4.8%		33,156	4.8%	33,538	4.8%		33,538	4.8%
General and Administrative ⁽³⁾	34,421	5.0%		34,421	5.0%	30,362	4.3%		30,362	4.3%
Other Gains and Charges ⁽³⁾	1,006	0.1%	(1,006)	-	0.0%	1,221	0.2%	(1,221)	-	0.0%
Total Operating Costs and Expenses	<u>635,647</u>	92.8%	<u>(1,006)</u>	<u>634,641</u>	92.7%	<u>641,363</u>	90.9%	<u>(1,221)</u>	<u>640,142</u>	90.7%
Operating Income	49,013	7.2%	1,006	50,019	7.3%	64,299	9.1%	1,221	65,520	9.3%
Interest Expense	7,013	1.1%		7,013	1.0%	7,047	1.0%		7,047	1.0%
Other, Net	<u>(582)</u>	-0.1%		<u>(582)</u>	-0.1%	<u>(461)</u>	-0.1%		<u>(461)</u>	-0.1%
Income Before Provision for Income Taxes	42,582	6.2%	1,006	43,588	6.4%	57,713	8.2%	1,221	58,934	8.4%
Provision for Income Taxes	<u>13,370</u>	31.4%	<u>385</u>	<u>13,755</u>	31.6%	<u>17,969</u>	31.1%	<u>467</u>	<u>18,436</u>	31.3%
Net Income	<u>\$ 29,212</u>	4.3%	<u>\$ 621</u>	<u>\$ 29,833</u>	4.4%	<u>\$ 39,744</u>	5.6%	<u>\$ 754</u>	<u>\$ 40,498</u>	5.7%
Basic Earnings per Share	\$ 0.44		\$ 0.01	\$ 0.45		\$ 0.59		\$ 0.02	\$ 0.61	
Diluted Earnings per Share	\$ 0.42		\$ 0.01	\$ 0.43		\$ 0.58		\$ 0.01	\$ 0.59	
Basic Weighted Average Shares	66,693		66,693	66,693		66,811		66,811	66,811	
Diluted Weighted Average Shares	68,802		68,802	68,802		68,628		68,628	68,628	

(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.

⁽¹⁾ Franchise and other revenues primarily includes royalties, development fees and franchise fees, banquet service charge income, gift card activity (breakage and discounts), tabletop device revenue and delivery fee income.

⁽²⁾ As a percentage of company sales

⁽³⁾ As a percentage of total revenues

BRINKER INTERNATIONAL, INC.
Statement of Income
Q3 & Q4 Fiscal 2014

(In thousands)

(Updated October 21, 2014) Beginning in fiscal 2015, income primarily related to Maggiano's delivery is included in Franchise and other revenues. This income was previously included in Restaurant expenses. The fiscal 2014 consolidated statement of income has been adjusted to conform to the fiscal 2015 presentation. This adjustment has no effect on net income previously reported.

	Q3 F14 Reported		Special Items (a)	Q3 F14 Adjusted		Q4 F14 Reported		Special Items (a)	Q4 F14 Adjusted	
		%			%		%			%
Revenues:										
Company Sales	\$ 739,200	97.4%		\$ 739,200	97.4%	\$ 734,982	96.7%		\$ 734,982	96.7%
Franchise and Other Revenues ⁽¹⁾	20,093	2.6%		20,093	2.6%	24,898	3.3%		24,898	3.3%
Total Revenues	<u>759,293</u>	100.0%		<u>759,293</u>	100.0%	<u>759,880</u>	100.0%		<u>759,880</u>	100.0%
Operating Costs and Expenses:										
Company Restaurants (excluding depreciation and amortization):										
Cost of Sales ⁽²⁾	195,439	26.5%		195,439	26.5%	196,752	26.8%		196,752	26.8%
Restaurant Labor ⁽²⁾	233,890	31.6%		233,890	31.6%	233,064	31.7%		233,064	31.7%
Restaurant Expenses ⁽²⁾	<u>172,459</u>	23.3%		<u>172,459</u>	23.3%	<u>175,021</u>	23.8%		<u>175,021</u>	23.8%
Company Restaurant Expenses	601,788	81.4%		601,788	81.4%	604,837	82.3%		604,837	82.3%
Depreciation and Amortization ⁽³⁾	34,218	4.5%		34,218	4.5%	35,169	4.6%		35,169	4.6%
General and Administrative ⁽³⁾	34,009	4.5%		34,009	4.5%	33,302	4.4%		33,302	4.4%
Other Gains and Charges ⁽³⁾	2,088	0.3%	(2,088)	-	0.0%	44,909	5.9%	(44,909)	-	0.0%
Total Operating Costs and Expenses	<u>672,103</u>	88.5%	(2,088)	<u>670,015</u>	88.2%	<u>718,217</u>	94.5%	(44,909)	<u>673,308</u>	88.6%
Operating Income	87,190	11.5%	2,088	89,278	11.8%	41,663	5.5%	44,909	86,572	11.4%
Interest Expense	7,068	1.0%		7,068	1.0%	6,963	1.0%		6,963	1.0%
Other, Net	<u>(693)</u>	-0.1%		<u>(693)</u>	-0.1%	<u>(478)</u>	-0.1%		<u>(478)</u>	-0.1%
Income Before Provision for Income Taxes	80,815	10.6%	2,088	82,903	10.9%	35,178	4.6%	44,909	80,087	10.5%
Provision for Income Taxes	<u>24,552</u>	30.4%	799	<u>25,351</u>	30.6%	<u>6,358</u>	18.1%	<u>17,178</u>	<u>23,536</u>	29.4%
Net Income	<u>\$ 56,263</u>	7.4%	<u>\$ 1,289</u>	<u>\$ 57,552</u>	7.6%	<u>\$ 28,820</u>	3.8%	<u>\$ 27,731</u>	<u>\$ 56,551</u>	7.4%
Basic Earnings per Share	\$ 0.85		\$ 0.02	\$ 0.87		\$ 0.44		\$ 0.43	\$ 0.87	
Diluted Earnings per Share	\$ 0.82		\$ 0.02	\$ 0.84		\$ 0.43		\$ 0.42	\$ 0.85	
Basic Weighted Average Shares	66,479		66,479	66,479		65,009		65,009	65,009	
Diluted Weighted Average Shares	68,342		68,342	68,342		66,824		66,824	66,824	

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⁽²⁾ As a percentage of company sales

⁽³⁾ As a percentage of total revenues

BRINKER INTERNATIONAL, INC.
Statement of Income
YTD Fiscal 2014
(In thousands)

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	<u>YTD F14 Reported</u>	<u>%</u>	<u>Special Items (a)</u>	<u>YTD F14 Adjusted</u>	<u>%</u>
Revenues					
Company Sales	\$ 2,823,069	97.0%		\$ 2,823,069	97.0%
Franchise and Other Revenues ⁽¹⁾	86,426	3.0%		86,426	3.0%
Total Revenues	<u>2,909,495</u>	100.0%		<u>2,909,495</u>	100.0%
Operating Costs and Expenses					
Company Restaurants (excluding depreciation and amortization):					
Cost of Sales ⁽²⁾	758,028	26.9%		758,028	26.9%
Restaurant Labor ⁽²⁾	905,589	32.1%		905,589	32.1%
Restaurant Expenses ⁽²⁾	<u>686,314</u>	24.2%		<u>686,314</u>	24.2%
Company Restaurant Expenses	2,349,931	83.2%		2,349,931	83.2%
Depreciation and Amortization ⁽³⁾	136,081	4.7%		136,081	4.7%
General and Administrative ⁽³⁾	132,094	4.5%		132,094	4.5%
Other Gains and Charges ⁽³⁾	<u>49,224</u>	1.7%	<u>(49,224)</u>	<u>-</u>	0.0%
Total Operating Costs and Expenses	<u>2,667,330</u>	91.7%	<u>(49,224)</u>	<u>2,618,106</u>	90.0%
Operating Income	242,165	8.3%	49,224	291,389	10.0%
Interest Expense	28,091	1.0%		28,091	1.0%
Other, Net	<u>(2,214)</u>	-0.1%		<u>(2,214)</u>	-0.1%
Income Before Provision for Income Taxes	216,288	7.4%	49,224	265,512	9.1%
Provision for Income Taxes	<u>62,249</u>	28.8%	<u>18,829</u>	<u>81,078</u>	30.5%
Net Income	<u>\$ 154,039</u>	5.3%	<u>\$ 30,395</u>	<u>\$ 184,434</u>	6.3%
Basic Earnings per Share	\$ 2.33		\$ 0.45	\$ 2.78	
Diluted Earnings per Share	\$ 2.26		\$ 0.45	\$ 2.71	
Basic Weighted Average Shares	66,251		66,251	66,251	
Diluted Weighted Average Shares	68,152		68,152	68,152	

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