

BRINKER INTERNATIONAL, INC.
Statement of Income
Q1 & Q2 Fiscal 2015
(In thousands)

(Updated August 10, 2017) In fiscal 2017, we discovered immaterial errors in prior years relating to the accuracy of certain tax accounts. As such, we have revised our previously-reported consolidated financial statements for fiscal 2015. The revisions include a net increase in the provision for income taxes of \$2.0 million for fiscal 2015, all of which was recorded in the fourth quarter of fiscal 2015. These revisions had no impact on the results for first three quarters of fiscal 2015.

| | Q1 F15 Reported | % | Special Items (a) | Q1 F15 Adjusted | % | Q2 F15 Reported | % | Special Items (a) | Q2 F15 Adjusted | % |
|--|--------------------|--------|----------------------|--------------------|--------|--------------------|--------|----------------------|--------------------|--------|
| Revenues: | | | | | | | | | | |
| Company Sales | \$ 686,864 | 96.6% | \$ - | \$ 686,864 | 96.6% | \$ 717,768 | 96.6% | \$ - | \$ 717,768 | 96.6% |
| Franchise and Other Revenues ⁽¹⁾ | 24,154 | 3.4% | 0 | 24,154 | 3.4% | 25,130 | 3.4% | 0 | 25,130 | 3.4% |
| Total Revenues | <u>711,018</u> | 100.0% | <u>-</u> | <u>711,018</u> | 100.0% | <u>742,898</u> | 100.0% | <u>-</u> | <u>742,898</u> | 100.0% |
| Operating Costs and Expenses: | | | | | | | | | | |
| Company Restaurants (excluding depreciation and amortization): | | | | | | | | | | |
| Cost of Sales ⁽²⁾ | 184,785 | 26.9% | | 184,785 | 26.9% | 193,762 | 27.0% | | 193,762 | 27.0% |
| Restaurant Labor ⁽²⁾ | 227,276 | 33.1% | | 227,276 | 33.1% | 227,733 | 31.7% | | 227,733 | 31.7% |
| Restaurant Expenses ⁽²⁾ | <u>175,538</u> | 25.5% | | <u>175,538</u> | 25.5% | <u>178,898</u> | 24.9% | | <u>178,898</u> | 24.9% |
| Company Restaurant Expenses | 587,599 | 85.5% | | 587,599 | 85.5% | 600,393 | 83.6% | | 600,393 | 83.6% |
| Depreciation and Amortization ⁽³⁾ | 35,542 | 5.0% | | 35,542 | 5.0% | 36,072 | 4.9% | | 36,072 | 4.9% |
| General and Administrative ⁽³⁾ | 32,634 | 4.6% | | 32,634 | 4.6% | 32,660 | 4.4% | | 32,660 | 4.4% |
| Other Gains and Charges ⁽³⁾ | 933 | 0.1% | (933) | - | 0.0% | 8,291 | 1.1% | (8,291) | - | 0.0% |
| Total Operating Costs and Expenses | <u>656,708</u> | 92.4% | <u>(933)</u> | <u>655,775</u> | 92.2% | <u>677,416</u> | 91.2% | <u>(8,291)</u> | <u>669,125</u> | 90.0% |
| Operating Income | 54,310 | 7.6% | 933 | 55,243 | 7.8% | 65,482 | 8.8% | 8,291 | 73,773 | 10.0% |
| Interest Expense | 6,999 | 1.0% | | 6,999 | 1.0% | 7,349 | 1.0% | | 7,349 | 1.0% |
| Other, Net | <u>(503)</u> | -0.1% | | <u>(503)</u> | -0.1% | <u>(611)</u> | -0.1% | | <u>(611)</u> | -0.1% |
| Income Before Provision for Income Taxes | 47,814 | 6.7% | 933 | 48,747 | 6.9% | 58,744 | 7.9% | 8,291 | 67,035 | 9.1% |
| Provision for Income Taxes | <u>15,076</u> | 31.5% | <u>357</u> | <u>15,433</u> | 31.7% | <u>17,438</u> | 29.7% | <u>3,171</u> | <u>20,609</u> | 30.7% |
| Net Income | <u>\$ 32,738</u> | 4.6% | <u>\$ 576</u> | <u>\$ 33,314</u> | 4.7% | <u>\$ 41,306</u> | 5.6% | <u>\$ 5,120</u> | <u>\$ 46,426</u> | 6.2% |
| Basic Earnings per Share | \$ 0.51 | | \$ 0.01 | \$ 0.52 | | \$ 0.65 | | \$ 0.08 | \$ 0.73 | |
| Diluted Earnings per Share | \$ 0.49 | | \$ 0.01 | \$ 0.50 | | \$ 0.64 | | \$ 0.07 | \$ 0.71 | |
| Basic Weighted Average Shares | 64,668 | | 64,668 | 64,668 | | 63,590 | | 63,590 | 63,590 | |
| Diluted Weighted Average Shares | 66,263 | | 66,263 | 66,263 | | 64,963 | | 64,963 | 64,963 | |

(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, 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
Q3 & Q4 Fiscal 2015
(In thousands)

(Updated August 10, 2017) In fiscal 2017, we discovered immaterial errors in prior years relating to the accuracy of certain tax accounts. As such, we have revised our previously-reported consolidated financial statements for fiscal 2015. The revisions include a net increase in the provision for income taxes of \$2.0 million for fiscal 2015, all of which was recorded in the fourth quarter of fiscal 2015. These revisions had no impact on the results for first three quarters of fiscal 2015.

| | Q3 F15 Reported | | Special Items (a) | Q3 F15 Adjusted | | Q4 F15 Reported | | Special Items (a) | Discrete Tax Items (b) | Q4 F15 Adjusted | |
|--|--------------------|--------|----------------------|--------------------|--------|--------------------|--------|----------------------|---------------------------|--------------------|--------|
| | | % | | | % | | % | | | | % |
| Revenues: | | | | | | | | | | | |
| Company Sales | \$ 761,736 | 97.1% | | \$ 761,736 | 97.1% | \$ 738,378 | 96.6% | | | \$ 738,378 | 96.6% |
| Franchise and Other Revenues ⁽¹⁾ | 22,479 | 2.9% | | 22,479 | 2.9% | 25,769 | 3.4% | | | 25,769 | 3.4% |
| Total Revenues | <u>784,215</u> | 100.0% | | <u>784,215</u> | 100.0% | <u>764,147</u> | 100.0% | | | <u>764,147</u> | 100.0% |
| Operating Costs and Expenses: | | | | | | | | | | | |
| Company Restaurants (excluding depreciation and amortization): | | | | | | | | | | | |
| Cost of Sales ⁽²⁾ | 203,960 | 26.8% | | 203,960 | 26.8% | 192,556 | 26.1% | | | 192,556 | 26.1% |
| Restaurant Labor ⁽²⁾ | 240,105 | 31.5% | | 240,105 | 31.5% | 234,092 | 31.7% | | | 234,092 | 31.7% |
| Restaurant Expenses ⁽²⁾ | <u>173,611</u> | 22.8% | | <u>173,611</u> | 22.8% | <u>175,287</u> | 23.7% | | | <u>175,287</u> | 23.7% |
| Company Restaurant Expenses | 617,676 | 81.1% | | 617,676 | 81.1% | 601,935 | 81.5% | | | 601,935 | 81.5% |
| Depreciation and Amortization ⁽³⁾ | 36,599 | 4.7% | | 36,599 | 4.7% | 37,029 | 4.8% | | | 37,029 | 4.8% |
| General and Administrative ⁽³⁾ | 35,194 | 4.5% | | 35,194 | 4.5% | 32,979 | 4.3% | | | 32,979 | 4.3% |
| Other Gains and Charges ⁽³⁾ | <u>(8,477)</u> | -1.1% | <u>8,477</u> | <u>-</u> | 0.0% | <u>4,017</u> | 0.5% | <u>(4,017)</u> | | <u>-</u> | 0.0% |
| Total Operating Costs and Expenses | <u>680,992</u> | 86.8% | <u>8,477</u> | <u>689,469</u> | 87.9% | <u>675,960</u> | 88.5% | <u>(4,017)</u> | | <u>671,943</u> | 87.9% |
| Operating Income | 103,223 | 13.2% | (8,477) | 94,746 | 12.1% | 88,187 | 11.5% | 4,017 | | 92,204 | 12.1% |
| Interest Expense | 7,361 | 0.9% | | 7,361 | 0.9% | 7,297 | 1.0% | | | 7,297 | 1.0% |
| Other, Net | <u>(454)</u> | -0.1% | | <u>(454)</u> | -0.1% | <u>(513)</u> | -0.1% | | | <u>(513)</u> | -0.1% |
| Income Before Provision for Income Taxes | 96,316 | 12.3% | (8,477) | 87,839 | 11.2% | 81,403 | 10.7% | 4,017 | | 85,420 | 11.2% |
| Provision for Income Taxes | <u>30,889</u> | 32.1% | <u>(3,242)</u> | <u>27,647</u> | 31.5% | <u>26,215</u> | 32.2% | <u>1,356</u> | <u>1,101</u> | <u>28,672</u> | 33.6% |
| Net Income | <u>\$ 65,427</u> | 8.3% | <u>\$ (5,235)</u> | <u>\$ 60,192</u> | 7.7% | <u>\$ 55,188</u> | 7.2% | <u>\$ 2,661</u> | <u>\$ (1,101)</u> | <u>\$ 56,748</u> | 7.4% |
| Basic Earnings per Share | \$ 1.04 | | \$ (0.08) | \$ 0.96 | | \$ 0.90 | | \$ 0.05 | \$ (0.02) | \$ 0.93 | |
| Diluted Earnings per Share | \$ 1.02 | | \$ (0.08) | \$ 0.94 | | \$ 0.89 | | \$ 0.04 | \$ (0.02) | \$ 0.91 | |
| Basic Weighted Average Shares | 62,891 | | 62,891 | 62,891 | | 61,132 | | 61,132 | 61,132 | 61,132 | |
| Diluted Weighted Average Shares | 64,091 | | 64,091 | 64,091 | | 62,294 | | 62,294 | 62,294 | 62,294 | |

(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.

ue, ⁽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 Fiscal 2015
(In thousands)

(Updated August 10, 2017) In fiscal 2017, we discovered immaterial errors in prior years relating to the accuracy of certain tax accounts. As such, we have revised our previously-reported consolidated financial statements for fiscal 2015. The revisions include a net increase in the provision for income taxes of \$2.0 million for fiscal 2015, all of which was recorded in the fourth quarter of fiscal 2015. These revisions had no impact on the results for first three quarters of fiscal 2015.

| | <u>YTD F15 Reported</u> | <u>%</u> | <u>Special Items (a)</u> | <u>Discrete Tax Items (b)</u> | <u>YTD F15 Adjusted</u> | <u>%</u> |
|--|-----------------------------|----------|------------------------------|-----------------------------------|-----------------------------|----------|
| Revenues | | | | | | |
| Company Sales | \$ 2,904,746 | 96.8% | | | \$ 2,904,746 | 96.8% |
| Franchise and Other Revenues ⁽¹⁾ | 97,532 | 3.2% | | | 97,532 | 3.2% |
| Total Revenues | <u>3,002,278</u> | 100.0% | | | <u>3,002,278</u> | 100.0% |
| Operating Costs and Expenses | | | | | | |
| Company Restaurants (excluding depreciation and amortization): | | | | | | |
| Cost of Sales ⁽²⁾ | 775,063 | 26.7% | | | 775,063 | 26.7% |
| Restaurant Labor ⁽²⁾ | 929,206 | 32.0% | | | 929,206 | 32.0% |
| Restaurant Expenses ⁽²⁾ | <u>703,334</u> | 24.2% | | | <u>703,334</u> | 24.2% |
| Company Restaurant Expenses | 2,407,603 | 82.9% | | | 2,407,603 | 82.9% |
| Depreciation and Amortization ⁽³⁾ | 145,242 | 4.8% | | | 145,242 | 4.8% |
| General and Administrative ⁽³⁾ | 133,467 | 4.4% | | | 133,467 | 4.4% |
| Other Gains and Charges ⁽³⁾ | <u>4,764</u> | 0.2% | <u>(4,764)</u> | | <u>-</u> | 0.0% |
| Total Operating Costs and Expenses | <u>2,691,076</u> | 89.6% | <u>(4,764)</u> | | <u>2,686,312</u> | 89.5% |
| Operating Income | 311,202 | 10.4% | 4,764 | | 315,966 | 10.5% |
| Interest Expense | 29,006 | 1.0% | | | 29,006 | 1.0% |
| Other, Net | <u>(2,081)</u> | -0.1% | | | <u>(2,081)</u> | -0.1% |
| Income Before Provision for Income Taxes | 284,277 | 9.5% | 4,764 | | 289,041 | 9.6% |
| Provision for Income Taxes | <u>89,618</u> | 31.5% | <u>1,642</u> | <u>1,101</u> | <u>92,361</u> | 32.0% |
| Net Income | <u>\$ 194,659</u> | 6.5% | <u>\$ 3,122</u> | <u>\$ (1,101)</u> | <u>\$ 196,680</u> | 6.6% |
| Basic Earnings per Share | \$ 3.09 | | \$ 0.05 | \$ (0.02) | \$ 3.12 | |
| Diluted Earnings per Share | \$ 3.02 | | \$ 0.05 | \$ (0.02) | \$ 3.05 | |
| Basic Weighted Average Shares | 63,072 | | 63,072 | 63,072 | 63,072 | |
| Diluted Weighted Average Shares | 64,404 | | 64,404 | 64,404 | 64,404 | |

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

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