

**BRINKER INTERNATIONAL, INC.**  
**Statement of Income**  
**Q1 & Q2 Fiscal 2018**  
(In thousands)

	Q1 F18 Reported	%	Special Items (a)	Discrete Tax Items (b)	Q1 F18 Adjusted	%	Q2 F18 Reported	%	Special Items (a)	Discrete Tax Items (c)	Q2 F18 Adjusted	%
Revenues:												
Company Sales	\$ 716,942	97.0%			\$ 716,942	97.0%	\$ 742,688	96.9%			\$ 742,688	96.9%
Franchise and Other Revenues <sup>(1)</sup>	22,448	3.0%			22,448	3.0%	23,712	3.1%			23,712	3.1%
Total Revenues	<u>739,390</u>	100.0%			<u>739,390</u>	100.0%	<u>766,400</u>	100.0%			<u>766,400</u>	100.0%
Operating Costs and Expenses:												
Company Restaurants (excluding depreciation and amortization):												
Cost of Sales <sup>(2)</sup>	187,597	26.2%			187,597	26.2%	192,883	26.0%			192,883	26.0%
Restaurant Labor <sup>(2)</sup>	251,075	35.0%			251,075	35.0%	250,416	33.7%			250,416	33.7%
Restaurant Expenses <sup>(2)</sup>	188,129	26.2%			188,129	26.2%	188,649	25.4%			188,649	25.4%
Company Restaurant Expenses	<u>626,801</u>	87.4%			<u>626,801</u>	87.4%	<u>631,948</u>	85.1%			<u>631,948</u>	85.1%
Depreciation and Amortization <sup>(3)</sup>	38,520	5.2%			38,520	5.2%	37,655	4.9%			37,655	4.9%
General and Administrative <sup>(3)</sup>	32,358	4.4%			32,358	4.4%	33,088	4.3%			33,088	4.3%
Other Gains and Charges <sup>(3)</sup>	13,154	1.8%	(13,154)		-	0.0%	9,261	1.2%	(9,261)		-	0.0%
Total Operating Costs and Expenses	<u>710,833</u>	96.1%	<u>(13,154)</u>		<u>697,679</u>	94.4%	<u>711,952</u>	92.9%	<u>(9,261)</u>		<u>702,691</u>	91.7%
Operating Income	28,557	3.9%	13,154		41,711	5.6%	54,448	7.1%	9,261		63,709	8.3%
Interest Expense	13,884	1.9%			13,884	1.9%	14,321	1.9%			14,321	1.9%
Other, Net	<u>(476)</u>	0.0%			<u>(476)</u>	0.0%	<u>(1,015)</u>	-0.2%			<u>(1,015)</u>	-0.2%
Income Before Provision for Income Taxes	15,149	2.0%	13,154		28,303	3.8%	41,142	5.4%	9,261		50,403	6.5%
Provision for Income Taxes	<u>5,272</u>	34.8%	<u>4,226</u>	<u>(1,570)</u>	<u>7,928</u>	28.0%	<u>15,776</u>	38.3%	<u>2,354</u>	<u>(8,290)</u>	<u>9,840</u>	19.5%
Net Income	<u>\$ 9,877</u>	1.3%	<u>\$ 8,928</u>	<u>\$ 1,570</u>	<u>\$ 20,375</u>	2.8%	<u>\$ 25,366</u>	3.3%	<u>\$ 6,907</u>	<u>\$ 8,290</u>	<u>\$ 40,563</u>	5.3%
Basic Earnings per Share	\$ 0.20		\$ 0.19	\$ 0.03	\$ 0.42		\$ 0.55		\$ 0.15	\$ 0.17	\$ 0.87	
Diluted Earnings per Share	\$ 0.20		\$ 0.19	\$ 0.03	\$ 0.42		\$ 0.54		\$ 0.15	\$ 0.18	\$ 0.87	
Basic Weighted Average Shares	48,293		48,293	48,293	48,293		46,432		46,432	46,432	46,432	
Diluted Weighted Average Shares	48,732		48,732	48,732	48,732		46,880		46,880	46,880	46,880	

(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 item for the first quarter of fiscal 2018 resulting from the recognition of tax deficiencies from the settlement of stock-based compensation awards in the provision for income taxes as part of adopting ASU 2016-09 in the first quarter of fiscal 2018.

(c) Discrete tax item for the second quarter of fiscal 2018 resulting from the revaluation of our net deferred taxes using the new lower corporate tax rate pursuant to the Tax Cuts and Jobs Act of 2017. Additionally, this amount includes \$0.4 million of tax benefits from the settlement of stock-based compensation awards in the provision for income taxes.

<sup>(1)</sup> Franchise and other revenues includes royalties, development fees and franchise fees, 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 Fiscal 2018**  
(In thousands)

	Q3 F18 Reported		Special Items (a)	Discrete Tax Items (b)	Q3 F18 Adjusted	
		%				%
Revenues:						
Company Sales	\$ 790,495	97.3%			\$ 790,495	97.3%
Franchise and Other Revenues <sup>(1)</sup>	22,039	2.7%			22,039	2.7%
Total Revenues	<u>812,534</u>	100.0%			<u>812,534</u>	100.0%
Operating Costs and Expenses:						
Company Restaurants (excluding depreciation and amortization):						
Cost of Sales <sup>(2)</sup>	207,328	26.2%			207,328	26.2%
Restaurant Labor <sup>(2)</sup>	265,367	33.6%			265,367	33.6%
Restaurant Expenses <sup>(2)</sup>	190,205	24.1%			190,205	24.1%
Company Restaurant Expenses	<u>662,900</u>	83.9%			<u>662,900</u>	83.9%
Depreciation and Amortization <sup>(3)</sup>	37,553	4.6%			37,553	4.6%
General and Administrative <sup>(3)</sup>	36,619	4.5%			36,619	4.5%
Other Gains and Charges <sup>(3)</sup>	2,752	0.3%	(2,752)		-	0.0%
Total Operating Costs and Expenses	<u>739,824</u>	91.1%	<u>(2,752)</u>		<u>737,072</u>	90.7%
Operating Income	72,710	8.9%	2,752		75,462	9.3%
Interest Expense	14,549	1.7%			14,549	1.7%
Other, Net	<u>(755)</u>	-0.1%			<u>(755)</u>	-0.1%
Income Before Provision for Income Taxes	58,916	7.3%	2,752		61,668	7.6%
Provision for Income Taxes	<u>12,000</u>	20.4%	<u>837</u>	<u>(776)</u>	<u>12,061</u>	19.6%
Net Income	<u>\$ 46,916</u>	5.8%	<u>\$ 1,915</u>	<u>\$ 776</u>	<u>\$ 49,607</u>	6.1%
Basic Earnings per Share	\$ 1.03		\$ 0.04	\$ 0.02	\$ 1.09	
Diluted Earnings per Share	\$ 1.02		\$ 0.04	\$ 0.02	\$ 1.08	
Basic Weighted Average Shares	45,433		45,433	45,433	45,433	
Diluted Weighted Average Shares	45,973		45,973	45,973	45,973	

(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 item for the third quarter of fiscal 2018 relates to deferred taxes pursuant to prior year tax return adjustments.

<sup>(1)</sup> Franchise and other revenues includes royalties, development fees and franchise fees, 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**  
**YTD Q3 Fiscal 2018**  
(In thousands)

	YTD Q3 F18		Special	Discrete	YTD Q3 F18	
	Reported	%	Items (a)	Tax Items (b)	Adjusted	%
Revenues						
Company Sales	\$ 2,250,125	97.1%			\$ 2,250,125	97.1%
Franchise and Other Revenues <sup>(1)</sup>	68,199	2.9%			68,199	2.9%
Total Revenues	<u>2,318,324</u>	100.0%			<u>2,318,324</u>	100.0%
Operating Costs and Expenses						
Company Restaurants						
Cost of Sales <sup>(2)</sup>	587,808	26.1%			587,808	26.1%
Restaurant Labor <sup>(2)</sup>	766,858	34.1%			766,858	34.1%
Restaurant Expenses <sup>(2)</sup>	566,983	25.2%			566,983	25.2%
Company Restaurant Expenses	<u>1,921,649</u>	85.4%			<u>1,921,649</u>	85.4%
Depreciation and Amortization <sup>(3)</sup>	113,728	4.9%			113,728	4.9%
General and Administrative <sup>(3)</sup>	102,065	4.4%			102,065	4.4%
Other Gains and Charges <sup>(3)</sup>	<u>25,167</u>	1.1%	<u>(25,167)</u>	<u>-</u>	<u>-</u>	0.0%
Total Operating Costs and Expenses	<u>2,162,609</u>	93.3%	<u>(25,167)</u>	<u>-</u>	<u>2,137,442</u>	92.2%
Operating Income	155,715	6.7%	25,167	-	180,882	7.8%
Interest Expense	42,754	1.8%			42,754	1.8%
Other, Net	<u>(2,246)</u>	-0.1%			<u>(2,246)</u>	-0.1%
Income Before Provision for Income Taxes	115,207	5.0%	25,167		140,374	6.1%
Provision for Income Taxes	<u>33,048</u>	28.7%	<u>7,417</u>	<u>(10,636)</u>	<u>29,829</u>	21.2%
Net Income	<u>\$ 82,159</u>	3.5%	<u>\$ 17,750</u>	<u>\$ 10,636</u>	<u>\$ 110,545</u>	4.8%
Basic Earnings per Share	\$ 1.76		\$ 0.38	\$ 0.23	\$ 2.37	
Diluted Earnings per Share	\$ 1.74		\$ 0.38	\$ 0.22	\$ 2.34	
Basic Weighted Average Shares	46,719		46,719	46,719	46,719	
Diluted Weighted Average Shares	47,195		47,195	47,195	47,195	

(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 item resulting from the revaluation of our net deferred taxes using the new lower corporate tax rate pursuant to the Tax Cuts and Jobs Act of 2017. Additionally, this amount includes the recognition of tax deficiencies from the settlement of stock-based compensation awards in the provision for income taxes and deferred taxes pursuant to prior year tax return adjustments.

<sup>(1)</sup> Franchise and other revenues includes royalties, development fees and franchise fees, 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