

Bloomin' Brands Announces 2015 Second Quarter Adjusted Diluted EPS of \$0.28 and Diluted EPS of \$0.26;

Posts U.S. Comparable Sales Increase of 2.0%; Reaffirms 2015 Guidance for Adjusted Diluted EPS of At Least \$1.27; Authorizes Additional \$100 Million Share Repurchase Program;

TAMPA, Fla., Aug. 4, 2015 /PRNewswire/ -- Bloomin' Brands, Inc. (Nasdaq: BLMN) today reported financial results for the second quarter ("Q2 2015") ended June 28, 2015 compared to the second quarter ("Q2 2014") ended June 29, 2014.

Key highlights for Q2 2015 include the following:

- Comparable sales for Company-owned U.S. concepts increased 2.0%
- Comparable sales for Outback Steakhouse restaurants in Brazil increased 3.4%
- System-wide development was 14 new restaurants including nine International restaurants
- Adjusted restaurant margin was 16.2% versus 16.1% in Q2 2014 and U.S. GAAP restaurant margin was 16.5% versus 16.1% in Q2 2014

Subsequent to Q2 2015:

- The Company's Board of Directors approved a new \$100.0 million share repurchase program
- Moody's upgraded the Company's Corporate Family Rating two notches to Ba2

Adjusted Diluted EPS and Diluted EPS

The following table reconciles Adjusted diluted earnings per share to Diluted earnings per share for the periods as indicated below.

	Q2 2015	Q2 2014	CHANGE
Adjusted diluted earnings per share	\$ 0.28	\$ 0.27	\$ 0.01
Adjustments	(0.02)	(0.06)	0.04
Diluted earnings per share	\$ 0.26	\$ 0.21	\$ 0.05
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See Non-GAAP Measures later in this release.

CEO Comments

"We are pleased with the results for the quarter driven by continued strong performances at Outback, Fleming's and Brazil, and positive momentum at Carrabba's," said Elizabeth Smith, CEO. "The strength of our portfolio more than offsets traffic declines at Bonefish Grill which is returning to their polished casual roots. We are well-positioned to deliver on our 2015 EPS guidance of at least \$1.27."

Second Quarter Financial Results

The following summarizes the Company's results for Q2 2015 and Q2 2014:

(dollars in millions)	Q2 2015			 Q2 2014		% Change		
Total revenues	\$	1,099.6		\$ 1,110.9		(1.0)	%	
Adjusted restaurant level operating margin		16.2	%	16.1	%	0.1	%	
U.S. GAAP restaurant level operating margin		16.5	%	16.1	%	0.4	%	
Adjusted operating income margin		5.6	%	5.8	%	(0.2)	%	

- The decrease in Total revenues was primarily due to the effect of foreign currency translation and was partially offset by the net benefit of new restaurant openings and closings.
- The increase in Adjusted restaurant-level operating margin was primarily due to productivity savings and higher U.S. average unit volumes. These increases were partially offset by commodity and wage rate inflation.
- The decrease in Adjusted operating income margin was driven by higher general and administrative expense primarily
 related to the lapping of lower incentive compensation in Q2 2014.
- The difference between Adjusted and U.S. GAAP restaurant-level operating margins and operating income margins in Q2 2015 was primarily due to the favorable resolution of the 2011 payroll tax audit contingency in 2015.

Second Quarter Comparable Restaurant Sales

THIRTEEN WEEKS ENDED JUNE 28, 2015	COMPANY- (OWNED
Comparable restaurant sales (stores open 18 months or more) (1) (2):		
<u>U.S.</u>		
Outback Steakhouse	4.0	%
Carrabba's Italian Grill	0.9	%
Bonefish Grill	(4.6)	%
Fleming's Prime Steakhouse & Wine Bar	3.2	%
Combined U.S.	2.0	%
International		
Outback Steakhouse - Brazil	3.4	%
Outback Steakhouse - South Korea	(11.8)	%

(1) Comparable restaurant sales exclude the effect of fluctuations in foreign currency rates.

(2) Relocated international restaurants closed more than 30 days and relocated U.S. restaurants closed more than 60 days are excluded from comparable restaurant sales until at least 18 months after reopening.

U.S. Segment Operating Results

(dollars in millions)		Q2 2015			Q2 2014	% Change		
U.S. Total revenues	\$	983.0		\$	967.0		1.6	%
Adjusted restaurant-level operating margin U.S. GAAP restaurant-level operating margin		15.6 15.6	% %		15.2 15.2	% %	0.4 0.4	% %
Adjusted operating income margin U.S. GAAP operating income margin		9.5 9.5	% %		8.4 8.4	% %	1.1 1.1	% %

• The increases in Adjusted and U.S. GAAP operating income margin were primarily due to productivity savings, higher average unit volumes, and lower general and administrative expenses due to the Company's organizational realignment in the second half of 2014.

International Segment Operating Results

(dollars in millions)		Q2 2015			Q2 2014	% Change		
International Total revenues	\$	116.6		\$	143.9		(18.0)	0/
Total revenues	φ	110.0		φ	143.9		(18.9)	%
Adjusted restaurant-level operating margin		16.9	%		17.3	%	(0.4)	%
U.S. GAAP restaurant-level operating margin		16.8	%		17.2	%	(0.4)	%
Adjusted operating income margin		5.8	%		6.8	%	(1.0)	%
U.S. GAAP operating income margin		4.9	%		5.8	%	(0.9)	%

- The decrease in Total revenues is primarily due to foreign currency translation and the impact of the International Restaurant Closure Initiative.
- The decrease in Adjusted and U.S. GAAP operating income margin was primarily due to commodity and labor inflation as well as investment spending related to the launching of Abbraccio in Brazil. This decrease was partially offset by new restaurant openings, productivity savings and pricing.
- Foreign currency translation negatively impacted adjusted income from operations by \$2.4 million.

Unallocated Corporate Operating Expense

Certain expenses are managed centrally and are not allocated to the U.S. or International segment. In total, Q2 2015 unallocated expenses were \$36.4 million, which was \$9.2 million higher than Q2 2014. The increase is primarily due to the lapping of lower incentive compensation expense in Q2 2014, which is included in consolidated operating margins.

System-wide Development

The following summarizes our system-wide development for the thirteen weeks ended June 28, 2015:

	MARCH 29, 2015	OPENINGS	CLOSURES	JUNE 28, 2015
U.S.:				
Outback Steakhouse—Company-owned	649	2	(2)	649
Bonefish Grill—Company-owned	204	3	—	207
International:				
Company-owned				
Outback Steakhouse—South Korea	75	2	(1)	76
Outback Steakhouse—Brazil	64	5	_	69
Other	10	2	—	12
System-wide development		14	(3)	

Dividend Declaration and Share Repurchases

The Company's Board of Directors declared a quarterly cash dividend of \$0.06 per share to be paid on August 28, 2015 to all stockholders of record as of the close of business on August 18, 2015.

During Q2 2015, the Company repurchased \$30.0 million of common stock, which completes the December 2014 share repurchase program. On August 3, 2015, the Company's Board of Directors approved a new \$100.0 million share repurchase program. The authorization will expire on February 3, 2017.

Other Events

On July 21, 2015, Moody's upgraded the Company's Corporate Family Rating to Ba2, two steps below investment grade rating. This upgrade reflects the improved operating performance and lower funded debt levels at the operating company.

Fiscal 2015 Financial Outlook

The Company is reaffirming its full-year Adjusted diluted earnings per share guidance of at least \$1.27.

The Company has revised guidance on the following items for the full year 2015:

- Blended U.S. comparable restaurant sales growth is expected to be approximately 1.5% versus prior guidance of "at least" 1.5%. This change is primarily due to lower sales expectations at Bonefish.
- Total Revenues are expected to be approximately \$4.43 billion versus prior guidance of "at least" \$4.43 billion.
- Commodity inflation range is now expected to be 3.5% to 4.0% versus prior guidance of 4.0% to 6.0%. This change reflects continued improvement in seafood and dairy.
- Capital expenditures are now expected to be between \$225 million to \$235 million versus prior guidance of \$235 million to \$255 million.

All other elements of the fiscal 2015 guidance included in the February 19, 2015 release remain intact.

Non-GAAP Measures

In addition to the results provided in accordance with U.S. GAAP, this press release and related tables include certain non-GAAP measures which present operating results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with U.S. GAAP and include the following: (i) Adjusted restaurant-level operating margin, (ii) Adjusted income from operations and the corresponding margin, (iii) Adjusted net income, (iv) Adjusted diluted earnings per share, (v) Adjusted segment restaurant-level operating margin and (vi) Adjusted segment income from operations and the corresponding margin.

Although we believe these non-GAAP measures enhance investors' understanding of our business and performance, these non-GAAP financial measures are not intended to replace U.S. GAAP financial measures. These metrics are not necessarily comparable to similarly titled measures used by other companies. The use of non-GAAP financial measures permits investors to assess the operating performance of our business relative to our performance based on U.S. GAAP results and relative to other companies within the restaurant industry by isolating the effects of certain items that vary from period to period without correlation to core operating performance or that vary widely among similar companies. However, our inclusion of these adjusted measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items or that the items for which we have made adjustments are unusual or infrequent. We believe that the disclosure of these non-GAAP measures is useful to investors as they form the basis for how our management team and Board of Directors evaluate our operating performance, allocate resources and establish employee incentive plans.

For reconciliations of the non-GAAP measures used in this release, refer to tables four, five, six, and seven included later in this release.

Conference Call

The Company will host a conference call today, August 4, 2015 at 9:00 AM ET. The conference call can be accessed live over the telephone by dialing (888) 455-2263, or (719) 325-2144 for international participants. A replay will be available beginning two hours after the call and can be accessed by dialing (877) 870-5176 or (858) 384-5517 for international callers; the conference ID is 8090188. The replay will be available through Tuesday, August 11, 2015. The call will also be webcast live from the Company's website at http://www.bloominbrands.com under the Investors section. A replay of this webcast will be available on the Company's website after the call.

About Bloomin' Brands, Inc.

Bloomin' Brands, Inc. is one of the largest casual dining restaurant companies in the world with a portfolio of leading, differentiated restaurant concepts. The Company has four founder-inspired brands: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar. The Company operates approximately 1,500 restaurants in 48 states, Puerto Rico, Guam and 22 countries, some of which are franchise locations. For more information, please visit bloominbrands.com.

Forward-Looking Statements

Certain statements contained herein, including statements under the headings "CEO Comments" and "Fiscal 2015 Financial Outlook," are not based on historical fact and are "forward-looking statements" within the meaning of applicable securities laws. Generally, these statements can be identified by the use of words such as "guidance," "believes," "estimates," "anticipates," "expects," "on track," "feels," "forecasts," "seeks," "projects," "intends," "plans," "may," "will," "should," "could," "would" and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. By their nature, forwardlooking statements involve risks and uncertainties that could cause actual results to differ materially from the Company's forward-looking statements. These risks and uncertainties include, but are not limited to: local, regional, national and international economic conditions; consumer confidence and spending patterns; challenges associated with new restaurant development; our ability to preserve the value of our brands; price and availability of commodities; weather, acts of God and other disasters; the seasonality of the Company's business; increases in unemployment rates and taxes; increases in labor costs; competition; changes in patterns of consumer traffic, consumer tastes and dietary habits; consumer reaction to public health and food safety issues; government actions and policies; foreign currency exchange rates; interruption or breach of our systems or loss of consumer or employee information; interest rate changes, compliance with debt covenants and the Company's ability to make debt payments; the cost and availability of credit; and our ability to continue to pay dividends. Further information on potential factors that could affect the financial results of the Company and its forward-looking statements is included in its most recent Form 10-K filed with the Securities and Exchange Commission. The Company assumes no obligation to update any forward-looking statement, except as may be required by law. These forward-looking statements speak only as of the date of this release. All forward-looking statements are qualified in their entirety by this cautionary statement.

TABLE ONE
BLOOMIN' BRANDS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)

		(UNAUDITED)							
	THIRTEEN W	EEKS E	NDED		TWENTY-SIX WEEKS ENDED				
(dollars in thousands, except per share data)	JL	JNE 28, 2015	J	JNE 29, 2014	JU	NE 28, 2015	JUNE 29, 2014		
Revenues									
Restaurant sales	\$	1,092,759	\$	1,104,437	\$	2,287,569	\$	2,254,962	
Other revenues		6,838		6,475		14,087		13,809	
Total revenues		1,099,597		1,110,912		2,301,656		2,268,771	
Costs and expenses								-	
Cost of sales		357,455		358,856		744,923		732,470	
Labor and other related		301,039		302,472		625,025		613,890	
Other restaurant operating		254,281		265,279		518,319		521,797	
Depreciation and amortization		47,375		48,627		93,861		94,792	
General and administrative		75,962		72,262		149,209		146,316	
Provision for impaired assets and restaurant closings		900		1,025		10,033		7,089	
Total costs and expenses		1,037,012		1,048,521		2,141,370		2,116,354	
Income from operations		62,585		62,391		160,286		152,417	
Loss on extinguishment and modification of debt		(2,638)		(11,092)		(2,638)		(11,092)	
Other income (expense), net		57		317		(1,090)		153	
Interest expense, net		(12,867)		(15,109)		(26,065)		(31,707)	
Income before provision for income taxes		47,137		36,507		130,493		109,771	
Provision for income taxes		14,081		8,785		35,355		26,949	
Net income		33,056		27,722		95,138		82,822	
Less: net income attributable to noncontrolling interests		830		1,331		2,324		2,698	
Net income attributable to Bloomin' Brands	\$	32,226	\$	26,391	\$	92,814	\$	80,124	
Net income	\$	33,056	\$	27,722	\$	95,138	\$	82,822	
Other comprehensive income:		,		,				,	
Foreign currency translation adjustment		(26,182)		19,088		(51,644)		13,723	
Unrealized gains (losses) on derivatives, net of tax		844		_		(3,168)			
Comprehensive income		7,718		46,810		40,326		96,545	
Less: comprehensive income attributable to noncontrolling interests		830		1,331		2,324		2,698	
Comprehensive income attributable to Bloomin' Brands	\$	6,888	\$	45,479	\$	38,002	\$	93,847	
Earnings per share:									
Basic	\$	0.26	\$	0.21	\$	0.75	\$	0.64	
Diluted	\$	0.26	\$	0.21	\$	0.73	\$	0.63	
	Ψ	0.20	<u> </u>	0.21	¥	0.10	Ψ	0.00	
Weighted average common shares outstanding:		123,046		125,229		124 174		12/ 000	
Basic						124,174		124,889	
Diluted		126,242		128,378		127,501		128,115	

TABLE TWO BLOOMIN' BRANDS, INC. SEGMENT RESULTS (UNAUDITED)

(dollars in thousands)	THIRTEEN WEEKS ENDED						TWENTY-SIX WEEKS ENDED							
U.S. Segment	J	UNE 28, 20	15	J	UNE 29, 20	14	JUNE 28, 2015			JUNE 29, 2014				
Revenues														
Restaurant Sales	\$	977,260		\$	961,608		\$	2,033,364		\$	1,966,483			
Other Revenues		5,718			5,435			11,628			11,186			
Total revenues	\$	982,978		\$	967,043		\$	2,044,992		\$	1,977,669			
Restaurant-level operating margin		15.6	%		15.2	%		16.8	%		16.4	%		
Income from operations	\$	93,265		\$	81,268		\$	220,673		\$	188,169			
Operating income margin		9.5	%		8.4	%		10.8	%		9.5	%		
International Segment														
Revenues														
Restaurant sales	\$	115,499		\$	142,829		\$	254,205		\$	288,479			
Other revenues		1,120			1,040			2,459			2,623			
Total revenues	\$	116,619		\$	143,869		\$	256,664		\$	291,102			
Restaurant-level operating margin		16.8	%		17.2	%		19.5	%		18.6	%		
Income from operations	\$	5,727		\$	8,282		\$	14,606		\$	24,507			
Operating income margin		4.9	%		5.8	%		5.7	%		8.4	%		
Reconciliation of Segment Income from Operations to														
Consolidated Income from Operations														
Segment income from operations														
U.S.	\$	93,265		\$	81,268		\$	220,673		\$	188,169			
International		5,727			8,282			14,606			24,507			
Total segment income from operations		98,992			89,550			235,279			212,676			
Unallocated corporate operating expense - Cost of sales, Labor and other related and Other restaurant operating		7,977			6,728			7,689			11,322			
Unallocated corporate operating expense - Depreciation and		7,977			0,720			7,009			11,322			
amortization and General and administrative		(44,384)			(33,887)			(82,682)			(71,581)			
Unallocated corporate operating expense		(36,407)			(27,159)			(74,993)		(60,259)				
Total income from operations	\$	62,585		\$	62,391		\$	160,286	<u> </u>	\$	152,417			

TABLE THREE BLOOMIN' BRANDS, INC. SUPPLEMENTAL BALANCE SHEET INFORMATION (UNAUDITED)

(UNAUDITED)									
(dollars in thousands)	J	UNE 28, 2015	DEC	EMBER 28, 2014					
Cash and cash equivalents (1)	\$	132,772	\$	165,744					
Net working capital (deficit) (2)	\$	(256,015)	\$	(239,559)					
Total assets	\$	3,144,735	\$	3,344,286					
Total debt, net	\$	1,320,917	\$	1,315,843					
Total stockholders' equity	\$	495,948	\$	556,449					

⁽¹⁾ Excludes restricted cash.

(UNAUDITED)	
RESTAURANT-LEVEL OPERATING MARGIN NON-GAAP RECONCILIATION	
BLOOMIN' BRANDS, INC.	
TABLE FOUR	

		THIRTEEN W	EEKS ENDED		(UNFAVORABLE) FAVORABLE CHANGE IN
	JUNE	28, 2015	JUNE	29, 2014	ADJUSTED
	U.S. GAAP	ADJUSTED (1)	U.S. GAAP	ADJUSTED (2)	QUARTER TO DATE
Restaurant sales	100.0 %	100.0 %	100.0 %	100.0 %	
Cost of sales	32.7 %	32.7 %	32.5 %	32.5 %	(0.2) %

⁽²⁾ The Company has, and in the future may continue to have, negative working capital balances (as is common for many restaurant companies). The Company operates successfully with negative working capital because cash collected on Restaurant sales is typically received before payment is due on its current liabilities and its inventory turnover rates require relatively low investment in inventories. Additionally, ongoing cash flows from restaurant operations and gift card sales are used to service debt obligations and to make capital expenditures.

Labor and other related	27.5	%	27.8	%	27.4	%	27.4	%	(0.4)	%	
Other restaurant operating	23.3	%	23.3	%	24.0	%	24.0	%	0.7	%	
Restaurant-level operating margin	16.5	%	16.2	%	16.1	%	16.1	%	0.1	%	

			TWEN	ITY-SIX	WEEKS EN	DED			(UNFAVORABLE) FAVORABLE CHANGE II				
		JUNE	E 28, 2015			JUNE 29, 2014			ADJUSTED				
	U.S GAA		ADJUSTE	ED (1)	U.S. G/	AAP	ADJUSTE	ED (3)	YEAR TO DA	TE			
Restaurant sales	100.0	%	100.0	%	100.0	%	100.0	%					
Cost of sales	32.6	%	32.6	%	32.5	%	32.5	%	(0.1)	%			
Labor and other related	27.3	%	27.4	%	27.2	%	27.2	%	(0.2)	%			
Other restaurant operating	22.7	%	22.7	%	23.1	%	23.2	%	0.5	%			
Restaurant-level operating margin	17.5	%	17.3	%	17.2	%	17.1	%	0.2	%			

(1) Includes a \$2.7 million adjustment for payroll tax audit contingencies, which was recorded in Labor and other related.

(2) No adjustments impacted Restaurant-level operating margins during the thirteen weeks ended June 29, 2014.

(3) Includes an adjustment for the deferred rent liability write-off associated with the Domestic Restaurant Closure Initiative, which was recorded in Other restaurant operating during the twenty-six weeks ended June 29, 2014.

TABLE FIVE BLOOMIN' BRANDS, INC. SEGMENT RESTAURANT-LEVEL OPERATING MARGIN NON-GAAP RECONCILIATION

			(UNAUDITED)		
		THIRTEEN W	(UNFAVORABLE) FAVORABLE CHANGE IN		
	JUN	E 28, 2015	JUNE	29, 2014	ADJUSTED
Restaurant-level operating margin:	U.S. GAAP	ADJUSTED	U.S. GAAP ADJUSTED		QUARTER TO DATE
U.S. (1)	15.6 %	15.6 %	15.2 %	15.2 %	0.4 %
International (2)	16.8 %	16.9 %	17.2 %	17.3 %	(0.4) %
		TWENTY-SIX	WEEKS ENDED		(UNFAVORABLE) FAVORABLE CHANGE IN
	JUN	E 28, 2015	JUNE	29, 2014	ADJUSTED
Restaurant-level operating margin:	U.S. GAAP	ADJUSTED	U.S. GAAP	ADJUSTED	YEAR TO DATE
U.S. (1)	16.8 %	16.8 %	16.4 %	16.3 %	0.5 %
International (2)	19.5 %	19.5 %	18.6 %	18.7 %	0.8 %

(1) The twenty-six weeks ended June 29, 2014 includes an adjustment for the write-off of \$2.1 million of deferred rent liabilities associated with the Domestic Restaurant Closure Initiative.

(2) Includes adjustments of \$0.1 million of Brazil non-cash intangible amortization for the thirteen weeks ended June 28, 2015 and June 29, 2014, respectively, and \$0.2 million for the twenty-six weeks ended June 29, 2014.

(UNAUDITED)												
		THIRT	EEN W	EEKS	ENDED		TWENTY-SIX WEEKS ENDED					
(in thousands, except per share data)		JNE 28, 20	JUNE 29, 2014			JUNE 28, 2015			JUNE 29, 2014			
Income from operations	\$	62,585		\$	62,391		\$	160,286		\$	152,417	
Operating income margin		5.7	%		5.6	%		7.0	%		6.7	%
Adjustments:												
Restaurant impairments and closing costs (1)		(63)			_			8,807			4,929	
Payroll tax audit contingency (2)		(2,671)			_			(2,671)			—	

TABLE SIX BLOOMIN' BRANDS, INC. INCOME FROM OPERATIONS, NET INCOME AND DILUTED EARNINGS PER SHARE NON-GAAP RECONCILIATION

Purchased intangibles amortization (3)	1,123		1,532		2,406		2,990	
Restaurant relocations and related costs (4)	122		_		1,291		_	
Asset impairments and related costs (5)	746		—		746		_	
Transaction-related expenses (6)	 40		 —		 315		 1,118	
Total income from operations adjustments	(703)		1,532		10,894		9,037	
Adjusted income from operations	\$ 61,882		\$ 63,923		\$ 171,180		\$ 161,454	
Adjusted operating income margin	5.6	%	5.8	%	 7.4	%	7.1	%
Net income attributable to Bloomin' Brands Adjustments:	\$ 32,226		\$ 26,391		\$ 92,814		\$ 80,124	
Income from operations adjustments	(703)		1,532		10,894		9,037	
Loss on disposal of business (7)	(121)		_		1,030		_	
Loss on extinguishment and modification of debt (8)	2,638		11,092		2,638		11,092	
Total adjustments, before income taxes	 1,814		 12,624		 14,562		20,129	
Adjustment to provision for income taxes (9)	1,047		(4,847)		(2,580)		(7,542)	
Net adjustments	 2,861		 7,777		 11,982		12,587	
Adjusted net income	\$ 35,087		\$ 34,168		\$ 104,796		\$ 92,711	
Diluted earnings per share	\$ 0.26		\$ 0.21		\$ 0.73		\$ 0.63	
Adjusted diluted earnings per share	\$ 0.28		\$ 0.27		\$ 0.82		\$ 0.72	
Diluted weighted average common shares outstanding	 126,242		 128,378		 127,501		 128,115	

(1) Represents expenses incurred in the thirteen and twenty-six weeks ended June 28, 2015 for the International and Domestic Restaurant Closure Initiatives and expenses incurred for the Domestic Restaurant Closure Initiative during the twenty-six weeks ended June 29, 2014.

(2) Relates to a payroll tax audit contingency adjustment for the employer's share of FICA taxes related to cash tips allegedly received and unreported by our employees during calendar year 2011, which is recorded in Labor and other related expenses. In addition, a deferred income tax adjustment has been recorded for the allowable income tax credits for the employer's share of FICA taxes expected to be paid, which is included in (Benefit) provision for income taxes and offsets the adjustment to Labor and other related expenses. As a result, there is no impact to Net income from this adjustment.

(3) Represents non-cash intangible amortization recorded as a result of the acquisition of our Brazil operations.

(4) Represents asset impairment charges and accelerated depreciation incurred in connection with our relocation program.

(5) Represents asset impairment charges and related costs associated with the decision to sell our corporate aircraft.

(6) Relates primarily to costs incurred with the secondary offerings of our common stock in March 2015 and March 2014, respectively, and other transaction costs.

(7) Primarily represents the sale of our Roy's business.

(8) Relates to the refinancing of our Senior Secured Credit Facility in March 2015 and May 2014, respectively.

(9) Income tax effect of adjustments for the thirteen and twenty-six weeks ended June 28, 2015 and June 29, 2014, respectively, are calculated based on the statutory rate applicable to jurisdictions in which the above non-GAAP adjustments relate. For the thirteen and twenty-six weeks ended June 28, 2015, a deferred income tax adjustment has been recorded for the allowable income tax credits for the employer's share of FICA taxes expected to be paid. See footnote 2 to this table.

Following is a summary of the financial statement line item classification of the net income adjustments in the Consolidated Statements of Operations and Comprehensive Income:

	THIRTEEN WI	EEKS ENDED	TWENTY-SIX V	VEEKS ENDED
(dollars in thousands)	JUNE 28, 2015	JUNE 29, 2014	JUNE 28, 2015	JUNE 29, 2014
Cost of sales	\$ —	\$ —	\$ —	\$ —
Labor and other related	(2,671)	_	(2,671)	_
Other restaurant operating expense	20	100	(116)	(1,883)
Depreciation and amortization	1,226	1,432	2,492	2,795
General and administrative	286	_	1,888	2,153
Provision for impaired assets and restaurant closings	436	_	9,301	5,972
Other expense, net	(121)	_	1,030	_
Provision for income taxes	1,047	(4,847)	(2,580)	(7,542)
Loss on extinguishment and modification of debt	2,638	11,092	2,638	11,092
Net adjustments	\$ 2,861	\$ 7,777	\$ 11,982	\$ 12,587

BLOOMIN' BRANDS, INC.							
SEGMENT INCOME FROM OPERATIONS NON-GAAP RECONCILIATION							
(UNAUDITED)							

			(UNAL	JDITED)								
U.S. Segment THIRTEEN WEEKS ENDED								TWENT	Y-SIX	WEEKS	S ENDED		
(dollars in thousands)		UNE 28, 20	015	J	JUNE 29, 2014			JUNE 28, 2015			JUNE 29, 2014		
Income from operations	\$	93,265		\$	81,268		\$	220,673		\$	188,169		
Operating income margin		9.5	%		8.4	%		10.8	%		9.5	%	
Adjustments:													
Restaurant impairments and closing costs (1)		_			—			1,336			4,929		
Restaurant relocations and related costs (2)		122			_			1,291			_		
Adjusted income from operations	\$	93,387		\$	81,268		\$	223,300		\$	193,098		
Adjusted operating income margin		9.5	%		8.4	%		10.9	%		9.8	%	
International Segment													
(dollars in thousands)													
Income from operations	\$	5,727		\$	8,282		\$	14,606		\$	24,507		
Operating income margin		4.9	%		5.8	%		5.7	%		8.4	%	
Adjustments:													
Restaurant impairments and closing costs (3)		(63)			—			7,471			—		
Purchased intangibles amortization (4)		1,123	_		1,532			2,406			2,990		
Adjusted income from operations	\$	6,787		\$	9,814		\$	24,483		\$	27,497		
Adjusted operating income margin		5.8	%		6.8	%		9.5	%		9.4	%	

Represents expenses incurred for the Domestic Restaurant Closure Initiative. (1)

Represents asset impairment charges and accelerated depreciation incurred in connection with the Company's relocation program.

(2) (3) Represents expenses incurred for the International Restaurant Closure Initiative.

(4) Represents non-cash intangible amortization recorded as a result of the acquisition of our Brazil operations.

COMPARATIVE STORE INFORMATION (UNAUDITED)								
· · ·	JUNE 28, 2015	JUNE 29, 2014						
Number of restaurants (at end of the period):								
U.S.								
Outback Steakhouse								
Company-owned	649	650						
Franchised	105	104						
Total	754	754						
Carrabba's Italian Grill								
Company-owned	244	240						
Franchised	2	11						
Total	246	241						
Bonefish Grill								
Company-owned	207	193						
Franchised	5	5						
Total	212	198						
Fleming's Prime Steakhouse & Wine Bar								
Company-owned	66	66						
Roy's (1)								
Company-owned		20						
International								
Company-owned								
Outback Steakhouse - South Korea	76	106						
Outback Steakhouse - Brazil (2)	69	54						
Other	12	12						

TABLE EIGHT **BLOOMIN' BRANDS, INC.**

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Franchised	57	51
Total	214	223
System-wide total	1,492	1,502

(1) On January 26, 2015, we sold our Roy's concept.

(2) The restaurant counts for Brazil are reported as of May 2015 and 2014, respectively, to correspond with the balance sheet dates of this subsidiary.

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To view the original version on PR Newswire, visit:<u>http://www.prnewswire.com/news-releases/bloomin-brands-announces-2015-second-quarter-adjusted-diluted-eps-of-028-and-diluted-eps-of-026-300123158.html</u>

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