

DARDEN RESTAURANTS INC

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 09/24/14

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Industry Restaurants

Sector Services

Fiscal Year 05/25

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by a Party other than the Registrant \Box

Filed by the Registrant ⊠

Check the appropriate box:

	Preli	minary Proxy Statement
	Conf	fidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
	Defi	nitive Proxy Statement
X	Defi	nitive Additional Materials
	Solic	citing Material Pursuant to §240.14a-12
		DARDEN RESTAURANTS, INC. (Name of Registrant as Specified In Its Charter)
		(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payn	nent o	f Filing Fee (Check the appropriate box):
X	No fee required.	
	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
	(1)	Title of each class of securities to which transaction applies:
	(2)	Aggregate number of securities to which transaction applies:
	(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
	(4)	Proposed maximum aggregate value of transaction:
	(5)	Total fee paid:
	Fee p	paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:





Forward-looking statements in this communication regarding our ability to improve performance across our brands and enhance shareholder value and all other statements that are not historical facts, including without limitation statements concerning our future economic performance, plans or objectives and expectations regarding the sale of Red Lobster, benefits to Oarden and its shareholders from such sale and related matters, are made under the Sale Harbor provisions of the Private Securities Litigation Reform Act of 1995. Any forward-looking statements speak only as of the date on which such statements are made, and we undertake no obligation to update such statements to reflect events or circumstances arising after such date except as required by law. We wish to caution investors not to place unduc retiance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties to to place unduc reliance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties include cause actual results to materially differ from those anticipated in the statements. The most significant of these uncertainties are described in Darden's Form 10-K, Form 10-Q and Form 8-K reports finctuding all amendments to those reports. These risks and uncertainties include the ability to achieve Darden's strategic plan to enhance shareholder value including realizing the expected benefits from the sale of Red Lobster, actions of activist investors and the cost and disruption of responding to those actions, including any proxy contest for the election of directors at our annual meeting, food safety and food-borne illness concerns, titigation, unfavorable publicity, risks relating to public policy changes and federal, state and local regulation of our business including health care reform, labor and insurance costs, technology failures, failure to execute a business continuity plan following a disaster, health concerns including virus outbrea





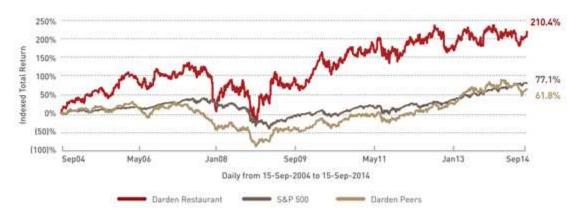
Your Board and Management Team Have Built Darden into the Premier Full-Service Restaurant Company in the Industry

Your company has a solid foundation in place – a portfolio of unique and differentiated brands, a cost-effective operating support platform, a strong management team and more than 150,000 committed employees who are working together to continue Darden's legacy of innovation and success.

Darden's strengths reflect the actions we have taken to transform the Company and best position it for long-term value creation. We have a strong record in this regard:

- With consolidated annual sales from continuing and discontinued operations of \$8.76 billion in fiscal 2014, the Company achieved a compounded annual growth rate of 6% over the past ten years.
- Cumulative same-restaurant sales for our continuing brands over this same period were approximately 29.2 percentage points higher than our industry's benchmark.
- Darden's average unit volumes, margins and restaurant-level returns are among the best in the industry.¹
- For four consecutive years, Darden has been named one of Fortune 100's Best Companies to Work For, reflecting the passion, commitment, support and confidence that Darden's employees have in the Company.

This superior performance has supported significant value creation. Darden has delivered a total shareholder return of approximately 210% over the past decade, outperforming the S&P 500 and the Company's peer group by 133 and 149 percentage points, respectively.²



¹ Source: Most recent 10K filings. Peers throughout include Bloomin' Brands, Inc., Brinker International, Inc., The Cheesecake Factory Incorporated and Ruby Tuesday, Inc., Reflects latest reported fiscal year, Darden Restaurant Level Margins shown on a continuing tasis. Restaurant Level Margins « ICompany owned restaurant sales – food & beverage expenses – restaurant labor – restaurant expenses lexcluding rent and marketing) – pre-opening expenses / Company owned restaurant sales.

² Source: Bloomberg as of 15-Sep-2014. Bloomin' data since initial public offering on 07-Aug-2012. Total shareholder return calculated as share price appreciation plus reinvested dividends.

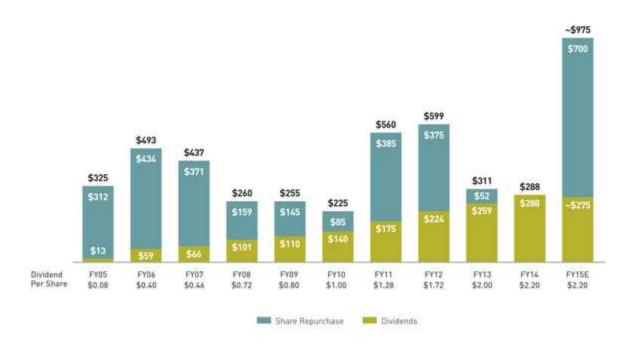


<u>VOTE FOR</u> Enabling Darden's \$2.20 Per Share Annual Dividend

Darden has **returned nearly \$4 billion to shareholders** over the past decade and has continued to invest in key growth initiatives, such as growing LongHorn Steakhouse® and the Specialty Restaurant brands, which include The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's® and Yard House®.

Our strategy has been, and will continue to be, focused on driving the highest and most sustainable returns for all shareholders – including strategies that support Darden's current \$2.20 per share annual dividend.

APPROXIMATELY \$4 BILLION OF CAPITAL RETURNED TO OUR SHAREHOLDERS OVER THE PAST DECADE



Note: \$ in millions, except for per share data or usless otherwise noted.





VOTE FOR Experience and Fresh Perspectives from Darden's Eight Highly-Qualified Director Nominees

We believe Darden's director slate provides the optimal balance of fresh perspectives and continuity of experience and insight, together with four seats to be filled by Starboard.

Shareholders have the opportunity to elect a majority of new nominees to the Board without giving total control of the Company to Starboard, a minority shareholder, and its handpicked nominees.



CONTINUING INDEPENDENT NOMINEES



Michael W. Barnes
Director since 2012
CEO of Signet Jewelers, previously
executive with Fossil, completed
the \$1.4 billion acquisition of
Zale Corporation



Christopher J. Fraleigh
Director since 2008
CEO and Chairman of Shearer's
Foods, previously CEO of Sara Lee
North America



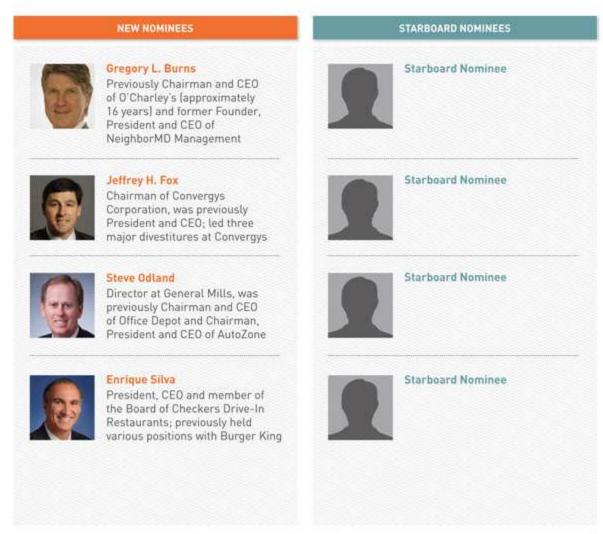
Michael D. Rose
Director since 1995
Chairman of the Board of Midaro
Investments, Independent Lead
Director at General Mills, Gaming
Hall of Fame and Lodging
Hospitality Hall of Fame member

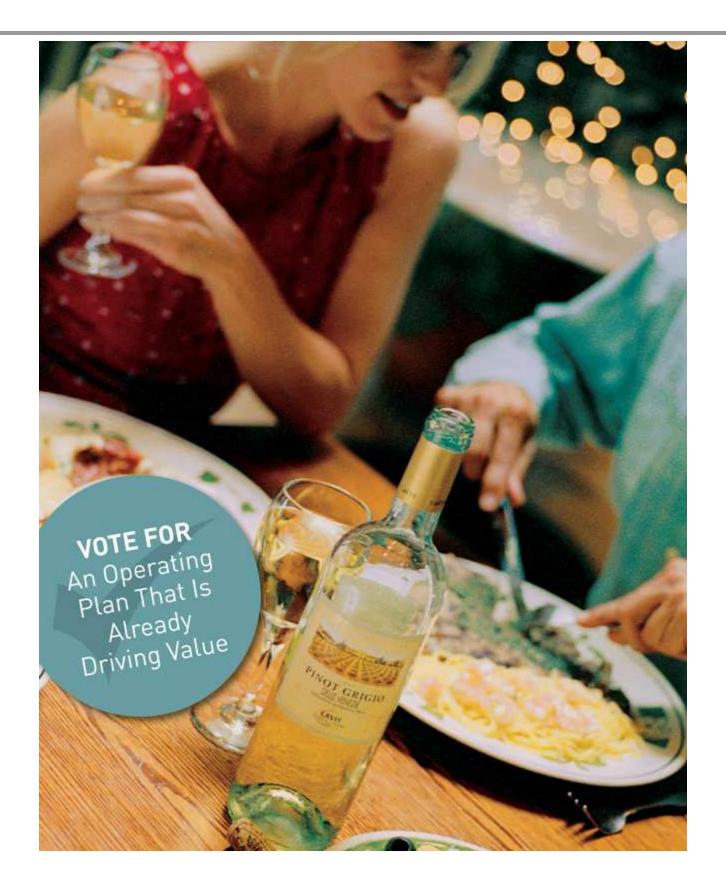


Maria A. Sastre
Director since 1998
President and COO of Signature
Flight Support, former executive
in both hotel operations for
Royal Caribbean Cruises and in
operations for United Airlines



The Board structure proposed by Darden would result in a fully-independent Board; 8 of 12 directors would be new to the Board this year.







VOTE FOR an Operating Plan That We Beleive Is Delivering Results and Expect to Deliver Exceptional Shareholder Returns and Industry-Leading Growth

Successfully Executing the Olive Garden Brand Renaissance

- Menu changes reinforce value and relevance, improve quality and simplify processes.
- Improving guest experience and satisfaction scores.
- Strengthening the take-out business, leading to higher to-go sales.
- Increased use of tablet technology in restaurants.
- Successful reimaging program increasing traffic and alcohol and beverage sales.
- Broader media reach with a variety of messages and mediums.

Enhancing LongHorn Steakhouse's Development and Growth

- Same-restaurant sales exceeded the industry by 3.8 percentage points in fiscal 2014, and guest counts exceeded the industry for the 19th consecutive guarter in the first guarter of fiscal 2015.
- Our efforts to develop LongHorn Steakhouse into America's favorite steakhouse are on track.

Building on the Strength of Specialty Restaurants

- Strong unit growth and competitively superior same-restaurant sales growth.
- We expect to reach \$1 billion in incremental sales over the next five years.

Optimizing Our Cost Structure

Achieving meaningful, sustainable savings that contribute to bottom line growth, while also preserving the superior quality and service for which Darden's brands are known.



<u>VOTE FOR</u> Continued Progress on the Olive Garden Brand Renaissance Turnaround

In our view, Starboard's plan ignores the risks associated with a Board that has no direct knowledge of Darden's current operations and the substantial actions underway to improve performance.

WE BELIEVE THE CHOICE IS CLEAR. VOTE FOR DARDEN'S CONTINUED SUCCESS.

VOTE THE BLUE PROXY CARD TODAY.

DARDEN'S BALANCED APPROACH - OUR VIEW TOTAL CONTROL TO STARBOARD - OUR VIEW Balanced Board with new * CONTROL to rapidly implement an perspectives, business continuity externally developed strategy that was and shareholder representation prepared without any foundation in the specifics of our current business Comprehensive plan to drive profitable growth and optimize operating costs CONTROL to drive near-term execution of financial engineering transactions based on external analysis without an Industry-leading management team assessment of the long-term implications focused on Olive Garden Brand Renaissance and Company-wide operational improvement **CONTROL** to dictate employment of handpicked senior management and Disciplined approach to investment brand leaders and risk loss of key and return of capital to shareholders operating leaders X Difficulty in attracting and recruiting A plan expected to enable maintenance an exceptionally qualified CEO in the of the \$2.20 per share annual dividend face of Starboard having predetermined the new CEO's agenda, operating plan Effective CEO search process that and business strategy will objectively identify and attract the best leader for Darden Potential to jeopardize our progress on the Olive Garden Brand Renaissance, Rigorous and disciplined process to investment grade credit profile, and continually review strategic alternatives \$2.20 per share annual dividend * Advisory team with track record of Continued engagement with investors mixed results and Board slate with and response to feedback significant gaps in experience







VOTE FOR a Board and Leadership Team that Understand Our Customers and What Makes Olive Garden Unique – Italian Generosity and Brand Equity Icons Such as Our Soup, Salad and Breadsticks

We have a history of taking decisive action to transform Darden to drive growth and value creation. These changes have included, for example:

- Changes in Darden's strategic direction to address changing industry dynamics and leverage the benefits of the Company's industry leadership position.
- Changes and enhancements to performance-based compensation programs for senior management.
- New priorities for growth and value creation, including the Olive Garden Brand Renaissance, driving profitable growth at LongHorn Steakhouse and the Specialty Restaurant brands, further optimizing our cost structure and maintaining Darden's industry leading dividend.
- · Working to identify the best leader to help build on the progress we are making.

We remain open to all ideas that support long-term value creation and improve guest experience. However, we do not support changes that may boost margins in the short-term, but sacrifice brand reputation over the long-term.

















VOTE FOR THE RIGHT LEADERSHIP, PLAN, AND PRIORITIES TO SUBSTANTIALLY GROW SHAREHOLDER VALUE

We have taken important steps towards a new, improved Darden.

We do not believe that that the immediate, wholesale change that Starboard is seeking is in the best interest of Darden shareholders, particularly given the positive momentum we are achieving.

- We are concerned that Starboard's plan to take total control would dis-incentivize constructive, creative leadership and create a climate intolerant of independent ideas that could be significantly destabilizing to the Company.
- We believe Starboard's advisory team has a track record of mixed results and its slate of directors has significant experience gaps and many ties to Starboard and to each other, which raise concerns about giving Starboard control.
- We believe that decisions critical to your Company's success should be made by a truly independent, well-rounded Board that represents the interests of all Darden shareholders.

YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

INNISFREE M&A INCORPORATED

Shareholders Call Toll-Free: (877) 825-8631

Banks and Brokers May Call Collect: (212) 750-5833

REMEMBER

Any vote on the white card is a vote for Starboard's control slate as it could revoke any previous proxy submitted using the BLUE proxy card. Only the latest-dated proxy counts. Darden urges shareholders – DO NOT SIGN OR RETURN ANY WHITE CARD. SIMPLY DISCARD IT.