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DARDEN RESTAURANTS INC

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 09/16/14

Address	1000 DARDEN CENTER DRIVE ORLANDO, FL 32837
Telephone	4072454000
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Symbol	DRI
SIC Code	5812 - Eating Places
Industry	Restaurants
Sector	Services
Fiscal Year	05/25

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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 (Amendment No.)

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☐ Definitive Proxy Statement

☒ Definitive Additional Materials

☐ Soliciting 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)

Payment of Filing Fee (Check the appropriate box):

☒ 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 the transaction applies:
(2) Aggregate number of securities to which the transaction applies:
(3) Per unit price or other underlying value of the 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 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:

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: September 9, 2014 (Date of earliest event reported)

DARDEN RESTAURANTS, INC.
(Exact name of registrant as specified in its charter)

Commission File Number: 1-13666

Florida	**59-3305930**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

1000 Darden Center Drive, Orlando, Florida 32837
(Address of principal executive offices, including zip code)

(407) 245-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

On September 9, 2014, Darden Restaurants, Inc. (the "Company") issued a news release entitled "Darden Files Definitive Proxy Materials and Two Investor Presentations in Connection with 2014 Annual Meeting" and two investor presentations entitled "Analytical Insights into Starboard's Proposed Transactions as Requested by and for the Benefit of Shareholders" and "Providing Shareholders the Balance of Fresh Perspectives and Continuity to Support Continued Progress and Success." Each of the release and both investment presentations are dated September 9, 2014. Copies of the release and investor presentations are furnished as Exhibits 99.1, 99.2 and 99.3 to this Current Report on Form 8-K and incorporated by reference in their entirety to this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	News release dated September 9, 2014, entitled "Darden Files Definitive Proxy Materials and Two Investor Presentations in Connection with 2014 Annual Meeting"
99.2	Presentation dated September 9, 2014, entitled "Analytical Insights into Starboard's Proposed Transactions as Requested by and for the Benefit of Shareholders"
99.3	Presentation dated September 9, 2014, entitled "Providing Shareholders the Balance of Fresh Perspectives and Continuity to Support Continued Progress and Success"

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DARDEN RESTAURANTS, INC.

By: /s/ Teresa M. Sebastian
Teresa M. Sebastian
Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary

Date: September 9, 2014

EXHIBIT INDEX

Exhibit Number	Description
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99.2	Presentation dated September 9, 2014, entitled “Analytical Insights into Starboard’s Proposed Transactions as Requested by and for the Benefit of Shareholders”
99.3	Presentation dated September 9, 2014, entitled “Providing Shareholders the Balance of Fresh Perspectives and Continuity to Support Continued Progress and Success”

Exhibit 99.1

NEWS/INFORMATION
Corporate Relations
P.O. Box 695011
Orlando, FL 32869-5011

Contacts:
(Analysts) Matthew Stroud (407) 245-5288
(Media) Bob McAdam (407) 245-5404

DARDEN FILES DEFINITIVE PROXY MATERIALS AND TWO INVESTOR PRESENTATIONS IN CONNECTION WITH 2014 ANNUAL MEETING

Board Recommends Darden Shareholders Vote "FOR ALL" of Darden's Eight Highly Qualified, Independent Director Nominees on BLUE Proxy Card Today

ORLANDO, Fla., – September 9, 2014 – Darden Restaurants, Inc. (NYSE: DRI) today filed definitive proxy materials and two investor presentations with the Securities and Exchange Commission ("SEC") in connection with the Company's 2014 Annual Meeting of Shareholders to be held on October 10, 2014. Shareholders of record as of the close of business on August 11, 2014 will be entitled to vote at the Annual Meeting. The investor presentations are publicly available under the Events & Presentations tab on the investor relations section of Darden's website.

As recently announced, Darden's slate of director nominees for election at the Annual Meeting includes:

- Four new independent nominees unaffiliated with the Company or Starboard Value L.P. and its affiliates ("Starboard"): Gregory L. Burns, Jeffrey H. Fox, Steven Odland, and Enrique Silva. These new independent nominees, all of whom are current or former Chief Executive Officers, provide additional international restaurant, franchise, consumer, real estate and operations expertise to support the development, oversight and execution of Darden's operating and brand initiatives, including the turnaround of Olive Garden and the Brand Renaissance plan;
- Four highly-qualified continuing independent director nominees who provide important and deep understanding of the Company's operations and the shifts in industry and consumer trends over time and who have a record of taking proactive, decisive action to best position Darden for continued improvement and success: Michael W. Barnes, Christopher J. Fraleigh, Michael D. Rose, and Maria A. Sastre; and
- Four seats to be filled by candidates proposed by Starboard so that its nominees can directly participate in the decisions regarding Darden's strategic direction, including the selection of the Company's next Chief Executive Officer.

With this slate, eight of Darden's 12 directors would be new to the Board this year. In Darden's view, these director nominees are proven leaders in their respective fields with knowledge and expertise relevant to the needs of the business and the Company's strategies. Darden's director nominees have experience that Darden considers especially relevant, including:

- Leading global consumer and retail companies with skill sets in operations, food service and restaurants, hospitality, consumer marketing/brand building, supply chain and distribution management, and consumer packaged goods;
- Developing and executing significant corporate turnarounds through operational improvements, increased financial discipline and exiting of non-core businesses;

- Optimizing asset portfolios through franchising, real estate development, and mergers and acquisitions, with many of Darden's independent directors directly overseeing or guiding the strategic direction of real estate portfolios;
- Serving as senior executive leaders at other publicly traded companies, including in the roles of Chairman, Chief Executive Officer, Chief Operating Officer, as well as serving in Board committee leadership roles and as individual directors; and
- Developing strategies and policies in other key areas, including technology, human resources, and corporate governance.

The leadership of these director nominees is complemented by Darden's deep management team, including Darden's President and Chief Operating Officer, Specialty Restaurant Group President and seven brand Presidents, who collectively have over 225 years of combined restaurant operations experience and a proven record running restaurant operations at Darden and elsewhere.

Highlights of the investor presentation filed today, titled "Providing Shareholders the Balance of Fresh Perspectives and Continuity to Support Continued Progress and Success," include:

- The Darden slate is committed to looking at the Company with a fresh perspective. The Darden slate provides new perspectives, continuity of expertise and is designed to avoid the risks and destabilization that could result from the full board turnover that Starboard is seeking and control in the hands of this single minority shareholder.
- The Company is concerned about ceding total control to Starboard and its preferred nominees given our belief that Starboard's advisory team has a mixed track record and its Board slate has notable experience gaps.
- In Darden's view, voting for Starboard would mean voting for significant risks and disruption and giving Starboard:
    - Control to rapidly implement its externally-developed strategy that was prepared without any foundation of the specifics in our current business;
    - Control to drive near-term execution of its preferred financial engineering transactions based on external analysis without a long-term assessment of the implications; and
    - Control to dictate employment of its handpicked senior management and brand leaders, including the selection of the Company's next Chief Executive Officer.
- In contrast, we believe Darden's proposed Board will have the track record, continuity, experience, independence and fresh perspectives needed to capitalize on Darden's strengths and enhance shareholder value. Thus, in our view, the 2014 Annual Meeting presents Darden's shareholders with the key decision between what we believe to be two very different approaches:
    - Either, Darden's slate, which provides a balance of fresh perspectives from four new, highly qualified independent nominees, continuity of experience and insight from four continuing independent nominees, and four seats to be filled by Starboard – resulting in eight of 12 directors new this year;
    - Or, Starboard's slate, which results in a full Board turnover and significant associated risks and destabilization, and that gives total control to Starboard and its preferred nominees.
- Darden's Board, including its four continuing nominees, has taken a number of proactive steps to improve Darden, including important progressive corporate governance decisions.
- Darden is making strong progress on its priorities for value creation, including executing the Olive Garden ® Brand Renaissance, developing LongHorn Steakhouse ® into America's favorite steakhouse, building on the solid performance at Specialty Restaurants, and further reducing operating overhead and continuing to optimize support and direct operating costs. Darden is confident that its brands are well-positioned to grow at a faster rate than the industry, while still affording the stability to continue to return a significant amount of cash to the Company's shareholders, including supporting the Company's current $2.20 per share annual dividend.

- Starboard's ideas have been and will continue to be carefully considered. Maximizing value from the Company's real estate and brand portfolio remains a primary goal for the Board.
- However, we believe Starboard's track record of Board representation has been mixed.
- Given these considerations, Darden urges shareholders to vote on the **BLUE** proxy card " **FOR ALL** " of Darden's highly qualified, independent nominees to the Board of Directors: Michael W. Barnes, Gregory L. Burns, Jeffrey H. Fox, Christopher J. Fraleigh, Steven Odland, Michael D. Rose, Maria A. Sastre and Enrique Silva.

Darden issued another investor presentation today outlining the Board's rigorous review of Starboard's transactional proposals. Highlights from this presentation, titled, "Analytical Insights into Starboard's Proposed Transactions as Requested by and for the Benefit of Shareholders," include:

- As with all aspects of Darden's business, Darden's reconstituted Board will continuously review all alternatives with the focus on delivering long-term enhancements to value for all Darden shareholders.
- However, in conversations with shareholders, they have requested, and therefore we are providing, the key analytical insights from the Board's rigorous review of Starboard's transactional proposals.
- Based on the analysis to date, we believe there are a number of reasons to conclude that much of Starboard's agenda is based on financial engineering supported by optimistic assumptions that could jeopardize Darden's $2.20 per share annual dividend, Darden's credit profile, and the continued progress on the Olive Garden Brand Renaissance plan.

The Darden Board believes that many Darden shareholders have concerns about the risks and destabilization that would result from full Board turnover and giving control to a single shareholder's nominees. We believe these risks are particularly acute given the positive momentum the Company is achieving across its brands, including at Olive Garden, and given the potential adverse effects that giving Starboard control would have on the Board's ability to recruit the best person to serve as the Company's next Chief Executive Officer.

The Darden Board noted that, in recognition of the significant risks associated with a full turnover of Darden's Board that Starboard is seeking, as well as the distraction and costs associated with Starboard's proxy contest, Darden has made numerous attempts to reach an agreement with Starboard that would enable the Company to avoid this proxy contest. Starboard has, to date, rejected these proposals.

The Board is disappointed that rather than work with the Company to achieve a mutually acceptable resolution that serves the interests of all Darden shareholders, Starboard remains set on pursuing its costly and disruptive proxy contest to take control of the Company. In doing so, Starboard appears to be putting its interests ahead of Darden's shareholders. By attempting to replace all 12 members of Darden's Board with its own preferred nominees, Starboard is seeking effective control of the Company – representation which is disproportionate to Starboard's approximate 8.8% stake in Darden.

Darden shareholders are reminded that their vote is important, no matter how many or how few shares they own. The Board urges shareholders to vote the **BLUE** proxy card today " **FOR ALL** " of Darden's director nominees following the instructions in the Company's proxy materials that will be mailed to shareholders shortly.

Goldman, Sachs & Co. is serving as Darden's financial advisor. Morgan Stanley is serving as financial advisor, and Wachtell, Lipton, Rosen & Katz is serving as legal advisor to Darden's Board of Directors.

Innisfree M&A Incorporated is serving as the Company's proxy solicitor and can be contacted toll-free at (877) 825-8631.

About Darden Restaurants

Darden Restaurants, Inc., (NYSE: DRI), owns and operates more than 1,500 restaurants that generate approximately $6.3 billion in annual sales. Headquartered in Orlando, Fla., and employing 150,000 people, Darden is recognized for a culture that rewards caring for and responding to people. In 2014, Darden was named to the FORTUNE “100 Best Companies to Work For” list for the fourth year in a row. Our restaurant brands – Olive Garden, LongHorn Steakhouse, Bahama Breeze, Seasons 52, The Capital Grille, Eddie V’s and Yard House – reflect the rich diversity of those who dine with us. Our brands are built on deep insights into what our guests want. For more information, please visit www.darden.com.

Information About Forward-Looking Statements

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 Darden and its shareholders from such sale and related matters, are made under the Safe 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 undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties that could 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 (including 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, litigation, 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 outbreaks, intense competition, failure to drive sales growth, our plans to expand our smaller brands Bahama Breeze, Seasons 52 and Eddie V’s, a lack of suitable new restaurant locations, higher-than-anticipated costs to open, close, relocate or remodel restaurants, a failure to execute innovative marketing tactics and increased advertising and marketing costs, a failure to develop and recruit effective leaders, a failure to address cost pressures, shortages or interruptions in the delivery of food and other products, adverse weather conditions and natural disasters, volatility in the market value of derivatives, economic factors specific to the restaurant industry and general macroeconomic factors including unemployment and interest rates, disruptions in the financial markets, risks of doing business with franchisees and vendors in foreign markets, failure to protect our service marks or other intellectual property, impairment in the carrying value of our goodwill or other intangible assets, a failure of our internal controls over financial reporting, or changes in accounting standards, an inability or failure to manage the accelerated impact of social media and other factors and uncertainties discussed from time to time in reports filed by Darden with the Securities and Exchange Commission.

Important Additional Information

The Company, its directors and certain of its executive officers are participants in the solicitation of proxies from stockholders in connection with the Company’s 2014 annual meeting of stockholders (the “Annual Meeting”). Information regarding the names and interests of such participants in the Company’s proxy solicitation is set forth in the Company’s definitive proxy statement, filed with the SEC on September 9, 2014. Additional information can be found in the Company’s Annual Report on Form 10-K for the year ended May 25, 2014, filed with the SEC on July 18, 2013. These documents are available free of charge at the SEC’s website at www.sec.gov .

The Company will be mailing its definitive proxy statement and proxy card to the stockholders entitled to vote at the Annual Meeting. WE URGE INVESTORS TO READ ANY PROXY STATEMENT (INCLUDING ANY SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY MAY FILE WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Stockholders will be able to obtain, free of charge, copies of any proxy statement and any other documents filed by the Company with the SEC in connection with the proxy solicitation at the SEC's website at www.sec.gov . In addition, copies will also be available at no charge at the Investors section of the Company's website at http://investor.darden.com/investors/investor-relations/default.aspx.

DARDEN
Olive Garden
LONGHORN STEAKHOUSE
Bahama Breeze
ISLAND GRILLE
Seasons 52
THE CAPITAL GRILLE
Eddie V's
PRIME SEAFOOD
Yard House
Analytical Insights into Starboard's Proposed Transactions as Requested by and for the Benefit of Shareholders
SEPTEMBER 2014

Forward-Looking Statement

These materials may contain forward-looking statements concerning the Company's expectations, goals or objectives. Forward-looking statements in this communication that are not historical facts, including without limitation statements concerning our future economic performance, plans or objectives and expectations regarding the performance of the Company following the sale of Red Lobster and related matters, are made under the Safe 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 undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties that could 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 (including 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, litigation, 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 outbreaks, intense competition, failure to drive sales growth, our plans to expand our smaller brands Bahama Breeze, Seasons 52 and Eddie V's, a lack of suitable new restaurant locations, higher-than-anticipated costs to open, close, relocate or remodel restaurants, a failure to execute innovative marketing tactics and increased advertising and marketing costs, a failure to develop and recruit effective leaders, a failure to address cost pressures, shortages or interruptions in the delivery of food and other products, adverse weather conditions and natural disasters, volatility in the market value of derivatives, economic factors specific to the restaurant industry and general macroeconomic factors including unemployment and interest rates, disruptions in the financial markets, risks of doing business with franchisees and vendors in foreign markets, failure to protect our service marks or other intellectual property, impairment in the carrying value of our goodwill or other intangible assets, a failure of our internal controls over financial reporting, or changes in accounting standards, an inability or failure to manage the accelerated impact of social media and other factors and uncertainties discussed from time to time in reports filed by Darden with the Securities and Exchange Commission.

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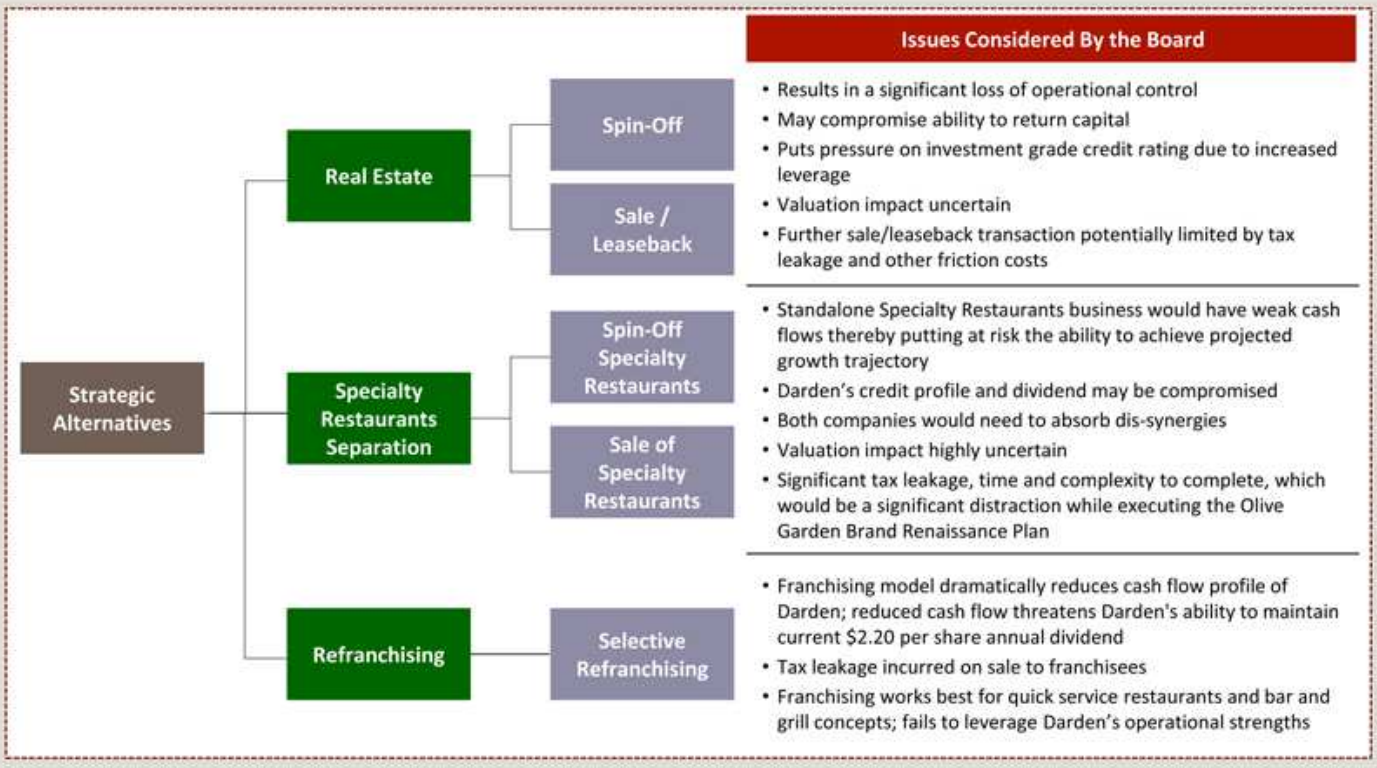
DARDEN

Based on Shareholder Requests, this Document Provides Analytical Insights into Starboard's Proposed Transactions

- The 2014 annual meeting presents Darden's shareholders with the key decision between what we believe to be two very different approaches
  - A slate that provides a balance of fresh perspectives from four new, highly-qualified independent nominees, continuity of experience and insight from four continuing independent nominees, and four seats to be filled by Starboard; eight of 12 directors new this year
  - A slate that results in a full Board turnover and significant associated risks and destabilization, and that gives total control to Starboard and its preferred nominees
- Many of our shareholders are focused on the long-term success of our business, which means the key decision at hand is about electing the right Board with the right combination of continuity, experience and fresh perspectives not whether to rapidly execute a series of proposed transactions
  - We believe Starboard is seeking full control of our Board to rapidly implement its externally-developed operational strategy, to drive near-term execution of its proposed transactional alternatives and to dictate employment of its handpicked senior management and brand leaders
- However, in conversations with our shareholders, they have requested, and therefore we are providing, the key analytical insights from the Board's rigorous review of Starboard's transactional proposals
  - Based on the analysis to date, there are a number of reasons to conclude that much of Starboard's agenda is based on financial engineering supported by optimistic assumptions that could jeopardize the $2.20 per share annual dividend, Darden's credit profile, and the Olive Garden Brand Renaissance Plan
- As with all aspects of Darden's business, Darden's reconstituted Board will continuously review all alternatives with the focus on delivering long-term enhancements to value for all Darden shareholders
- Darden's strategy has been, and will continue to be, focused on driving the highest and most sustainable returns
  - We are resolved to focus on operational excellence and efficiency, improving the customer experience and driving margin expansion with a brand-by-brand focus
  - We strongly believe that ceding control to Starboard is not in in the best interest of Darden or its shareholders

Darden's Board Recommends Darden Shareholders Vote the BLUE Proxy Card "FOR ALL" of Darden's Director Nominees

Our Detailed Analysis to Date Has Indicated that Starboard's Proposals Would Not Enhance Value



DARDEN

Our Board Determined that a Darden REIT Would Lack the Characteristics of Highly Valued Public "Triple-Net" REITs

		Highly Valued Public NNN REITs	Darden REIT
Property Portfolio	Full Property Control (Owned and Ground Leased)	✓	?
	Diverse Tenant Base	✓	×
	Nature / Diversity of Portfolio / Property Type	✓	×
	Low Tenant Switching Costs	✓	×
	Credit Quality of Tenant Base	✓	×[1]
Investor Considerations	Long REIT Track Record	✓	×
	Dividend Track Record (Consistency in Payout)	✓	×
	Independence	✓	?
	Overall Size/Scale	✓	?
	Opportunities for Growth	✓	?

[1] Darden OpCo likely to be considerably less creditworthy because of the implicit leverage due to incremental rental costs.

DARDEN

Our Board Concluded that Starboard Missed Important Details in its REIT Valuation Analysis Thereby Leading to a Flawed Conclusion on the Value Creation Potential

	Starboard Assumptions	Our Detailed Assumptions	Key Difference
Public Market Multiple Assumptions for REIT	• Mean peer LTM EBITDA Multiple: 18.2x[1] • Assumed discount to mean of 15 – 25% to account for possible concerns about tenant concentration	• Median peer forward EBITDA multiple: 14.2x[2] • Assumed discount to median of 10 – 30% to account for high tenant concentration, high proportion of ground lease properties (~50% of Darden REIT would be ground leased), high tenant switching costs, amongst others	• **~4x turn differential in Starboard LTM peer multiples vs. peer forward multiples as suggested by our careful analysis**
Ground Lease Valuation	• Average remaining lease term: 27 years • Estimated cap rate: 8.8%	• Average lease term: less than 20 years fully extended • Estimated cap rate: double digits (in the event that leases even have value)	• **Potentially no value attributable to ground leases vs. ~25% of Starboard rent assumption**
Friction Costs Considerations	• Debt breakage costs associated with public bonds: $0 • Debt breakage of $30 million (pre-tax) associated with private placement notes no longer applicable as $290 million have been retired	• Debt breakage costs associated with public bonds: ~$300-$350 million • Transaction costs of $45-$60 million • Additional costs such as earnings and profits purge, taxable gains and property evaluations	• **Value per share differential: ~$3.00[3]**
Credit Rating Consequences	• No impact	• Pro forma adjusted leverage: 4.7x[4] vs. current adjusted leverage of 3.5x • Darden OpCo likely to lose investment grade credit rating given higher leverage	• **Increased borrowing costs at Darden and likely diminished ability to maintain current dividend**
Impact to OpCo Valuation	• No impact	• Darden OpCo likely to trade at a lower multiple without owned real estate assets	• **A lower Darden multiple will greatly reduce total value**

Source: Company filings, IBES, Starboard "Real Estate Primer", 31-Mar-2014

[1] Starboard peers include: Agree Realty, American Realty, Chambers Street, EPR Properties, Getty Realty, Gladstone Commercial Corp., Lexington Realty Trust, National Retail Properties, Realty Income, Select Income, Spirit Realty and W.P. Carey.

[2] Darden selected Agree Realty, EPR Properties, Government Properties, Lexington Realty Trust, Select Income and Spirit Realty as the most relevant peers based on overall financial profile.

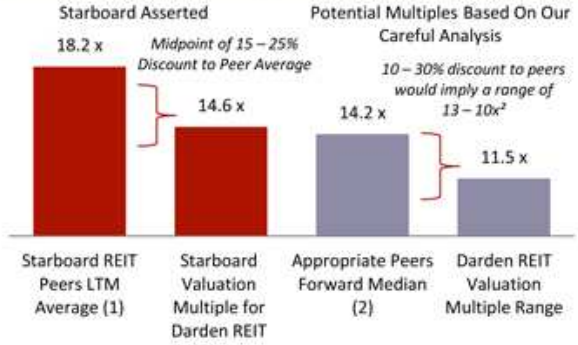
[3] Assumes ~125 million shares outstanding pro forma for share repurchases.

[4] Assumes REIT levered at 4.6x debt/EBITDA, consistent with Starboard debt assumption published in its "Real Estate Primer". Assumed $250 million of supportable rent with $24 million of SG&A costs. Assumes $375 million of friction costs and debt raised at Darden REIT used to paydown debt at Darden. New rent capitalized at 8.0x as per Moody's methodology.

DARDEN

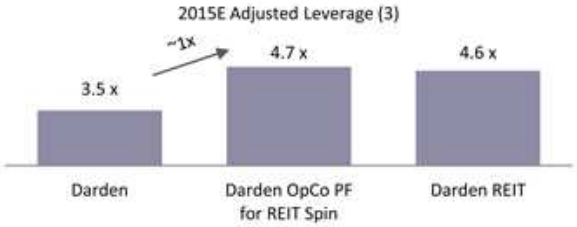
Our Board's Rigorous Analysis Indicated that the Formation of a Darden REIT Could Be Subject to Significant Valuation Risks and Impose Meaningful Friction Costs for Darden

Starboard Inaccurately Uses Inflated LTM Multiples…



…And a Darden REIT Would Not Be Best-in-Class

REIT Transaction Could Be Destabilizing for Credit Rating…



- Adjusted leverage increases due to incremental rent burden
- Increased adjusted leverage likely to trigger credit rating downgrade at Darden OpCo

…And Starboard Appears to Ignore Value Destructive Friction Costs

	Issue	Low	High
Breakage Costs	• Make-whole payment for existing debt complex	$300mm	$350mm
Transaction Expenses	• Refinancing expenses • Fees for tax, legal, financial, other advisory	45mm	60mm
Other	• Taxable gains, transfer taxes and property tax reassessments • Costs associated with purging the tax "earnings and profits" • Ongoing SG&A costs of a second public company	+	+

Source: Public filings, Starboard "Real Estate Primer", 31-Mar-2014

(1) Starboard peers are Agree Realty, American Realty, Chambers Street, EPR Properties, Getty Realty, Gladstone Commercial, Lexington Realty Trust, National Retail Properties, Realty Income, Select Income REIT, Spirit Realty and W.P. Carey.

(2) Darden peers assumes Agree Realty, EPR Properties, Spirit Realty, Government Properties, Select Income and Lexington Realty Trust as of 2-Sep-2014. We have assumed a wider range than Starboard's discount range due to inherent uncertainty.

(3) Assumes REIT levered at 4.6x debt/EBITDA, consistent with Starboard debt assumption published in its "Real Estate Primer". Assumed $250 million of supportable rent with $24 million of SG&A costs. Assumes $375 million of friction costs and debt raised at Darden REIT used to paydown debt at Darden. New rent capitalized at 8.0x as per Moody's methodology.

DARDEN

In Particular, The Board Believed That Starboard's REIT Valuation Multiple Analysis Contained Several Analytical Flaws Which Contributed to a Misleading Conclusion

Inaccurate Calculations of REIT Peer Trading Multiples

- Starboard failed to adjust nearly half of its peer set for key corporate events which substantially distorted public trading multiples

Adjustment Omission	LTM EV/EBITDA Impact[1]
Spirit Realty acquired CCPT II	~7x
W.P. Carey acquired CPA16	~6x
Realty Income acquired ARCT	~2x
Lexington Realty acquired Manhattan Leasehold Interest	~2x
American Realty acquired CapLease, ARCT IV, a Fortress portfolio and an Inland Portfolio	Multiple excluded from Starboard Analysis

Starboard Estimated LTM Peers Multiple[2]		Starboard LTM Peer Multiple Recalculated for Corporate Events[3]
18.2x	Vs.	16.5x

~2x difference

Inappropriate Use of LTM vs. Forward Multiples

- Public REIT's do not have static real estate portfolios; opportunity for EBITDA growth exists through acquisitions or rent increases
- Starboard inappropriately selected inflated LTM multiples as they underrepresent the EBITDA growth potential of a REIT
- Conveniently, Starboard elected to apply these multiples to an assumed rent calculation, despite the fact all of their analysis was based on future EBITDA and rent estimates
- We believe forward multiples are the appropriate metric, which adjusts for EBITDA growth and provides comparable benchmark for capitalization of Darden rent potential

Starboard LTM Peer Multiple Recalculated for Corporate Events[3]		Implied Forward Multiple Based on Starboard Peers[4]
16.5x	Vs.	14.5x

~2x difference

Peer Set Does Not Reflect Darden REIT Characteristics

- The Starboard peer set includes many REITs that we believe are not analogous to a Darden REIT as they have high proportions of investment grade tenants, are well diversified and are generally best in class
  - We believe that it was not appropriate for Starboard to include American Realty, Chambers Street, Getty Realty, Gladstone Commercial, National Retail Properties, Realty Income and W.P. Carey as "comparables" for a Darden REIT
- Excluding these names from the peer set further reduces the potential comparable multiple, as shown below

Forward Multiple of Starboard Peers as of Today[5]		Forward Multiple of Appropriate Peer Set as of Today[6]
15.1x	Vs.	14.2x

~1x difference

We Estimate That Starboard Inflated Their REIT Multiple Analysis by ~4x Through Flawed Calculations and Assumptions

Source: Company filings, Starboard 31-Mar-2014 presentation, IBES estimates as of 1-Apr-2014 and 2-Sep-2014, respectively

[1] Estimated as difference between Starboard multiples shown in 31-Mar-2014 presentation, and adjusted multiple pro forma for respective transaction as of 1-Apr-2014.

[2] Starboard peers are Agree Realty, American Realty, Chambers Street, EPR Properties, Getty Realty, Gladstone Commercial, Lexington Realty Trust, National Retail Properties, Realty Income, Select Income REIT, Spirit Realty and W.P. Carey. Multiple shown from Starboard Real Estate Primer released 31-Mar-2014.

[3] Calculated using appropriate pro forma Enterprise Values and EBITDAs for transactions and Starboard peer set. Multiple priced as of 1-Apr-2014 due to lack of disclosure in Starboard 31-Mar-2014 presentation as to pricing date.

[4] Starboard peer set, IBES estimates.

[5] Current multiples reflect higher multiples versus March.

[6] Darden peers assumes Agree Realty, EPR Properties, Spirit Realty, Government Properties, Select Income and Lexington Realty Trust as of 2-Sep-2014.

DARDEN

The Board's Analysis of a Darden REIT Spin-Off Transaction Indicated the Potential to Destroy Shareholder Value

Starboard Assumptions From March 31st "Real Estate Primer"	Starboard Potential Valuation Impact[1]	Potential Value Creation / (Destruction)[2]
Total Supportable Rent	**$307**	**$250**
SG&A	(24)	(24)
EBITDA	283	227
EBITDA Multiple	14.6 x	11.5 x
REIT Enterprise Value	**$ 4,132**	**$ 2,605**
Lost EBITDA at Darden	$(307)	$(250)
Lost Value at Darden[3]	(3,065)	(2,500)
Breakage, Transactions Costs and Other[4]	0	(375)
Total Net Value Change	**$ 1,067**	**$(270)**

Source: Company filings, IBES
Note: $ in millions.
[1] Assumes the average of Starboard assumptions for rental income, SG&A and 14.6x from page 29 of Starboard Real Estate Primer.
[2] 11.5x multiple refers to our REIT valuation multiple based on the midpoint of the 10 – 30% discount to our peer median listed on page 8.
[3] Assumes current forward EV / EBITDA multiple of 10x.
[4] Assumes midpoint of friction costs shown earlier in the presentations (excludes make-whole costs from debt retired following the close of the Red Lobster transaction).

While Starboard's fee simple rental assumptions appear reasonable, attributing $75 million of rent to ground leases with less than 20 year terms (on a fully extended basis) is highly unrealistic in our view

Assumes mid-point multiple of 14.6x[1] based on 15 – 25% to Starboard's peer average, ahead of our mid-point estimated multiple of 11.5x[2] based 10 – 30% discount to Darden's peers

Starboard assumes no further debt breakage and does not mention potential lost value at Darden from reduced credit quality

We Are Committed to Continuing to Review Options for Our Real Estate Portfolio

DARDEN WILL CONTINUE TO APPLY THE INSIGHTS FROM THE RED LOBSTER SALE PROCESS, ALONG WITH THE BENEFIT OF FRESH PERSPECTIVES, TO EVALUATE THE REMAINDER OF THE REAL ESTATE PORTFOLIO

Review of Previous Issues the Board Considered Related to Further Sale/Leaseback of the Portfolio	
Cost of Financing	• The financing market remains attractive • Capitalization rates achieved in the Red Lobster sale/leaseback transaction indicate that further sale/leasebacks could be more expensive than other forms of financing given Darden's investment grade credit profile
Impact on Credit Profile	• A significant sale/leaseback transaction could create the perception of a more aggressive financial policy for the rating agencies and we believe it would be highly likely to result in a ratings downgrade
Friction Costs	• Tax leakage could be significant • Other friction costs to consider include debt breakage, coupon step-ups in the event of ratings downgrades, legal, accounting and other advisory costs
Breach of Covenants	• Covenants may restrict the size of any further sale/leaseback transactions • Covenants that exist in Darden's current indentures include sale and leaseback, assets sales, merger/fundamental change and quarterly financial maintenance covenants
Impact to Earnings and Valuation	• Impact to earnings expected to be modest • Impact on valuation likely neutral (and potentially negative due to friction costs)

The Board Carefully Considered Many Issues Related to a Specialty Restaurants Separation

Review of Previous Issues the Board Considered Related to a Specialty Restaurants Separation

Compromised Cash Flows and Growth Potential	• Specialty Restaurants would be a standalone public company with weak cash flows • Removes benefit/synergy of having large balance sheet behind growth business; there could be a need to overcapitalize Specialty Restaurants with cash initially
Compromised Credit Profile	• Loss of meaningful earnings and inability to put leverage on the separated business would likely result in loss of investment grade credit rating
Compromised Focus on Olive Garden Brand Renaissance Plan	• Given increased attention on managing the risks resulting from the Company's weakened credit profile and debt burden, management focus and Company resources could be diverted away from executing the Olive Garden Brand Renaissance Plan
Compromised Dividend	• Remaining Darden would have to support the entire dividend in aggregate and combined with the significantly weakened credit profile, this could result in a likely cut to Darden's dividend, and prevent Darden from paying the level of dividend that shareholders have come to expect • With Specialty Restaurants' cash flow profile and potential investor base, it is unlikely to pay a dividend
Dis-Synergies	• A separation may result in significant cost dis-synergies and substantial transaction costs
Uncertain Valuation Impact	• The level of multiple uplift at Specialty Restaurants and the potential multiple contraction at Remaining Darden is uncertain, however, given the relative size of Specialty Restaurants and Remaining Darden, any movement in the Remaining Darden multiple will have a far greater impact

Based on Expected Cash Flow Profiles, Our Board Concluded a Specialty Restaurant Separation Would Threaten Darden's Dividend and Credit Profile

OVERALL LEVERAGE RATIOS BENEFIT FROM SPECIALTY RESTAURANTS GROWTH

Financials ($ in millions)	Darden	Remaining Darden	Specialty Restaurants
FY14 Reported Pro Forma for Separation of Specialty Restaurants			
EBITDA[1]	$ 613	$ 499	$ 74
CapEx	(414)	(252)	(162)
EBITDA Less CapEx	**$ 199**	**$ 246**	**$(87)**
FY15E Plan Pro Forma for Separation of Specialty Restaurants			
EBITDA[2]	$ 750	$ 605	$ 105
CapEx	(350)	(235)	(115)
EBITDA Less CapEx	**$ 400**	**$ 370**	**$(10)**
Funded Debt	1,735	1,735	0
Dividend Payout Ratio[3]	100 %	115 %	0 %
Adjusted Leverage[4]	3.5 x	3.8 x	3.0 x

If Remaining Darden attempted to maintain the same payout ratio, the dividend would be reduced by **~$40 million or a ~$0.32 reduction in dividend per share**

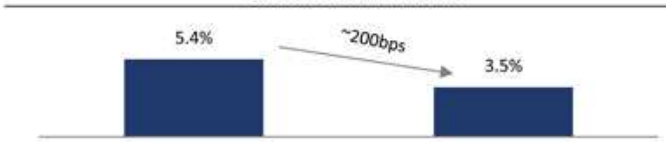
Note: $ in millions. Assumes no cash and no debt at Specialty Restaurants, and unallocated G&A costs left at Darden. All FY15 figures shown on a 52 week, performance adjusted basis.
[1] Specialty Restaurants FY14 EBITDA of $114 million burdened with $40 million additional infrastructure costs and dis-synergies.
[2] Specialty Restaurants FY15 EBITDA of $145 million burdened with $40 million additional infrastructure costs and dis-synergies.
[3] Dividend payout ratio calculated based on performance adjusted earnings after tax on a 52 week basis divided by dividends paid.
[4] Assumes Darden WholeCo rent of $202 million, Remaining Darden rent of $138 million and Specialty Restaurants rent of $64 million. Rent is capitalized at 8.0x as per Moody's methodology.

DARDEN

The Board Determined that a Specialty Restaurants Separation Could Result in a Significant Destruction of Value

DIS-SYNERGIES LIKELY MORE THAN OFFSET THE POTENTIAL SPECIALTY RESTAURANTS MULTIPLE EXPANSION, WHICH IS EXACERBATED BY EVEN A FRACTIONAL MULTIPLE CONTRACTION AT REMAINING DARDEN

Darden Growth Profile[1]



A re-rating in Darden's trading multiple is possible given the significant change in growth profile post a potential Specialty Restaurants separation

	Darden	1 Potential Specialty Restaurants Standalone excl. Dis-synergies[3]	Potential Remaining Darden Implies Lower Multiple[3]	2 Dis-Synergies at Specialty Restaurants[4]	Specialty Restaurants Standalone[5]	3 Potential Remaining Darden at Current Multiple[6]
EBITDA ($mm)	$ 750	$ 145	$ 605	$(40)	$ 105	$ 605
Enterprise Value ($bn)	7.4[7]	1.8	5.6	(0.5)	1.3	6.0
Implied Multiple	9.9 x	12.5 x	9.3 x	12.5 x	12.5 x	9.9 x
Value Uplift / (Destruction)		**$ 0.4**	**$(0.4)**	**$(0.5)**	**$(0.1)**	

Transaction costs[8] and dis-synergies could result in potential value destruction of over $500 million

1. Minimal value creation potential from Specialty Restaurants given relatively small size compared to remaining Darden
2. ~$500[6] million of potential value destruction when taking into account dis-synergies at Specialty Restaurants
3. ~$150 million of potential value destruction from dis-synergies outweighs Specialty Restaurants' valuation uplift even if Remaining Darden multiple remains the same

[1] CAGRs exclude Red Lobster.
[2] Enterprise value assumes 12.5x EV/EBITDA multiple, consistent with Starboard letter published 15-Jul-2014.
[3] Assumes Darden FY15 EBITDA of $750 million less Specialty Restaurants EBITDA of $145 million. Value destruction calculated as current Darden enterprise value ($7.4 billion) less the combined enterprise value of potential Specialty Restaurants ($1.8 billion), and potential remaining Darden at current multiple ($6.0 billion).
[4] Assumes $40 million additional infrastructure costs and dis-synergies. Enterprise value assumes 12.5x EV/EBITDA multiple, consistent with Starboard letter published 15-Jul-2014.
[5] Assumed Specialty Restaurants EBITDA of $145 million less $40 million additional infrastructure costs and dis-synergies.
[6] Assumes Darden FY15 EBITDA of $750 million less Specialty Restaurants EBITDA of $145 million. Enterprise value assumes 9.9x current EV/EBITDA multiple as of 2-Sep-2014.
[7] Darden enterprise value is based on current market price as of 2-Sep-2014, 125 million fully diluted shares outstanding (pro forma for 8.6 million accelerated share buyback) and $1.4 billion of net debt outstanding (pro forma for $1 billion of debt retired since May fiscal year end).
[8] Darden estimates potential one-time transaction costs of $30 – $50 million.

DARDEN

Similarly, the Board Reviewed Various Franchising Alternatives and Determined they Could Reduce Darden's Cash Flow and Potentially Destroy Value

WE BELIEVE FULLY CONVERTING ANY OF DARDEN'S BRANDS TO A FRANCHISE MODEL PUTS THE DIVIDEND AT RISK AND WOULD LIKELY RESULT IN A LOSS OF BRAND EQUITY

Time and Cost Considerations	• Franchising takes many years to execute, involves significant transaction and tax leakage costs and has historically been done with mixed success
Franchising Would Dramatically Reduce Cash Flow at Darden	• Transitioning to a franchise model would negatively impact cash flows and therefore likely put at risk the growth and prospects of Specialty Restaurants and LongHorn • Reduced cash flows would threaten Darden's ability to maintain the current annual dividend of $2.20 per share
High Touch Full Service Casual Dining Is not Ideally Suited for Franchise Model	• In general, low-check, high unit potential, low cost concepts with a more limited need to control brand delivery tend to franchise • Few casual dining concepts are highly franchised, as franchising is better suited for quick service restaurants given the business is "low touch" • It would be more complicated to dictate system-wide guest interactions required in a franchise model and be able to achieve the same atmosphere that has set apart Olive Garden for so many years • Successful full service casual dining experiences are personalized and shaped to the visit based on the guest/server relationship at the time • Concepts with best-in-class unit economics and the ability to scale have less benefit from franchising

VII. Appendix

DARDEN

Non-GAAP EBITDA Reconciliation: Darden & Specialty Restaurants

Darden Restaurants, Inc.
Non-GAAP Reconciliation
($ in millions)

Non-GAAP Reporting

	Darden (ex. Red Lobster)		Specialty Restaurants	
	FY14	FY15E*	FY14	FY15E*
Earnings Before Interest and Taxes (EBIT):				
Sales	$ 6,285.6	$ 6,583.8	$ 1,234.8	$ 1,389.2
EBT: Earnings Before Taxes	$ 174.6	$ 280.5	$ 46.5	$ 71.5
Interest Expense	$ (134.3)	$ (141.2)	$ (2.0)	$ (2.0)
EBIT	**$ 308.9**	**$ 421.7**	**$ 48.5**	**$ 69.5**
Depreciation & Amortization	$ 304.4	$ 328.8	$ 65.5	$ 75.4
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA):				
EBITDA	**$ 613.3**	**$ 750.5**	**$ 114.0**	**$ 144.9**
EBITDA Margin	9.8%	11.4%	9.2%	10.4%

*FY15E represents performance adjusted results stated on a 52 week basis

DARDEN

NOURISH & DELIGHT

everyone we serve

Exhibit 99.3

DARDEN
Olive Garden
LONGHORN STEAKHOUSE
Bahama Breeze
ISLAND GRILLE
Seasons 52
THE CAPITAL GRILLE
Eddie V's
PRIME SEAFOOD
Yard House
Providing Shareholders the Balance of Fresh Perspectives and Continuity to Support Continued Progress and Success
SEPTEMBER 2014

Forward-Looking Statement

These materials may contain forward-looking statements concerning the Company's expectations, goals or objectives. Forward-looking statements in this communication that are not historical facts, including without limitation statements concerning our future economic performance, plans or objectives and expectations regarding the performance of the Company following the sale of Red Lobster and related matters, are made under the Safe 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 undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties that could 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 (including 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, litigation, 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 outbreaks, intense competition, failure to drive sales growth, our plans to expand our smaller brands Bahama Breeze, Seasons 52 and Eddie V's, a lack of suitable new restaurant locations, higher-than-anticipated costs to open, close, relocate or remodel restaurants, a failure to execute innovative marketing tactics and increased advertising and marketing costs, a failure to develop and recruit effective leaders, a failure to address cost pressures, shortages or interruptions in the delivery of food and other products, adverse weather conditions and natural disasters, volatility in the market value of derivatives, economic factors specific to the restaurant industry and general macroeconomic factors including unemployment and interest rates, disruptions in the financial markets, risks of doing business with franchisees and vendors in foreign markets, failure to protect our service marks or other intellectual property, impairment in the carrying value of our goodwill or other intangible assets, a failure of our internal controls over financial reporting, or changes in accounting standards, an inability or failure to manage the accelerated impact of social media and other factors and uncertainties discussed from time to time in reports filed by Darden with the Securities and Exchange Commission.

Important Additional Information

The Company, its directors and certain of its executive officers are participants in the solicitation of proxies from stockholders in connection with the Company's 2014 annual meeting of stockholders (the "Annual Meeting"). Information regarding the names and interests of such participants in the Company's proxy solicitation is set forth in the Company's definitive proxy statement, filed with the SEC on September 9, 2014. Additional information can be found in the Company's Annual Report on Form 10-K for the year ended May 25, 2014, filed with the SEC on July 18, 2013. These documents are available free of charge at the SEC's website at www.sec.gov.

The Company will be mailing its definitive proxy statement and proxy card to the stockholders entitled to vote at the Annual Meeting. WE URGE INVESTORS TO READ ANY PROXY STATEMENT (INCLUDING ANY SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY MAY FILE WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Stockholders will be able to obtain, free of charge, copies of any proxy statement and any other documents filed by the Company with the SEC in connection with the proxy solicitation at the SEC's website at www.sec.gov. In addition, copies will also be available at no charge at the Investors section of the Company's website at http://investor.darden.com/investors/investor-relations/default.aspx.

DARDEN

Agenda

I. Introduction – The Key Decision at Hand for Shareholders

II. We Are Well-Positioned to Continue Making Progress on Our Strategic Priorities

III. We Believe Darden's Proposed Board Will Have the Track Record, Continuity, Experience, Independence and Fresh Perspectives Needed to Capitalize on Darden's Strengths and Enhance Shareholder Value

IV. Conclusion

DARDEN

I. Introduction – The Key Decision at Hand for Shareholders

DARDEN

The Key Decision at Hand to Protect Darden's Future

THE 2014 ANNUAL MEETING PRESENTS DARDEN'S SHAREHOLDERS WITH THE KEY DECISION BETWEEN WHAT WE BELIEVE TO BE TWO VERY DIFFERENT APPROACHES

A slate that provides a balance of fresh perspectives from four new, highly-qualified independent nominees, continuity of experience and insight from four continuing independent nominees, and four seats to be filled by Starboard; eight of 12 directors new this year

DARDEN

- ✓ Comprehensive plan to drive profitable growth and optimize operating costs
- ✓ Industry-leading management team focused on Olive Garden Brand Renaissance Plan and Company-wide operational improvement
- ✓ Disciplined approach to investment and return of capital to shareholders
- ✓ Maintain the $2.20 per share annual dividend
- ✓ Rigorous and disciplined process to continually review strategic alternatives
- ✓ Continued engagement with investors and response to feedback

A slate that results in a full Board turnover and significant associated risks and destabilization, and that gives total control to Starboard and its preferred nominees

STARBOARD VALUE

- ✗ Control to rapidly implement an externally-developed strategy that was prepared without any foundation of the specifics in our current business
- ✗ Control to drive near-term execution of financial engineering transactions based on external analysis without a long-term assessment of the implications
- ✗ Control to dictate employment of handpicked senior management and brand leaders
- ✗ Potential to jeopardize our progress on the Olive Garden Brand Renaissance, investment grade credit profile, and $2.20 per share annual dividend
- ✗ Advisory team with track record of mixed results and Board slate with significant gaps in experience

The Darden Slate Is Committed to Looking at the Company with a Fresh Perspective

THE DARDEN SLATE PROVIDES NEW PERSPECTIVES, CONTINUITY OF EXPERTISE AND AVOIDS DESTABILIZATION THAT COULD RESULT FROM FULL BOARD TURNOVER AND CONTROL IN THE HANDS OF A SINGLE MINORITY SHAREHOLDER

- **This is a tenuous time for the casual dining restaurant industry and we believe any disruption would be destabilizing**
  - We believe continuity of leadership is important, particularly since we are in the midst of the turnaround of Darden's largest brand, Olive Garden
  - Given the positive initial results we are seeing from the Olive Garden Brand Renaissance Plan implementation, we see Board continuity as critical to maximize sustainable value
  - By attempting to replace all 12 members of Darden's Board with its own preferred nominees, Starboard is seeking effective control of the Company – representation which is disproportionate to Starboard's approximate 8.8% stake in Darden
- **While we believe experience is essential, we also appreciate the benefits that new perspectives and new skills can provide**
  - Four new independent nominees, all of who are current or former Chief Executive Officers
  - Four continuing independent director nominees who provide important and deep understanding of the Company's operations and the shifts in industry and consumer trends over time
  - Four seats to be filled by candidates proposed by Starboard, providing meaningful representation to Starboard so that its nominees can directly participate in the decisions regarding Darden's strategic direction, including the selection of the Company's next Chief Executive Officer
- **A new Board, a new independent Chairman, new Board committees, and a new CEO will lead to substantial and positive change**

Darden's Proposal for a Fresh, Independent Board

DARDEN BOARD WOULD INCLUDE FOUR NEW INDEPENDENT NOMINEES, FOUR CONTINUING INDEPENDENT NOMINEES AND FOUR STARBOARD 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

New Nominees

Gregory L. Burns
Previously Chairman and CEO of O'Charley's (approximately 16 years) and former Founder, President and CEO of NeighborMD Management)

Jeffrey H. Fox
Chairman of Convergys Corporation, was previously President and CEO; led three major divestitures at Convergys

Steve Odland
Director at General Mills, was previously Chairman and CEO of Office Depot and Chairman, President, and CEO of AutoZone

Enrique Silva
President, CEO and member of the Board of Checkers Drive-In Restaurants; previously held various executive positions with Burger King

Starboard Nominees

Starboard Nominee

Starboard Nominee

Starboard Nominee

Starboard Nominee

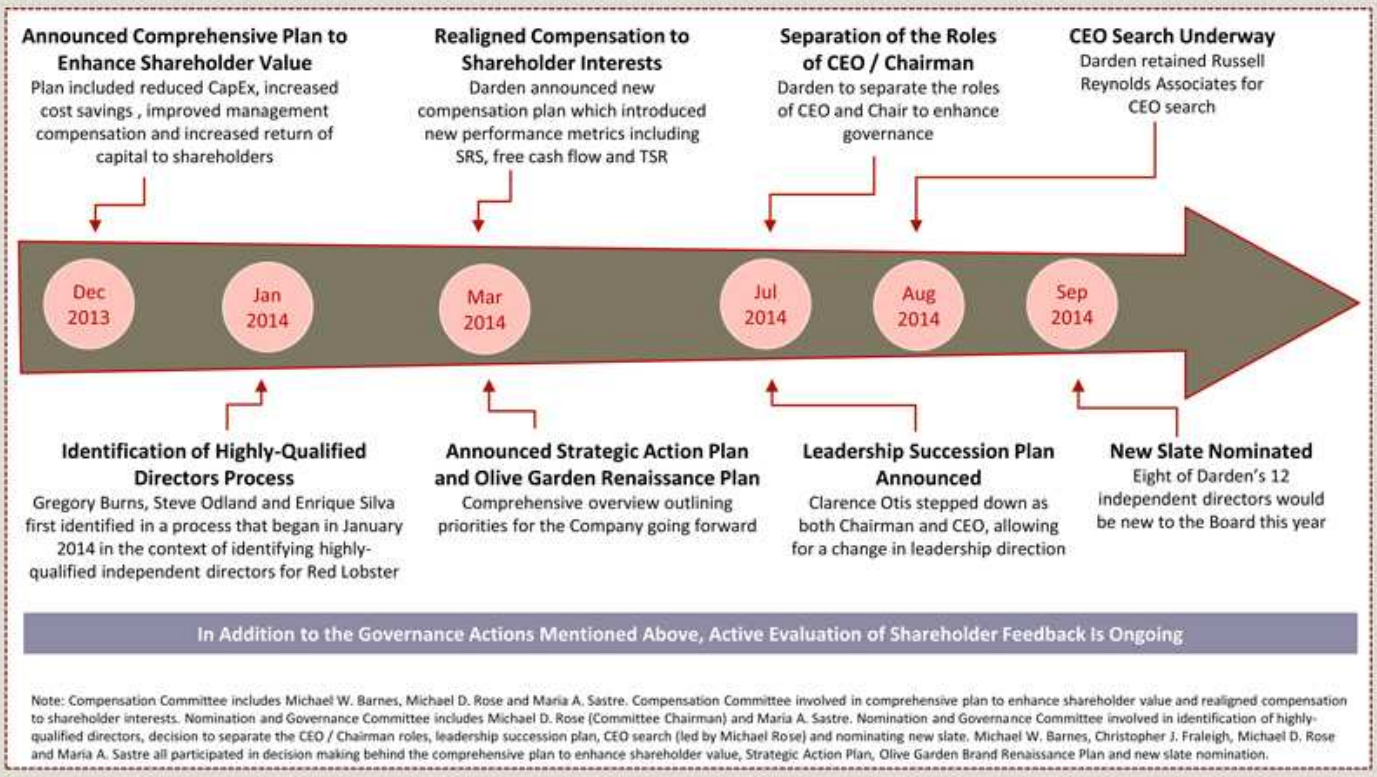
The Board structure proposed by Darden would result in a fully-independent Board, except for the new CEO once appointed; eight of 12 directors would be new to the Board this year

Vote on the BLUE proxy card "FOR ALL" of Darden's highly-qualified, independent nominees to the Board of Directors

DARDEN

Darden's Board, Including Our Four Continuing Nominees, Took a Number of Proactive Steps to Improve Darden

DARDEN'S NOMINATED CONTINUING DIRECTORS PLAYED A KEY ROLE IN IMPORTANT PROGRESSIVE CORPORATE GOVERNANCE DECISIONS



In Addition to the Governance Actions Mentioned Above, Active Evaluation of Shareholder Feedback Is Ongoing

Note: Compensation Committee includes Michael W. Barnes, Michael D. Rose and Maria A. Sastre. Compensation Committee involved in comprehensive plan to enhance shareholder value and realigned compensation to shareholder interests. Nomination and Governance Committee includes Michael D. Rose (Committee Chairman) and Maria A. Sastre. Nomination and Governance Committee involved in identification of highly-qualified directors, decision to separate the CEO / Chairman roles, leadership succession plan, CEO search (led by Michael Rose) and nominating new slate. Michael W. Barnes, Christopher J. Fraleigh, Michael D. Rose and Maria A. Sastre all participated in decision making behind the comprehensive plan to enhance shareholder value, Strategic Action Plan, Olive Garden Brand Renaissance Plan and new slate nomination.

DARDEN

We Are Making Strong Progress on Our Priorities for Value Creation

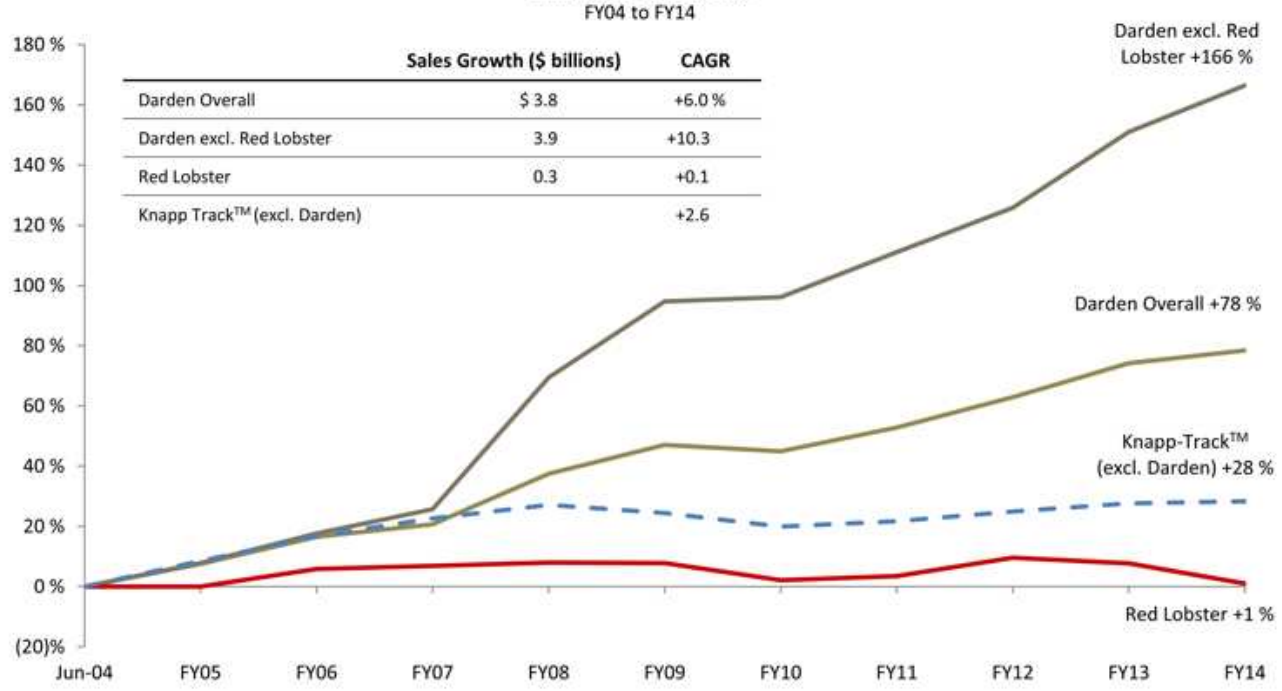
Priorities for Value Creation	Progress Made
1 Execute Olive Garden Brand Renaissance Plan to continually enhance customer experience	✓ Dinner menu refreshed and new lunch menu rolled out, operations simplified, food and beverage quality improved, updated communication platform to enhance brand relevance, new restaurant prototype completed
2 Develop LongHorn into America's favorite steakhouse	✓ 34 units added for a total of 464 units and outperformed the industry on same-restaurant sales in FY14, elevated quality and broadened relevance for more occasions
3 Grow total Specialty Restaurants' sales by more than $1 billion over the next five years	✓ 27 units added for a total of 196 units and achieved $1.2 billion in sales in FY14, an increase of $249 million vs. FY13
4 Further reduce operating overhead and continue to optimize support and direct operating costs to improve margins	✓ G&A to remain at 5.0% of sales or less despite Red Lobster sale, enabled by Alvarez and Marsal findings
5 Better align management compensation	✓ New management incentive plan implemented that more directly emphasizes same-restaurant sales, free cash flow growth and relative total shareholder return
6 Enhanced capital allocation discipline with reduced new unit growth and commitment to halt acquisitions	✓ Reduced capital expenditures, dividend maintained at $2.20 per share annually and up to $700 million of share repurchase planned for FY15

We Believe Darden Is Significantly Better Positioned for Growth Post-Red Lobster Sale

DARDEN CUMULATIVE TOTAL SALES GROWTH IS HIGHER EXCLUDING RED LOBSTER

Cumulative Sales Growth
FY04 to FY14

	Sales Growth ($ billions)	CAGR
Darden Overall	$ 3.8	+6.0 %
Darden excl. Red Lobster	3.9	+10.3
Red Lobster	0.3	+0.1
Knapp Track™ (excl. Darden)		+2.6



DARDEN

Starboard's Ideas Have Been and Will Continue to Be Carefully Considered; Maximizing Value from the Company's Real Estate and Brand Portfolio Remains a Primary Goal for the Board

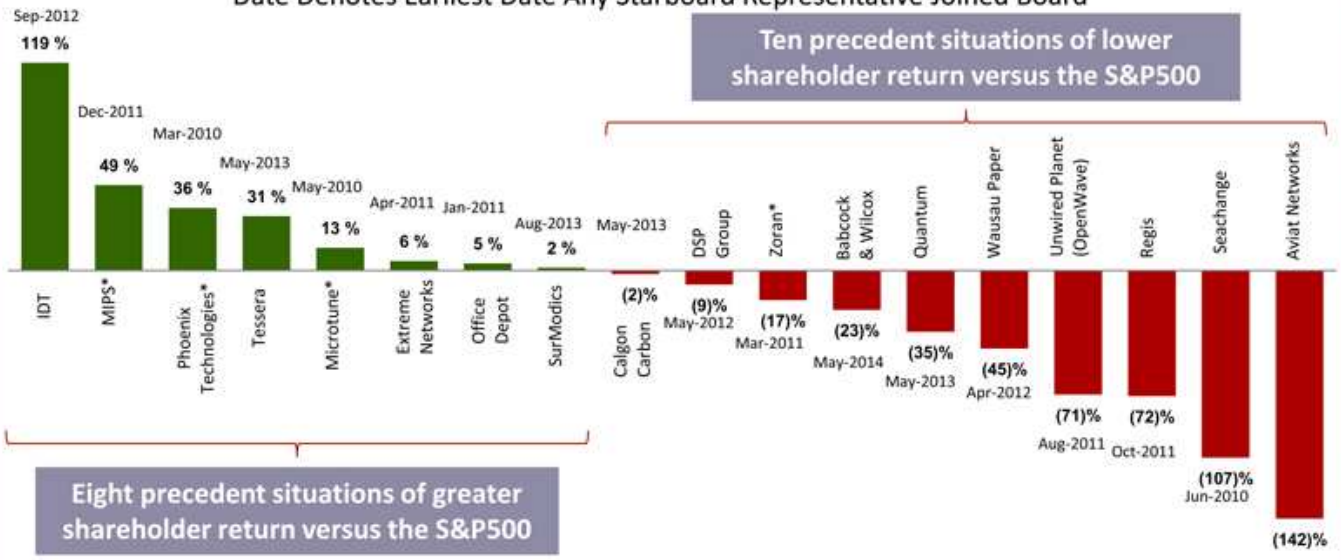
Starboard Suggestion	Factors to Consider
Real Estate Separation	✓ The Board continues to evaluate real estate alternatives and is highly informed by key insights gained through the Red Lobster sale process ✓ Key areas of focus include 1) value creation potential/risk, 2) loss of operational control, 3) diminished ability to return capital, and 4) downside risk to investment grade credit rating
Specialty Restaurants Separation	✓ The Board is committed to continually evaluating numerous portfolio reconfiguration alternatives ✓ Key areas of focus include 1) value creation potential/risk, 2) downward pressure on Darden's credit profile, 3) ability to maintain dividend given impact of increased leverage and reduced cash flows, and 4) management distraction from focus on executing Olive Garden turnaround
Optimize Cost Structure	✓ The Board will continue to evaluate additional opportunities to optimize our cost structure without sacrificing the guest experience ✓ G&A to remain at 5% of sales or less despite Red Lobster sale
Improve Corporate Governance	✓ Shareholder feedback resulted in the separation of CEO and Chairman roles in addition to the fresh perspectives provided by the eight new non-incumbent independent directors ✓ Company also implemented new management compensation plan that focuses on higher same-restaurant sales and stronger free cash flow growth

DARDEN

However, Starboard's Track Record of Board Representation Has Been Mixed

Total Shareholder Return Under Starboard Relative to the S&P500

Date Denotes Earliest Date Any Starboard Representative Joined Board



Note: Starboard nominees did not constitute a majority of the Board for any of the referenced issuers during the periods presented which may have impacted its ability to influence strategy, except that after 18-Jul-2014 a fifth Starboard-nominated director was added to Wausau Paper's eight-person board, and after 23-May-2013 six Starboard nominees were elected to Tessera's eight-person board (all still currently serving). Also, many factors affect a company's total shareholder return during any time period besides Board representation. Market data is as of 02-Sep-2014 or date that Starboard-related directors left the Board. Benchmarked against the S&P500. Total shareholder return calculated as share price appreciation plus reinvested dividends. *Denotes companies that were later sold after Starboard-related representatives joined the board. Situations include all Starboard and Ramius public situations in the last 5 years which resulted in Starboard/Ramius representatives joining the board. Dates used for relative total shareholder return reflect the earliest date that any Starboard representative joined the board, and the latest date that any left the Board. Dates joined and left are as follows: Aviat Networks 09-Nov-2010 – present, Babcock & Wilcox 09-May-2014 – present, Calgon Carbon 01-May-2013 – present, DSP Group 14-May-2012 – present, Extreme Networks 26-Apr-2011 – present, Integrated Device Technologies 13-Sep-2012 – present, Microtune 20-May-2010 – 30-Nov-2010 (sold), MIPS 7-Dec-2011 – 7-Feb-2013 (sold), Office Depot 20-Aug-2013 - present, Unwired Planet 01-Aug-2011 – 26-Mar-2014, Phoenix Technologies 2-Mar-2010 – 22-Nov-2010 (sold), Quantum 14-May-2013 – present, Regis 27-Oct-2011 – present, SeaChange 3-Jun-2010 – present, SurModics 5-Jan-2011 – present, Tessera 23-May-2013 – present, Wausau Paper 19-Apr-2012 – present, Zoran 7-Mar-2011 – 30-Aug-2011 (sold).

DARDEN

We Are Concerned About Ceding Control to Starboard Given Mixed Track Record and Notable Experience Gaps

Starboard's Advisory Committee Has a Mixed Track Record of Implementing Operational Plans…

- Starboard claims to have carefully developed an advisory committee with "significant industry expertise," but they only nominated two of these members to the Board
- The non-nominated advisors have limited experience as public company executives and have achieved mixed results when working with public companies:
  - Craig Miller oversaw significant underperformance at Ruth's Chris: From the IPO to the time Craig Miller departed, Ruth's stock price fell by 67%[1]
  - Bob Mock was COO of Romano's Macaroni Grill for less than two years, over which period sales fell by approximately 3%[2]
- Furthermore, since working at Darden, Starboard Board nominee Brad Blum did not remain for more than two years with any of the restaurant companies that employed him to lead change:
  - Tenure at Cosi: Approximately 1 year[3]
  - Tenure at Romano's Macaroni Grill: Less than 2 years (Dec-2008 to Jul-2010)
  - Tenure at Ruby Tuesday: Approximately 1 year[3]
  - Tenure at Burger King: Less than 2 years (Dec-2002 to Jul-2004)

…And Its Proposed Slate of Directors Has Significant Experience Gaps

- Starboard also claims to have assembled a collection of "highly-qualified" directors, but many of them lack relevant experience and have a history of agitating unsuccessfully:

Selected Areas Where Starboard's Candidates Are Uninspiring

Number of nominees with NO experience as senior executives of large public companies[4]	5
Number of nominees with NO restaurant, retail, or real estate executive experience whatsoever[4]	4
Number of nominees that have been nominated and added to at least one Board through Starboard nomination[5]	4

- **Ceding control to an entirely new slate could be destabilizing and NOT in in the best interest of Darden or its shareholders**

[1] Measured as return between 9-Aug-2005 IPO to 24-Apr-2008.
[2] Source: Change in sales estimated as change from 2008 to 2010 based on Euromonitor data.
[3] Source: Press releases and industry sources. Brad Blum served as an external advisor with start dates of Feb-2012 and Sep-2005 and approximate end dates in 2013 and 2006, for Cosi and Ruby Tuesday, respectively.
[4] Only considered large public company experience if they held a publicly disclosed executive position in a listed company. Considered no restaurant, retail, or real estate experience if not publicly disclosed; does not include directorships as meaningful operational experience.
[5] Peter Feld and Jeff Smith were previously nominated on multiple Starboard/Ramius slates. James Fogarty was nominated to the Office Depot Board by Starboard in 2013, but was not chosen to be added in the settlement; he was also nominated by Starboard to the Regis Board and was elected at the annual meeting. Cynthia Jamison was nominated by Starboard in 2013 to the Office Depot Board and appointed in the settlement; she was also nominated by Starboard to Wausau Paper's Board in 2014, but was not appointed in the later settlement.

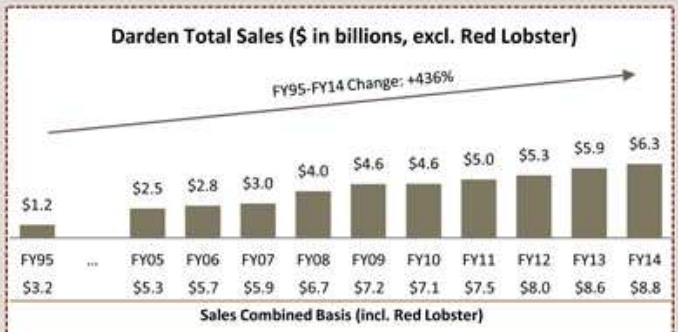
II. We Are Well-Positioned to Continue Making Progress on Our Strategic Priorities

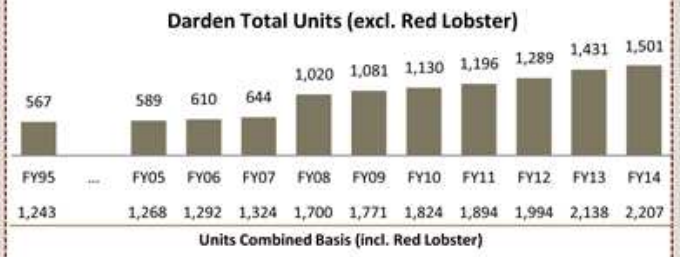
DARDEN

We Built Darden into the Premier Full-Service Restaurant Company in the Industry

PREMIER BRANDS

- Darden is the leading multi-brand restaurant operator with a unique and differentiated portfolio well-positioned to drive growth
- Developed brands to have industry-leading average unit volumes, margins and restaurant-level returns
- Increased sales by $5.1 billion and unit growth by 934 units since FY95 (excluding Red Lobster)
- Historically outperformed Knapp-Track™, the casual dining index and industry benchmark in same-restaurant sales
- Strong cash flow generation has allowed us to return over $4 billion of capital to shareholders since FY95
- Became the first full-service restaurant company named to FORTUNE's "100 Best Companies to Work For" list (2011, 2012, 2013, and 2014)





DARDEN

Operational Priorities for Value Creation

1. Execute Olive Garden Brand Renaissance Plan to continually enhance customer experience
2. Develop LongHorn into America's favorite steakhouse
3. Grow total Specialty Restaurants' sales by more than $1 billion over the next five years
4. Further reduce operating overhead and continue to optimize support and direct operating costs to improve margins
5. Better align management compensation
6. Enhance capital allocation discipline with reduced new unit growth and commitment to halt acquisitions

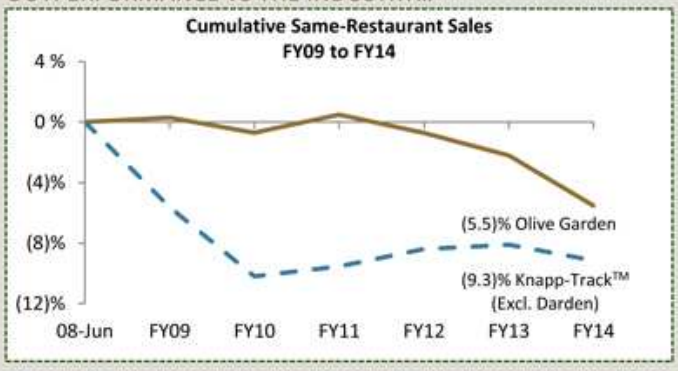
DARDEN

1 Olive Garden Is a Leading Casual Dining Brand and the #1 Italian Full Service Concept in the U.S…

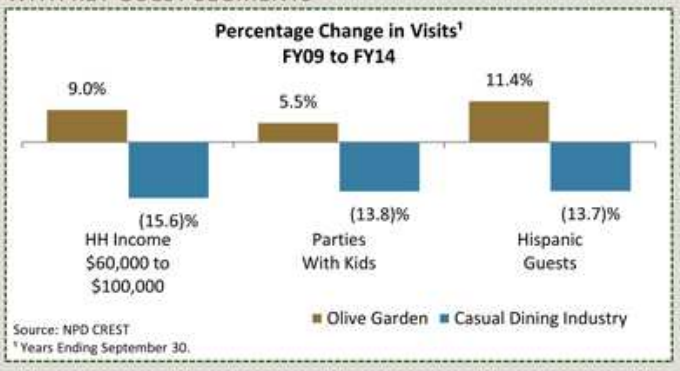
OLIVE GARDEN TOOK SIGNIFICANT MARKET SHARE THE LAST FIVE YEARS…

…IN PART BECAUSE OF VALUE-CREATING NEW RESTAURANT GROWTH

IT ALSO TOOK SHARE THROUGH SAME-RESTAURANT SALES OUTPERFORMANCE VS THE INDUSTRY…



…AND ITS RELATIVE RESULTS ARE BOLSTERED BY ITS SUCCESS WITH KEY GUEST SEGMENTS

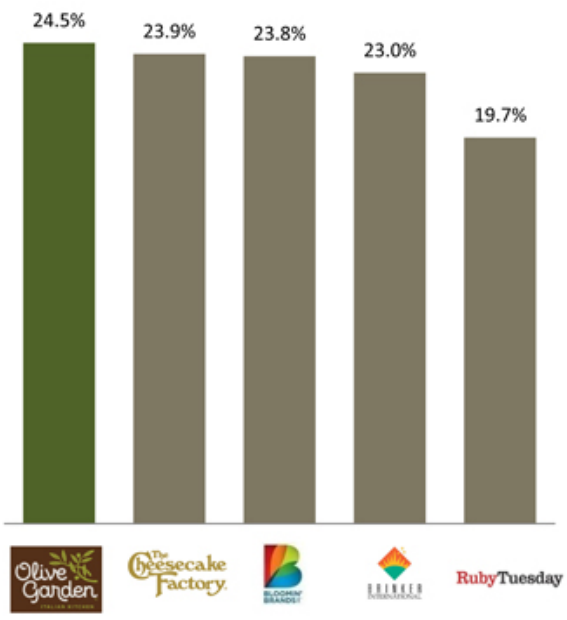


1 …With Industry-Leading Restaurant Economics

OLIVE GARDEN'S COMBINATION OF STRENGTHS RESULTS IN HIGHER AVERAGE UNIT VOLUMES THAN MOST PEERS

Source: 2014 Nation's Restaurant News Top 100 Report (June 2014)

…AND LEADING RESTAURANT-LEVEL MARGINS



Source: Company information for Olive Garden; most recent 10K filings for all others
Note: Reflects latest reported fiscal year. Restaurant-Level Margins = (Company owned restaurant sales – food & beverage expenses – restaurant labor – restaurant expenses (excluding rent and marketing) - pre-opening expenses) / Company owned restaurant sales.

1 Olive Garden Is Well-Positioned for Continued Growth

INDUSTRY-LEADING RESTAURANT ECONOMICS COMPARED TO OTHER NATIONALLY-ADVERTISED, CASUAL DINING BRANDS

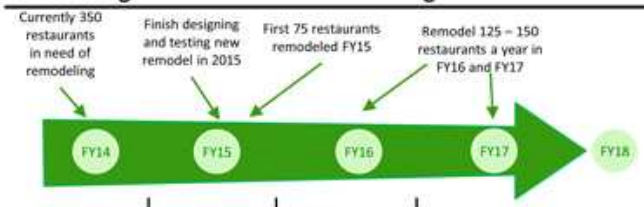
Establish a Strong Foundation Through Emphasis on the Guest Experience

- Premier brand with broad appeal as evidenced by leading restaurant-level returns and annual traffic and sales per restaurant[1]
- Recently launched Brand Renaissance Plan is more sustainably addressing erosion in visit frequency among its core guests
- More aggressively enhancing already solid positions with millennial and multicultural households
- Platform for renewed same-restaurant sales growth and margin expansion

FY15 Strategic Priorities

- **Consistently Great Guest Experience:** Intensify focus on quality food, service and underperforming restaurants
- **Consistently Great Employee Experience:** Stimulate culture to achieve increased discretionary effort and reduced turnover
- **Improve Value Perceptions:** Balance price, quality, and promotions
- **Reignite Brand Relevance:** Energize core guests while engaging lapsed guests and attractive targets

Exciting Remodel Set to Drive Strong Sales Momentum



Remodeled Sites	75	200 - 225	350
Cumulative CapEx[2]	$40 - $45 millions	$110 - $135 millions	$190 - $210 millions

Nationwide Footprint

Note: Numbers on map represent restaurants per state.
[1] When compared to other nationally advertised casual dining brands.
[2] Estimated remodel cost per unit to be between $550 – $600k.

1 Renaissance Plan Update: Key Objectives

OUR OBJECTIVE IS FOR OUR *GUESTS* TO ENJOY A DIFFERENTIATED EXPERIENCE OF TODAY'S ITALY, WHERE OLIVE GARDEN'S WARM HOSPITALITY AND SUPERIOR VALUE BRING PEOPLE TOGETHER

Food	Prepared with fresh ingredients, presented simply with a sense of flair that is very Italian
Service	Approachable and genuine so guests can focus on sharing and conversation
Atmosphere	Natural, clean and tasteful while its tone is warm, relaxed and engaging
Communities	We are a family of local restaurants making a positive difference in the communities where we operate

1 Renaissance Plan Update: Expected Key Growth Drivers for Fiscal 2015

Core Menu Evolution

New Dinner Menu & Design

Lunch Menu Refresh

Value Focus

- Optimize our Cucina Mia everyday value platform
- Increase entrees under $15
- Tuscan Trio Combinations expansion

Choice / Variety

- Lighter, fresher, "better for you" options
- Upgrade classic Italian offerings
- New flatbread pizzas, new piadinas

Convenience

- National roll-out of online ordering **(complete)**
- +13% YoY increase in take-out business during the 1Q FY14
- Test lunch time guarantee

Culinary Operations & Service Enhancements

Simplify Operations

- Ongoing culinary simplification program
- Rollout online to-go ordering **(complete)**

Improve Food & Beverage Quality

- Elevate focus on alcoholic beverages
- New training tools and apps to certify and validate beverage knowledge

Intensify Focus on the Guest

- Greater leadership focus on underperforming restaurants
- Training and development of all team members through recertification
- Introduce table top tablets to enhance the guest experience **(testing);** initial results encouraging including check growth due to increased add-on sales, increased table turns, a 60% pay-at-the-table rate and increased guest survey response rates

New Approach to Advertising & Promotions

Brand Communication

- Launch new ad campaign emphasizing culinary credentials and emotional connection
- Greater use of digital / social media engagement

Promotional Messaging

- Continue to inject new news into our promotions
- Balance limited time offers and equity messages
- Targeted messaging with relevant incentives

In-Restaurant Merchandising

- Redesign all merchandising materials to reinforce culinary expertise, elevating menu news and ease of navigation

Reimaging Program

The Four Walls

- Remodel the interior and exterior of 75 restaurants
- Three remodels complete in 1Q FY14 resulting in more than a 10% increase in traffic on average as guests responded enthusiastically to the changes

Guest Touchpoints

- Rollout new signs with new logo and plateware in all remodeled markets
- New silverware, service utensils and table top amenities add to rollout

2 LongHorn: Journey to Becoming America's Favorite Steakhouse

SAME-RESTAURANT SALES EXCEEDED THE INDUSTRY BY 3.8% IN FISCAL 2014 AND GUEST COUNTS EXCEEDED THE INDUSTRY FOR THE 18TH CONSECUTIVE QUARTER

Significant Progress Has Been Made

- Increased appeal to higher income households and added attractive business travel and entertainment-related consumers[1]
- Leveraged and drove further integration of Darden's restaurant support platform
- Elevated brand marketing capabilities and completed "roadhouse to ranch house" brand positioning
- Invested in increased media, completed Steak House remodel and launched new dinner and lunch menus

FY15 Strategic Imperatives

- Drive same-restaurant sales and profit growth by:
  1. Continuing to differentiate the LongHorn guest experience
  2. Delivering value-creating new restaurants
  3. Strengthening the business model

National Penetration Opportunity ($ in millions)

	Pre-RARE Acquisition	Today	Ultimate Potential
No. of Restaurants	288	464	700
AUV	$3.0	$3.1	$3.4
Total Sales[2]	$790	$1,380	$2,400

Broad Footprint with Significant White Space for Growth

Note: Numbers on map represent restaurants per state. Potential AUVs and total sales are shown in current dollars.
[1] With households in the upper half of the income continuum.
[2] Total sales reflect most recent annual period prior to RARE acquisition.

LONGHORN STEAKHOUSE

2 LongHorn: Expected Key Growth Drivers for Fiscal 2015

ELEVATE QUALITY AND CULINARY CREATIVITY WHILE BROADENING RELEVANCE FOR MORE OCCASIONS

Staff for Growth

Make targeted investments in labor to grow sales through improved execution

Strengthen To-Go Operations Foundation

Improve To-Go execution through staffing, POS and packaging

Improve Digital Presence

Expand capability to enhance connections with guests; differentiate the LongHorn guest experience

Evolve Promotions

Deliver eight sales-driving promotions via improved relevance and reduced reliance on price-pointed LTO offers

LONGHORN STEAKHOUSE

3 Specialty Restaurants: Strong Brands with Unique Differentiation

STRONG UNIT GROWTH AND FOCUS ON INCREASING BRAND AWARENESS TO DELIVER COMPETITIVELY SUPERIOR SAME-RESTAURANT SALES GROWTH

	Demographic Appeal	Well-Positioned…
Yard House	• Acquired in FY13 • Strong appeal to millennial and Generation X households	• …For SRS success while adding at least 100 new restaurants • Accelerating beverage and culinary innovation • Expanding late night occasion • Building organizational and people capability for growth
Seasons 52 Fresh Grill	• Developed internally and introduced in FY03 • Broadly appealing and particularly strong with higher income and Generation X households	• …For SRS success as focus turns to sites that are generating the strongest performance and plans to add at least 100 new restaurants • Increasing brand awareness in new markets • Evolving seasonal/regional menu strategy • Elevating operations excellence
The Capital Grille	• Acquired in FY08 • Strong appeal to higher income households and adds attractive business travel and entertainment-related consumers	• …To maintain current SRS growth momentum as it approaches national penetration with the addition of at least 30 new restaurants
Bahama Breeze Island Grille	• Developed internally, introduced in FY96, and successfully repositioned over past five years • Broadly appealing and particularly strong with Generation X and multicultural households	• …To maintain current SRS growth momentum as the penetration of the eastern third of the United States is completed with the addition of at least 50 new restaurants
Eddie V's Prime Seafood	• Acquired in FY12 • Strong appeal to higher income and Generation X households and adds attractive business travel and entertainment-related consumers	• …For SRS success while adding at least 50 new restaurants

4 We Restructured Darden's Cost Base to Be More Efficient

- Transformative changes in Darden operations have significantly reduced costs (by approximately $150 million annually) in selected high-spend operating support areas including supply chain, facilities management, and utility usage
- Implemented broad based cost-reduction initiatives in response to slower than anticipated sales growth recovery since the financial crisis and economic downturn
- Despite lower total sales following the sale of Red Lobster, plan to maintain general and administrative expenses at approximately 5% of sales
- Alvarez & Marsal assisted with efforts to identify additional operating support and direct operating cost savings opportunities as well as potential sales enhancement opportunities
  - Additional G&A cost savings anticipated
  - Acceleration of digital marketing / CRM capabilities

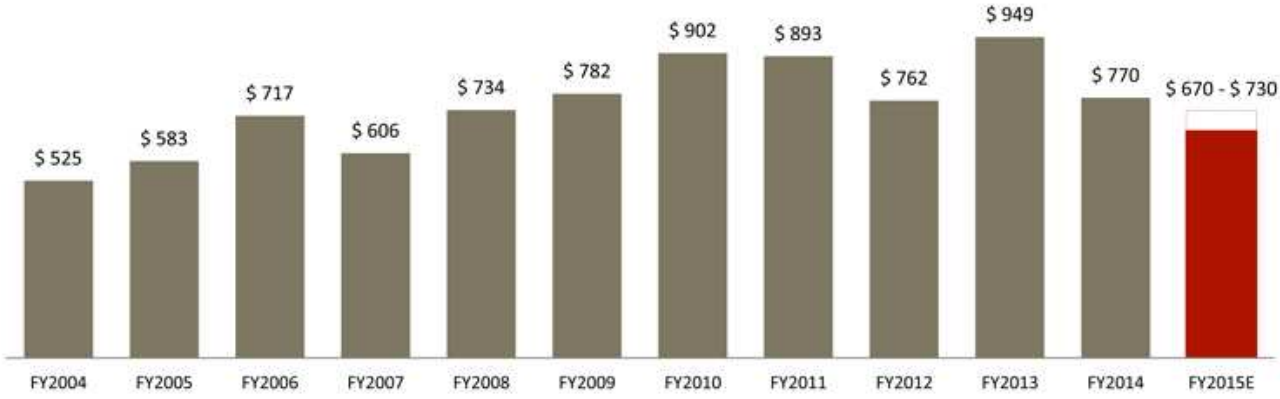
5 New Management Compensation Plan Focused on Same-Restaurant Sales and Free Cash Flow

Incentive Program	Prior Plan	New Compensation Plan
Annual Management Incentive Plan	• EPS (Darden) or Operating Profit (Business Units): 70% • Sales Growth: 30%	• EPS (Darden) or Operating Profit (Business Units): 70% • Same-Restaurant Sales: 30%
Three-Year Performance Share Units	• Darden EPS Growth: 50% • Darden Sales Growth: 50%	• Darden EPS Growth: 50% • Darden Free Cash Flow : 50% • Darden TSR relative to median S&P500 "adjuster": +/-10%

Higher Same-Restaurant Sales | **Increased Free Cash Flow** | **Higher Shareholder Returns**

DARDEN

6 Robust Cash Flow Generation and Disciplined Capital Allocation



FY15 Expectations

- Approximately $1 billion notional debt paydown (completed in August)
- Investment grade credit profile expected to remain intact
- Cash provided by operations of $670 million to $730 million
- $500 million accelerated share repurchase and up to $200 million open market repurchase funded predominantly by proceeds from Red Lobster sale
- Maintain current annual dividend of $2.20 per share for total dividend payout of approximately $275 million
- In FY15, $325 million to $350 million of capital expenditures on a continuing basis, reflecting lower new unit growth slightly offset by the start of the Olive Garden remodel program

Note: Cash flow includes Red Lobster.

DARDEN

Many Analysts Support the Actions We Took to Improve Performance…

"Although we remain cautious, **we believe fundamental improvement at Olive Garden (~60% of the "New Darden" revenue) can occur slowly with a shift to digital/targeted marketing, reinvestment in food value, and reimaging**, all of which appear to be **in progress under the new strategic plan**."

(RBC Capital Markets, 23-Jun-2014)

"Absent recent activist involvement, we believe **investors would have appreciated the strategic merit of such a transaction; monetizing the most volatile brand, while allowing for renewed focus on resurrecting the Olive Garden (OG) brand."**

(Barclays, 16-May-2014)

"We view [Red Lobster sale] as a positive for Darden shareholders, **as it will enhance the company's overall growth and margin profile**, reduce the company's exposure to seafood commodity cost swings, **improve Darden's credit metrics, and allow the company to return cash to shareholders**."

(Morningstar Equity Research, 16-May-2014)

"Although investors were perhaps prepared for more significant actions (creation of a public REIT, for instance) we applaud management's recognition of the need for **increased brand focus, changes to compensation, and overarching prioritization of FCF return vs. growth in what is now a mature industry."**

(JP Morgan, 20-Dec-2013)

"Senior management's compensation/incentive programs are being refined to focus on same-store sales growth and the generation of free cash flows. We believe **this is positive as incentives should be more aligned with those of shareholders**."

(Sterne Agee, 19-Dec-2014)

Note: Permission to use quotations in these materials was neither sought nor obtained. Bolding added for emphasis.

…And We Will Continue to Be Open to Fresh Perspectives that Are Focused on Improving Our Operating Fundamentals

MANY INDUSTRY ANALYSTS RECOGNIZE IMPROVED PERFORMANCE AND VALUE CREATION WILL BE DRIVEN BY INCREASED OPERATING RESULTS OVER TIME, NOT FINANCIAL ENGINEERING

"We suspect **there is limited strategic change the activists can effect beyond what DRI is already undertaking**, and **the concessions DRI has made will ensure activist involvement in board decisions going forward.**"

(Susquehanna Financial Group, 3-Sep-2014)

"We still believe the path to creating long-term shareholder value lies within DRI's ability to drive better core operating performance for remaining brands (particularly Olive Garden), **as opposed to financially reengineering the company**."

(Robert W. Baird & Co., 22-May-2014)

"Despite ongoing challenging fundamentals, we rate shares of Darden Restaurants (DRI) a Buy due to: (1) the attractive dividend yield, and (2) possibilities for unlocking shareholder value – **the largest opportunity of which is, in our view, more effective and efficient management of the company's Olive Garden business.**"

(Janney Montgomery Scott, 16-May-2014)

"**We see limited upside specifically from a Darden break-up**: Our sum of- the-parts analysis suggests Darden's stock price has approached fair value following the recent $6.00/share increase, implying that cost cutting largely would offset any dyssynergies from a breakup of the company. **We believe other quick upside ideas (e.g., REIT) are less promising since they effectively increase financial leverage and constrain operational flexibility**."

(RBC Capital Markets, 16-Dec-2013)

Note: Permission to use quotations in these materials was neither sought nor obtained. Bolding added for emphasis.

III. We Believe Darden's Proposed Board Will Have the Track Record, Continuity, Experience, Independence and Fresh Perspectives Needed to Capitalize on Darden's Strengths and Enhance Shareholder Value

DARDEN

History of Sound Corporate Governance Policies and Practices Expected to Continue With New Board

- **New Independent Board with Fresh Perspectives**
  - Eight of 12 independent directors to be new to the Board this year
    - Four new independent nominees
    - Four continuing independent director nominees
    - Four seats to be filled by candidates proposed by Starboard
  - New independent Chairman
  - New Board committees
- **Sound Governance Practices**
  - Annually elected Board
  - Independent Chairman
  - Fully independent Finance, Audit, Nominating and Governance, and Compensation committees
  - Mandatory retirement age for directors
  - Limits on the number of other Boards that directors may serve on
  - Submitted proposal on proxy access rule for approval at Annual Meeting resulting from a shareholder proposal in 2013
  - Majority voting election standard beginning with the 2015 Annual Meeting[1]
  - Annual Board self-evaluations and independent third-party led triennial in-depth evaluations to assess effectiveness of the Board and individual members
- **Active Involvement to Remain a Key Focus**
  - Engage regularly with shareholders; seek and act upon feedback
  - Board reviews the Company's people and talent management strategy at least annually
  - Board assesses major risks facing the Company and reviews options for their mitigation

[1] The Board is expected to adopt a bylaw implementing a policy on majority voting in uncontested director elections after the Annual Meeting that will be effective for the 2015 Annual Meeting of Shareholders. A description of the policy on majority voting that we expect the Board to adopt appears in the Darden proxy filed 09-Sep-2014.

Senior Management and the Board Are Engaged in Active Dialogue with the Investor and Financial Community

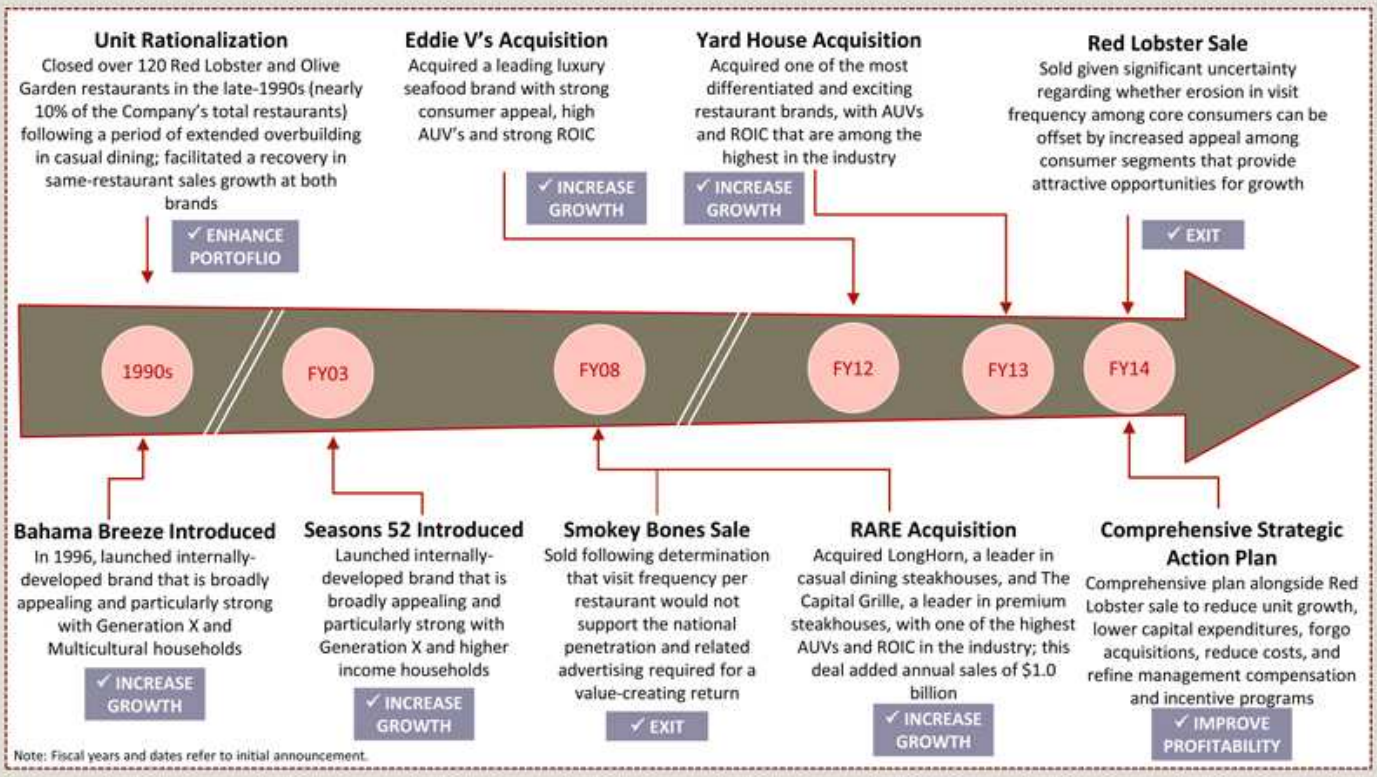
- **Four regular quarterly meetings, one Board retreat, and nine special meetings occurred during FY14**
  - In FY15, the Board, together with its Committees, met almost weekly, and enhanced its Company oversight through a Transaction Committee
- **Data and analysis provided by two independent financial advisors**
- **Active dialogue with shareholders**
  - 94 one-on-one meetings[1]
  - 54 group meetings[1]
  - Reflected shareholder feedback in refining compensation and incentive programs for senior management to more directly emphasize same-restaurant sales growth and free cash flow
  - Strategically reduced capital deployment and reduced support cost spending
- **Constant dialogue with sellside research analysts (more than 25 analysts cover Darden)**
- **Released comprehensive investor presentation outlining Strategic Action Plan on March 3, 2014**
- **Darden's excellent record of engagement is also reflected in the many investor relations awards received, including awards specifically determined by sell- and buy-side analysts:**
  - In April 2014, Darden's IRO was one of five IR professionals to be named by the National Investor Relations Institute (NIRI) to its 2014 class of NIRI Fellows
  - Institutional Investor Magazine ranked Darden's IRO #1 in the restaurant industry in 2011 and 2012, and #2 in 2013
  - Darden's IR program has received additional recognitions from IR Magazine

[1] Measured between 25-Jun2013 and 02-Sep-2014.

DARDEN

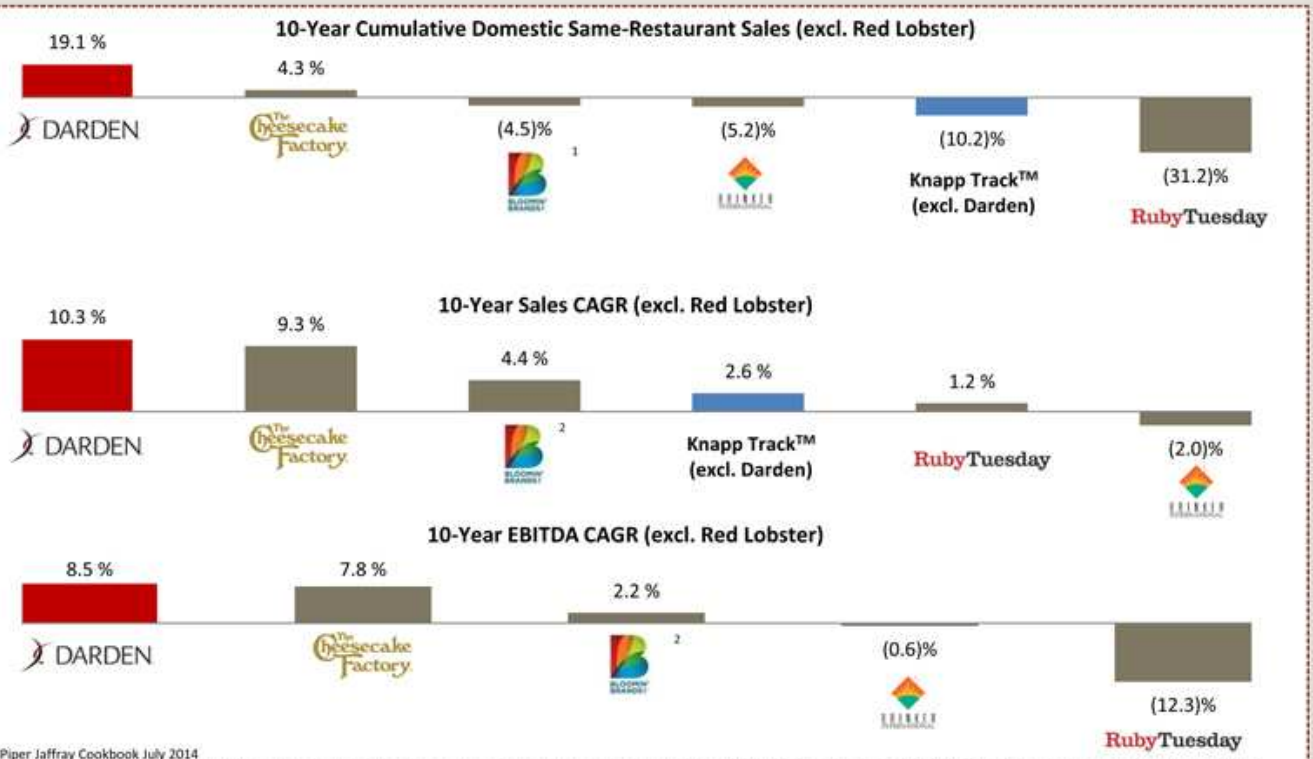
We Have a History of Proactive, Decisive Action in Response to Changing Industry Dynamics

TO DRIVE SHAREHOLDER VALUE, DARDEN'S BOARD EMPLOYED A RIGOROUS AND DISCIPLINED PROCESS TO CONTINUALLY REVIEW ITS BUSINESS



DARDEN

Our Board Has Overseen Significant Growth Over the Past Decade Relative to Peers…



Source: Piper Jaffray Cookbook July 2014

Note: Darden same-restaurant sales includes Olive Garden and LongHorn. Same-restaurant sales figures are on systemwide basis. EBITDA Defined as non-GAAP EBITDA from all corporate operating activities, including company-operated restaurants, franchising, support operations (commissary, distribution), and other food-related business segments but before other income. Figures may not match reported results as adjustments were made at times to exclude items deemed as non-recurring.

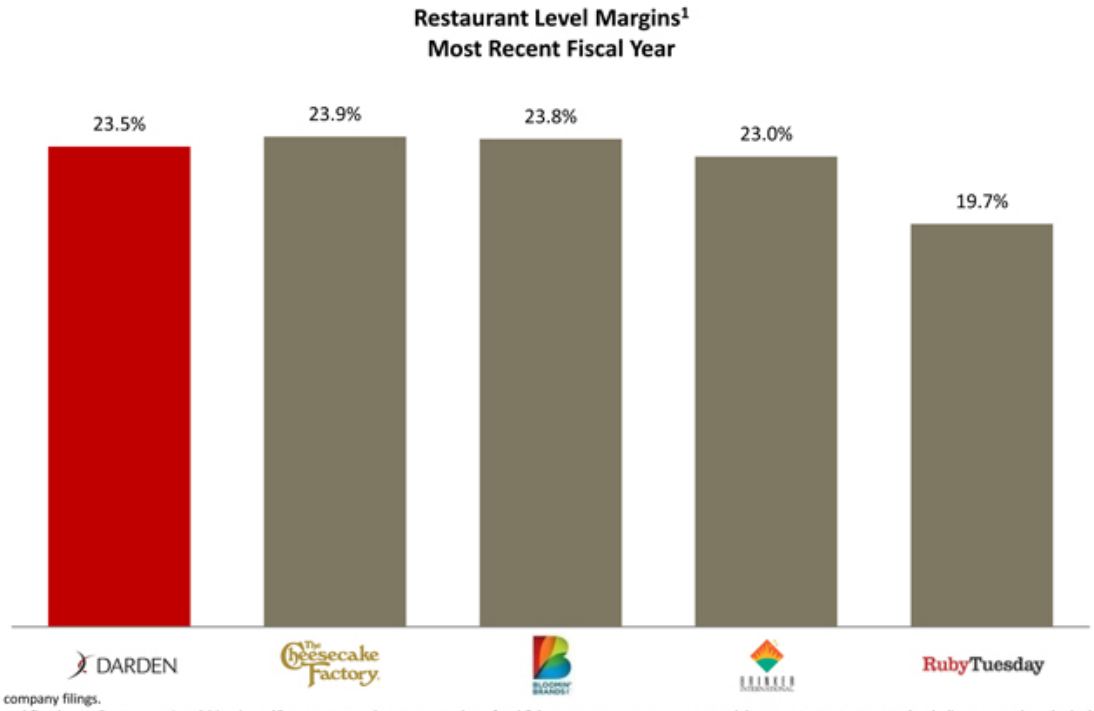
[1] Bloomin' same-restaurant sales shown as Outback same-restaurant sales as per Piper Jaffray Cookbook.

[2] Bloomin' revenue and EBITDA from Piper Jaffray Cookbook.

DARDEN

….And Our Restaurant-Level Earnings Are Top Tier

OUR RESTAURANT-LEVEL MARGINS ARE STRONG COMPARED TO OTHER MAJOR CHAIN COMPETITORS, EVEN EXCLUDING RENT EXPENSE



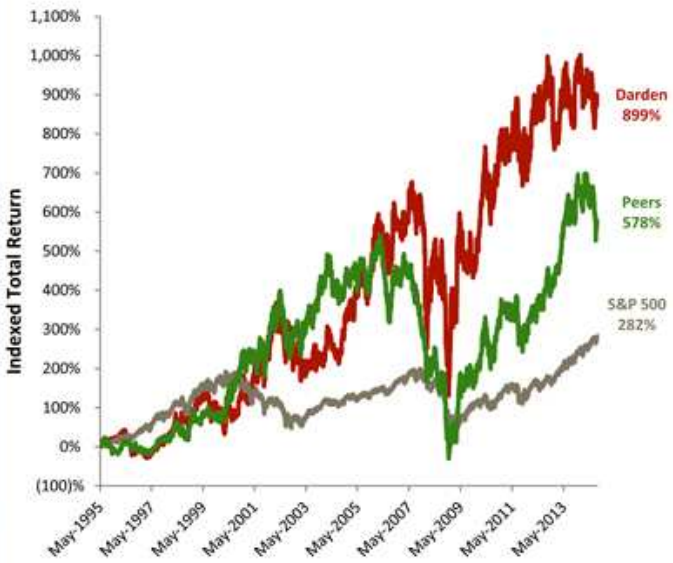
Source: Most recent company filings.
[1] Reflects latest reported fiscal year. Restaurant=Level Margins = (Company owned restaurant sales – food & beverage expenses – restaurant labor – restaurant expenses (excluding rent and marketing) - pre-opening expenses) / Company owned restaurant sales.

DARDEN

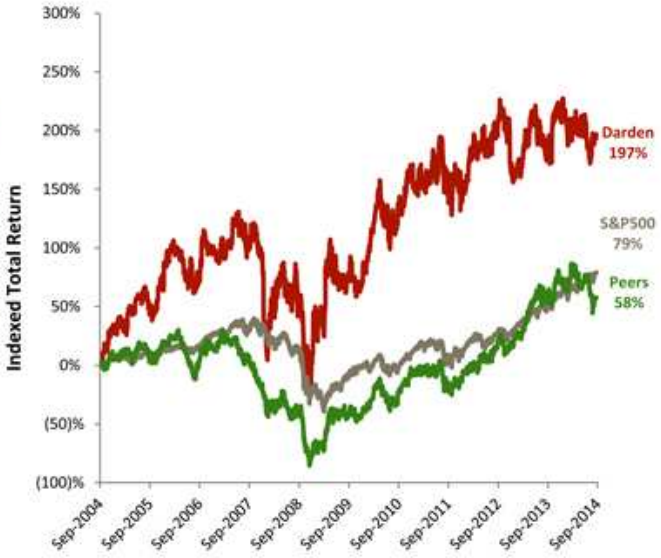
We Have Created Significant Shareholder Value Over the Long-Term…

DARDEN HAS SIGNIFICANTLY OUTPERFORMED BOTH THE S&P 500 AND PEERS OVER THE PAST DECADE AND SINCE BECOMING A PUBLIC COMPANY

Total Shareholder Return since 1995[1]



10-Year Total Shareholder Return



Source: Bloomberg as of 02-Sep-2014 and Company press releases
Note: Peers include Bloomin', Brinker, Cheesecake Factory and Ruby Tuesday. Bloomin' data since initial public offering on 07-Aug-2012. Total shareholder return calculated as share price appreciation plus reinvested dividends.
[1] Chart shown since spin off on 09-May-1995.

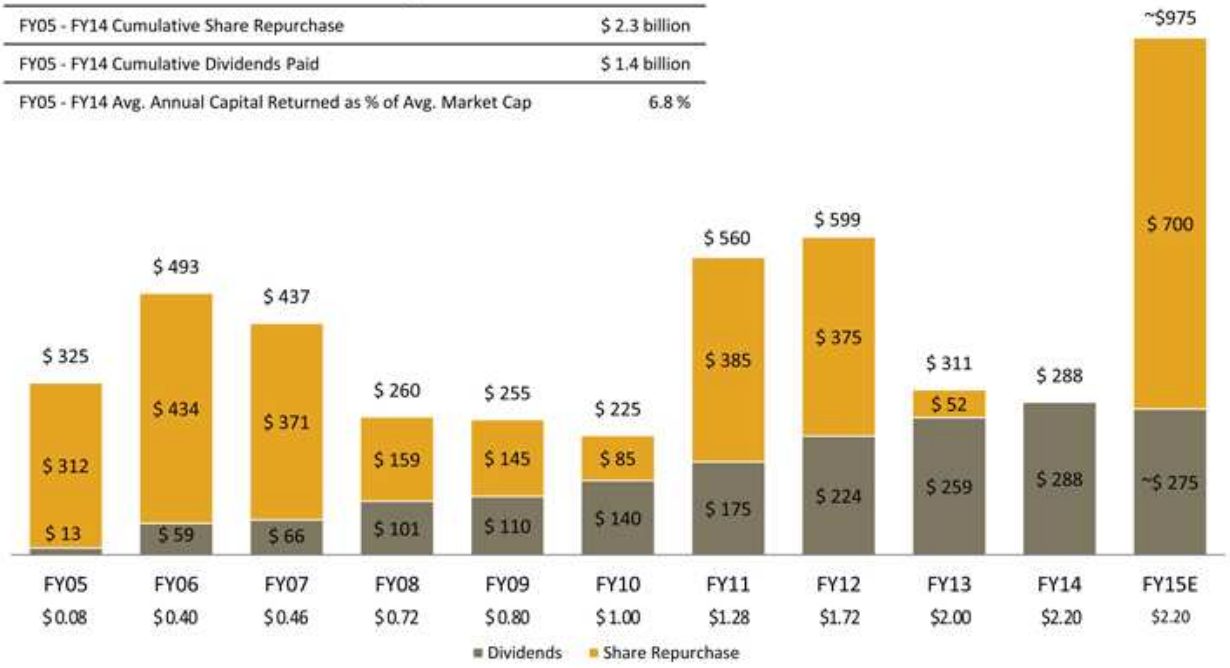
DARDEN

…With Approximately $4 Billion of Capital Returned to Our Shareholders over the Past Decade

WE EXPECT THIS TO CONTINUE UNDER THE GUIDANCE OF OUR NEW BOARD

FY05-FY14 Cumulative Capital Returns

FY05 - FY14 Cumulative Share Repurchase	$ 2.3 billion
FY05 - FY14 Cumulative Dividends Paid	$ 1.4 billion
FY05 - FY14 Avg. Annual Capital Returned as % of Avg. Market Cap	6.8 %



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

DARDEN

Darden's Proposed Board Has Diverse and Proven Leaders with the Right Mix of Experience for Darden at the Right Time

- ✓ Leading other global consumer and retail companies
- ✓ Skillsets and experience in
  - Restaurants
  - Operations
  - Food service
  - Hospitality
  - Consumer marketing
  - Brand building
  - Supply chain and distribution management
  - Consumer packaged goods
  - Technology
  - Human resources
- ✓ Franchising
- ✓ Real estate development
- ✓ Mergers and acquisitions
- ✓ Capital allocation
- ✓ Finance, audit and accounting
- ✓ Corporate governance
- ✓ Senior executive leadership at other publicly-traded companies, including
  - Chairman
  - Chief Executive Officer
  - Chief Operating Officer
  - General Managers of Major Business Units
- ✓ Serving in Board committee leadership roles and as individual directors

Broad and Complementary Range of Expertise and Capabilities

Darden's Board – Diverse and Proven Leaders with the Right Mix of Experience for Darden at the Right Time

Michael W. Barnes
Chief Executive Officer of Signet Jewelers

Darden benefits from Mr. Barnes' experience as Chief Executive Officer, Chief Operating Officer and as a director of other consumer branded and retail companies, including Signet Jewelers and Fossil. In these roles, he has developed, implemented and overseen growth strategies like those underway at Darden, built on superior customer service, compelling product offerings, technology and digital initiatives, and targeted advertising and promotion campaigns.

The success of these strategies is reflected in the value created by the companies in which Mr. Barnes has led. For example, since becoming Chief Executive Officer of Signet Jewelers, the nation's largest specialty jeweler and parent of Kay Jewelers and Jared, in January 2011, Signet's stock price has increased over 177%[1], the Company has achieved substantial gains in revenue and earnings per share, and expanded its footprint, including the recent $1.4 billion acquisition of Zale Corporation. Signet Jewelers' value creation reflects its successful strategic growth initiatives, including creating an outstanding customer experience, delivering compelling merchandise, heightening awareness through advertising investment, and offering customer finance programs to support its customers' purchases and drive sales.

Mr. Barnes was also part of the management team that took Fossil public in 1993 and contributed to the continuing financial success and growth of the business as President and Chief Operating Officer. In his roles, he oversaw Fossil's state-of-the-art international sourcing and supply chain operations, led business development, and managed the relationships with many of Fossil's retail and licensing/brand partners. In addition, he helped the Company diversify into other businesses and categories outside of its wholesale branded and licensed watches.

Experience in consumer marketing, and supply chain operations

[1] As of September 2, 2014

DARDEN

Darden's Board – Diverse and Proven Leaders with the Right Mix of Experience for Darden at the Right Time (Cont'd)

Christopher J. Fraleigh
Chairman and Chief Executive Officer of Shearer's Foods

Mr. Fraleigh brings to Darden 25 years of experience in consumer products, retail and food services, including serving as Chairman and Chief Executive Officer of Shearer's Foods, a global manufacturer of snack foods, where he has doubled the business in the last two years through both organic growth and acquisitions. In his previous role as Chief Executive Officer of Sara Lee North America, Mr. Fraleigh built a global retail and food-services business around brands such as Jimmy Dean, Ball Park, Sara Lee and Hillshire Farms, and helped lead Sara Lee's 2011 decision to split into two publicly traded companies. In addition to his strategic achievements as CEO of the $7 billion Sara Lee North America, Mr. Fraleigh's record of value creation is reflected in the Company's financial and operating performance. In particular, during his 6 1/2 year tenure:

- Operating profit more than doubled with significant gains across operating segments, including Retail, Foodservice and Fresh Bakery;
- Supply chain was enhanced with improvements in innovation, pricing and plant automation, which resulted in significant cost reductions and increased efficiencies;
- Sara Lee increased share in 11 of 12 categories, realized 25% growth in key items carried in-store, increased shelf space by 35%, and expanded strategic relationships with top retailers; and
- The Company restructured all divisions and optimized its brand portfolio through the acquisition of new brands and the sale or shutdown of non-core assets.

Mr. Fraleigh's experience also includes his executive roles at General Motors Corporation's GMC-Buick-Pontiac division and at PepsiCo, where he accelerated both revenue and earnings growth for brands including Cadillac, Pepsi and Mountain Dew. As a result of his collective experience, Mr. Fraleigh provides Darden with valuable insight in consumer marketing/brand building, franchising, and supply chain management and distribution.

Knowledge of consumer marketing/brand building, franchising, and supply chain management and distribution – 25 years of experience in consumer products, retail, and food services

Darden's Board – Diverse and Proven Leaders with the Right Mix of Experience for Darden at the Right Time (Cont'd)

Michael D. Rose

Chairman of the Board of Midaro Investments and Independent Lead Director at General Mills

As a director of Darden since its spin-off from General Mills and General Mills' current Independent Lead Director, Mr. Rose brings extensive knowledge of the restaurant, food and consumer industries. Mr. Rose also has extensive experience executing spin-offs and divestitures. Darden also benefits from his finance and accounting expertise, as well as the considerable executive management and corporate governance experience he has gained through his years of service on the boards and leadership teams of other public companies, including REITs and other hospitality- and restaurant-focused companies. Over the course of his executive leadership career as Chairman of the Board of Midaro Investments, Independent Lead Director at General Mills and as Chairman and Chief Executive Officer of other companies, Mr. Rose has overseen and directed:

- The successful turnaround of a leading regional financial institution through recruiting a new management team, the sale of non-core businesses, completing significant debt refinancings and capital raises, and employee and community engagement;
- The growth of The Promus Companies (an owner of hotels operating under the Embassy Suites, Hampton Inn and Homewood Suites brands), including its merger with Doubletree Corporation and subsequent sale for $3.7 billion to Hilton Hotels Corporation in 1999;
- The growth and spin-off of Harrah's Entertainment Inc. from Promus. Under his leadership, Harrah's became one of the largest casino companies in the world. Promus Companies was created following the divestiture of the Holiday Inn brand for over 13x EBITDA. During his tenure, Promus was named as the highest performing large cap stock of the NYSE for the decade of the 1980s by Fortune Magazine

In light of his many accomplishments and track record in the hospitality industry, Mr. Rose was selected to receive the Lifetime Achievement Award at the inaugural Americas Lodging Investment Summit. Mr. Rose was also elected to the Lodging Hospitality Hall of Fame, the Gaming Hall of Fame and was named by Corporate America's Outstanding Directors Top 10 Directors of the Year in 2000.

Extensive knowledge of hospitality operations, financial accounting, strategy, real estate development, and M&A

Darden's Board – Diverse and Proven Leaders with the Right Mix of Experience for Darden at the Right Time (Cont'd)

Maria A. Sastre
President, Chief Operating Officer of Signature Flight Support

Ms. Sastre brings to Darden a record of accomplishment leading companies and serving on boards that have been category leaders in the hospitality, retail (supermarkets), transportation, and aviation industries. Her expertise in North American and international operations, supply chain and distribution, customer service, mergers and acquisitions, corporate finance, marketing and real estate management have supported Darden and its brands across numerous strategic business initiatives.

Ms. Sastre has been President and Chief Operating Officer of Signature Flight Support Corporation (Signature), the premier fixed based operations network for private aviation services, since January 2013. She served as Chief Operating Officer of Signature from May 2010 until January 2013.

Ms. Sastre also served as Vice President of International Sales and Marketing, Latin America and Caribbean, for Royal Caribbean International, Celebrity Cruises and Azamara Cruises, all units of Royal Caribbean Cruises, Ltd., a global cruise line company, from January 2005 to September 2008. In this role, she led strategic growth in emerging markets. She held additional executive roles with Royal Caribbean International, as Vice President of Hotel Operations from 2000 to 2004, managing all aspects of Hotel Operations, Food & Beverage, Entertainment and the Guest Experience for the entire fleet.

In addition to serving on the Board of Darden Restaurants, Ms. Sastre serves on the Board of Publix Super Markets, renowned as a category leader in customer satisfaction. She also served on the Board of Laidlaw International through its emergence from bankruptcy, its turnaround and ultimate sale. Ms. Sastre has been recognized as a Top 10 Hispanic American Leader by Hispanic Executive in 2013 and a Top 100 Most Influential Hispanic by Hispanic Business in 2011.

Extensive knowledge of retail and hospitality operations, marketing, corporate finance, supply chain and distribution, and M&A

New Darden Nominees Strengthen Company Slate with Additional Restaurant, Franchise, Consumer, and Operations Expertise

Gregory L. Burns

President and Chief Executive Officer of The Gregory Burns Consulting Group, LLC and Member of the Board of Directors of Pinnacle Financial Partners, Inc.

Mr. Burns is a 26-year veteran of the restaurant industry having led O'Charley's Inc., a multi-concept restaurant company, as Chief Executive Officer for 14 years and serving as its Chairman for 13 years. Mr. Burns' expertise focuses on brand management through high-quality food and beverage, and service execution. Mr. Burns also has a track record of successfully developing long-term strategic business plans that encompass and balance operations and new unit growth with capital requirements.

Under Mr. Burns' leadership, O'Charley's grew from a single to multi-brand platform with 371 company-owned restaurants and franchises in 28 states operating under the O'Charley's, Ninety Nine Restaurant and Stoney River Legendary Steaks brands with almost 25,000 employees. Mr. Burns also oversaw the acquisition, development and expansion of a full service manufacturing, distribution and commissary operation, which the Company sold in 2006.

Mr. Burns currently serves as President and Chief Executive Officer of The Gregory Burns Consulting Group, LLC, and is a member of the Board of Directors of Pinnacle Financial Partners, Inc. Previously, he was the founder, President and Chief Executive Officer of NeighborMD Management, LLC, developer of branded retail urgent care centers, which was sold to a JV between HCA and CareSpot Express Healthcare in 2013.

Extensive experience in restaurants, retail & hospitality operations, financial accounting, brand management, and M&A

DARDEN

New Darden Nominees Strengthen Company Slate with Additional Restaurant, Franchise, Consumer, and Operations Expertise (Cont'd)

Jeffrey H. Fox
Chairman of Convergys Corporation

Mr. Fox brings significant leadership, executive management, strategic planning, investment and operations experience to the Darden Board. Mr. Fox serves as non-executive Chairman of the Board of Convergys Corporation, a market-leading customer management company with $3 billion in revenue, $350 million in EBITDA, and 125,000 global employees. Prior to becoming Chairman, Mr. Fox served as President and Chief Executive Officer of Convergys and led the Company's transformation from a multi-line business services supplier into a market leader in the customer management business. This transformation involved divesting approximately $900 million of non-core assets while improving the operating performance of the core customer management business. Mr. Fox first joined Convergys as a director in February 2009 in connection with an agreement with Convergys' then largest shareholder, JANA Partners LLC.

Prior to joining Convergys, Mr. Fox founded the investment and advisory firm Circumference Group. As founder, Mr. Fox assembled a team of seasoned operators and led the team through a sector-focused public and private investing platform. Mr. Fox is actively involved in Circumference Group as its majority owner. Mr. Fox also provides experience leading consumer facing companies, including serving as a current Director of Avis Budget Group, Inc., and previously as Chief Operating Officer of Alltel Corporation. Prior to Alltel's acquisition by Verizon Wireless in January 2009, Alltel was the fifth largest wireless company in the United States with over $10 billion in revenues, $3.5 billion in EBITDA and 16,000 employees.

Prior to Alltel, Mr. Fox worked in investment banking for 10 years with Stephens Inc., preceded by two years with Merrill Lynch; he specialized in merger and acquisition advisory services for public and private companies.

Extensive experience in M&A, financial accounting, operations, and supply chain

New Darden Nominees Strengthen Company Slate with Additional Restaurant, Franchise, Consumer, and Operations Expertise (Cont'd)

Steve Odland
Director at General Mills

Mr. Odland has an extensive background in business and corporate governance, successfully leading major companies, including two Fortune 500 companies, through highly challenging environments. He has led multiple companies in industries directly related to Darden, such as the food and consumer industries, reinvigorating brands, growing sales through new marketing and merchandising programs, expanding margins and improving customer service metrics. In addition, he has many years of experience in multi-unit retail, including overseeing real estate site optimization, selection, development and expansion.
Previously Mr. Odland served as Chairman and Chief Executive Officer of Office Depot; Chairman, President, and Chief Executive Officer of AutoZone; Chief Operating Officer of Ahold USA; President and Chief Executive Officer of Tops Markets, Inc.; President of the Foodservice Division of Sara Lee Bakery; and was employed in various executive positions by The Quaker Oats Company. He currently serves as a Director of General Mills and previously served on the Board of Directors of Peapod, Inc.

Mr. Odland also possesses a strong policy background. He currently serves as President and Chief Executive Officer of The Committee for Economic Development. Previously, he was Chairman of the Business Roundtable's Corporate Governance Task Force; a U.S. Presidential appointee as a Commissioner on the National Surface Transportation Policy and Revenue Study Commission; a member of the Committee on Capital Markets Regulation; a U.S. Presidential Appointee on the Council on Service and Civic Participation; a member of the Advisory Council of the Institute for Corporate Ethics; a member of the Advisory Council, University of Notre Dame Mendoza College of Business; and a member of the Florida Council of 100.

Previously, Mr. Odland was also an Adjunct Professor at the Lynn University and Florida Atlantic University graduate schools of business. [1]

Extensive experience with food & consumer companies, strategy, operations, and policy

[1] Office Depot, Mr. Odland (when he was then CEO of Office Depot) and the CFO of Office Depot entered into a settlement with the SEC in October 2010 regarding Regulation FD matters, which settlement is further described in the proxy statement filed by Darden on 09-Sep-2014.

New Darden Nominees Strengthen Company Slate with Additional Restaurant, Franchise, Consumer, and Operations Expertise (Cont'd)

Enrique Silva
President, Chief Executive Officer and Member of the Board of Checkers Drive-In Restaurants

Mr. Silva brings more than 20 years of international restaurant experience and a successful track record of partnering with private equity owners to drive strategic growth and turnaround initiatives.

Since joining Checkers in 2007, Mr. Silva has led a comprehensive restructuring and expansion of the Checkers/Rally's business. He recruited industry-leading talent to the management team, led the development of a new brand strategy, directed the implementation of best-in-class operating and performance management systems, and implemented a set of core values that have become the foundation of the brands' culture. These actions have resulted in category-leading sales growth, with almost four straight years of consecutive comp sales increases every quarter largely driven by traffic, and substantial improvements across all aspects of operations, including restaurant-level profitability, menu and guest satisfaction.

Prior to Checkers, Mr. Silva served in a number of leadership roles at Burger King Corporation for more than 13 years. As President of their Latin American region, he grew the Burger King brand across South & Central America, Mexico and the Caribbean. Mr. Silva also ran their U.S. Company Operations, where he oversaw more than 600 company restaurants with a team of 15,000 employees and led the financial, operational and cultural turnaround of those restaurants. As Senior Vice President, Franchise Operations, he was responsible for more than 3,300 franchise restaurants in the U.S. and Canada.

Mr. Silva has received numerous awards and recognitions for his business achievements, including being named by Nation's Restaurant News as one of the 2014 "10 Restaurant Executives to Watch," being a 2013 Ernst & Young Entrepreneur of the Year finalist, and being recognized as one of the "100 Most Influential Hispanics" in the US by Hispanic Business Magazine.

Extensive experience in restaurants, franchising, retail, marketing, strategy, and corporate finance

Many Industry Analysts Recognize the Darden Slate Provides Both Fresh Perspectives and Valuable Continuity…

"Darden separately filed a revised four new/four incumbent/four Starboard slate for nomination at the October 10 AGM, which **likely better addresses investor concerns around the need for board and management changes**, while stopping short of giving Starboard full control. In our view, this approach **balances the need for fresh ideas with historical experience and perspective**."

(Susquehanna Financial Group, 3-Sep-2014)

"Darden's slate includes four existing board members and four new nominees, which along with Starboard's four seats, would **yield a group that could bring fresh perspective to DRI while allowing for some continuity that would not be associated with Starboard's plan to replace the entire board**. We believe DRI's new proposal reflects **a prudent approach**."

(Robert W. Baird & Co, 2-Sep-2014)

"We expect shareholders will like this plan as it **should provide the change agents shareholders are seeking without giving Starboard complete control**."

(KeyBanc, 2-Sep-2014)

"Starboard gets 4 seats (up from 3 prior), along with nomination of 4 new independents & 4 incumbents. **We believe a reasonable concession, providing benefits of fresh perspectives and continuity while avoiding risks associated with full board turnover**."

(Barclays, 2-Sep-2014)

"We generally view this decision favorably, as **the new independent and Starboard board members can bring additional perspective** in expanding brand reach, improving operations, or exploring potential real estate transactions."

(Morningstar, 2-Sep-2014)

Note: Permission to use quotations in these materials was neither sought nor obtained.

…And that Removing all of Your Directors (and the Knowledge and Experience They Provide) Could Derail the Progress We Are Making

"In our view, continued pressure from Starboard and other activist investors could **disrupt management's strategic action plans and adds another layer of uncertainty to future free cash flow projections**."

(Morningstar Equity Research, 8-Jul-2014)

"**We don't expect the activist to succeed given the limited strategic change it can effect** as DRI's problems go beyond the company and reflect the ongoing challenges in the casual dining industry."

(Susquehanna Financial Group, 23-Jun-2014)

"Activists traditionally aren't geared towards operating companies. Essentially what you now have is a fundamental story where it is all about the turnaround because the sale of Red Lobster is going to move forward in July as planned, and so **does Starboard really think that another board or another management team could do it better?** I'm not sure. Casual dining has been suffering as a whole."

(Rachel Rothman of Susquehanna Financial Group, CNBC, 20-Jun-2014)

"While not surprised by Starboard's move, **we see risk that the threat of Board/management changes could cause distraction/disruption that could impede progress** on improving core operating fundamentals, which we believe is the primary way for DRI to create shareholder value."

(Robert W. Baird & Co., 22-May-2014)

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IV. Conclusion

Where We Stand Today and Where We Are Going

- **Our reconstituted Board structure provides the benefit of continuity, fresh perspectives, and shareholder representation while avoiding the risks associated with the full Board turnover that Starboard is seeking**
  - — We recruited four highly-qualified, new independent directors to provide fresh perspectives
  - — Despite recent challenges, our continuing directors have repositioned Darden's portfolio and governance structure to continue our strong legacy of long-term value creation and significant capital return to shareholders
- **We employed a rigorous and disciplined process to develop a comprehensive and clear operational plan**
  - — Darden's current leadership is delivering on an operating plan which results in exceptional returns and provides steady, sustainable growth through thoughtful capital allocation
  - — We are confident that our brands are well-positioned to grow at a faster rate than the industry, while still affording the stability to continue to return a significant amount of cash to our shareholders
- **Our strategy has been, and will continue to be, focused on driving the highest and most sustainable returns**
  - — We are resolved to focus on operational excellence and efficiency, improving the customer experience and driving margin expansion with a brand-by-brand focus
  - — We strongly believe that ceding control to Starboard is <u>not</u> in in the best interest of Darden or its shareholders

Darden's Board Recommends Darden Shareholders Vote the <u>BLUE</u> Proxy Card "<u>FOR ALL</u>" of Darden's Director Nominees

DARDEN

NOURISH & DELIGHT

everyone we serve