

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1997-12-18** | Period of Report: **1997-11-23**
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FILER

DARDEN RESTAURANTS INC

CIK: **940944** | IRS No.: **593305930** | State of Incorpor.: **FL** | Fiscal Year End: **0526**
Type: **10-Q** | Act: **34** | File No.: **001-13666** | Film No.: **97740403**
SIC: **5812** Eating places

Mailing Address

*5900 LAKE ELLENOR DRIVE
ORLANDO FL 32809*

Business Address

*5900 LAKE ELLENOR DR
ORLANDO FL 32809
4072454000*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended November 23, 1997

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

For the transition period from to

1-13666
Commission File Number

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

FLORIDA 59-3305930
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

5900 LAKE ELLENOR DRIVE,
ORLANDO, FLORIDA 32809
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Number of shares of common stock outstanding as of December 11, 1997:
148,561,451 (excluding 11,960,506 shares held in treasury).

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Thirteen Weeks Ended	
	November 23, 1997	November 24, 1996
Sales.....	\$ 745,263	\$ 748,757
Costs and Expenses:		
Cost of sales:		
Food and beverages.....	241,859	258,105
Restaurant labor.....	252,929	252,497
Restaurant expenses.....	117,941	119,966
	-----	-----
Total Cost of Sales.....	\$ 612,729	\$ 630,568
Selling, general and administrative.....	84,412	93,315
Depreciation and amortization.....	31,613	35,070
Interest, net.....	4,723	5,623
	-----	-----
Total Costs and Expenses.....	\$ 733,477	\$ 764,576

Earnings (Loss) before Income Taxes.....	11,786	(15,819)
Income Taxes.....	(4,256)	4,650
Net Earnings (Loss)	\$ 7,530	\$ (11,169)
Net Earnings (Loss) per Share.....	\$ 0.05	\$ (0.07)
Average Number of Common Shares Outstanding.....	150,300	157,500

See accompanying notes to consolidated financial statements.

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DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Twenty-Six Weeks Ended	
	November 23, 1997	November 24, 1996
Sales.....	\$ 1,554,594	\$ 1,554,312
Costs and Expenses:		
Cost of sales:		
Food and beverages.....	507,809	525,797
Restaurant labor.....	511,946	499,208
Restaurant expenses.....	240,685	243,183
Total Cost of Sales	\$ 1,260,440	\$ 1,268,188
Selling, general and administrative.....	173,617	192,391
Depreciation and amortization.....	63,085	70,103
Interest, net.....	9,416	10,556
Total Costs and Expenses.....	\$ 1,506,558	\$ 1,541,238
Earnings before Income Taxes.....	48,036	13,074
Income Taxes.....	(16,098)	(3,770)
Net Earnings.....	\$ 31,938	\$ 9,304
Net Earnings per Share.....	\$ 0.21	\$ 0.06
Average Number of Common Shares Outstanding.....	151,500	157,600

See accompanying notes to consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

(Unaudited)

	November 23, 1997	May 25, 1997
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 22,069	\$ 25,490
Receivables.....	19,500	16,333
Refundable income taxes, net.....	11,953	16,968
Inventories.....	182,834	132,241
Net assets held for disposal.....	57,231	47,471
Prepaid expenses and other current assets..	12,447	14,709
Deferred income taxes.....	76,646	84,157
	-----	-----
Total Current Assets.....	\$ 382,680	\$ 337,369
Land, Buildings and Equipment.....	1,503,356	1,533,272
Other Assets.....	95,523	93,081
	-----	-----
Total Assets.....	\$ 1,981,559	\$ 1,963,722
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable.....	\$ 132,244	\$ 113,087
Short-term debt.....	62,300	43,400
Current portion of long-term debt.....	5	5
Accrued payroll.....	59,464	58,312
Other accrued taxes.....	23,342	22,180
Other current liabilities.....	239,145	243,596
	-----	-----
Total Current Liabilities.....	\$ 516,500	\$ 480,580
Long-term Debt.....	311,442	313,187
Deferred Income Taxes.....	69,648	70,118
Other Liabilities.....	18,890	18,624
	-----	-----
Total Liabilities.....	\$ 916,480	\$ 882,509
	-----	-----
Stockholders' Equity:		
Common stock and surplus.....	\$ 1,272,146	\$ 1,268,656
Retained earnings (deficit).....	(15,773)	(41,706)
Treasury stock.....	(115,849)	(69,184)
Cumulative foreign currency adjustment.....	(11,090)	(10,037)
Unearned compensation.....	(64,355)	(66,516)
	-----	-----
Total Stockholders' Equity.....	\$ 1,065,079	\$ 1,081,213
	-----	-----
Total Liabilities and Stockholders' Equity.....	\$ 1,981,559	\$ 1,963,722
	=====	=====

See accompanying notes to consolidated financial statements.

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DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Thirteen Weeks Ended	
	November 23, 1997	November 24, 1996
Cash Flows--Operating Activities:		
Net earnings (loss).....	\$ 7,530	\$ (11,169)
Adjustments to reconcile net earnings (loss) to cash flow:		
Depreciation and amortization.....	31,613	35,070
Amortization of unearned compensation and loan costs.....	821	918
Change in current assets and liabilities.....	(65,498)	(51,236)
Change in other liabilities.....	190	(184)
Loss on disposal of land, buildings and equipment.....	1,290	1,765
Deferred income taxes.....	5,798	5,683
Other, net.....	384	(152)
	-----	-----
Net Cash Used by Operating Activities.....	\$ (17,872)	\$ (19,305)
	-----	-----
Cash Flows--Investment Activities:		
Purchases of land, buildings and equipment.....	(27,544)	(44,448)
Purchases of intangibles.....	(524)	(449)
(Increase) decrease in other assets.....	(721)	1,171
Proceeds from disposal of land, buildings and equipment (including net assets held for disposal).....	4,186	10,722
	-----	-----
Net Cash Used by Investment Activities.....	\$ (24,603)	\$ (33,004)
	-----	-----
Cash Flows--Financing Activities:		
Proceeds from issuance of common stock..	2,086	114
Income tax benefit credited to equity...	352	21
Dividends paid.....	(6,005)	(6,284)
Purchases of treasury stock.....	(24,855)	(6,286)
ESOP note receivable repayment.....		600
Increase in short-term debt.....	62,300	56,600
Repayment of long-term debt.....		(3,451)
Proceeds from issuance of equity puts...	311	
	-----	-----
Net Cash Provided by Financing Activities.....	\$ 34,189	\$ 41,314
	-----	-----

Decrease in Cash and Cash Equivalents.....	(8,286)	(10,995)
Cash and Cash Equivalents - Beginning of Period.....	30,355	31,602
	-----	-----
Cash and Cash Equivalents - End of Period.	\$ 22,069	\$ 20,607
	=====	=====
Cash Flow from Changes in Current Assets and Liabilities:		
Receivables.....	\$ (3,281)	\$ 464
Refundable income taxes, net.....	(5,489)	(11,225)
Inventories.....	(60,560)	(20,377)
Net assets held for disposal.....		2,181
Prepaid expenses and other current assets.....	560	(1,270)
Accounts payable.....	7,784	(9,492)
Accrued payroll.....	1,256	2,516
Accrued income taxes.....		(10,443)
Other accrued taxes.....	(1,894)	(423)
Other current liabilities.....	(3,874)	(3,167)
	-----	-----
Change in Current Assets and Liabilities.....	\$ (65,498)	\$ (51,236)
	=====	=====

See accompanying notes to consolidated financial statements.

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DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Twenty-Six Weeks Ended	
	November 23, 1997	November 24, 1996
	-----	-----
Cash Flows--Operating Activities:		
Net earnings.....	\$ 31,938	\$ 9,304
Adjustments to reconcile net earnings to cash flow:		
Depreciation and amortization.....	63,085	70,103
Amortization of unearned compensation and loan costs.....	1,717	1,821
Change in current assets and liabilities.....	(27,746)	(49,267)
Change in other liabilities.....	266	181
Loss on disposal of land, buildings and equipment.....	1,551	2,868
Deferred income taxes.....	7,041	8,030
Other, net.....	106	81
	-----	-----
Net Cash Provided by Operating Activities.....	\$ 77,958	\$ 43,121
	-----	-----

Cash Flows--Investment Activities:		
Purchases of land, buildings and equipment.....	(56,113)	(83,400)
Purchases of intangibles.....	(871)	(529)
(Increase) decrease in other assets.....	(3,067)	1,018
Proceeds from disposal of land, buildings and equipment (including net assets held for disposal).....	9,061	12,734
	-----	-----
Net Cash Used by Investment Activities.....	\$ (50,990)	\$ (70,177)
	-----	-----
Cash Flows--Financing Activities:		
Proceeds from issuance of common stock..	2,496	938
Income tax benefit credited to equity...	579	289
Dividends paid.....	(6,005)	(6,284)
Purchases of treasury stock.....	(46,665)	(9,192)
ESOP note receivable repayment.....	1,800	600
Increase in short-term debt.....	18,900	17,700
Proceeds from issuance of long-term debt.....		16,900
Repayment of long-term debt.....	(1,805)	(3,454)
Proceeds from issuance of equity puts...	311	
Payment of loan costs.....		(177)
	-----	-----
Net Cash Provided by (Used by) Financing Activities.....	\$ (30,389)	\$ 17,320
	-----	-----
Decrease in Cash and Cash Equivalents.....	(3,421)	(9,736)
Cash and Cash Equivalents - Beginning of Period.....	25,490	30,343
	-----	-----
Cash and Cash Equivalents - End of Period.	\$ 22,069	\$ 20,607
	=====	=====
Cash Flow from Changes in Current Assets and Liabilities:		
Receivables.....	\$ (3,167)	\$ (4,127)
Refundable income taxes, net.....	5,015	(11,225)
Inventories.....	(50,593)	(19,177)
Prepaid expenses and other current assets.....	2,262	(642)
Accounts payable.....	19,157	1,462
Accrued payroll.....	1,152	(398)
Accrued income taxes.....		(12,522)
Other accrued taxes.....	1,162	3,029
Other current liabilities.....	(2,734)	(5,667)
	-----	-----
Change in Current Assets and Liabilities.....	\$ (27,746)	\$ (49,267)
	=====	=====

See accompanying notes to consolidated financial statements.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 1. BACKGROUND

These consolidated financial statements do not include certain information and footnotes required by generally accepted accounting principles for complete financial statements. However, in the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal recurring nature. Operating results for the thirteen and twenty-six weeks ended November 23, 1997 are not necessarily indicative of the results that may be expected for the fiscal year ending May 31, 1998.

These statements should be read in conjunction with the consolidated financial statements and footnotes included in the annual report on Form 10-K of Darden Restaurants, Inc. (hereinafter called the "Company" or "Darden") for the year ended May 25, 1997. The accounting policies used in preparing these consolidated financial statements are the same as those described in the Company's annual report on Form 10-K.

NOTE 2. CONSOLIDATED STATEMENTS OF CASH FLOWS

During the thirteen and twenty-six weeks ended November 23, 1997, Darden paid \$0 and \$8,194, respectively, for interest (net of amount capitalized) and \$3,691 and \$4,071, respectively, for income taxes.

NOTE 3. DERIVATIVE FINANCIAL AND COMMODITY INSTRUMENTS

On January 31, 1997, the Securities and Exchange Commission (SEC) issued amended disclosure rules for derivatives and exposures to market risk from derivative and other financial and certain commodity instruments. Enhanced accounting policy disclosures in accordance with this SEC release follow.

The Company may, from time to time, use financial and commodities derivatives in the management of interest rate and commodities pricing risks that are inherent in its business operations. Such instruments are not held or issued for trading or speculative purposes.

The Company uses commodities hedging instruments, including forwards, futures and options, to reduce the risk of price fluctuations related to future raw materials requirements for commodities such as coffee, soybean oil, and shrimp. The terms of such instruments generally do not exceed twelve months, and depend on the commodity and other market factors. Deferred gains and losses are subsequently recorded as cost of products sold in the statement of earnings when the inventory is sold. If the inventory is not acquired and the hedge is disposed of, the deferred gain or loss is recognized immediately in cost of products sold.

The Company may, from time to time, use interest rate swap and cap agreements in the management of interest rate exposure. The interest rate differential to be paid or received is normally accrued as interest rates change, and is recognized as a component of interest expense over the life of the agreements. If an agreement is terminated prior to the maturity date and is characterized as a hedge, any accrued rate differential would be deferred and recognized as interest expense over the life of the hedged item.

The Company does not have any material risk from any of the above financial instruments, and the Company does not anticipate any material losses from the

use of such instruments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets forth selected restaurant operating data as a percentage of sales for the periods indicated. All information is derived from the consolidated statements of earnings (loss) for the thirteen and twenty-six weeks ended November 23, 1997 and November 24, 1996.

<TABLE>
<CAPTION>

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	November 23, 1997	November 24, 1996	November 23, 1997	November 24, 1996
<S>	<C>	<C>	<C>	<C>
Sales.....	100.0%	100.0%	100.0%	100.0%
Costs and Expenses:				
Cost of sales:				
Food and beverages.....	32.5	34.5	32.7	33.8
Restaurant labor.....	33.9	33.7	32.9	32.1
Restaurant expenses.....	15.8	16.0	15.5	15.7
	-----	-----	-----	-----
Total Cost of Sales.....	82.2%	84.2%	81.1%	81.6%
Selling, general and administrative....	11.3	12.5	11.2	12.4
Depreciation and amortization.....	4.3	4.7	4.0	4.5
Interest, net.....	0.6	0.7	0.6	0.7
	-----	-----	-----	-----
Total Costs and Expenses.....	98.4%	102.1%	96.9%	99.2%
	-----	-----	-----	-----
Earnings (Loss) before Income Taxes.....	1.6	(2.1)	3.1	0.8
Income Taxes.....	(0.6)	0.6	(1.0)	(0.2)
	-----	-----	-----	-----
Net Earnings (Loss).....	1.0%	(1.5)%	2.1%	0.6%
	=====	=====	=====	=====

</TABLE>

RESULTS OF OPERATIONS

For the fiscal 1998 second quarter ended November 23, 1997, earnings after tax were \$7.5 million or five cents per share, compared to a net loss of \$11.2 million or seven cents per share in the second quarter of fiscal 1997. The increase in second quarter earnings was primarily attributable to strong same store sales at The Olive Garden and improved margins at Red Lobster. Sales of \$745.3 million for the quarter, with 75 fewer restaurants at the end of the quarter, were slightly below last year's second quarter.

For the first six months of fiscal 1998, net earnings were \$31.9 million or 21 cents per share, compared to \$9.3 million or six cents per share in the same fiscal 1997 period. Sales approximating \$1.6 billion for the first six months of fiscal 1998 were comparable to last year.

Food and beverage costs for the quarter were 32.5% of sales, compared to 34.5% of sales last year primarily attributable to reduced costs, pricing and sales mix. Restaurant labor increased to 33.9% of sales compared to last year's

33.7% due to wage rate inflation and higher manager compensation paid in response to competitive market conditions. Restaurant expenses decreased modestly to 15.8% of sales compared to 16.0% last year. Restaurant level profit margin increased to 17.8% of sales in the second quarter compared to 15.8% last year. The decrease in second quarter selling, general and administrative expense to 11.3% of sales compared to 12.5% of sales last year was attributable to reduced marketing expenses. Depreciation and amortization expense declined to 4.3% of sales compared to 4.7% in the prior year. This decline resulted from restaurant closings and asset impairment write-downs subsequent to fiscal 1997's second quarter.

The effective tax rate for the second quarter of fiscal 1998 was 36.1%, compared to 29.4% last year. The estimated effective tax rate for fiscal 1998 is approximately 33.1% which is up from last year's effective tax rate before unusual items of 27.9% due to a higher level of expected pre-tax income for the year.

Food and beverage costs for the first six months of fiscal 1998 were 32.7% of sales, down from last year's 33.8% and also attributable to reduced costs, pricing and sales mix. Restaurant labor increased to 32.9% of sales compared to last year's 32.1%, also due to wage rate inflation and higher manager compensation paid in response to

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competitive market conditions. Restaurant expenses were 15.5% of sales, compared to 15.7% in the prior year. Selling, general and administrative expenses decreased to 11.2% of sales compared to 12.4% in the prior year, again attributable to reduced marketing expenses. Depreciation and amortization expense declined to 4.0% of sales compared to 4.5% in the prior year. This decline also resulted from restaurant closings and asset impairment write-downs subsequent to fiscal 1997's second quarter.

DIVISION RESULTS

Red Lobster sales of \$417.8 million, with 49 fewer restaurants at the end of the quarter, was 4.5% below last year's second quarter. Same-store sales in the U.S. were down 0.2% for the quarter which compares favorably to last year's strong sales and traffic due to heavy marketing associated with the repositioning of Red Lobster. Second quarter margins and operating profits substantially improved over the prior year because of lower restaurant level costs as a percentage of sales and reduced marketing and depreciation expense. Through the first six months of fiscal 1998, Red Lobster's sales declined 2.8% to \$887 million and same-store sales in the U.S. increased by 0.9%. The overall reduction in sales was attributable to units closed subsequent to fiscal 1997's second quarter.

The Olive Garden continued its positive momentum in the second quarter of fiscal 1998 with a 4.7% increase in sales to \$324.2 million. Same-store sales in the U.S. increased 9.1%, marking the thirteenth consecutive quarter of same-store sales increases. Second quarter operating profits were significantly ahead of last year. Through the first six months of fiscal 1998, The Olive Garden sales increased 3.4% to \$660.1 million and same-store sales in the U.S. increased by 6.5%.

Darden's newest concept Bahama Breeze continues to report strong sales at both restaurants. Three more restaurants are currently under development.

The table below details the number of restaurants open at the end of the second quarter, compared with the number open at the end of May 1997 and the end of last fiscal year's second quarter.

NUMBER OF RESTAURANTS

	November 23, 1997	May 25, 1997	November 24, 1996
Red Lobster - USA.....	649	652	681
Red Lobster - Canada.....	35	51	52
Total.....	684	703	733
Olive Garden - USA.....	460	461	475
Olive Garden - Canada.....	5	16	16
Total.....	465	477	491
Bahama Breeze.....	2	2	1
Grand Total.....	1,151	1,182	1,225

PART II
OTHER INFORMATION

ITEM 5. OTHER INFORMATION

On December 12, 1997, the Company named Richard E. Rivera President of Red Lobster. Mr. Rivera, a 25-year veteran of the casual dining industry, was elected to the Company's Board of Directors on December 17, 1997.

In other action on December 17, 1997, the Board of Directors authorized the Company to purchase an additional 15 million shares of the Company's common stock in its ongoing share repurchase program. During the fiscal 1998 second quarter, the Company purchased approximately 2.3 million shares of its common stock for a cumulative total at the end of the quarter of approximately 11.4 million shares purchased under its then current authorization to buy up to 15.8 million shares.

In conjunction with this action, the Board of Directors authorized the Company to issue up to five million additional put options on its common stock ("puts"). The puts entitle the holder to sell shares of the Company's common stock to the Company at a specified price on a specified date. The Company's issuance of puts will continue to be coordinated with its share repurchase program.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

- Exhibit 11 Determination of Common Shares and Common Share Equivalents
- Exhibit 12 Computation of Ratio of Consolidated Earnings (Loss) to Fixed Charges

(b) Reports on Form 8-K.

- (i) On September 16, 1997, the Company filed a current report on Form 8-K to announce the restructuring of the Company's Canadian operations and the closing of fifteen (15) Red Lobster restaurants and eleven (11) The Olive Garden restaurants in Canada.
- (ii) On September 26, 1997, the Company filed a current report on Form 8-K to announce first quarter financial results for fiscal year 1998 and to announce its semi-annual dividend of four cents per share.

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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 thereunto duly authorized.

DARDEN RESTAURANTS, INC.

Dated: December 18, 1997

By: /s/ C.L. Whitehill

 C.L. Whitehill
 Senior Vice President,
 General Counsel and Secretary

Dated: December 18, 1997

By: /s/ James D. Smith

 James D. Smith
 Senior Vice President - Finance
 (Principal financial and accounting
 officer)

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INDEX TO EXHIBITS

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DARDEN RESTAURANTS, INC.
 DETERMINATION OF COMMON SHARES AND COMMON SHARE EQUIVALENTS
 (IN THOUSANDS)

<TABLE>
 <CAPTION>

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	November 23, 1997	November 24, 1996	November 23, 1997	November 24, 1996
<S>	<C>	<C>	<C>	<C>
Computation of Shares:				
Weighted average number of shares outstanding.....	150,300	157,500	151,500	157,600
Net shares resulting from the assumed exercise of certain stock options (F1)....	2,000 (F2) -----	800 (F2) -----	1,400 (F2) -----	900 (F2) -----
Total common shares and common share equivalents.....	152,300 =====	158,300 =====	152,900 =====	158,500 =====

NOTES TO EXHIBIT:

<FN>
 <F1>
 Common share equivalents are computed by the "treasury stock" method. This method first determines the number of shares issuable under stock options that had an option price below the average market price for the period, and then deducts the number of shares that could have been repurchased with the proceeds of options exercised.
 <F2>
 Common share equivalents for the thirteen and twenty-six weeks ended November 23, 1997 and November 24, 1996 are not material. As a result, earnings (loss) per share has been computed using the weighted average number of shares outstanding.
 </FN>
 </TABLE>

DARDEN RESTAURANTS, INC.
 COMPUTATION OF RATIO OF CONSOLIDATED EARNINGS (LOSS) TO FIXED CHARGES
 (DOLLAR AMOUNTS IN THOUSANDS)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	November 23, 1997	November 24, 1996	November 23, 1997	November 24, 1996
<S>	<C>	<C>	<C>	<C>
Consolidated Earnings (Loss) from				
Operations before Income Taxes.....	\$ 11,786	\$ (15,819)	\$ 48,036	\$ 13,074
Plus Fixed Charges.....	9,259	10,026	18,311	19,614
Less Capitalized Interest.....	(295)	(249)	(581)	(704)
	-----	-----	-----	-----
Consolidated Earnings (Loss) from				
Operations before Income Taxes				
Available to Cover Fixed Charges.....	\$ 20,750	\$ (6,042)	\$ 65,766	\$ 31,984
	=====	=====	=====	=====
Ratio of Consolidated Earnings (Loss) to				
Fixed Charges.....	2.24	(.60)	3.59	1.63
	=====	=====	=====	=====

<TABLE> <S> <C>

<ARTICLE>

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<LEGEND>

This schedule contains summary financial information extracted from the consolidated financial statements of Darden Restaurants, Inc. and is qualified in its entirety by reference to such financial statements.

</LEGEND>

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<TOTAL-REVENUES>	1,554,594
<CGS>	507,809
<TOTAL-COSTS>	1,260,440
<OTHER-EXPENSES>	0
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<INTEREST-EXPENSE>	9,416
<INCOME-PRETAX>	48,036
<INCOME-TAX>	16,098
<INCOME-CONTINUING>	31,938
<DISCONTINUED>	0
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<EPS-PRIMARY>	0.21
<EPS-DILUTED>	0.21

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