FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

DARDEN RESTAURANTS INC

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SIC: **5812** Eating places

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** For the fiscal year ended May 27, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** For the transition period from __ to __

Commission File Number: 1-13666

DARDEN RESTAURANTS, INC.

(Exact name of registrant as specified in its charter)

Florida	**59-3305930**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1000 Darden Center Drive, Orlando, Florida	**32837**
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, without par value and Preferred Stock Purchase Rights	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark if 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☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the Registrant based on the closing price of $44.60 per share as reported on the New York Stock Exchange on November 25, 2011, was approximately: $5,784,642,000.

Number of shares of Common Stock outstanding as of May 27, 2012: 129,027,000 (excluding 160,003,752 shares held in the Company's treasury).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its Annual Meeting of Shareholders on September 18, 2012, to be filed with the Securities and Exchange Commission no later than 120 days after May 27, 2012, are incorporated by reference into Part III of this Report, and portions of the registrant's Annual Report to Shareholders for the fiscal year ended May 27, 2012 are incorporated by reference into Parts I and II of this Report.

DARDEN RESTAURANTS, INC.
FORM 10-K
FISCAL YEAR ENDED MAY 27, 2012

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Cautionary Statement Regarding Forward-Looking Statements

Statements set forth in or incorporated into this report regarding the expected net increase in the number of our restaurants, U.S. same-restaurant sales, total sales growth, diluted net earnings per share growth, and capital expenditures in fiscal 2013, and all other statements that are not historical facts, including without limitation statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Darden Restaurants, Inc. and its subsidiaries that are preceded by, followed by or that include words such as “may,” “will,” “expect,” “intend,” “anticipate,” “continue,” “estimate,” “project,” “believe,” “plan” or similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions of that Act. 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 for any reason to reflect events or circumstances arising after such date. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. In addition to the risks and uncertainties of ordinary business obligations, and those described in information incorporated into this report, the forward-looking statements contained in this report are subject to the risks and uncertainties described in Item 1A below under the heading “Risk Factors”.

PART I

ITEM 1. BUSINESS

Introduction

Darden Restaurants, Inc. is the world's largest company-owned and operated full service restaurant company[1], and served over 423 million meals in fiscal 2012. As of May 27, 2012, we operated through subsidiaries 1,994 restaurants in the United States and Canada. In the United States, we operated 1,961 restaurants in all 50 states, including 677 Red Lobster®, 786 Olive Garden®, 386 LongHorn Steakhouse®, 46 The Capital Grille®, 30 Bahama Breeze®, 23 Seasons 52®, eight Eddie V's Prime Seafood® and three Wildfish Seafood Grille® restaurants, and two test "synergy restaurants" which house both a Red Lobster and Olive Garden restaurant in the same building. In Canada, we operated 33 restaurants, including 27 Red Lobster and six Olive Garden restaurants. Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except for three restaurants located in Central Florida that are owned by joint ventures we manage. None of our restaurants in the United States or Canada are franchised. Of our 1,994 restaurants in the United States and Canada open on May 27, 2012, 1,016 were located on owned sites and 978 were located on leased sites. As of May 27, 2012, we also had 28 restaurants outside the United States and Canada operated by independent third parties pursuant to area development and franchise agreements, including five LongHorn Steakhouse restaurants in Puerto Rico, 22 Red Lobster restaurants in Japan, and one Red Lobster restaurant in Dubai.

Darden Restaurants, Inc. is a Florida corporation incorporated in March 1995, and is the parent company of GMRI, Inc., also a Florida corporation. GMRI, Inc. and certain other of our subsidiaries own and operate our restaurants. GMRI, Inc. was originally incorporated in March 1968 as Red Lobster Inns of America, Inc. We were acquired by General Mills, Inc. in 1970 and became a separate publicly held company in 1995 when General Mills distributed all of our outstanding stock to the stockholders of General Mills. Our principal executive offices and restaurant support center are located at 1000 Darden Center Drive, Orlando, Florida 32837, telephone (407) 245-4000. Our corporate website address is www.darden.com. We make our reports on Forms 10-K, 10-Q and 8-K, and Section 16 reports on Forms 3, 4 and 5, and all amendments to those reports available free of charge on our website the same day as the reports are filed with or furnished to the Securities and Exchange Commission. Information on our website is not deemed to be incorporated by reference into this Form 10-K. Unless the context indicates otherwise, all references to "Darden," "we", "our" or "us" include Darden Restaurants, Inc., GMRI, Inc. and our respective subsidiaries.

We have a 52/53 week fiscal year ending the last Sunday in May. Our 2012, 2011 and 2010 fiscal years, which ended May 27, 2012, May 29, 2011 and May 30, 2010, respectively, each had 52 weeks.

The following description of our business should be read in conjunction with the information in our Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference in Item 7 of this Form 10-K and our consolidated financial statements incorporated by reference in Item 8 of this Form 10-K.

Background

We opened our first restaurant, a Red Lobster seafood restaurant, in Lakeland, Florida in 1968. Red Lobster was founded by William B. Darden, for whom we are named. Red Lobster has grown from six restaurants in operation at the end of fiscal 1970 to 704 restaurants in the United States and Canada by the end of fiscal 2012. Olive Garden, an internally developed Italian restaurant brand, opened its first restaurant in Orlando, Florida in fiscal 1983, and by the end of fiscal 2012 had expanded to 792 restaurants in the United States and Canada. The number of Red Lobster and Olive Garden restaurants open at the end of fiscal 2012 increased by six and 38, respectively, as compared to the end of fiscal 2011.

Bahama Breeze is an internally developed brand that provides a Caribbean escape, offering the food, drinks and atmosphere you would find in the islands. In fiscal 1996, Bahama Breeze opened its first restaurant in Orlando, Florida. At the end of fiscal 2012, there were 30 Bahama Breeze restaurants in the United States, and the number of restaurants had increased by four as compared to the end of fiscal 2011.

Seasons 52 is an internally developed brand that provides a casually sophisticated fresh grill and wine bar with seasonally inspired menus offering fresh ingredients to create great tasting meals that are lower in calories than comparable restaurant meals. Seasons 52 opened its first restaurant in Orlando, Florida in fiscal 2003. At the end of fiscal 2012, there were 23 Seasons 52 restaurants in the United States, and the number of restaurants had increased by six as compared to the end of fiscal 2011.

[1] Source: Nation's Restaurant News, "Top 100 Companies Ranked by U.S. Foodservice Revenue," June 25, 2012 (based on U.S. food and beverage revenue from company-owned restaurants).

On October 1, 2007, we completed the acquisition of the common stock of RARE Hospitality International, Inc. (“RARE”). RARE owned and operated two principal restaurant brands, LongHorn Steakhouse and The Capital Grille, of which 288 and 29 locations, respectively, were in operation as of the date of the acquisition. LongHorn Steakhouse, with locations primarily in the Eastern half of the United States, is a leader in the full service dining steakhouse category, and The Capital Grille, with locations in major metropolitan cities in the United States, is a leader in the full service dining premium steakhouse category. The acquired operations are included in our financial statements from the date of the acquisition. At the end of fiscal 2012, there were 386 LongHorn Steakhouse and 46 The Capital Grille restaurants in the United States, and the number of restaurants open had increased by 32 and two, respectively, as compared to the end of fiscal 2011.

In March 2011, we opened a test “synergy restaurant” that houses both a Red Lobster and Olive Garden restaurant in the same building. At the end of fiscal 2012, we had two synergy restaurants in operation in the United States.

On November 14, 2011, we completed the acquisition of eight Eddie V's Prime Seafood restaurants and three Wildfish Seafood Grille restaurants (collectively, "Eddie V's"). Eddie V's is a leading luxury seafood brand with locations in Arizona, California and Texas at the time of the acquisition. The acquired operations are included in our financial statements from the date of the acquisition. At the end of fiscal 2012, there were 11 Eddie V's restaurants in the United States.

Our Specialty Restaurant Group was formed at the time of the RARE acquisition to support the operations of The Capital Grille, Seasons 52 and Bahama Breeze restaurants. Eddie V's joined the Specialty Restaurant Group as well. The Specialty Restaurant Group is an integrated portfolio of growth-oriented small to medium size, full service restaurant brands. Our differentiated brands in this group focus on culinary and beverage innovation and exceptional service.

The following table shows our growth and lists the number of restaurants operated in the United States and Canada by each of our brands for the fiscal years indicated. The table excludes our restaurants located outside the United States and Canada operated by independent third parties pursuant to area development and franchise agreements. The final column in the table lists our total sales for the fiscal years indicated.

Company-Owned Restaurants in the United States and Canada Open at Fiscal Year End

Fiscal Year	Red Lobster	Olive Garden	LongHorn Steakhouse	The Capital Grille	Bahama Breeze	Seasons 52	Eddie V's and Wildfish	Total Restaurants (1)	Total Company Sales ($ in Millions) (2)(3)
1970	6							6	3.5
1971	24							24	9.1
1972	47							47	27.1
1973	70							70	48.0
1974	97							97	72.6
1975	137							137	108.5
1976	174							174	174.1
1977	210							210	229.2
1978	236							236	291.4
1979	244							244	337.5
1980	260							260	397.6
1981	291							291	528.4
1982	328							328	614.3
1983	360	1						361	718.5
1984	368	2						370	782.3
1985	372	4						376	842.2
1986	401	14						415	917.3
1987	433	52						485	1,097.7
1988	443	92						535	1,300.8
1989	490	145						635	1,621.5

1990	521	208			729	1,927.7
1991	568	272			840	2,212.3
1992	619	341			960	2,542.0

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Fiscal Year	Red Lobster	Olive Garden	LongHorn Steakhouse	The Capital Grille	Bahama Breeze	Seasons 52	Eddie V's and Wildfish	Total Restaurants (1)		Total Company Sales ($ in Millions) (2)(3)
1993	638	400						1,038		2,737.0
1994	675	458						1,133		2,963.0
1995	715	477						1,192		3,163.3
1996	729	487			1			1,217		3,191.8
1997	703	477			2			1,182		3,171.8
1998	682	466			3			1,151		3,261.6
1999	669	464			6			1,139		3,432.4
2000	654	469			11			1,134		3,671.3
2001	661	477			16			1,154		3,966.2
2002	667	496			22			1,185		4,303.5
2003	673	524			25	1		1,223		4,530.4
2004	680	543			23	1		1,247		4,794.7
2005	679	563			23	3		1,268		4,977.6
2006	682	582			23	5		1,292		5,353.6
2007	680	614			23	7		1,324		5,567.1
2008	680	653	305	32	23	7		1,700		6,626.5
2009	690	691	321	37	24	8		1,771		7,217.5
2010	694	723	331	40	25	11		1,824		7,113.1
2011	698	754	354	44	26	17		1,894	(4)	7,500.2
2012	704	792	386	46	30	23	11	1,994	(4)	7,998.7

(1) Includes only restaurants included in continuing operations. Excludes other restaurant brands operated by us in these years that are no longer owned by us, and restaurants that were included in discontinued operations.

(2) From fiscal 1996 forward, includes only net sales from continuing operations and excludes sales related to all restaurants that were closed and considered discontinued operations. Periods prior to fiscal 1996 include total sales from all of our operations, including sales from restaurant brands that are no longer owned or operated by us. Total company sales from 1970 through fiscal 1995 were included in the consolidated operations of our former parent company, General Mills, Inc., prior to our spin-off as a separate publicly traded corporation in May 1995.

(3) Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 605 requires sales incentives to be classified as a reduction of sales. For purposes of this presentation, sales incentives have been reclassified as a reduction of sales for fiscal 1998 through 2012. Sales incentives for fiscal years prior to 1998 have not been reclassified.

(4) Includes one test synergy restaurant in 2011 and two in 2012, housing two restaurant brands in the same building.

Strategy

The restaurant industry is generally considered to be comprised of two segments: quick service and full service. The full service segment is highly fragmented and includes many independent operators and small chains. We believe that capable operators of strong multi-unit brands have the opportunity to increase their share of the full service segment. We believe we have strong brands, and that the breadth and depth of our experience and expertise sets us apart in the full service restaurant industry. This collective capability is the product of investments over many years in areas that are critical to success in our business, including brand management excellence, restaurant operations excellence, supply chain, talent management and information technology, among other things.

To support future growth, we are striving to change in two important ways: we are modifying our organizational structure so we can better leverage our existing experience and expertise, and we are adding new expertise in additional areas that are critical to future success. In the past two years we have created enterprise-level marketing and restaurant operations units and established forward-looking strategy units in our finance and information technology functions. We have initiatives focusing on our Specialty Restaurant Group, enterprise-level sales building, digital guest and employee engagement, health and wellness, and centers of excellence. We plan to grow by leveraging our expertise and new capabilities to increase same-restaurant sales, increase the

number of restaurants in each of our existing brands, and develop or acquire additional brands that can be expanded profitably. We also continue to pursue other avenues of new business development, including franchising our restaurants outside of the U.S. and Canada, testing "synergy restaurants" and other formats to expand our brands, and selling consumer packaged goods such as Olive Garden salad dressing.

The total sales growth we envision should increase the cost-effectiveness of our support platform. However, we also plan to supplement our conventional incremental year-to-year cost management efforts with an ongoing focus on identifying and pursuing transformational multi-year cost reduction opportunities. In fiscal 2013, we plan to continue to implement the four transformational initiatives that were our focus last year - further automating our supply chain, significantly reducing the use of energy, water and cleaning supplies in our restaurants, centralizing management of our restaurant facilities and optimizing labor costs within our restaurants.

While we are a leader in the full service dining segment, we know we cannot be successful without a clear sense of who we are. Ours is a people business, and our core purpose is “To nourish and delight everyone we serve.” This core purpose is supported by our core values:

- Integrity and fairness;
- Respect and caring;
- Diversity;
- Always learning/always teaching;
- Being “of service;”
- Teamwork; and
- Excellence.

Our mission is to be “The best, now and for generations... and a place where people can achieve their dreams.” We feel we have a compelling opportunity to create a company that's more valuable and valued - a company that matters. We believe we can achieve this goal by continuing to build on our strategy to be a brand-building company which is focused on:

- Brand relevance;
- Brand support;
- A vibrant business model;
- Competitively superior leadership; and
- A unifying, motivating culture.

Restaurant Brands

Red Lobster

Red Lobster is the largest full service dining seafood specialty restaurant operator in the United States. It offers an extensive menu featuring fresh fish, shrimp, crab, lobster, scallops and other seafood in a casual atmosphere. The menu includes a variety of specialty seafood and non-seafood entrées, appetizers and desserts.

Most dinner entrée prices range from $11.25 to $33.75, with certain lobster items available by the pound and seasonal/regional fresh fish selections available on a daily fresh fish menu. Most lunch entrée prices range from $7.25 to $14.75. The price of most entrées includes salad, side items and as many of our signature Cheddar Bay Biscuits as a guest desires. During fiscal 2012, the average check per person was approximately $20.25 to $20.75, with alcoholic beverages accounting for 7.7 percent of Red Lobster’s sales. Red Lobster maintains different lunch and dinner menus and different menus across its trade areas to reflect geographic differences in consumer preferences, prices and selections, as well as a lower-priced children’s menu.

Olive Garden

Olive Garden is the largest full service dining Italian restaurant operator in the United States. Olive Garden’s menu includes a variety of authentic Italian foods featuring fresh ingredients and a wine list that includes a broad selection of wines imported from Italy. The menu includes flatbreads and other appetizers; soups, salad and garlic breadsticks; baked pastas; sautéed specialties with chicken, seafood and fresh vegetables; grilled meats; and a variety of desserts. Olive Garden also uses coffee imported from Italy for its espresso and cappuccino.

Most dinner menu entrée prices range from $10.00 to $20.00, and most lunch menu entrée prices range from $7.00 to $16.50. The price of each entrée includes as much fresh salad or soup and breadsticks as a guest desires. For fiscal 2012, the average check per person was approximately $16.00 to $16.50, with alcoholic beverages accounting for 7.6 percent of Olive Garden’s sales. Olive Garden maintains different menus for dinner and lunch and different menus across its trade areas to reflect geographic differences in consumer preferences, prices and selections, as well as a lower-priced children’s menu.

LongHorn Steakhouse

LongHorn Steakhouse restaurants are full service establishments serving both lunch and dinner in an attractive and inviting atmosphere reminiscent of the classic American West. With locations in 35 states, primarily in the Eastern half of the United States, LongHorn Steakhouse restaurants feature a variety of top quality menu items including signature fresh steaks, as well as salmon, shrimp, chicken, ribs, pork chops, burgers and prime rib.

Most dinner menu entrée prices range from $12.00 to $23.00, and most lunch menu entrée prices range from $7.00 to $15.00. The price of most entrées includes a side and/or salad and as much freshly baked bread as a guest desires. During fiscal 2012, the average check per person was approximately $18.50 to $19.00, with alcoholic beverages accounting for 9.6 percent of LongHorn Steakhouse’s sales. LongHorn Steakhouse maintains different menus for dinner and lunch and different menus across its trade areas to reflect geographic differences in consumer preferences, prices and selections, as well as a lower-priced children’s menu.

The Capital Grille

The Capital Grille has locations in major metropolitan cities in the United States and features relaxed elegance and style. Nationally acclaimed for dry aging steaks on the premises, The Capital Grille is also known for fresh seafood flown in daily and culinary specials created by its chefs. The restaurants feature an award-winning wine list offering over 350 selections, personalized service, comfortable club-like atmosphere, and premiere private dining rooms.

Most dinner menu entrée prices range from $33.00 to $49.00 and most lunch menu entrée prices range from $12.00 to $37.00. During fiscal 2012, the average check per person was approximately $70.00 to $72.00, with alcoholic beverages accounting for 29.7 percent of The Capital Grille’s sales. The Capital Grille offers different menus for dinner and lunch and varies its wine list to reflect geographic differences in consumer preferences, prices and selections.

Bahama Breeze

Bahama Breeze restaurants bring guests the feeling of a Caribbean escape, offering the food, drinks and atmosphere found in the islands. The menu features distinctive, Caribbean-inspired fresh seafood, chicken and steaks as well as signature specialty drinks. In fiscal 2007, Bahama Breeze wrote down the carrying value of five restaurants and closed nine, but improved the guest experience and unit economics sufficiently at the remaining restaurants that we have restarted modest unit growth. We opened one Bahama Breeze restaurant during each of fiscal years 2009 through 2011, and four during fiscal 2012.

Most dinner menu entrée prices at Bahama Breeze range from $9.00 to $23.00, and most lunch entrée prices range from $7.00 to $16.50. During fiscal 2012, the average check per person was approximately $23.00 to $23.50, with alcoholic beverages accounting for 22.4 percent of Bahama Breeze’s sales. Bahama Breeze maintains different menus for dinner and lunch and different menus across its trade areas to reflect geographic differences in consumer preferences, prices and selections, as well as a lower-priced children’s menu.

Seasons 52

Seasons 52 is a casually sophisticated, fresh grill and wine bar with seasonally inspired menus offering a fresh dining experience that celebrates living well. Nothing on the menu is more than 475 calories from the signature flat breads and popular Mini Indulgence deserts, to the entrees that are inspired by the seasons and tastes of a farmer's market. It offers an international wine list of more than 90 wines, with approximately 60 available by the glass. Seasons 52 also offers a variety of experiences. Its private dining rooms create the ideal environment for many social and business events, the Chef's Table provides a unique and intimate setting for chef-hosted customizable food and wine paring events, while the piano bar, featuring live music every night, is a great place to unwind and enjoy the warm, inviting ambiance.

Most dinner menu entrée prices at Seasons 52 range from $13.00 to $29.00, and most lunch entrée prices range from $10.00 to $20.00. During fiscal 2012, the average check per person was approximately $38.75 to $39.25, with alcoholic beverages accounting for 27.3 percent of Seasons 52's sales. Seasons 52 maintains different menus for dinner and lunch and different menus across its trade areas to reflect geographic differences in consumer preferences, prices and selections.

Eddie V's

Inspired by the great classic restaurants of New Orleans, San Francisco and Boston, Eddie V's opened in 2000 with an emphasis on prime seafood creations, USDA prime beef and chops, and fresh oyster bar selections. The ambiance is sophisticated and contemporary, with live nightly music in the V-Lounge. Guests are promised an intimate and comfortable dining experience "where your pleasure is our sole intention."

Synergy Restaurants

In March 2011, we opened a test “synergy restaurant” that houses both a Red Lobster and Olive Garden restaurant in the same building, but with separate front doors, dining rooms and brand-specific menus. The shared building is designed to keep the guest experience the same while delivering cost efficiencies. We developed this concept to test expansion into smaller markets that would not meet our population density requirements to build a single brand. Future synergy restaurants may not be limited to Red Lobster and Olive Garden combinations, but could involve our other brands as well. We opened a second synergy test location during fiscal 2012.

Recent and Planned Restaurant Growth

During fiscal 2012, we opened 89 net new restaurants in the U.S. and Canada. Our actual and projected net new openings in the U.S. and Canada from continuing operations by brand are shown below.

	Actual Net New Restaurant Openings Fiscal 2012	Projected Net New Restaurant Openings Fiscal 2013
Red Lobster	6	1-3
Olive Garden	38	35-40
LongHorn Steakhouse	32	44-48
Specialty Restaurant Group		
The Capital Grille	2	3
Bahama Breeze	4	3-4
Seasons 52	6	7-8
Eddie V's	0(1)	1
Synergy restaurants	1	4
Totals	89	About 100-110

(1) Excludes acquisition of 11 Eddie V's restaurants during fiscal 2012.

The actual number of openings for each of our brands will depend on many factors, including our ability to locate appropriate sites, negotiate acceptable purchase or lease terms, obtain necessary local governmental permits, complete construction, and recruit and train restaurant management and hourly personnel. Our objective is to continue to expand all of our restaurant brands, and to develop or acquire additional brands that can be expanded profitably. We continue to test new ideas and brands, and also to evaluate potential acquisition candidates to assess whether they would satisfy our strategic and financial objectives.

In connection with our growth objectives, on July 12, 2012, we entered into an Agreement and Plan of Merger to acquire Yard House USA, Inc. (“Yard House”) for $585 million in an all-cash transaction. Yard House, which launched its first restaurant in 1996, now has 39 restaurants across 13 states, and offers contemporary American cuisine with chef-inspired recipes and ethnic flavors along with a wide range of draft beers and other beverages in a stylish and energetic setting. The brand is expected to become part of our Specialty Restaurant Group, and the merger, which is subject to certain conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the “Hart-Scott Act”) and customary closing conditions, is expected to be completed early in the second quarter of fiscal 2013.

We consider location to be a critical factor in determining a restaurant’s long-term success, and we devote significant effort to the site selection process. Prior to entering a market, we conduct a thorough study to determine the optimal number and placement of restaurants. Our site selection process incorporates a variety of analytical techniques to evaluate key factors. These factors include trade area demographics, such as target population density and household income levels; competitive influences in the trade area; the site’s visibility, accessibility and traffic volume; and proximity to activity centers such as shopping malls, hotel/motel complexes, offices and universities. Members of senior management evaluate, inspect and approve each restaurant site prior to its acquisition. Constructing and opening a new restaurant typically takes approximately 180 days on average after permits are obtained and the site is acquired.

The following table illustrates the approximate average capital investment, size and dining capacity of the 8 Red Lobster restaurants (six new restaurants and two relocations), 38 Olive Garden restaurants (38 new restaurants and no relocations) and the 34 LongHorn Steakhouse restaurants (34 new restaurants and no relocations) opened during fiscal 2012. The table excludes any rebuilt restaurants.

	Capital Investment(1)	Square Feet(2)	Dining Seats(3)	Dining Tables(4)
Red Lobster	$4,112,000	6,366	221	49
Olive Garden	$4,093,000	7,574	237	58
LongHorn Steakhouse	$3,267,000	6,207	222	48

(1) Estimated final cost includes net present value of lease obligations and working capital credit, but excludes internal overhead.

(2) Includes all space under the roof, including the coolers and freezers.

(3) Includes bar dining seats and patio seating, but excludes bar stools.

(4) Includes patio dining tables.

We systematically review the performance of our restaurants to ensure that each one meets our standards. When a restaurant falls below minimum standards, we conduct a thorough analysis to determine the causes, and implement marketing and operational plans to improve that restaurant's performance. If performance does not improve to acceptable levels, the restaurant is evaluated for relocation, closing or conversion to one of our other brands.

During fiscal 2010, we permanently closed three Red Lobster and three LongHorn Steakhouse restaurants. During fiscal 2011, we permanently closed one Red Lobster, two Olive Garden and two LongHorn Steakhouse restaurants. During fiscal 2012, we permanently closed one Red Lobster and two LongHorn Steakhouse restaurants. Permanent closures are typically due to economic changes in trade areas, the expiration of lease agreements, or site concerns. Accordingly, we continue to evaluate our site locations in order to minimize the risk of future closures or asset impairment charges.

Restaurant Operations

We believe that high-quality restaurant management is critical to our long-term success. Our restaurant management structure varies by brand and restaurant size. We issue detailed operations manuals covering all aspects of restaurant operations, as well as food and beverage manuals which detail the preparation procedures of our recipes. The restaurant management teams are responsible for the day-to-day operation of each restaurant and for ensuring compliance with our operating standards.

Each typical Red Lobster and Olive Garden restaurant is led by a general manager, and each LongHorn Steakhouse restaurant is led by a managing partner. Each also has three to five additional managers, depending on the operating complexity and sales volume of the restaurant. In addition, each restaurant typically employs 50 to185 hourly employees, most of whom work part-time. Restaurant general managers or managing partners report to a director of operations who is responsible for approximately six to ten restaurants. Restaurants are visited regularly by all levels of supervision to help ensure strict adherence to all aspects of our standards.

Each Bahama Breeze restaurant is led by a general manager, and each The Capital Grille, Seasons 52 and Eddie V's restaurant is led by a managing partner. Each also has one to four assistant managers. Each The Capital Grille, Seasons 52 and Eddie V's restaurant has one to three chefs, and each Bahama Breeze restaurant has one to three kitchen managers. In addition, each restaurant typically employs 50 to 185 hourly employees, most of whom work part-time. The general manager or managing partner of each restaurant reports directly to a director of operations, who has operational responsibility for approximately three to ten restaurants. Restaurants are visited regularly by all levels of supervision to help ensure strict adherence to all aspects of our standards.

Our Learning Center of Excellence in partnership with each brand's head of training, together with senior operations executives, are responsible for developing and maintaining our operations training programs. These efforts include a 12 to 15-week training program for management trainees (8 to 9 weeks in the case of internal promotions) and continuing development programs for managers, supervisors and directors. The emphasis of the training and development programs varies by restaurant brand, but includes leadership, restaurant business management and culinary skills. We also use a highly structured training program to open new restaurants, including deploying training teams experienced in all aspects of restaurant operations. The opening training teams typically begin work one and a half weeks prior to opening and remain at the new restaurant for up to three weeks after the opening. They are re-deployed as appropriate to enable a smooth transition to the restaurant's operating staff.

At the level above director of operations, we are implementing a new operations leadership structure at Red Lobster, Olive Garden and LongHorn Steakhouse. We are adding new leadership roles between our directors of operations and our Senior Vice

Presidents of Operations. These new roles - Regional Vice President or Managing Director - will each report to a Senior Vice President of Operations and help further strengthen our restaurant operations expertise by elevating the execution required to build guest loyalty and enhance our talent development capacity in the field. This change also reduces the span of control for our Senior Vice Presidents of Operations, allowing them to focus on identifying new tools, support and operations strategies required to sustainably grow guest counts and sales in their particular division and better enable talent rotation and sharing across our brands.

We maintain performance measurement and incentive compensation programs for our management-level employees. We believe that our leadership position, strong success-oriented culture and various short-term and long-term incentive programs, including stock and stock-based compensation, help attract and retain highly motivated restaurant managers.

Quality Assurance

Our Total Quality Department helps ensure that all restaurants provide safe, high-quality food in a clean and safe environment. Through rigorous physical evaluation and testing at our North American laboratories and through "point source inspection" by our international team of quality specialists in several foreign countries, we purchase only seafood that meets or exceeds our specifications. We use independent third parties to inspect and evaluate commodity vendors. In addition, any commodity supplier that produces a "high-risk" product is subject to a food safety evaluation by Darden personnel at least annually. We require our suppliers to maintain sound manufacturing practices and operate with the comprehensive Hazard Analysis and Critical Control Point ("HACCP") food safety programs adopted by the U.S. Food and Drug Administration. The HACCP programs focus on preventing hazards that could cause food-borne illnesses by applying scientifically-based controls to analyze hazards, identify and monitor critical control points, and establish corrective actions when monitoring shows that a critical limit has not been met. Since 1976, we have required routine microbiological testing of seafood and other commodities for quality and microbiological safety. In addition, our total quality managers and third party auditors visit each restaurant periodically throughout the year to review food handling and to provide education and training in food safety and sanitation. The total quality managers also serve as a liaison to regulatory agencies on issues relating to food safety.

Purchasing and Distribution

Our ability to ensure a consistent supply of high-quality food and supplies at competitive prices to all of our restaurant brands depends on reliable sources of procurement. Our purchasing staff sources, negotiates and purchases food and supplies from more than 2,000 suppliers whose products originate in more than 30 countries. Suppliers must meet various of our requirements and strict quality control standards in the development, harvest, catch and production of food products. Competitive bids, long-term contracts and long-term vendor relationships are routinely used to manage availability and cost of products.

We believe that our seafood purchasing capabilities are a significant competitive advantage. Our purchasing staff travels routinely within the United States and internationally to source more than 100 varieties of top-quality seafood at competitive prices. We believe that we have established excellent long-term relationships with key seafood vendors and usually source our product directly from producers (not brokers or middlemen). While the supply of certain seafood species is volatile, we believe we have the ability to identify alternative seafood products and to adjust our menus as necessary.

All other essential food products are available, or can be made available upon short notice, from alternative qualified suppliers. We continue to progress in automating our supply chain allowing our suppliers, logistics partners and distributors to improve optimization with information visibility. Through our subsidiary, Darden Direct Distribution, Inc., and unique long-term agreements with our third party national distribution companies we maintain inventory ownership in dedicated environments where practical. Darden Direct further enables our purchasing staff to integrate demand forecasts into long-term agreements driving efficiencies in production economics when we collaborate with vendors. We continue to invest in new technologies to improve our purchasing and restaurant operations. During fiscal 2012, we completed the implementation of "iKitchen," a web-based software system, to our regional suppliers. The system is designed to more efficiently handle restaurant product orders, receiving, invoice approval and inventories. This improves the ability of our logistics infrastructure to replenish restaurants with the right products, at the right price and with just-in-time delivery. Because of the relatively rapid turnover of perishable food products, inventories in the restaurants have a modest aggregate dollar value in relation to sales.

Our supplier diversity program is an integral part of our purchasing efforts. Through this program, we identify minority and women-owned vendors and assist them in establishing supplier relationships with us. We are committed to the development and growth of minority and women-owned enterprises, and during fiscal 2012 we spent approximately 5.9 percent and 3.6 percent, respectively, of our purchasing dollars with those firms.

Advertising and Marketing

We believe we have developed significant marketing and advertising capabilities. Our size enables us to be a leading advertiser in the full service dining segment of the restaurant industry. Red Lobster and Olive Garden leverage the efficiency of national network television advertising. Olive Garden supplements this with cable, local television and digital advertising, and Red Lobster with cable and digital advertising. LongHorn Steakhouse currently uses local television advertising, and began national cable television advertising in fiscal 2011. The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's do not use national television advertising. Our restaurants appeal to a broad spectrum of consumers and we use advertising to attract guests. We implement periodic promotions as appropriate to maintain and increase our sales and profits, as well as strengthen our brands. We also rely on outdoor billboard, direct mail and email advertising, as well as radio, newspapers, digital coupons, search engine marketing and social media such as Facebook® and Twitter®, as appropriate, to attract and retain guests. During fiscal 2012, Olive Garden, Red Lobster and LongHorn Steakhouse launched electronic gift cards that can be ordered on our brand websites and sent instantly online. Buyers can personalize these e-gift cards by recording their voices, attaching photos and letting Facebook friends know they have bought a card. We have developed and consistently use sophisticated consumer marketing research techniques to monitor guest satisfaction and evolving expectations.

In fiscal 2013, we will begin efforts to consolidate our brands into a single digital platform, strengthen brand relevance and drive longer-term sales growth. In fiscal 2013, we expect to be in the marketplace with a much enhanced "To Go!" takeout operation at Olive Garden to respond to guests' increasing need for convenience, and a national Spanish language advertising campaign for Red Lobster to increase awareness among and visits from Hispanic and Latino consumers. We also have initiatives involving a web and text ahead reservation program and targeted marketing programs. For more information about our new technology platforms, see "Information Technology" below.

Employees

At the end of fiscal 2012, we employed approximately 180,000 people in the United States and Canada. Of these employees, approximately 169,000 were hourly restaurant personnel. The remainder were restaurant management personnel located in the restaurants or in the field, or were located at our restaurant support center facility in Orlando, Florida. Our operating executives have an average of more than 16 years of experience with us. The restaurant general managers and managing partners average 13 years with us. We believe that we provide working conditions and compensation that compare favorably with those of our competitors. Most employees, other than restaurant management and corporate management, are paid on an hourly basis. None of our employees are covered by a collective bargaining agreement. We consider our employee relations to be good.

In January 2012, we were recognized for the second consecutive year by FORTUNE magazine as one of the “100 Best Companies to Work For” in America. We are the largest employer on the list and remain the only full-service restaurant company to ever appear on the list. We are committed to fostering a strong, values-based culture where employees can learn, thrive and grow.

Consistent with our core value of diversity, we are committed to attracting, retaining, engaging and developing a workforce that mirrors the diversity of our guests. Approximately 43 percent of our employees are minorities, and 52 percent are women. Both percentages rank above average in our industry. In addition, in December 2011 we scored 90 out of 100 on the Human Rights Campaign 2012 Corporate Equality Index for our business practices and policies toward our lesbian, gay, bisexual and transgender employees, the highest score among the nine restaurant companies rated in the report.

Consistent with our core values of respect and caring and teamwork, in 1999 we established a program called Darden Dimes to help fellow colleagues in need. Darden Dimes has helped employees weather the after-effects of hurricanes and other natural disasters, severe medical problems and other personal difficulties. Participating employees donate at least 10 cents from each paycheck to the Darden Dimes fund, which raises more than $1.5 million annually.

Information Technology

We strive for leadership in the restaurant business by using technology as a competitive advantage and as an enabler of our strategy. Since 1975, computers located in the restaurants have been used to assist in the management of the restaurants. We have implemented technology-enabled business solutions targeted at improved financial control, cost management, enhanced guest service and improved employee effectiveness. These solutions are designed to be used across restaurant brands, yet are flexible enough to meet the unique needs of each restaurant brand. Our strategy is to fully integrate systems to drive operational efficiencies and enable restaurant teams to focus on restaurant operations excellence. Over the past few years, we implemented a new meal pacing system, in all Olive Garden and Red Lobster locations, designed to properly pace the preparation of menu items, based on cook-time, to enhance the guest’s experience and enhance restaurant capacity by increasing table turns. During fiscal 2012, Bahama Breeze, LongHorn Steakhouse and Seasons 52 piloted and implemented this meal pacing system in their locations. During fiscal 2011, Olive Garden implemented a new table management system to enhance the guest experience by providing accurate wait times and enhance restaurant capacity by increasing table turns. During fiscal 2012, LongHorn Steakhouse piloted and implemented the table management system in its locations. In addition, during fiscal 2012, we completed the implementation of a talent acquisition system across all brands to help streamline the hiring process for front line employee candidates.

In fiscal 2013, we are initiating a multi-year effort to implement new technology platforms that will allow us to digitally engage with our guests and employees and strengthen our marketing and analytics capabilities in this increasingly connected society. These technology platforms will be leveraged across all brands to build guest loyalty. Ultimately this multi-year effort will be integrated into all guest touch points including restaurant operating systems to enable compelling personalized guest experiences.

Restaurant hardware and software support for all of our restaurant brands is provided or coordinated from the restaurant support center facility in Orlando, Florida. A high-speed data network sends and receives critical business data to and from the restaurants throughout the day and night, providing timely and extensive information on business activity in every location. Our data center contains sufficient computing power to process information from all restaurants quickly and efficiently. Our information is processed in a secure environment to protect both the actual data and the physical assets. We guard against business interruption by maintaining a disaster recovery plan, which includes storing critical business information off-site, testing the disaster recovery plan at a host-site facility and providing on-site power backup via a large diesel generator. We use internally developed proprietary software, as well as purchased software, with proven, non-proprietary hardware. This allows processing power to be distributed effectively to each of our restaurants.

Our management believes that our current systems and practice of implementing regular updates will position us well to support current needs and future growth. We are committed to maintaining an industry leadership position in information systems and computing technology. We use a strategic information systems planning process that involves senior management and is integrated into our overall business planning. Information systems projects are prioritized based upon strategic, financial, regulatory and other business advantage criteria.

Competition

The restaurant industry is intensely competitive with respect to the type and quality of food, price, service, restaurant location, personnel, brand, attractiveness of facilities, and effectiveness of advertising and marketing. The restaurant business is often affected by changes in consumer tastes; national, regional or local economic conditions; demographic trends; traffic patterns; the type, number and location of competing restaurants; and consumers' discretionary purchasing power. We compete within each market with national and regional chains and locally-owned restaurants for guests, management and hourly personnel and suitable real estate sites. We also face growing competition from the supermarket industry, which offers "convenient meals" in the form of improved entrées and side dishes from the deli section. We expect intense competition to continue in all of these areas.

Other factors pertaining to our competitive position in the industry are addressed under the sections entitled "Purchasing and Distribution," "Advertising and Marketing" and "Information Technology" in this Item 1 and in our Risk Factors in Item 1A of this Form 10-K.

Trademarks and Service Marks

We regard our Darden Restaurants®, Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's Prime Seafood® and Wildfish Seafood Grille® service marks, and other service marks and trademarks related to our restaurant businesses, as having significant value and as being important to our marketing efforts. Our policy is to pursue registration of our important service marks and trademarks and to oppose vigorously any infringement of them. Generally, with appropriate renewal and use, the registration of our service marks and trademarks will continue indefinitely.

Franchises, Joint Ventures and New Business Development

As of May 27, 2012, all but three of our 1,994 restaurants in operation in the U.S. and Canada were company-owned and operated. Those three restaurants are located in Central Florida and are owned by joint ventures managed by us. The joint ventures pay management fees to us, and we control the joint ventures' use of our service marks. We also franchised five LongHorn Steakhouse restaurants in Puerto Rico to an unaffiliated franchisee as part of an agreement that was executed prior to our 2007 acquisition of RARE. In April 2012, we entered into a new area development agreement with this same franchisee to develop and operate our Olive Garden and LongHorn Steakhouse brands in Puerto Rico. The new agreement calls for the franchisee to initially develop a minimum of three additional LongHorn and eight Olive Garden restaurants over the next seven years.

Our restaurant operations outside of North America are conducted through area development and franchise agreements. We have an agreement with an unaffiliated Japanese corporation that operated 22 Red Lobster restaurants in Japan as of May 27, 2012. In October 2010, we entered into a formal agreement with an unaffiliated operator to develop and operate Red Lobster,

Olive Garden and LongHorn Steakhouse restaurants in the Middle East. The agreement calls for the operator to develop a minimum of 60 restaurants in Bahrain, Egypt, Kuwait, Lebanon, Qatar, Saudi Arabia and the United Arab Emirates over the next five years. As of May 27, 2012, one restaurant, a Red Lobster in Dubai, had opened under this agreement. In August 2011, we entered into an agreement with a third party restaurant operator to develop and operate Red Lobster, Olive Garden and The Capital Grille brands in Mexico. The agreement calls for the operator to initially develop a minimum of 37 restaurants in Mexico over the next five years. As of May 27, 2012, no restaurants had as yet opened under this agreement. We do not have an ownership interest in any of these franchisees, but we receive royalty income under the area development and franchise agreements. The amount of income we derive from our joint venture and franchise arrangements is not material to our consolidated financial statements.

We continue to explore additional avenues of new business development. During fiscal 2012, we began selling Olive Garden's Italian salad dressing and shredded cheese in Sam's Club® stores across the country. The products will be sold at Sam's Club stores exclusively for one year while we continue to evaluate this and other opportunities to market consumer packaged goods. We also are researching and developing proprietary technology for aquaculture lobster farming. Construction of a pilot hatchery in Malaysia should begin next fiscal year.

Seasonality

Our sales volumes fluctuate seasonally. During each of fiscal years 2012, 2011 and 2010, our average sales per restaurant were highest in the winter and spring, followed by the summer, and lowest in the fall. Holidays, changes in the economy, severe weather and similar conditions may impact sales volumes seasonally in some operating regions. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

Government Regulation

We are subject to various federal, state and local laws affecting our business. Each of our restaurants must comply with licensing requirements and regulations by a number of governmental authorities, which include health, safety and fire agencies in the state or municipality in which the restaurant is located. The development and operation of restaurants depend on selecting and acquiring suitable sites, which are subject to zoning, land use, environmental, traffic and other regulations. To date, we have not been significantly affected by any difficulty, delay or failure to obtain required licenses or approvals.

During fiscal 2012, 9.5 percent of our sales were attributable to the sale of alcoholic beverages. Regulations governing their sale require licensure by each site (in most cases, on an annual basis), and licenses may be revoked or suspended for cause at any time. These regulations relate to many aspects of restaurant operation, including the minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling, and storage and dispensing of alcoholic beverages. The failure of a restaurant to obtain or retain these licenses would adversely affect the restaurant's operations. We also are subject in certain states to "dram-shop" statutes, which generally provide an injured party with recourse against an establishment that serves alcoholic beverages to an intoxicated person who then causes injury to himself or a third party. We carry liquor liability coverage as part of our comprehensive general liability insurance.

We also are subject to federal and state minimum wage laws and other laws governing such matters as overtime, tip credits, working conditions, safety standards, and hiring and employment practices. Changes in these laws during fiscal 2012 have not had a material effect on our operations.

We currently are operating under a Tip Rate Alternative Commitment ("TRAC") agreement with the Internal Revenue Service. Through increased educational and other efforts in the restaurants, the TRAC agreement reduces the likelihood of potential chain-wide employer-only FICA assessments for unreported tips.

We are subject to federal and state environmental regulations, but these rules have not had a material effect on our operations. During fiscal 2012, there were no material capital expenditures for environmental control facilities and no material expenditures for this purpose are anticipated.

Our facilities must comply with the applicable requirements of the Americans with Disabilities Act of 1990 ("ADA") and related state accessibility statutes. Under the ADA and related state laws, we must provide equivalent service to disabled persons and make reasonable accommodation for their employment, and when constructing or undertaking significant remodeling of our restaurants, we must make those facilities accessible.

We are reviewing the health care reform law enacted by Congress in March of 2010 ("Health Care Reform Law"). As part of that review, we will evaluate the potential impacts of this new law on our business, and accommodate various parts of the law as they take effect.

We are subject to laws and regulations relating to the preparation and sale of food, including regulations regarding product safety, nutritional content and menu labeling. We are or may become subject to laws and regulations requiring disclosure of calorie, fat, trans fat, salt and allergen content. The Health Care Reform Law requires restaurant companies such as ours to disclose calorie information on their menus. The Food and Drug Administration has proposed rules to implement this provision that would require restaurants to post the number of calories for most items on menus or menu boards and to make available more detailed nutrition information upon request.

We are subject to laws relating to information security, privacy, cashless payments and consumer credit, protection and fraud. An increasing number of governments and industry groups worldwide have established data privacy laws and standards for the protection of personal information, including social security numbers, financial information (including credit card numbers), and health information.

See Item 1A “Risk Factors” below for a discussion of risks relating to federal, state and local regulation of our business, including in the areas of health care reform, data privacy and environmental matters.

Sustainability

Over the last several years, we have come to see that our commitment to sustainability is a central part of achieving our larger purpose. While we have long addressed various aspects of sustainability, such as seafood stewardship, in recent years we have strived to develop a more integrated and strategic approach to managing sustainability issues.

First, we know having clear governance and accountability mechanisms are essential to meeting our sustainability commitments. Leadership for our sustainability strategy and commitments resides at three levels: Board of Directors, Executive Leadership and Senior Management. We coordinate implementation of our sustainability strategy, stakeholder engagement and communications through a small team within our Government and Community Affairs department. Our Sustainability Leadership Council consists of executives from most brands and business units, including operations, supply chain, human resources and business development. Three cross-functional teams are tasked with developing and managing specific sustainability initiatives: Energy, Water and Waste; Supply Chain; and, Operations Culture.

Second, our business fundamentally relies on natural resources: from the energy we use to light, cool and heat our restaurants, to the water we use to cook and clean. To drive performance, we set ambitious targets. We committed to reduce our per restaurant energy and water use 15 percent by 2015 and, over time, send zero waste to landfill. Since fiscal 2008, we have reduced per restaurant energy usage by almost 8% and water by 17 percent. Additionally, at our Restaurant Support Center (RSC) in Orlando (LEED Gold), we unveiled a 1.1 megawatt solar panel installation, the largest private solar array in Florida, which generates 15 to 20 percent of the RSC's annual energy demands. We also reduced packaging and paper use in our kitchens; recycled 100 percent of our yellow grease; and expanded cardboard and single-stream recycling in over 50 percent and 30 percent of restaurants, respectively; and, through Darden Harvest, donated over 10 million pounds of food in fiscal 2011 and fiscal 2012, bringing our total to 56 million pounds since 2004.

Third, as a restaurant company, we rely on healthy marine and agricultural ecosystems to provide the ingredients we use to serve over 423 million meals each year. That's why, over the past few years, one of our key areas of focus has been to understand and manage sustainability issues in our supply chain and explore how we can use our scale and influence as a catalyst for positive change. We've established expectations for and regularly engage our suppliers on a range of sustainability issues, including the launch of a Supplier Packaging Optimization program, addressed human and labor rights through our Supplier Code of Conduct, advanced seafood sustainability through our Sustainable Fisheries Mission and GAA certification requirements, and addressed concerns through our Animal Welfare Working Group by establishing clear principles and supporting grants for research. One example was our announcement at the Clinton Global Initiative's Annual Meeting in September 2011, to rebuild troubled fisheries through fishery improvement projects in and around the Gulf of Mexico with partners Publix Super Markets and the Sustainable Fisheries Partnership.

While global sustainability challenges necessitate a global response, we understand their potential impact to us, either through increased energy costs or commodity prices, the depletion of certain species of seafood and/or other disruptions to our food supply chain. In this challenge, we see opportunity. Conservation will be a competitive advantage - it will lower our operating costs, insulate our supply chain, help us attract and retain employees - all increasing the success of our business.

More information about our sustainability strategy, how we are implementing that strategy and our progress to date is available through our sustainability report available on our website at www.darden.com/sustainability.

Health and Wellness

In September 2011, we announced a comprehensive health and wellness commitment to reduce our calorie and sodium footprints and to provide greater choice and variety on our children's menus. We were joined at an Olive Garden restaurant in

Hyattsville, Maryland, by First Lady Michelle Obama and the Partnership for a Healthier America to announce our commitment. Across our brands, we are working toward a 10 percent reduction of calories and sodium over five years and a 20 percent reduction of calories and sodium over 10 years. And we are establishing specific nutrition standards to guide the development of our children's meals to simplify parents' search for healthier options that their children enjoy.

Darden Foundation and Community Affairs

We are recognized for a culture that rewards caring for and responding to people. That defines service for Darden. The Darden Restaurants, Inc. Foundation ("Foundation") works to bring to life this spirit of service through its philanthropic support of charitable organizations across the country as well as the volunteer involvement of our employees. The Foundation does this by focusing its philanthropic efforts on the following key program areas: access to postsecondary education; preservation of natural resources; and good neighbor grants.

In April 2012, the Foundation announced it was awarding more than $1.7 million to nearly 900 nonprofit organizations in communities across the U.S. and Canada as part of its inaugural Darden Restaurants Community Grants Program. The local grants program is intended to help support nonprofit organizations in the hundreds of communities we serve. Each of our restaurants had the opportunity to help award a $1,000 grant to a nonprofit organization in its local community.

More information about the Foundation and its efforts to enhance the quality of life in the communities where we do business, including its annual Community Service Report, is available on our website at www.darden.com.

Executive Officers of the Registrant

Our executive officers as of the date of this report are listed below.

Clarence Otis, Jr., age 56, has been our Chairman of the Board since November 2005, Chief Executive Officer since November 2004, and a Director since September 2004. Mr. Otis was our Executive Vice President from March 2002 until November 2004 and President of Smokey Bones Barbeque & Grill from December 2002 until November 2004. He served as our Senior Vice President from December 1999 until March 2002, and our Chief Financial Officer from December 1999 until December 2002. He joined us in 1995 as Vice President and Treasurer. He served as our Senior Vice President, Investor Relations from July 1997 to August 1998, and as Senior Vice President, Finance and Treasurer from August 1998 until December 1999. From 1991 to 1995, he was employed by Chemical Securities, Inc. (now J.P. Morgan Securities, Inc.), an investment banking firm, where he had been Managing Director and Manager of Public Finance.

Andrew H. (Drew) Madsen, age 56, has been our President and Chief Operating Officer since November 2004, and a Director since September 2004. Mr. Madsen was our Senior Vice President and President of Olive Garden from March 2002 until November 2004, and Executive Vice President of Marketing for Olive Garden from December 1998 to March 2002. From 1997 until joining us, he was President of International Master Publishers, Inc., a company that developed and marketed consumer information products such as magazines and compact discs. From 1993 until 1997, he held various positions at James River Corporation (now part of Koch Industries), including Vice President and General Manager for the Dixie consumer products unit. From 1980 until 1992, he held various marketing positions with our former parent company, General Mills, Inc., a manufacturer and marketer of consumer food products.

James J. (J.J.) Buettgen, age 51, has been our Senior Vice President, Chief Marketing Officer since June 2011. Previously, he served as our Senior Vice President, New Business Development from May 2007 until June 2011. He served as our Senior Vice President and President of Smokey Bones Barbeque & Grill, a restaurant concept formerly owned and operated by us, from November 2004 until May 2007, and our Senior Vice President and President-designate of Smokey Bones from August 2004 until November 2004. From July 2003 until August 2004, he was President of Big Bowl Asian Kitchen, a casual dining company owned by Brinker International, Inc., a restaurant operator, and from October 2002 until June 2003 he was Senior Vice President of Marketing and Brand Development for Brinker. From 1999 to 2002, he was Senior Vice President of Marketing and Sales for Disneyland Resorts, a division of the Walt Disney Company, where he helped launch Disney's California Adventure theme park, and from 1998 to 1999 was Senior Vice President of Marketing for Hollywood Entertainment Group, a video retailer. He held several marketing posts with our former parent company, General Mills, Inc., a manufacturer and marketer of consumer food products, from 1989 through 1994. From 1994 to 1998, he was Vice President of Marketing for Olive Garden until being promoted to Senior Vice President of Marketing for Olive Garden in 1998.

John H. Caron, age 54, has been our President, Olive Garden since June 2011. He served as our Senior Vice President, Chief Marketing Officer from April 2010 to June 2011. From 2003 to April 2010, he was Executive Vice President of Marketing for Olive

Garden. From 1985 until joining us, he held various positions at Unilever Bestfoods North America, including Vice President and General Manager of Beverages from 2000 to 2002.

David C. George, age 56, has been our President of LongHorn Steakhouse since our acquisition of RARE Hospitality International, Inc. on October 1, 2007. Prior to the acquisition, he served as RARE's President of LongHorn Steakhouse from May 2003 until October 2007. From October 2001 until May 2003, he was RARE's Senior Vice President of Operations for LongHorn Steakhouse and from May 2000 until October 2001 was RARE's Vice President of Operations for The Capital Grille.

Eugene I. (Gene) Lee, Jr., age 51, has been President of our Specialty Restaurant Group since our acquisition of RARE Hospitality International, Inc. on October 1, 2007. Prior to the acquisition, he served as RARE's President and Chief Operating Officer from January 2001 to October 2007. From January 1999 until January 2001, he served as RARE's Executive Vice President and Chief Operating Officer.

Kim A. Lopdrup, age 54, has been our Senior Vice President, Business Development since June 2011. He served as our President, Red Lobster from May 2004 until June 2011. He joined us in November 2003 as Executive Vice President of Marketing for Red Lobster. From 2001 until 2002, he served as Executive Vice President and Chief Operating Officer for North American operations of Burger King Corporation, an operator and franchiser of fast food restaurants. From 1985 until 2001, he worked for Allied Domecq Quick Service Restaurants (“ADQSR”), a franchiser of quick service restaurants including Dunkin' Donuts, Baskin-Robbins and Togo's Eateries, where he held progressively more responsible positions in marketing, strategic and general management roles, eventually serving as Chief Executive Officer of ADQSR International.

David R. Lothrop, age 51, has been our Senior Vice President and Corporate Controller since May 2012, and was our Senior Vice President of Finance and Strategy from June 2010 until May 2012. He was Senior Vice President, Finance for Olive Garden from 2006 until June 2010. He joined Darden in 1984 as a corporate accountant. He joined the Olive Garden team in 1986 as a Senior Operations Analyst, and was promoted to Assistant Controller in 1991. After several years in a variety of finance roles at Darden, Red Lobster and Smokey Bones Barbeque & Grill, he was promoted to Senior Vice President, Finance and Controller for Olive Garden in 2006.

Robert McAdam, age 54, has been our Senior Vice President of Government and Community Affairs since December 2006. Prior to joining us, he was employed by retailer Wal-Mart, Inc. as Vice President, Corporate Affairs from 2004 to 2006, and Vice President, State and Local Governmental Relations from 2000 to 2004. From 1997 to 2000 he served as Senior Vice President of Fleishman-Hillard, an international public relations firm.

Daisy Ng, age 54, has been our Senior Vice President, Chief Human Resources Officer since June 2009. From October 2005 to June 2009, she was our Senior Vice President of Talent Management. Prior to joining us, she was Chief Learning Officer and Vice President, Workforce Development for Hewlett-Packard, a technology company, from November 2003 to August 2005.

David T. Pickens, age 57, has been our President, Red Lobster since June 2011. He served as our President, Olive Garden from December 2004 until June 2011. He joined us in 1973 as a Red Lobster hourly employee and progressed from manager trainee to regional operations manager, director of operations, and ultimately was promoted to a division Senior Vice President of Operations for Red Lobster. He joined Olive Garden in 1995 as Senior Vice President of Operations for the Orlando division and was promoted to Executive Vice President of Operations in September 1999, where he served until his promotion to President of Olive Garden in December 2004.

C. Bradford (Brad) Richmond, age 53, has been our Senior Vice President and Chief Financial Officer since December 2006. From August 2005 to December 2006, he served as our Senior Vice President and Corporate Controller. He served as Senior Vice President Finance, Strategic Planning and Controller of Red Lobster from January 2003 to August 2005, and previously was Senior Vice President, Finance and Controller at Olive Garden from August 1998 to January 2003. He joined us in 1982 as a food and beverage analyst for Casa Gallardo, a restaurant concept formerly owned and operated by us, and from June 1985 to August 1998 held progressively more responsible finance and marketing analysis positions with our York Steak House, Red Lobster and Olive Garden operating companies in both the United States and Canada.

Teresa M. Sebastian, age 54, has been our Senior Vice President, General Counsel and Secretary since October 2010. Prior to joining us, she served as Vice President, General Counsel and Corporate Secretary for Veyance Technologies, Inc., a manufacturer of industrial rubber products and exclusive manufacturer and marketer of Goodyear Engineered Products from May 2008 until September 2010. She also served as Senior Vice President and General Counsel for Information Resources, Inc. from May 2007 to May 2008; Assistant General Counsel and Assistant Corporate Secretary for DTE Energy Company from September 2001 to May 2007; and Senior Corporate Counsel for CMS Energy Corporation from September 1994 to September 2001.

Item 1A. RISK FACTORS

Various risks and uncertainties could affect our business. Any of the risks described below or elsewhere in this report or our other filings with the Securities and Exchange Commission could have a material impact on our business, financial condition or results of operations. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. Therefore, the following is not intended to be a complete discussion of all potential risks or uncertainties.

A failure to maintain food safety throughout the supply chain and food-borne illness concerns may have an adverse effect on our business.

Food safety is a top priority, and we dedicate substantial resources to ensuring that our guests enjoy safe, quality food products. However, food safety issues could be caused at the point of source or by food suppliers or distributors and, as a result, be out of our control. In addition, regardless of the source or cause, any report of food-borne illnesses such as E. coli, hepatitis A, trichinosis or salmonella, and other food safety issues including food tampering or contamination, at one of our restaurants could adversely affect the reputation of our brands and have a negative impact on our sales. Even instances of food-borne illness, food tampering or food contamination occurring solely at restaurants of our competitors could result in negative publicity about the food service industry generally and adversely impact our sales. The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, resulting in higher costs and lower margins.

Litigation, including allegations of illegal, unfair or inconsistent employment practices, may adversely affect our business, financial condition and results of operations.

Our business is subject to the risk of litigation by employees, guests, suppliers, shareholders, government agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. These actions and proceedings may involve allegations of illegal, unfair or inconsistent employment practices, including wage and hour violations and employment discrimination; guest discrimination; food safety issues including poor food quality, food-borne illness, food tampering, food contamination, and adverse health effects from consumption of various food products or high-calorie foods (including obesity); other personal injury; violation of “dram shop” laws (providing an injured party with recourse against an establishment that serves alcoholic beverages to an intoxicated party who then causes injury to himself or a third party); trademark infringement; violation of the federal securities laws; or other concerns. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. The cost to defend litigation may be significant. There may also be adverse publicity associated with litigation that could decrease guest acceptance of our brands, regardless of whether the allegations are valid or we ultimately are found liable. Litigation could impact our operations in other ways as well. Allegations of illegal, unfair or inconsistent employment practices, for example, could adversely affect employee acquisition and retention. As a result, litigation may adversely affect our business, financial condition and results of operations.

Unfavorable publicity, or a failure to respond effectively to adverse publicity, could harm our reputation and adversely impact our guest counts and sales.

The good reputation of our restaurant brands is a key factor in the success of our business. Actual or alleged incidents at any of our restaurants could result in negative publicity that could harm our brands. Even incidents occurring at restaurants operated by our competitors or in the supply chain generally could result in negative publicity that could harm the restaurant industry overall and, indirectly, our own brands. Negative publicity may result from allegations of illegal, unfair or inconsistent employment practices, guest discrimination, illness, injury, or any of the other matters discussed above that could give rise to litigation. Regardless of whether the allegations or complaints are valid, unfavorable publicity relating to a limited number of our restaurants, or only to a single restaurant, could adversely affect public perception of the entire brand. Negative publicity also may result from health concerns including food safety and flu outbreaks, publication of government or industry findings concerning food products, environmental disasters, crime incidents, data privacy breaches, scandals involving our employees, or operational problems at our restaurants, all of which could make our brands and menu offerings less appealing to our guests and negatively impact our guest counts and sales. Adverse publicity and its effect on overall consumer perceptions of our brands, or our failure to respond effectively to adverse publicity, could have a material adverse effect on our business.

We are subject to a number of risks relating to public policy changes and federal, state and local regulation of our business, including in the areas of health care reform, environmental matters, minimum wage, unionization, data privacy, menu labeling, immigration requirements and taxes, and an insufficient or ineffective response to government regulation may impact our cost structure, operational efficiencies and talent availability.

The restaurant industry is subject to extensive federal, state and local laws and regulations. The development and operation of restaurants depend to a significant extent on the selection and acquisition of suitable sites, which are subject to building, zoning, land use, environmental, traffic and other regulations and requirements. We are subject to licensing and regulation by state and local authorities relating to health, sanitation, safety and fire standards and the sale of alcoholic beverages. We are subject to laws and regulations relating to the preparation and sale of food, including regulations regarding product safety, nutritional content and menu labeling. We are subject to federal and state laws governing minimum wages, unionization and other labor issues. These include the Fair Labor Standards Act of 1938 and requirements concerning overtime, paid or family leave, tip credits, working conditions and safety standards. They also include the Immigration Reform and Control Act of 1986, which requires among other things the preparation of Form I-9 to verify that employees are authorized to accept employment in the United States.

We also are subject to federal and state laws which prohibit discrimination and other laws regulating the design and operation of facilities, such as the ADA. Compliance with these laws and regulations can be costly and increase our exposure to litigation and governmental proceedings, and a failure or perceived failure to comply with these laws could result in negative publicity that could harm our reputation. New or changing laws and regulations relating to union organizing rights and activities may impact our operations at the restaurant level and increase our cost of labor.

We are reviewing the Health Care Reform Law. As part of that review, we will evaluate the potential impacts of this new law on our business, and accommodate various parts of the law as they take effect. There are no assurances that a combination of cost management and price increases can accommodate all of the costs associated with compliance. We did not receive tax-free subsidies for providing prescription drugs to retirees under Medicare Part D. Therefore, we have no deferred tax assets associated with our retiree medical plan that would be impacted by this law. The Health Care Reform Law also requires restaurant companies such as ours to disclose calorie information on their menus. We do not expect to incur any material costs from compliance with this provision, but cannot anticipate any changes in guest behavior resulting from the implementation of this portion of the law, which could have an adverse effect on our sales or results of operations.

We are subject to a variety of federal, state and local laws and regulations relating to the use, storage, discharge, emission and disposal of hazardous materials. There also has been increasing focus by U.S. and overseas governmental authorities on other environmental matters, such as climate change, the reduction of greenhouse gases and water consumption. This increased focus may lead to new initiatives directed at regulating an as yet unspecified array of environmental matters, such as the emission of greenhouse gases, where “cap and trade” initiatives could effectively impose a tax on carbon emissions. Legislative, regulatory or other efforts to combat climate change or other environmental concerns could result in future increases in the cost of raw materials, taxes, transportation and utilities, which could decrease our operating profits and necessitate future investments in facilities and equipment.

We are subject to laws relating to information security, privacy, cashless payments and consumer credit, protection and fraud. An increasing number of governments and industry groups worldwide have established data privacy laws and standards for the protection of personal information, including social security numbers, financial information (including credit card numbers), and health information. Compliance with these laws and regulations can be costly, and any failure or perceived failure to comply with those laws could harm our reputation or lead to litigation, which could adversely affect our financial condition.

The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, or an insufficient or ineffective response to significant regulatory or public policy issues, could increase our cost structure, operational efficiencies and talent availability, and therefore have an adverse effect on our results of operations. Failure to comply with the laws and regulatory requirements of federal, state and local authorities could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. Compliance with these laws and regulations can be costly and can increase our exposure to litigation or governmental investigations or proceedings.

We may be subject to increased labor and insurance costs.

Our restaurant operations are subject to federal and state laws governing such matters as minimum wages, working conditions, overtime and tip credits. As federal and state minimum wage rates increase, we may need to increase not only the wages of our minimum wage employees but also the wages paid to employees at wage rates that are above minimum wage. Labor shortages, increased employee turnover and health care mandates could also increase our labor costs. This in turn could lead us to increase prices which could impact our sales. Conversely, if competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our profitability may decline. In addition, the current premiums that we pay for our insurance (including workers’ compensation, general liability, property, health, and directors’ and officers’ liability) may increase at any time, thereby further increasing our costs. The dollar amount of claims that we actually experience under our workers’ compensation and general liability insurance, for which we carry high per-claim deductibles, may also increase at any time, thereby further increasing our costs. Further, the decreased availability of property and liability insurance has the potential to negatively impact the cost of premiums and the magnitude of uninsured losses.

We rely heavily on information technology in our operations, and insufficient guest or employee facing technology, or a failure to maintain a continuous and secure cyber network, free from material failure, interruption or security breach could harm our ability to effectively operate our business and/or result in the loss of respected relationships with our guests or employees.

We rely heavily on information systems across our operations, including for marketing programs, employee engagement, management of our supply chain, point-of-sale processing system in our restaurants, and various other processes and transactions. Our ability to effectively manage our business and coordinate the production, distribution and sale of our products depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, problems with transitioning to upgraded or replacement systems, a material network breach in the security of these systems as a result of a cyber attack, or any other failure to maintain a continuous and secure cyber network could result in substantial harm or inconvenience to us or an individual. This could include the theft of our intellectual property or trade secrets, or the improper use of personal information or other "identity theft." Each of these situations or data privacy breaches may cause delays in guest service, reduce efficiency in our operations, require significant capital investments to remediate the problem, or result in negative publicity that could harm our reputation.

As part of our marketing efforts, we rely on search engine marketing and social media platforms such as Facebook® and Twitter® to attract and retain guests. We also are initiating a multi-year effort to implement new technology platforms that should allow us to digitally engage with our guests and employees and strengthen our marketing and analytics capabilities. These initiatives may not be successful, resulting in expenses incurred without the benefit of higher revenues or increased employee engagement. In addition, a variety of risks are associated with the use of social media, including the improper disclosure of proprietary information, negative comments about our company, exposure of personally identifiable information, fraud, or out-of-date information. The inappropriate use of social media vehicles by our guests or employees could increase our costs, lead to litigation or result in negative publicity that could damage our reputation.

Our inability or failure to execute on a comprehensive business continuity plan following a major natural disaster such as a hurricane or manmade disaster, including terrorism, at our corporate facility could materially adversely impact our business.

Many of our corporate systems and processes and corporate support for our restaurant operations are centralized at one Florida location. We have disaster recovery procedures and business continuity plans in place to address most events of a crisis nature, including hurricanes and other natural disasters, and back up and off-site locations for recovery of electronic and other forms of data and information. However, if we are unable to fully implement our disaster recovery plans, we may experience delays in recovery of data, inability to perform vital corporate functions, tardiness in required reporting and compliance, failures to adequately support field operations and other breakdowns in normal communication and operating procedures that could have a material adverse effect on our financial condition, results of operation and exposure to administrative and other legal claims.

Health concerns arising from food-related pandemics, outbreaks of flu viruses or other diseases may have an adverse effect on our business.

The United States and other countries have experienced, or may experience in the future, outbreaks of viruses, such as norovirus, avian flu or "SARS", and H1N1 or "swine flu", or other diseases such as bovine spongiform encephalopathy, commonly known as "mad cow disease." To the extent that a virus or disease is food-borne, or perceived to be food-borne, future outbreaks may adversely affect the price and availability of certain food products and cause our guests to eat less of a product, or could reduce public confidence in food handling and/or public assembly. For example, health concerns relating to the consumption of beef or to specific events such as an outbreak of "mad cow disease" may adversely impact sales at LongHorn Steakhouse and The Capital Grille restaurants that offer beef as a primary menu item. In addition, public concern over avian flu may cause fear about the consumption of chicken, eggs and other products derived from poultry. The inability to serve beef or poultry-based products would restrict our ability to provide a variety of menu items to our guests. If we change a restaurant menu in response to such concerns, we may lose guests who do not prefer the new menu, and we may not be able to attract a sufficient new guest base to produce the sales needed to make the restaurant profitable. We also may have different or additional competitors for our intended guests as a result of such a change and may not be able to successfully compete against such competitors. If a virus is transmitted by human contact, our employees or guests could become infected, or could choose, or be advised, to avoid gathering in public places, any of which could adversely affect our restaurant guest traffic, and our ability to adequately staff our restaurants, receive deliveries on a timely basis or perform functions at the corporate level. We also could be adversely affected if jurisdictions in which we have restaurants impose mandatory closures, seek voluntary closures or impose restrictions on operations. Even if such measures are not implemented and a virus or other disease does not spread significantly, the perceived risk of infection or significant health risk may adversely affect our business.

We face intense competition, and if we have an insufficient focus on competition and the consumer landscape, our business, financial condition and results of operations would be adversely affected.

The full service dining sector of the restaurant industry is intensely competitive with respect to pricing, service, location,

personnel and type and quality of food, and there are many well-established competitors. We compete within each market with national and regional restaurant chains and locally-owned restaurants. We also face growing competition as a result of the trend toward convergence in grocery, deli and restaurant services, particularly in the supermarket industry which offers “convenient meals” in the form of improved entrées and side dishes from the deli section. We compete primarily on the quality, variety and value perception of menu items. The number and location of restaurants, type of brand, quality and efficiency of service, attractiveness of facilities and effectiveness of advertising and marketing programs are also important factors. We anticipate that intense competition will continue with respect to all of these factors. If we are unable to continue to compete effectively, our business, financial condition and results of operations would be adversely affected.

Our failure to drive both short-term and long-term profitable sales growth through brand relevance, operating excellence, opening new restaurants of existing brands, and developing or acquiring new dining brands, could result in poor financial performance.

As part of our business strategy, we intend to drive profitable sales growth by increasing same-restaurant sales at existing restaurants, continuing to expand our current portfolio of restaurant brands, and developing or acquiring additional brands that can be expanded profitably. This strategy involves numerous risks, and we may not be able to achieve our growth objectives.

At existing brands, we may not be able to maintain brand relevance and restaurant operating excellence to achieve sustainable same-restaurant sales growth and warrant new unit growth. Existing brand short-term sales growth could be impacted if we are unable to drive near term guest count growth, and long-term sales growth could be impacted if we fail to extend our existing brands in ways that are relevant to our guests. A failure to define and deliver clear, relevant brands that generate sustainable same-restaurant traffic growth and produce non-traditional sales and earnings growth opportunities, or to evolve in-restaurant and brand support cost structures so that competitively strong sales growth results in stable and improving profit margins, could have an adverse effect on our results of operations. In addition, we may not be able to support sustained new unit growth or open all of our planned new restaurants, and the new restaurants that we open may not be profitable or as profitable as our existing restaurants. New restaurants typically experience an adjustment period before sales levels and operating margins normalize, and even sales at successful newly-opened restaurants generally do not make a significant contribution to profitability in their initial months of operation. The opening of new restaurants can also have an adverse effect on sales levels at existing restaurants.

The ability to open and profitably operate restaurants is subject to various risks, such as the identification and availability of suitable and economically viable locations, the negotiation of acceptable lease or purchase terms for new locations, the need to obtain all required governmental permits (including zoning approvals and liquor licenses) on a timely basis, the need to comply with other regulatory requirements, the availability of necessary contractors and subcontractors, the ability to meet construction schedules and budgets, the ability to manage union activities such as picketing or hand billing which could delay construction, increases in labor and building material costs, the availability of financing at acceptable rates and terms, changes in weather or other acts of God that could result in construction delays and adversely affect the results of one or more restaurants for an indeterminate amount of time, our ability to hire and train qualified management personnel and general economic and business conditions. At each potential location, we compete with other restaurants and retail businesses for desirable development sites, construction contractors, management personnel, hourly employees and other resources. If we are unable to successfully manage these risks, we could face increased costs and lower than anticipated sales and earnings in future periods.

We also may not be able to identify, acquire and integrate additional brands or develop new business opportunities that are as profitable as our existing restaurants. Growth through acquisitions may involve additional risks. For example, we may pay too much for a brand relative to the actual economic return, be required to borrow funds to make our acquisition (which would increase our interest expense) or be unable to successfully integrate an acquired brand into our operations.

Failure to complete the acquisition of Yard House, or once completed, failure to successfully integrate the Yard House business, and the additional indebtedness incurred to finance the Yard House acquisition, could adversely impact our stock price and future business and operations.

On July 12, 2012, we entered into an Agreement and Plan of Merger pursuant to which we expect to complete the acquisition of Yard House. Completion of the acquisition is not assured, and is subject to clearance under the Hart-Scott Act and certain closing conditions described in the merger agreement and related documents. If the acquisition of Yard House is not completed for any reason, we may incur acquisition-related expenses without realizing the expected benefits, and the price of our common stock may decline to the extent that the current market price reflects an assumption that the acquisition will be completed.

Our integration of Yard House's business into our operations will be a complex and time-consuming process that may not be successful. The primary areas of focus for successfully combining the business of Yard House with our operations may include, among others: retaining and integrating management and other key employees; integrating information, communications and other systems; and managing the growth of the combined company.

Even if we successfully integrate the business of Yard House into our operations, there can be no assurance that we will realize the anticipated benefits. We are seeking to acquire Yard House with the expectation that the acquisition will result in various benefits for the combined company including, among others, business and growth opportunities, and significant synergies from increased efficiency in purchasing, distribution and other restaurant and corporate support. Increased competition and/or deterioration in business conditions may limit our ability to expand this business. As such, we may not be able to realize the synergies, goodwill, business opportunities and growth prospects anticipated in connection with the acquisition.

If we consummate the acquisition of Yard House, we expect to have consolidated indebtedness that will be greater than our indebtedness prior to the acquisition. The increased indebtedness and higher debt-to-equity ratio of our company may have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions and increasing borrowing costs. Our level of indebtedness could have important consequences. For example, it may: require a portion of our cash flow from operations for the payment of principal of, and interest on, our indebtedness, thus reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements; and limit our ability to obtain additional financing to fund working capital, capital expenditures, additional acquisitions or general corporate requirements, particularly if the ratings assigned to our debt securities by rating organizations are revised downward.

Our plans to expand our newer brands Bahama Breeze, Seasons 52 and Eddie V's, and the testing of synergy restaurants and other new business ventures that have not yet proven their long-term viability, may not be successful, which could require us to make substantial further investments in those brands and new business ventures and result in losses and impairments.

While each of our restaurant brands, as well as each of our individual restaurants, are subject to the risks and uncertainties described above, there is an enhanced level of risk and uncertainty related to the operation and expansion of our newer brands such as Bahama Breeze, Seasons 52 and Eddie V's and the testing of new restaurant formats such as synergy restaurants. These brands and test formats have not yet proven their long-term viability or growth potential. We have made substantial investments in the development and expansion of each of these brands and test formats, and further investment is required. While we have implemented a number of changes to operations at Bahama Breeze, and believe we have improved the guest experience and unit economics sufficiently to restart modest unit growth, there can be no assurance that these changes will continue to be successful or that additional new unit growth will occur. Seasons 52 and Eddie V's also are in the early stages of their development and will require additional resources to support further growth. Our other new business initiatives such as the sale of consumer packaged goods and aquaculture lobster farming have not yet proved their long-term viability and may not be successful.

In each case, these brands and formats will continue to be subject to the risks and uncertainties that accompany any emerging restaurant brand or format.

A lack of availability of suitable locations for new restaurants or a decline in the quality of the locations of our current restaurants may adversely affect our sales and results of operations.

The success of our restaurants depends in large part on their locations. As demographic and economic patterns change, current locations may not continue to be attractive or profitable. Possible declines in neighborhoods where our restaurants are located or adverse economic conditions in areas surrounding those neighborhoods could result in reduced sales in those locations. In addition, desirable locations for new restaurant openings or for the relocation of existing restaurants may not be available at an acceptable cost when we identify a particular opportunity for a new restaurant or relocation. The occurrence of one or more of these events could have a significant adverse effect on our sales and results of operations.

We may experience higher-than-anticipated costs associated with the opening of new restaurants or with the closing, relocating and remodeling of existing restaurants, which may adversely affect our results of operations.

Our sales and expenses can be impacted significantly by the number and timing of the opening of new restaurants and the closing, relocating and remodeling of existing restaurants. We incur substantial pre-opening expenses each time we open a new restaurant and other expenses when we close, relocate or remodel existing restaurants. The expenses of opening, closing, relocating or remodeling any of our restaurants may be higher than anticipated. An increase in such expenses could have an adverse effect on our results of operations.

A failure to identify and execute innovative marketing and guest relationship tactics, ineffective or improper use of social media or other marketing initiatives, and increased advertising and marketing costs, could adversely affect our results of operations.

If our competitors increase their spending on advertising and promotions, if our advertising, media or marketing expenses increase, or if our advertising and promotions become less effective than those of our competitors, we could experience a material adverse effect on our results of operations. A failure to sufficiently innovate, develop guest relationship initiatives, or maintain adequate and effective advertising could inhibit our ability to maintain brand relevance and drive increased sales.

As part of our marketing efforts, we rely on search engine marketing and social media platforms to attract and retain guests, and will begin efforts to consolidate our brands into a single digital technology platform. These initiatives may not be successful, and pose a variety of other risks, as discussed above under the heading: "We rely heavily on information technology in our operations, and insufficient guest or employee facing technology, or any material failure, inadequacy, interruption or breach of security of any of our technology, could harm our ability to effectively operate our business."

A failure to develop and recruit effective leaders, the loss of personnel with key capacities and skills, or a significant shortage of high-quality restaurant employees could jeopardize our ability to meet our growth targets.

Our future growth depends substantially on the contributions and abilities of key executives and other employees. Our future growth also depends substantially on our ability to recruit and retain high-quality employees to work in and manage our restaurants. We must continue to recruit, retain and motivate management and other employees in order to maintain our current business and support our projected growth. A failure to maintain appropriate organizational capacity and capability to support leadership excellence (adequate resources, innovative skill sets and expectations) and build adequate bench strength required for growth, a loss of key employees or a significant shortage of high-quality restaurant employees could jeopardize our ability to meet our growth targets.

A failure to address cost pressures, including rising costs for commodities, health care and utilities used by our restaurants, and a failure to effectively deliver cost management activities and achieve economies of scale in purchasing, could compress our margins and adversely affect our sales and results of operations.

Our results of operations depend significantly on our ability to anticipate and react to changes in the price and availability of food, ingredients, health care, utilities, unemployment and other related costs over which we may have little control. Operating margins for our restaurants are subject to changes in the price and availability of food commodities, including shrimp, lobster, crab and other seafood, as well as beef, pork, chicken, cheese and produce. The introduction of or changes to tariffs on imported shrimp or other food products could increase our costs and possibly impact the supply of those products. We attempt to leverage our size to achieve economies of scale in purchasing, but there can be no assurances that we can always do so effectively. We are subject to the general risks of inflation. Our restaurants' operating margins are also affected by fluctuations in the price of utilities such as electricity and natural gas, whether as a result of inflation or otherwise, on which the restaurants depend for their energy supply. In addition, interruptions to the availability of gas, electric, water or other utilities, whether due to aging infrastructure, weather conditions, fire, animal damage, trees, digging accidents or other reasons largely out of our control, may adversely affect our operations. Our inability to anticipate and respond effectively to an adverse change in any of these factors could have a significant adverse effect on our sales and results of operations.

We may lose sales or incur increased costs if our restaurants experience shortages or interruptions in the delivery of food and other products from our third party vendors and suppliers.

Shortages or interruptions in the supply of food items and other supplies to our restaurants may be caused by inclement weather; natural disasters such as hurricanes, tornadoes, floods, droughts and earthquakes; the inability of our vendors to obtain credit in a tightened credit market or remain solvent given disruptions in the financial markets; or other conditions beyond our control. Such shortages or interruptions could adversely affect the availability, quality and cost of the items we buy and the operations of our restaurants. We may have a limited number of suppliers for certain of our products. Supply chain risk could increase our costs and limit the availability of products that are critical to our restaurant operations. If we raise prices as a result of increased food costs or shortages, it may negatively impact our sales. If we temporarily close a restaurant or remove popular items from a restaurant's menu, that restaurant may experience a significant reduction in sales during the time affected by the shortage or thereafter as a result of our guests changing their dining habits.

Adverse weather conditions and natural disasters could adversely affect our restaurant sales.

Adverse weather conditions can impact guest traffic at our restaurants, cause the temporary underutilization of outdoor patio seating and, in more severe cases such as hurricanes, tornadoes or other natural disasters, cause temporary closures, sometimes for prolonged periods, which would negatively impact our restaurant sales. Changes in weather could result in construction delays, interruptions to the availability of utilities, and shortages or interruptions in the supply of food items and other supplies, which could increase our costs. Some climatologists predict that the long-term effects of climate change and global warming may result in more severe, volatile weather or extended droughts, which could increase the frequency of weather impacts on our operations.

Volatility in the market value of derivatives we use to hedge exposures to fluctuations in commodity prices may cause volatility in our gross margins and net earnings.

We use or may use derivatives to hedge price risk for some of our principal ingredient and energy costs, including but not limited to coffee, butter, wheat, soybean oil, pork, beef, diesel fuel, gasoline and natural gas. Changes in the values of these

derivatives are recorded in earnings currently, resulting in volatility in both gross margin and net earnings. These gains and losses are reported as a component of cost of sales in our Consolidated Statements of Earnings included in our consolidated financial statements. We may experience volatile earnings as a result of these accounting treatments.

Certain economic and business factors specific to the restaurant industry and other general macroeconomic factors including unemployment, energy prices and interest rates that are largely out of our control may adversely affect consumer behavior and our results of operations.

Our business results depend on a number of industry-specific and general economic factors, many of which are beyond our control. The full service dining sector of the restaurant industry is affected by changes in international, national, regional and local economic conditions, seasonal fluctuation of sales volumes, consumer spending patterns and consumer preferences, including changes in consumer tastes and dietary habits, and the level of consumer acceptance of our restaurant brands. The performance of individual restaurants may also be adversely affected by factors such as demographic trends, severe weather including hurricanes, traffic patterns and the type, number and location of competing restaurants.

General economic conditions may also adversely affect our results of operations. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates, a downgrade of the U.S. government's long-term credit rating, the European debt crisis, or other industry-wide cost pressures could affect consumer behavior and spending for restaurant dining occasions and lead to a decline in sales and earnings. Job losses, foreclosures, bankruptcies and falling home prices could cause guests to make fewer discretionary purchases, and any significant decrease in our guest traffic or average profit per transaction will negatively impact our financial performance. In addition, if gasoline, natural gas, electricity and other energy costs increase, and credit card, home mortgage and other borrowing costs increase with rising interest rates, our guests may have lower disposable income and reduce the frequency with which they dine out, may spend less on each dining out occasion, or may choose more inexpensive restaurants.

Furthermore, we cannot predict the effects that actual or threatened armed conflicts, terrorist attacks, efforts to combat terrorism, heightened security requirements, or a failure to protect information systems for critical infrastructure, such as the electrical grid and telecommunications systems, could have on our operations, the economy or consumer confidence generally. Any of these events could affect consumer spending patterns or result in increased costs for us due to security measures.

Unfavorable changes in the above factors or in other business and economic conditions affecting our guests could increase our costs, reduce traffic in some or all of our restaurants or impose practical limits on pricing, any of which could lower our profit margins and have a material adverse effect on our financial condition and results of operations.

Disruptions in the financial and credit markets may adversely impact consumer spending patterns, affect the availability and cost of credit and increase pension plan expenses.

Our ability to make scheduled payments or to refinance our debt and to obtain financing for acquisitions or other general corporate and commercial purposes will depend on our operating and financial performance, which in turn is subject to prevailing economic conditions and to financial, business and other factors beyond our control. Global credit markets and the financial services industry have been experiencing a period of unprecedented turmoil over the last few years, characterized by the bankruptcy, failure or sale of various financial institutions and an unprecedented level of intervention from the United States and other governments. These events may adversely impact the availability of credit already arranged, and the availability and cost of credit in the future. There can be no assurances that we will be able to arrange credit on terms we believe are acceptable or that permit us to finance our business with historical margins. The lack of credit, along with the macroeconomic factors previously discussed, may have an adverse impact on certain of our suppliers, landlords and other tenants in retail centers in which we are located. If these issues continue or worsen, they could further materially impact these parties, which in turn could negatively affect our financial results. Any new or continuing disruptions in the financial markets may also adversely affect the U.S. and world economy, which could negatively impact consumer spending patterns. There can be no assurances as to how or when this period of turmoil will be resolved. Changes in the capital markets could also have significant effects on our pension plan. Our pension income or expense is affected by factors including the market performance of the assets in the master pension trust maintained for the pension plans for some of our employees, the weighted average asset allocation and long-term rate of return of our pension plan assets, the discount rate used to determine the service and interest cost components of our net periodic pension cost and assumed rates of increase in our employees’ future compensation. If our pension plan assets do not achieve positive rates of return, or if our estimates and assumed rates are not accurate, our earnings may decrease because net periodic pension costs would rise and we could be required to provide additional funds to cover our obligations to employees under the pension plan.

We face a variety of risks associated with doing business with franchisees, business partners and vendors in foreign markets.

Our expansion into international markets could create risks to our brands and reputation. We believe that we have selected high-caliber international operating partners and franchisees with significant experience in restaurant operations, and provide them with training and support. However, the ultimate success and quality of any franchise restaurant rests with the franchisee. If the franchisee does not successfully operate its restaurants in a manner consistent with our standards, or guests have negative experiences due to issues with food quality or operational execution, our brand values could suffer, which could have an adverse effect on our business.

There also is no assurance that international operations will be profitable or that international growth will continue. Our international operations are subject to all of the same risks associated with our domestic operations, as well as a number of additional risks. These include, among other things, international economic and political conditions, foreign currency fluctuations, and differing cultures and consumer preferences.

We also are subject to governmental regulations throughout the world that impact the way we do business with our international franchisees and vendors. These include antitrust and tax requirements, anti-boycott regulations, import/export/customs regulations and other international trade regulations, the USA Patriot Act and the Foreign Corrupt Practices Act. Failure to comply with any such legal requirements could subject us to monetary liabilities and other sanctions, which could harm our business, results of operations and financial condition.

Failure to protect our service marks or other intellectual property could harm our business.

We regard our Darden Restaurants®, Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's Prime Seafood® and Wildfish Seafood Grille® service marks, and other service marks and trademarks related to our restaurant businesses, as having significant value and being important to our marketing efforts. We rely on a combination of protections provided by contracts, copyrights, patents, trademarks, service marks and other common law rights, such as trade secret and unfair competition laws, to protect our restaurants and services from infringement. We have registered certain trademarks and service marks in the United States and foreign jurisdictions. However, we are aware of names and marks identical or similar to our service marks being used from time to time by other persons. Although our policy is to oppose any such infringement, further or unknown unauthorized uses or other misappropriation of our trademarks or service marks could diminish the value of our brands and adversely affect our business. In addition, effective intellectual property protection may not be available in every country in which we have or intend to open or franchise a restaurant. Although we believe have taken appropriate measures to protect our intellectual property, there can be no assurance that these protections will be adequate, and defending or enforcing our service marks and other intellectual property could result in the expenditure of significant resources.

Impairment of the carrying value of our goodwill or other intangible assets could adversely affect our financial condition and consolidated results of operations.

Goodwill represents the difference between the purchase price of acquired companies and the related fair values of net assets acquired. We test goodwill for impairment annually and whenever events or changes in circumstances indicate that impairment may have occurred. We compare the carrying value of a reporting unit, including goodwill, to the fair value of the unit. Carrying value is based on the assets and liabilities associated with the operations of that reporting unit. If the carrying value is less than the fair value, no impairment exists. If the carrying value is higher than the fair value, there is an indication of impairment. A significant amount of judgment is involved in determining if an indication of impairment exists. Factors may include, among others: a significant decline in our expected future cash flows; a sustained, significant decline in our stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates. Any adverse change in these factors would have a significant impact on the recoverability of these assets and negatively affect our financial condition and consolidated results of operations. We compute the amount of impairment by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. We are required to record a non-cash impairment charge if the testing performed indicates that goodwill has been impaired.

We evaluate the useful lives of our other intangible assets, primarily the LongHorn Steakhouse®, The Capital Grille® and Eddie V's Prime Seafood® trademarks, to determine if they are definite or indefinite-lived. Reaching a determination on useful life requires significant judgments and assumptions regarding the future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, legislative action that results in an uncertain or changing regulatory environment, and expected changes in distribution channels), the level of required maintenance expenditures, and the expected lives of other related groups of assets.

As with goodwill, we test our indefinite-lived intangible assets (primarily trademarks) for impairment annually and whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We estimate the fair value of the trademarks based on an income valuation model using the relief from royalty method, which requires assumptions related to projected sales from our annual long-range plan, assumed royalty rates that could be payable if we did not own the trademarks and a discount rate.

We cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill or other intangible assets become impaired, there could be an adverse effect on our financial condition and consolidated results of operations.

Failure of our internal controls over financial reporting and future changes in accounting standards may cause adverse unexpected operating results, affect our reported results of operations or otherwise harm our business and financial results.

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Our growth and acquisition of other restaurant companies with procedures not identical to our own could place significant additional pressure on our system of internal control over financial reporting. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. A significant financial reporting failure or material weakness in internal control over financial reporting could cause a loss of investor confidence and decline in the market price of our common stock.

A change in accounting standards can have a significant effect on our reported results and may affect our reporting of transactions before the change is effective. New pronouncements and varying interpretations of pronouncements have occurred and may occur in the future. Changes to existing accounting rules or the questioning of current accounting practices may adversely affect our reported financial results. Additionally, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to, revenue recognition, fair value of investments, impairment of long-lived assets, leases and related economic transactions, derivatives, pension and post-retirement benefits, intangibles, self-insurance, income taxes, property and equipment, unclaimed property laws and litigation, and stock-based compensation are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us could significantly change our reported or expected financial performance.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Restaurant Properties – Continuing Operations

As of May 27, 2012, we operated 1,994 restaurants in the U.S. and Canada (consisting of 704 Red Lobster, 792 Olive Garden, 386 LongHorn Steakhouse, 46 The Capital Grille, 30 Bahama Breeze, 23 Seasons 52, 11 Eddie V's and two synergy restaurants), in the following locations:

Alabama (40)	Illinois (69)	Montana (2)	Rhode Island (3)
Alaska (1)	Indiana (52)	Nebraska (10)	South Carolina (39)
Arkansas (17)	Iowa (19)	Nevada (15)	South Dakota (5)
Arizona (46)	Kansas (23)	New Hampshire (10)	Tennessee (55)
California (112)	Kentucky (27)	New Jersey (58)	Texas (169)
Colorado (31)	Louisiana (19)	New Mexico (13)	Utah (17)
Connecticut (17)	Maine (9)	New York (62)	Vermont (2)
Delaware (8)	Maryland (44)	North Carolina (59)	Virginia (64)
District of Columbia (1)	Massachusetts (35)	North Dakota (7)	Washington (31)
Florida (218)	Michigan (57)	Ohio (103)	West Virginia (11)
Georgia (121)	Minnesota (25)	Oklahoma (22)	Wisconsin (25)
Hawaii (1)	Mississippi (17)	Oregon (14)	Wyoming (4)
Idaho (8)	Missouri (49)	Pennsylvania (95)	Canada (33)

Of these 1,994 restaurants open on May 27, 2012, 1,016 were located on owned sites and 978 were located on leased sites. The leases are classified as follows:

Land-Only Leases (we own buildings and equipment)	771
Ground and Building Leases	73
Space/In-Line/Other Leases	134
Total	978

Properties – General

During fiscal 1999, we formed two subsidiary corporations, each of which elected to be taxed as a Real Estate Investment Trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code. These elections limit the activities of both corporations to holding certain real estate assets. The formation of these two REITs is designed primarily to assist us in managing our real estate portfolio and possibly to provide a vehicle to access capital markets in the future.

Both REITs are non-public REITs. Through our subsidiary companies, we indirectly own 100 percent of all voting stock and greater than 99.5 percent of the total value of each REIT. For financial reporting purposes, both REITs are included in our consolidated financial statements.

On June 20, 2006, we entered into an agreement to sell and lease back the 10 buildings that we previously owned which comprised the majority of our Restaurant Support Center. These buildings included our executive offices, culinary center, training facilities and supporting warehouses in Orange County (Orlando metro area), Florida. The sale and the commencement of our leases for those buildings occurred in August 2006. The leases for those buildings terminated in late December 2009.

In connection with the sale and lease back of our former Restaurant Support Center buildings, we purchased several adjacent parcels of vacant land in Orange County, Florida, and relocated our headquarters to this site during the second quarter of fiscal 2010. The site includes a main headquarters building, data center and parking deck. The Restaurant Support Center campus at this new location offers a more collaborative and unified environment with additional room for future growth.

As part of the acquisition of RARE, we acquired ownership of the former RARE executive offices and central training facility located in six office buildings in Atlanta, Georgia. As of May 27, 2012, we have sold all of those buildings.

Except in limited instances, our present restaurant sites and other facilities are not subject to mortgages or encumbrances securing money borrowed by us from outside sources. In our opinion, our current buildings and equipment generally are in good condition, suitable for their purposes and adequate for our current needs. See also Note 5 "Land, Buildings and Equipment, Net" and Note 14 "Leases" under Notes to Consolidated Financial Statements in our 2012 Annual Report to Shareholders, which is incorporated herein by reference.

Item 3. LEGAL PROCEEDINGS

See the discussion of legal proceedings contained in the third paragraph of Note 19 "Commitments and Contingencies" under Notes to Consolidated Financial Statements in our 2012 Annual Report to Shareholders, which is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The principal United States market on which our common shares are traded is the New York Stock Exchange, where our shares are traded under the symbol DRI. As of June 29, 2012, there were approximately 41,251 registered holders of record of our common shares. The information concerning the dividends and high and low intraday sales prices for our common shares traded on the New York Stock

Exchange for each full quarterly period during fiscal 2012 and 2011 contained in Note 21 "Quarterly Data (Unaudited)" under Notes to Consolidated Financial Statements in our 2012 Annual Report to Shareholders is incorporated herein by reference. We have not sold any securities during the last fiscal year that were not registered under the Securities Act of 1933, as amended.

The table below provides information concerning our repurchase of shares of our common stock during the quarter ended May 27, 2012. Since commencing our repurchase program in December 1995, we have repurchased a total of 170.9 million shares through May 27, 2012 under authorizations from our Board of Directors to repurchase an aggregate of 187.4 million shares.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs (2)
February 27, 2012 through April 1, 2012	355,275	$50.83	355,275	16,509,607
April 2, 2012 through April 29, 2012	1,238	$50.49	1,238	16,508,369
April 30, 2012 through May 27, 2012	85	$49.79	85	16,508,284
Total	356,598	$50.83	356,598	16,508,284

(1) All of the shares purchased during the quarter ended May 27, 2012 were purchased as part of our repurchase program, the most recent authority for which was announced in a press release issued on December 20, 2010. There is no expiration date for our program. The number of shares purchased includes shares withheld for taxes on vesting of restricted stock, shares delivered or deemed to be delivered to us on tender of stock in payment for the exercise price of options and shares reacquired pursuant to tax withholding on option exercises. These shares are included as part of our repurchase program and reduce the repurchase authority granted by our Board. The number of shares repurchased excludes shares we reacquired pursuant to forfeiture of restricted stock.

(2) Repurchases are subject to prevailing market prices, may be made in open market or private transactions, and may occur or be discontinued at any time. There can be no assurance that we will repurchase any additional shares.

Item 6. SELECTED FINANCIAL DATA

The information for fiscal 2008 through 2012 contained in the Five-Year Financial Summary in our 2012 Annual Report to Shareholders is incorporated herein by reference.

Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2012 Annual Report to Shareholders is incorporated herein by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth in the section entitled “Quantitative and Qualitative Disclosures About Market Risk” contained within “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2012 Annual Report to Shareholders is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Report of Management Responsibilities, Management’s Report on Internal Control Over Financial Reporting, Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting, Report of Independent Registered Public Accounting Firm, Consolidated Statements of Earnings, Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Stockholders’ Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements in our 2012 Annual Report to Shareholders are incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with accountants on accounting and financial disclosure requiring disclosure under this Item.

Item 9A. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of May 27, 2012, the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of May 27, 2012.

During the fiscal quarter ended May 27, 2012, there was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

The annual report of our management on internal control over financial reporting, and the audit report of KPMG LLP, our independent registered public accounting firm, regarding our internal control over financial reporting included in our 2012 Annual Report to Shareholders, are incorporated herein by reference.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained in the sections entitled "Proposal 1 – Election of Thirteen Directors From the Named Director Nominees," "Meetings of the Board of Directors and Its Committees," "Corporate Governance and Board Administration" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive Proxy Statement for our 2012 Annual Meeting of Shareholders is incorporated herein by reference. Information regarding executive officers is contained in Part I above under the heading "Executive Officers of the Registrant."

All of our employees are subject to our Code of Business Conduct and Ethics. Appendix A to the Code provides a special Code of Ethics with additional provisions that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions (the "Senior Financial Officers"). Appendix B to the Code provides a Code of Business Conduct and Ethics for members of our Board of Directors. These documents are posted on our internet website at www.darden.com and are available in print free of charge to any shareholder who requests them. We will disclose any amendments to or waivers of these Codes for directors, executive officers or Senior Financial Officers on our website.

We also have adopted a set of Corporate Governance Guidelines and charters for all of our Board Committees: the Executive Committee, Audit Committee, which was established in accordance with Section 5(a)(58)(A) of the Exchange Act, Compensation Committee, Nominating and Governance Committee and Finance Committee. The Corporate Governance Guidelines and committee charters are available on our website at www.darden.com under the Investors - Corporate Governance tab and in print free of charge to any shareholder who requests them. Written requests for our Code of Business Conduct and Ethics, Corporate Governance Guidelines and committee charters should be addressed to Darden Restaurants, Inc., 1000 Darden Center Drive, Orlando, Florida 32837, Attention: Corporate Secretary.

Item 11. EXECUTIVE COMPENSATION

The information contained in the sections entitled "Director Compensation," "Executive Compensation," "Compensation Discussion and Analysis," "Compensation Committee Report" and "Corporate Governance and Board Administration" in our definitive Proxy Statement for our 2012 Annual Meeting of Shareholders is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in the sections entitled “Stock Ownership of Principal Shareholders,” “Stock Ownership of Management” and “Equity Compensation Plan Information” in our definitive Proxy Statement for our 2012 Annual Meeting of Shareholders is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in the sections entitled "Related Party Transactions," "Meetings of the Board of Directors and Its Committees" and "Corporate Governance and Board Administration" in our definitive Proxy Statement for our 2012 Annual Meeting of Shareholders is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained in the section entitled "Independent Registered Public Accounting Firm Fees and Services" in our definitive Proxy Statement for our 2012 Annual Meeting of Shareholders is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements:

Report of Management Responsibilities.

Management's Report on Internal Control over Financial Reporting.

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting.

Report of Independent Registered Public Accounting Firm.

Consolidated Statements of Earnings for the fiscal years ended May 27, 2012, May 29, 2011 and May 30, 2010.

Consolidated Balance Sheets at May 27, 2012 and May 29, 2011.

Consolidated Statements of Comprehensive Income for the fiscal years ended May 27, 2012, May 29, 2011 and May 30, 2010.

Consolidated Statements of Changes in Stockholders' Equity for the fiscal years ended May 27, 2012, May 29, 2011 and May 30, 2010.

Consolidated Statements of Cash Flows for the fiscal years ended May 27, 2012, May 29, 2011 and May 30, 2010.

Notes to Consolidated Financial Statements.

2. Financial Statement Schedules:

Not applicable.

3. Exhibits:

The exhibits listed in the accompanying Exhibit Index are filed as part of this Form 10-K and incorporated herein by reference. Pursuant to Item 601(b)(4)(iii) of Regulation S-K, copies of certain instruments defining the rights of holders of certain of our long-term debt are not filed, and in lieu thereof, we agree to furnish copies thereof to the Securities and Exchange Commission upon request. The Exhibit Index specifically identifies with an asterisk each management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K. We will furnish copies of any exhibit listed on the Exhibit Index upon request upon the payment of a reasonable fee to cover our expenses in furnishing such exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: July 20, 2012	DARDEN RESTAURANTS, INC.
	By: /s/ Clarence Otis, Jr.
	Clarence Otis, Jr., Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Clarence Otis, Jr. Clarence Otis, Jr.	Director, Chairman of the Board and Chief Executive Officer (Principal executive officer)	July 20, 2012
/s/ C. Bradford Richmond C. Bradford Richmond	Senior Vice President and Chief Financial Officer (Principal financial and accounting officer)	July 20, 2012
/s/ Michael W. Barnes* Michael W. Barnes	Director	
/s/ Leonard L. Berry* Leonard L. Berry	Director	
/s/ Odie C. Donald* Odie C. Donald	Director	
/s/ Christopher J. (CJ) Fraleigh* Christopher J. (CJ) Fraleigh	Director	
/s/ Victoria D. Harker* Victoria D. Harker	Director	
/s/ David H. Hughes* David H. Hughes	Director	
/s/ Charles A. Ledsinger, Jr.* Charles A. Ledsinger, Jr.	Director	
/s/ William M. Lewis, Jr.* William M. Lewis, Jr.	Director	
/s/ Andrew H. Madsen* Andrew H. Madsen	Director	
/s/ Cornelius McGillicuddy, III* ** Cornelius McGillicuddy, III	Director	
/s/ Michael D. Rose* Michael D. Rose	Director	

/s/ Maria A. Sastre*	Director
Maria A. Sastre	
/s/ William S. Simon*	Director
William S. Simon	

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*By: /s/ Teresa M. Sebastian

Teresa M. Sebastian, Attorney-In-Fact

July 20, 2012

** Popularly known as Senator Connie Mack, III. Senator Mack signs legal documents, including this Form 10-K, under his legal name of Cornelius McGillicuddy, III.

EXHIBIT INDEX

Exhibit Number	Title
2(a)	Agreement and Plan of Merger, dated as of August 16, 2007, among us, Surf & Turf Merger Corp. and RARE Hospitality International, Inc. (incorporated herein by reference to Exhibit 2.01 to our Current Report on Form 8-K filed August 17, 2007).
2(b)	Agreement and Plan of Merger, dated as of July 12, 2012, by and among Darden Restaurants, Inc., Stout Acquisition Corp., Yard House USA, Inc., and certain stockholders of Yard House USA, Inc. (incorporated herein by reference to Exhibit 2.1 to our Current Report on Form 8-K filed July 12, 2012).
3(a)	Articles of Incorporation as amended May 26, 2005 (incorporated by reference to Exhibit 3(a) to our Annual Report on Form 10-K for the fiscal year ended May 29, 2005, filed July 29, 2005).
3(b)	Bylaws as amended effective June 20, 2012 (incorporated by reference to Exhibit 3 to our Current Report on Form 8-K filed June 22, 2012).
4(a)	Rights Agreement dated as of May 16, 2005, by and between us and Wachovia Bank, National Association, as Rights Agent (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed May 16, 2005).
4(b)	Amendment to Rights Agreement dated as of June 2, 2006, by and between us, Wachovia Bank, National Association and Wells Fargo Bank, National Association, as successor Rights Agent (incorporated by reference to Exhibit 4 to our Current Report on Form 8-K filed June 5, 2006).
4(c)	Indenture dated as of January 1, 1996, between us and Wells Fargo Bank, National Association (as successor to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, National Association) (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form S-3 (Commission File No. 333-146582) filed October 9, 2007).
4(d)	Note Purchase Agreement dated June 18, 2012, between Darden Restaurants, Inc. and the purchasers named therein (incorporated herein by reference to Exhibit 4.1 to our Current Report on Form 8-K filed June 20, 2012).
*10(a)	Darden Restaurants, Inc. Stock Option and Long-Term Incentive Plan of 1995, as amended March 19, 2003 (incorporated herein by reference to Exhibit 10(b) to our Quarterly Report on Form 10-Q for the fiscal quarter ended February 23, 2003).
*10(b)	Darden Restaurants, Inc. FlexComp Plan, as amended (incorporated herein by reference to Exhibit 10(a) to our Quarterly Report on Form 10-Q for the quarter ended November 23, 2008).
*10(c)	Darden Restaurants, Inc. Stock Plan for Directors, as amended (incorporated by reference to Exhibit 10(c) to our Quarterly Report on Form 10-Q for the fiscal quarter ended November 23, 2008).
*10(d)	Darden Restaurants, Inc. Compensation Plan for Non-Employee Directors, as amended (incorporated herein by reference to Exhibit 10(d) to our Quarterly Report on Form 10-Q for the fiscal quarter ended November 23, 2008).
*10(e)	Darden Restaurants, Inc. Management and Professional Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(e) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
*10(f)	Amended and Restated Darden Restaurants, Inc. Benefits Trust Agreement dated as of March 23, 2011, between us and Wells Fargo Bank, National Association (as successor to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, National Association) (incorporated herein by reference to Exhibit 10 to our Quarterly Report on Form 10-Q for the quarter ended February 27, 2011, filed April 4, 2011).
*10(g)	Form of Amended and Restated Management Continuity Agreement between us and our executive officers (incorporated herein by reference to Exhibit 10(i) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).

*10(h)	Darden Restaurants, Inc. Restaurant Management and Employee Stock Plan of 2000, as amended June 19, 2003 (incorporated by reference to Exhibit 10(l) to our Annual Report on Form 10-K for the fiscal year ended May 25, 2003, filed August 22, 2003).
*10(i)	Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10 to our Current Report on Form 8-K filed September 17, 2010).

10(j)	Credit Agreement, dated as of October 3, 2011, among Darden Restaurants, Inc., certain lenders party thereto and Bank of America, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to our Current Report on Form 8-K filed October 3, 2011).
*10(k)	Darden Restaurants, Inc. Director Compensation Program, as amended (incorporated herein by reference to Exhibit 10(b) to our Quarterly Report on Form 10-Q for the fiscal quarter ended November 23, 2008).
*10(l)	Form of Non-Qualified Stock Option Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(o) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
*10(m)	Form of fiscal 2010 Performance Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(p) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
*10(n)	Form of fiscal 2009 Performance Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(q) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
*10(o)	Form of fiscal 2008 Performance Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(r) to our Annual Report on Form 10-K for the fiscal year ended May 27, 2007, filed July 19, 2007).
*10(p)	Form of fiscal 2007 Performance Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(g) to our Current Report on Form 8-K filed June 20, 2006).
*10(q)	Form of Amendment to Exhibit A to the form of fiscal 2007, 2008 and 2009 Performance Stock Unit Award Agreements under the Darden Restaurants Inc. 2002 Stock Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(t) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
*10(r)	Employment Agreement dated April 28, 2003 between RARE Hospitality International, Inc. and Eugene I. Lee, Jr. (incorporated herein by reference from Exhibit 10.2 of the RARE Hospitality International, Inc. Quarterly Report on Form 10-Q (Commission File No. 000-19924) for the fiscal quarter ended June 29, 2003).
*10(s)	First Amendment of Employment Agreement dated October 27, 2004 between RARE Hospitality International, Inc. and Eugene I. Lee, Jr. (incorporated herein by reference from Exhibit 10.2 of the RARE Hospitality International, Inc. Quarterly Report on Form 10-Q (Commission File No. 000-19924) for the fiscal quarter ended September 26, 2004).
*10(t)	Second Amendment of Employment Agreement, dated October 27, 2005 between RARE Hospitality International, Inc. and Eugene I. Lee, Jr. (incorporated herein by reference from Exhibit 10.2 of the RARE Hospitality International, Inc. Quarterly Report on Form 10-Q (Commission File No. 000-19924) for the fiscal quarter ended September 25, 2005).
*10(u)	Third Amendment of Employment Agreement, dated October 27, 2006 between RARE Hospitality International, Inc. and Eugene I. Lee, Jr. (incorporated herein by reference from Exhibit 10.2 of the RARE Hospitality International, Inc. Quarterly Report on Form 10-Q (Commission File No. 000-19924) for the fiscal quarter ended October 1, 2006).
*10(v)	Fourth Amendment of Employment Agreement, dated December 15, 2006 between RARE Hospitality International, Inc. and Eugene I. Lee, Jr. (incorporated herein by reference from Exhibit 10(24) of the RARE Hospitality International, Inc. Annual Report filed on Form 10-K (Commission File No. 000-19924) for fiscal year ended December 31, 2006).
*10(w)	Letter Agreement, dated August 16, 2007, between us and Eugene I. Lee, Jr. (incorporated herein by reference from Exhibit (e)(22) of the RARE Hospitality International, Inc. Schedule 14D-9 (Commission File No. 000-19924) filed August 31, 2007).

*10(x)	RARE Hospitality International, Inc. Amended and Restated 2002 Long-Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(aa) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
*10(y)	Form of Non-Qualified Stock Option Award Agreement under the RARE Hospitality International, Inc. Amended and Restated 2002 Long-Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10(bb) to our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed July 24, 2009).
12	Computation of Ratio of Consolidated Earnings to Fixed Charges.

13	Portions of 2012 Annual Report to Shareholders.
21	Subsidiaries of Darden Restaurants, Inc.
23	Consent of Independent Registered Public Accounting Firm.
24	Powers of Attorney.
31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

* Items marked with an asterisk are management contracts or compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 15 of Form 10-K and Item 601(b)(10)(iii)(A) of Regulation S-K.

EXHIBIT 12

DARDEN RESTAURANTS, INC.
COMPUTATION OF RATIO OF CONSOLIDATED EARNINGS TO FIXED CHARGES
(Dollar amounts in millions)

	Fiscal Year Ended				
	May 27, 2012	**May 29, 2011**	**May 30, 2010**	**May 31, 2009**	**May 25, 2008**
Consolidated earnings from continuing operations before income taxes	$ 638.0	$ 647.6	$ 543.6	$ 512.5	$ 514.7
Plus fixed charges:					
Gross interest expense[(1)]	106.4	97.5	99.6	117.6	91.9
40% of restaurant and equipment minimum rent expense	52.4	48.2	44.7	40.8	35.2
Total fixed charges	158.8	145.7	144.3	158.4	127.1
Less capitalized interest	(3.9)	(3.0)	(4.4)	(9.3)	(4.9)
Consolidated earnings from continuing operations before income taxes available to cover fixed charges	$ 792.9	$ 790.3	$ 683.5	$ 661.6	$ 636.9
Ratio of consolidated earnings from continuing operations to fixed charges	5.0	5.4	4.7	4.2	5.0

(1) Gross interest expense includes interest recognized in connection with our unrecognized income tax benefits

Exhibit 13

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis below for Darden Restaurants, Inc. (Darden, the Company, we, us or our) should be read in conjunction with our consolidated financial statements and related financial statement notes found elsewhere in this report. We operate on a 52/53 week fiscal year, which ends on the last Sunday in May. Fiscal 2012, 2011 and 2010 each consisted of 52 weeks of operation.

OVERVIEW OF OPERATIONS

Our business operates in the full-service dining segment of the restaurant industry, primarily in the United States. At May 27, 2012, we operated 1,994 Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's Prime Seafood® and Wildfish Seafood Grille® restaurants in the United States and Canada. Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except for three restaurants located in Central Florida that are owned by joint ventures and managed by us. None of our restaurants in the United States or Canada are franchised. As of May 27, 2012, we also had 28 restaurants outside the United States and Canada operated by independent third parties pursuant to area development and franchise agreements, including 5 LongHorn Steakhouse restaurants in Puerto Rico, 22 Red Lobster restaurants in Japan and 1 Red Lobster restaurant in Dubai.

On November 14, 2011, we completed the acquisition of eight Eddie V's Prime Seafood restaurants and three Wildfish Seafood Grille restaurants (collectively Eddie V's) and all related assets and net working capital for $58.5 million in cash. The results of operations from Eddie V's, which are not material, are included in our consolidated financial statements from the date of acquisition.

Our mission is to be the best in full-service dining, now and for generations. We believe we can achieve this goal by continuing to build on our strategy to be a multi-brand restaurant growth company, which is grounded in:

- Brand relevance;
- Brand support;
- A vibrant business model;
- Competitively superior leadership; and
- A unifying, motivating culture.

We seek to increase profits by leveraging our fixed and semi-fixed costs with sales from new restaurants and increased guest traffic and sales at existing restaurants. To evaluate our operations and assess our financial performance, we monitor a number of operating measures, with a special focus on two key factors:

- Same-restaurant sales – which is a year-over-year comparison of each period's sales volumes for restaurants open at least 16 months, including recently acquired restaurants, regardless of when the restaurants were acquired; and
- Restaurant earnings – which is restaurant-level profitability (restaurant sales, less restaurant-level cost of sales, marketing and depreciation).

Increasing same-restaurant sales can improve restaurant earnings because these incremental sales provide better leverage of our fixed and semi-fixed restaurant-level costs. A restaurant brand can generate same-restaurant sales increases through increases in guest traffic, increases in the average guest check, or a combination of the two. The average guest check can be impacted by menu price changes and by the mix of menu items sold. For each restaurant brand, we gather daily sales data and regularly analyze the guest traffic counts and the mix of menu items sold to aid in developing menu pricing, product offerings and promotional strategies. We view same-restaurant guest counts as a measure of the long-term health of a restaurant brand, while increases in average check and menu mix may contribute more significantly to near-term profitability. We focus on balancing our pricing and product offerings with other initiatives to produce sustainable same-restaurant sales growth.

We compute same-restaurant sales using restaurants open at least 16 months because this period is generally required for new restaurant sales levels to normalize. Sales at newly opened restaurants generally do not make a significant contribution to profitability in their initial months of operation due to operating inefficiencies. Our sales and expenses can be impacted significantly by the number and timing of new restaurant openings and closings, relocation and remodeling of existing restaurants. Pre-opening expenses each period reflect the costs associated with opening new restaurants in current and future periods.

Fiscal 2012 Financial Highlights

Our sales from continuing operations were $8.00 billion in fiscal 2012 compared to $7.50 billion in fiscal 2011. The 6.6 percent increase was primarily driven by the addition of 89 net new company-owned restaurants plus the addition of 11 Eddie V's purchased restaurants, and a blended same-restaurant sales increase for Olive Garden, Red Lobster and LongHorn Steakhouse. Our blended same-restaurant sales increase for Olive Garden, Red Lobster and LongHorn Steakhouse of 1.8 percent compares to an increase of 1.3 percent for the Knapp-Track™ benchmark of U.S. same-restaurant sales excluding Darden. Net earnings from continuing operations for fiscal 2012 were $476.5 million ($3.58 per diluted share) compared with net earnings from continuing operations for fiscal 2011 of $478.7 million ($3.41 per diluted share). Net earnings from continuing operations for fiscal 2012 decreased 0.5 percent and diluted net earnings per share from continuing operations increased 5.0 percent compared with fiscal 2011.

Our net losses from discontinued operations were $1.0 million ($0.01 per diluted share) for fiscal 2012, compared with net losses from discontinued operations of $2.4 million ($0.02 per diluted share) for fiscal 2011. When combined with results from continuing operations, our diluted net earnings per share were $3.57 and $3.39 for fiscal 2012 and 2011, respectively.

Outlook and Strategy

On July 12, 2012, we entered into an agreement to acquire Yard House USA, Inc., (Yard House), for $585.0 million in an all-cash transaction. The acquisition is expected to be completed early in the second quarter of fiscal 2013. See the subsection below entitled "Liquidity and Capital Resources" for further details.

We expect blended U.S. same-restaurant sales in fiscal 2013 to increase between 1.0 percent and 2.0 percent for Olive Garden, Red Lobster and LongHorn Steakhouse. Including the impact from operations of Yard House, we expect fiscal 2013 total sales to increase between 9.0 percent and 10.0 percent and diluted net earnings per share growth from continuing operations for fiscal 2013 to range from 5.0 percent to 9.0 percent. In fiscal 2013, exclusive of the Yard House transaction, we expect to add approximately 100 to 110 net new restaurants, and we expect capital expenditures will be approximately $750 million, including approximately $15 million to $20 million in information technology platform enhancements.

In June 2012, we announced a quarterly dividend of $0.50 per share, payable on August 1, 2012. Previously, our quarterly dividend was $0.43 per share, or $1.72 per share on an annual basis. Based on the $0.50 quarterly dividend declaration, our expected annual dividend is $2.00 per share, a 16.3 percent increase. Dividends are subject to the approval of the Company’s Board of Directors and, accordingly, the timing and amount of our dividends are subject to change.

To support future growth, we are striving to change in two important ways: we are modifying our organizational structure so we can better leverage our existing experience and expertise, and we are adding new expertise in additional areas that are critical to future success. In the past two years we have created enterprise-level marketing and restaurant operations units and established forward-looking strategy units in our finance and information technology functions. We have initiatives focusing on our Specialty Restaurant Group, enterprise-level sales building, digital guest and employee engagement, health and wellness, and centers of excellence. We plan to grow by leveraging our expertise and new capabilities to increase same-restaurant sales, increase the number of restaurants in each of our existing brands, and develop or acquire additional brands that can be expanded profitably. We also continue to pursue other avenues of new business development, including franchising our restaurants outside of the U.S. and Canada, testing "synergy restaurants" and other formats to expand our brands, and selling consumer packaged goods such as Olive Garden salad dressing.

The total sales growth we envision should increase the cost-effectiveness of our support platform. However, we also plan to supplement our conventional incremental year-to-year cost management efforts with an ongoing focus on identifying and pursuing transformational multi-year cost reduction opportunities. In fiscal 2013, we plan to continue to implement the four transformational initiatives that were our focus last year - further automating our supply chain, significantly reducing the use of energy, water and cleaning supplies in our restaurants, centralizing management of our restaurant facilities and optimizing labor costs within our restaurants.

There are significant risks and challenges that could impact our operations and ability to increase sales and earnings. The full-service restaurant industry is intensely competitive and sensitive to economic cycles and other business factors, including changes in consumer tastes and dietary habits. Other risks and uncertainties are discussed and referenced in the subsection below entitled “Forward-Looking Statements.”

RESULTS OF OPERATIONS FOR FISCAL 2012, 2011 AND 2010

The following table sets forth selected operating data as a percent of sales from continuing operations for the fiscal years ended May 27, 2012, May 29, 2011 and May 30, 2010. This information is derived from the consolidated statements of earnings found elsewhere in this report.

	Fiscal Years		
	2012	2011	2010
Sales	100.0 %	100.0 %	100.0 %
Costs and expenses:			
Cost of sales:			
Food and beverage	30.8	29.0	28.8
Restaurant labor	31.3	32.0	33.1
Restaurant expenses	15.0	15.1	15.2
Total cost of sales, excluding restaurant depreciation and amortization of 4.1%, 3.9% and 4.0%, respectively	77.1 %	76.1 %	77.1 %
Selling, general and administrative	9.2	9.9	9.7
Depreciation and amortization	4.4	4.2	4.3
Interest, net	1.3	1.2	1.3
Total costs and expenses	92.0 %	91.4 %	92.4 %
Earnings before income taxes	8.0	8.6	7.6
Income taxes	(2.0)	(2.2)	(1.9)
Earnings from continuing operations	6.0	6.4	5.7
Losses from discontinued operations, net of taxes	(0.1)	—	—
Net earnings	5.9 %	6.4 %	5.7 %

SALES

Sales from continuing operations were $8.00 billion in fiscal 2012, $7.50 billion in fiscal 2011 and $7.11 billion in fiscal 2010. The 6.6 percent increase in sales from continuing operations for fiscal 2012 was driven by the addition of 89 net new company-owned restaurants plus the addition of 11 Eddie V's purchased restaurants, and the 1.8 percent blended same-restaurant sales increase for Olive Garden, Red Lobster and LongHorn Steakhouse.

Olive Garden’s sales of $3.58 billion in fiscal 2012 were 2.5 percent above last fiscal year, driven primarily by revenue from 38 net new restaurants partially offset by a U.S. same-restaurant sales decrease of 1.2 percent. The decrease in U.S. same-restaurant sales resulted from a 1.3 percent decrease in same-restaurant guest counts partially offset by a 0.1 percent increase in average check. Average annual sales per restaurant for Olive Garden were $4.7 million in fiscal 2012 compared to $4.8 million in fiscal 2011.

Red Lobster’s sales of $2.67 billion in fiscal 2012 were 5.9 percent above last fiscal year, driven primarily by a U.S. same-restaurant sales increase of 4.6 percent combined with revenue from six net new restaurants. The increase in U.S. same-restaurant sales resulted from a 2.2 percent increase in same-restaurant guest counts combined with a 2.4 percent increase in average guest check. Average annual sales per restaurant for Red Lobster were $3.8 million in fiscal 2012 compared to $3.6 million in fiscal 2011.

LongHorn Steakhouse’s sales of $1.12 billion in fiscal 2012 were 13.5 percent above last fiscal year, driven primarily by revenue from 32 net new restaurants combined with a same-restaurant sales increase of 5.3 percent. The increase in same-restaurant sales resulted from a 4.8 percent increase in same-restaurant guest counts combined with a 0.5 percent increase in average guest check. Average annual sales per restaurant for LongHorn Steakhouse were $3.0 million in fiscal 2012 compared to $2.9 million in fiscal 2011.

In total, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's generated sales of $623.0 million in fiscal 2012, which were 24.1 percent above last fiscal year, primarily driven by 2 net new restaurants at The Capital Grille, 4 new restaurants at Bahama Breeze, 6 new restaurants at Seasons 52 and the addition of 11 Eddie V's purchased restaurants. Additionally, sales growth reflected same-restaurant sales increases of 5.3 percent at The Capital Grille, 3.4 percent at Bahama Breeze and 3.8

percent at Seasons 52. Average annual sales per restaurant for The Capital Grille were $6.8 million in fiscal 2012 compared to $6.5 million in fiscal 2011. Average annual sales per restaurant for Bahama Breeze were $5.6 million in fiscal 2012 compared to $5.5 million in fiscal 2011. Average annual sales per restaurant for Seasons 52 were $6.4 million in fiscal 2012 compared to $6.3 million in fiscal 2011.

The 5.4 percent increase in sales from continuing operations for fiscal 2011 was driven by the addition of 70 net new company-owned restaurants and the 1.4 percent blended same-restaurant sales increase for Olive Garden, Red Lobster and LongHorn Steakhouse.

Olive Garden's sales of $3.49 billion in fiscal 2011 were 5.2 percent above fiscal 2010, driven primarily by revenue from 31 net new restaurants combined with a U.S. same-restaurant sales increase of 1.2 percent. The increase in U.S. same-restaurant sales resulted from a 1.5 percent increase in average guest check partially offset by a 0.3 percent decrease in same-restaurant guest counts. Average annual sales per restaurant for Olive Garden were $4.8 million in fiscal 2011 compared to $4.7 million in fiscal 2010.

Red Lobster's sales of $2.52 billion in fiscal 2011 were 1.3 percent above fiscal 2010, driven primarily by revenue from four net new restaurants combined with a U.S. same-restaurant sales increase of 0.3 percent. The increase in U.S. same-restaurant sales resulted from a 2.2 percent increase in average guest check partially offset by a 1.9 percent decrease in same-restaurant guest counts. Average annual sales per restaurant for Red Lobster were $3.6 million in fiscal 2011 and fiscal 2010.

LongHorn Steakhouse's sales of $983.7 million in fiscal 2011 were 11.6 percent above fiscal 2010, driven primarily by revenue from 23 net new restaurants combined with a same-restaurant sales increase of 5.4 percent. The increase in same-restaurant sales resulted from a 3.4 percent increase in same-restaurant guest counts combined with a 2.0 percent increase in average guest check. Average annual sales per restaurant for LongHorn Steakhouse were $2.9 million in fiscal 2011 compared to $2.7 million in fiscal 2010.

In total, The Capital Grille, Bahama Breeze and Seasons 52 generated sales of $502.2 million in fiscal 2011, which were 19.0 percent above fiscal 2010, primarily driven by four new restaurants at The Capital Grille, one new restaurant at Bahama Breeze and six new restaurants at Seasons 52. Additionally, sales growth reflected same-restaurant sales increases of 6.2 percent at The Capital Grille, 2.4 percent at Bahama Breeze and 4.4 percent at Seasons 52. Average annual sales per restaurant for The Capital Grille were $6.5 million in fiscal 2011 compared to $6.2 million in fiscal 2010. Average annual sales per restaurant for Bahama Breeze were $5.5 million in fiscal 2011 compared to $5.4 million in fiscal 2010. Average annual sales per restaurant for Seasons 52 were $6.3 million in fiscal 2011 compared to $5.9 million in fiscal 2010.

COSTS AND EXPENSES

Total costs and expenses from continuing operations were $7.36 billion in fiscal 2012, $6.85 billion in fiscal 2011 and $6.57 billion in fiscal 2010. As a percent of sales, total costs and expenses from continuing operations were 92.0 percent in fiscal 2012, 91.4 percent in fiscal 2011 and 92.4 percent in fiscal 2010.

Food and beverage costs increased $287.0 million, or 13.2 percent, from $2.17 billion in fiscal 2011 to $2.46 billion in fiscal 2012. Food and beverage costs increased $122.4 million, or 6.0 percent, from $2.05 billion in fiscal 2010 to $2.17 billion in fiscal 2011. As a percent of sales, food and beverage costs increased from fiscal 2011 to fiscal 2012 primarily as a result of higher seafood and other food commodity costs and unfavorable menu-mix, partially offset by pricing. As a percent of sales, food and beverage costs increased from fiscal 2010 to fiscal 2011 primarily as a result of higher seafood and other commodity costs, partially offset by pricing.

Restaurant labor costs increased $105.1 million, or 4.4 percent, from $2.40 billion in fiscal 2011 to $2.50 billion in fiscal 2012. Restaurant labor costs increased $46.3 million, or 2.0 percent, from $2.35 billion in fiscal 2010 to $2.40 billion in fiscal 2011. As a percent of sales, restaurant labor costs decreased in fiscal 2012 primarily as a result of sales leveraging, improved wage-rate management and lower manager incentive compensation, partially offset by an increase in FICA taxes on higher reported tips. The increase in FICA tax expense on higher reported tips is fully offset in our consolidated earnings from continuing operations by a corresponding income tax credit, which reduces income tax expense. As a percent of sales, restaurant labor costs decreased in fiscal 2011 primarily as a result of pricing, increased employee productivity, lower manager incentive compensation, decreased employee insurance claims costs and improved wage-rate management, partially offset by higher unemployment taxes.

Restaurant expenses (which include utilities, repairs and maintenance, credit card, lease, property tax, workers' compensation, new restaurant pre-opening and other restaurant-level operating expenses) increased $71.6 million, or 6.3 percent, from $1.13 billion in fiscal 2011 to $1.20 billion in fiscal 2012. Restaurant expenses increased $46.8 million, or 4.3 percent, from $1.08

billion in fiscal 2010 to $1.13 billion in fiscal 2011. As a percent of sales, restaurant expenses decreased in fiscal 2012 as compared to fiscal 2011 primarily due to sales leveraging and lower credit card fees partially offset by higher workers' compensation costs. As a percent of sales, restaurant expenses decreased in fiscal 2011 as compared to fiscal 2010 primarily due to pricing and lower general liability expenses partially offset by higher credit card fees.

Selling, general and administrative expenses increased $4.1 million, or 0.6 percent, from $742.7 million in fiscal 2011 to $746.8 million in fiscal 2012. Selling, general and administrative expenses increased $52.0 million, or 7.5 percent, from $690.7 million in fiscal 2010 to $742.7 million in fiscal 2011. As a percent of sales, selling, general and administrative expenses decreased from fiscal 2011 to fiscal 2012 primarily due to sales leveraging, lower performance incentive compensation and favorable market-driven changes in fair value related to our non-qualified deferred compensation plans, partially offset by higher media costs. As a percent of sales, selling, general and administrative expenses increased from fiscal 2010 to fiscal 2011 primarily due to higher media expenses and compensation expenses partially offset by sales leveraging.

Depreciation and amortization expense increased $32.3 million, or 10.2 percent, from $316.8 million in fiscal 2011 to $349.1 million in fiscal 2012. Depreciation and amortization expense increased $15.9 million, or 5.3 percent, from $300.9 million in fiscal 2010 to $316.8 million in fiscal 2011. As a percent of sales, depreciation and amortization expense increased in fiscal 2012 primarily due to an increase in depreciable assets related to new restaurants and remodel activities, partially offset by sales leveraging. As a percent of sales, depreciation and amortization expense decreased in fiscal 2011 primarily due to sales leveraging, partially offset by the increase in depreciable assets related to new restaurants and remodel activities.

Net interest expense increased $8.0 million, or 8.5 percent, from $93.6 million in fiscal 2011 to $101.6 million in fiscal 2012. Net interest expense decreased $0.3 million, or 0.3 percent, from $93.9 million in fiscal 2010 to $93.6 million in fiscal 2011. As a percent of sales, net interest expense increased in fiscal 2012 compared to fiscal 2011 due to higher average debt balances in fiscal 2012, partially offset by sales leveraging. As a percent of sales, net interest expense decreased in fiscal 2011 compared to fiscal 2010 primarily as a result of lower average debt balances associated with the repayment of a portion of our long-term debt and sales leveraging, partially offset by the fiscal 2010 release of interest reserves associated with the favorable resolution of tax matters in fiscal 2010.

INCOME TAXES

The effective income tax rates for fiscal 2012, 2011 and 2010 continuing operations were 25.3 percent, 26.1 percent and 25.1 percent, respectively. The decrease in our effective rate for fiscal 2012 is primarily attributable to an increase in federal income tax credits related to the HIRE Act, an increase in the impact of FICA tax credits for employee reported tips, partially offset by the impact of market-driven changes in the value of our trust-owned life insurance that are excluded for tax purposes. The increase in our effective rate for fiscal 2011 is primarily attributable to the impact in fiscal 2010 of the favorable resolution of prior-year tax matters expensed in prior years and due to the increase in earnings before income taxes in fiscal 2011, partially offset by the impact of market-driven changes in the value of our trust-owned life insurance that are excluded for tax purposes.

NET EARNINGS AND NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Net earnings from continuing operations for fiscal 2012 were $476.5 million ($3.58 per diluted share) compared with net earnings from continuing operations for fiscal 2011 of $478.7 million ($3.41 per diluted share) and net earnings from continuing operations for fiscal 2010 of $407.0 million ($2.86 per diluted share).

Net earnings from continuing operations for fiscal 2012 decreased 0.5 percent and diluted net earnings per share from continuing operations increased 5.0 percent compared with fiscal 2011. The decrease in net earnings from continuing operations was primarily due to higher food and beverage costs, depreciation and amortization expense, and net interest expense as a percent of sales, which were partially offset by increased sales and lower restaurant labor expenses, restaurant expenses and selling, general and administrative expenses as a percent of sales, and a lower effective income tax rate. While net earnings from continuing operations decreased, diluted net earnings per share from continuing operations increased for fiscal 2012 due to a reduction in the average diluted shares outstanding primarily as a result of the cumulative impact of our continuing repurchase of our common stock.

Net earnings from continuing operations for fiscal 2011 increased 17.6 percent and diluted net earnings per share from continuing operations increased 19.2 percent compared with fiscal 2010. The increases in net earnings and diluted net earnings per share from continuing operations were primarily due to increases in sales and decreases in restaurant labor costs, restaurant expenses, depreciation and amortization expenses and interest expenses as a percent of sales, which were only partially offset by increases in food and beverage costs and selling, general and administrative expenses as a percent of sales. Diluted net earnings per share growth for fiscal 2011 was impacted by the reduction of diluted net earnings per share in fiscal 2010 of approximately $0.09 as a result of adjustments to our gift card redemption rate assumptions based on current consumer redemption behavior. Diluted net earnings per share from continuing operations for fiscal 2011 also benefited from the cumulative impact of our share repurchase program.

LOSSES FROM DISCONTINUED OPERATIONS

On an after-tax basis, losses from discontinued operations for fiscal 2012 were $1.0 million ($0.01 per diluted share) compared with losses from discontinued operations for fiscal 2011 of $2.4 million ($0.02 per diluted share) and fiscal 2010 of $2.5 million ($0.02 per diluted share).

SEASONALITY

Our sales volumes fluctuate seasonally. During fiscal 2012, 2011 and 2010, our average sales per restaurant were highest in the winter and spring, followed by the summer, and lowest in the fall. Holidays, changes in the economy, severe weather and similar conditions may impact sales volumes seasonally in some operating regions. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

IMPACT OF INFLATION

We attempt to minimize the annual effects of inflation through appropriate planning, operating practices and menu price increases. During periods of higher than expected inflationary costs, we have been able to reduce the annual impact utilizing these strategies. We experienced higher than normal inflationary costs during fiscal 2012 and were able to partially reduce the annual impact utilizing these strategies. We do not believe inflation had a significant overall effect on our annual results of operations during fiscal 2011 and 2010.

CRITICAL ACCOUNTING POLICIES

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Our significant accounting policies are more fully described in Note 1 to the consolidated financial statements. However, certain of our accounting policies that are considered critical are those we believe are both most important to the portrayal of our financial condition and operating results and require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions. We consider the following policies to be most critical in understanding the judgments that are involved in preparing our consolidated financial statements.

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost less accumulated depreciation. Building components are depreciated over estimated useful lives ranging from 7 to 40 years using the straight-line method. Leasehold improvements, which are reflected on our consolidated balance sheets as a component of buildings in land, buildings and equipment, net, are amortized over the lesser of the expected lease term, including cancelable option periods, or the estimated useful lives of the related assets using the straight-line method. Equipment is depreciated over estimated useful lives ranging from 2 to 10 years, also using the straight-line method.

Our accounting policies regarding land, buildings and equipment, including leasehold improvements, include our judgments regarding the estimated useful lives of these assets, the residual values to which the assets are depreciated or amortized, the determination of what constitutes expected lease term and the determination as to what constitutes enhancing the value of or increasing the life of existing assets. These judgments and estimates may produce materially different amounts of reported depreciation and amortization expense if different assumptions were used. As discussed further below, these judgments may also impact our need to recognize an impairment charge on the carrying amount of these assets as the cash flows associated with the assets are realized, or as our expectations of estimated future cash flows change.

Leases

We are obligated under various lease agreements for certain restaurants. For operating leases, we recognize rent expense on a straight-line basis over the expected lease term, including option periods as described below. Capital leases are recorded as an asset and an obligation at an amount equal to the present value of the minimum lease payments during the lease term.

Within the provisions of certain of our leases, there are rent holidays and escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and escalations have been reflected in rent expense on a straight-line basis over the expected lease term, which includes cancelable option periods we are reasonably assured to exercise because failure to exercise such options would result in an economic penalty to the Company. The lease term commences on the date when we have the right to control the use of the leased property, which is typically before rent payments are due under the terms of the lease. The leasehold improvements and property held under capital leases for each restaurant facility are amortized on the straight-line method over the shorter of the estimated life of the asset or the same expected lease term used for lease accounting purposes. Many of our leases have renewal periods totaling 5 to 20 years, exercisable at our option, and require payment of property taxes, insurance and maintenance costs in addition to the rent payments. The consolidated financial statements reflect the same lease term for amortizing leasehold improvements as we use to determine capital versus operating lease classifications and in calculating straight-line rent expense for each restaurant. Percentage rent expense is generally based upon sales levels and is accrued when we determine that it is probable that such sales levels will be achieved.

Our judgments related to the probable term for each restaurant affect the classification and accounting for leases as capital versus operating, the rent holidays and escalation in payments that are included in the calculation of straight-line rent and the term over which leasehold improvements for each restaurant facility are amortized. These judgments may produce materially different amounts of depreciation, amortization and rent expense than would be reported if different assumed lease terms were used.

Impairment of Long-Lived Assets

Land, buildings and equipment and certain other assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. If these assets are determined to be impaired, the amount of impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined by appraisals or sales prices of comparable assets. Restaurant sites and certain other assets to be disposed of are reported at the lower of their carrying amount or fair value, less estimated costs to sell. Restaurant sites and certain other assets to be disposed of are included in assets held for sale within prepaid expenses and other current assets in our consolidated balance sheets when certain criteria are met. These criteria include the requirement that the likelihood of disposing of these assets within one year is probable. For assets that meet the held-for-sale criteria, we separately evaluate whether those assets also meet the requirements to be reported as discontinued operations. Principally, if we discontinue cash flows and no longer have any significant continuing involvement with respect to the operations of the assets, we classify the assets and related results of operations as discontinued. We consider guest transfer (an increase in guests at another location as a result of the closure of a location) as continuing cash flows and evaluate the significance of expected guest transfer when evaluating a restaurant for discontinued operations reporting. To the extent we dispose of enough assets where classification between continuing operations and discontinued operations would be material to our consolidated financial statements, we utilize the reporting provisions for discontinued operations. Assets whose disposal is not probable within one year remain in land, buildings and equipment until their disposal within one year is probable.

We account for exit or disposal activities, including restaurant closures, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 420, Exit or Disposal Cost Obligations.

Such costs include the cost of disposing of the assets as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date we cease using a property under an operating lease, we record a liability for the net present value of any remaining lease obligations, net of estimated sublease income. Any subsequent adjustments to that liability as a result of lease termination or changes in estimates of sublease income are recorded in the period incurred. Upon disposal of the assets, primarily land, associated with a closed restaurant, any gain or loss is recorded in the same caption within our consolidated statements of earnings as the original impairment.

The judgments we make related to the expected useful lives of long-lived assets and our ability to realize undiscounted cash flows in excess of the carrying amounts of these assets are affected by factors such as the ongoing maintenance and improvements of the assets, changes in economic conditions, changes in usage or operating performance, desirability of the restaurant sites and other factors, such as our ability to sell our assets held for sale. As we assess the ongoing expected cash flows and carrying amounts of our long-lived assets, significant adverse changes in these factors could cause us to realize a material impairment loss. During fiscal 2012, we recognized asset impairment losses of $0.5 million ($0.3 million after tax), primarily related to the permanent closure of one Red Lobster, and the write-down of assets held for disposition based on updated valuations. During fiscal 2011, we recognized asset impairment losses of $4.7 million ($2.9 million after tax), primarily related to the permanent closure of two Red Lobsters and the write-down of another Red Lobster based on an evaluation of expected cash flows, and the write-down of assets held for disposition based on updated valuations. During fiscal 2010, we recognized asset impairment losses of $6.2 million ($3.8 million after tax), primarily related to the write-down of assets held for disposition based on updated valuations, the permanent closure of three Red Lobsters and three LongHorn Steakhouses and the write-down of two LongHorn Steakhouses and one Olive Garden based on an evaluation of expected cash flows. Asset impairment losses are included in selling, general and administrative expenses on our consolidated statements of earnings.

Valuation and Recoverability of Goodwill and Trademarks

We review our goodwill and trademarks for impairment annually, as of the first day of our fiscal fourth quarter, or more frequently if indicators of impairment exist. Goodwill and trademarks are not subject to amortization and have been assigned to reporting units for purposes of impairment testing. The reporting units are our restaurant brands. At May 27, 2012 and May 29, 2011, we had goodwill of $538.6 million and $517.1 million, respectively. At May 27, 2012 and May 29, 2011, we had trademarks of $464.9 million and $454.0 million, respectively.

A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in our expected future cash flows; a sustained, significant decline in our stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The goodwill impairment test involves a two-step process. The first step is a comparison of each reporting unit’s fair value to its carrying value. We estimate fair value using the best information available, including market information and discounted cash flow projections (also referred to as the income approach). The income approach uses a reporting unit’s projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management’s best estimates of economic and market conditions over the projected period including growth rates in sales, costs and number of units, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. We validate our estimates of fair value under the income approach by comparing the values to fair value estimates using a market approach. A market approach estimates fair value by applying cash flow and sales multiples to the reporting unit’s operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units.

If the fair value of the reporting unit is higher than its carrying value, goodwill is deemed not to be impaired, and no further testing is required. If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, we would allocate the fair value to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment loss for the difference.

Consistent with our accounting policy for goodwill and trademarks, we performed our annual impairment test of our goodwill and trademarks as of the first day of our fiscal fourth quarter. As of the beginning of our fiscal fourth quarter, we had seven reporting units: Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's. Two of these reporting units, LongHorn Steakhouse and The Capital Grille, have a significant amount of goodwill. As we finalized the purchase price allocation for Eddie V's during our fourth fiscal quarter of 2012 and no indicators of impairment were identified, we excluded the goodwill allocated to Eddie V's from our annual impairment test. As part of our process for performing the step one impairment test of goodwill, we estimated the fair value of our reporting units utilizing the income and market approaches described above to derive an enterprise value of the Company. We reconciled the enterprise value to our

overall estimated market capitalization. The estimated market capitalization considers recent trends in our market capitalization and an expected control premium, based on comparable recent and historical transactions. Based on the results of the step one impairment test, no impairment of goodwill was indicated.

Given the significance of goodwill related to LongHorn Steakhouse ($49.5 million) and The Capital Grille ($401.8 million), we also performed sensitivity analyses on our estimated fair value of these reporting units using the income approach. A key assumption in our fair value estimate is the weighted-average cost of capital utilized for discounting our cash flow estimates in our income approach. We selected a weighted-average cost of capital for LongHorn Steakhouse and The Capital Grille of 11.0 percent. An increase in the weighted-average cost of capital of approximately 680 basis points and approximately 220 basis points would result in an impairment of a portion of the goodwill of LongHorn Steakhouse and The Capital Grille, respectively. The estimated fair value of LongHorn Steakhouse exceeded its carrying value by approximately 171 percent. The estimated fair value of The Capital Grille exceeded its carrying value by approximately 37 percent.

The fair value of trademarks are estimated and compared to the carrying value. We estimate the fair value of trademarks using the relief-from-royalty method, which requires assumptions related to projected sales from our annual long-range plan; assumed royalty rates that could be payable if we did not own the trademarks; and a discount rate. We recognize an impairment loss when the estimated fair value of the trademarks is less than the carrying value. We completed our impairment test and concluded as of the date of the test, there was no impairment of the trademarks for LongHorn Steakhouse and The Capital Grille. The estimated fair value of LongHorn Steakhouse's trademark exceeded its carrying value of $307.0 million by approximately 87 percent. The estimated fair value of The Capital Grille's trademark exceeded its carrying value of $147.0 million by approximately 49 percent. As our calculation of the trademark related to Eddie V's was finalized in the fourth quarter of fiscal 2012, we did not separately test the trademark for impairment. A key assumption in our fair value estimate is the discount rate utilized in the relief-from-royalty method. We selected a discount rate for LongHorn Steakhouse and The Capital Grille of 12.0 percent. An increase in the discount rate of approximately 650 basis points and approximately 310 basis points would result in impairment of a portion of the trademarks of LongHorn Steakhouse and The Capital Grille, respectively.

We determined that there was no goodwill or trademark impairment as of the first day of our fiscal 2012 fourth quarter and no additional indicators of impairment were identified through the end of our fiscal fourth quarter that would require us to test further for impairment. However, declines in our market capitalization (reflected in our stock price) as well as in the market capitalization of other companies in the restaurant industry, declines in sales at our restaurants, and significant adverse changes in the operating environment for the restaurant industry may result in a future impairment loss.

Changes in circumstances, existing at the measurement date or at other times in the future, or in the numerous estimates associated with management’s judgments and assumptions made in assessing the fair value of our goodwill, could result in an impairment loss of a portion or all of our goodwill or trademarks. If we recorded an impairment loss, our financial position and results of operations would be adversely affected and our leverage ratio for purposes of our credit agreement would increase. A leverage ratio exceeding the maximum permitted under our credit agreement would be a default under our credit agreement. At May 27, 2012, a write down of goodwill, other indefinite-lived intangible assets, or any other assets in excess of approximately $850.0 million would have been required to cause our leverage ratio to exceed the permitted maximum. As our leverage ratio is determined on a quarterly basis and due to the seasonal nature of our business, a lesser amount of impairment in future quarters could cause our leverage ratio to exceed the permitted maximum.

We evaluate the useful lives of our other intangible assets, primarily intangible assets associated with our acquisitions, to determine if they are definite or indefinite-lived. Reaching a determination on useful life requires significant judgments and assumptions regarding the future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, legislative action that results in an uncertain or changing regulatory environment, and expected changes in distribution channels), the level of required maintenance expenditures, and the expected lives of other related groups of assets.

Insurance Accruals

Through the use of insurance program deductibles and self-insurance, we retain a significant portion of expected losses under our workers’ compensation, employee medical and general liability programs. However, we carry insurance for individual workers’ compensation and general liability claims that exceed $0.5 million. Accrued liabilities have been recorded based on our estimates of the anticipated ultimate costs to settle all claims, both reported and not yet reported.

Our accounting policies regarding these insurance programs include our judgments and independent actuarial assumptions about economic conditions, the frequency or severity of claims and claim development patterns and claim reserve, management and settlement practices. Unanticipated changes in these factors may produce materially different amounts of reported expense under these programs.

Unearned Revenues

Unearned revenues represent our liability for gift cards that have been sold but not yet redeemed. We recognize sales from our gift cards when the gift card is redeemed by the customer. Although there are no expiration dates or dormancy fees for our gift cards, based on our historical gift card redemption patterns, we can reasonably estimate the amount of gift cards for which redemption is remote, which is referred to as “breakage”. We recognize breakage within sales for unused gift card amounts in proportion to actual gift card redemptions, which is also referred to as the “redemption recognition” method. The estimated value of gift cards expected to go unused is recognized over the expected period of redemption as the remaining gift card values are redeemed. Utilizing this method, we estimate both the amount of breakage and the time period of redemption. If actual redemption patterns vary from our estimates, actual gift card breakage income may differ from the amounts recorded. We update our estimate of our breakage rate periodically and apply that rate to gift card redemptions. Changing our breakage-rate assumption on unredeemed gift cards by 10 percent of the current rate would result in an adjustment in our unearned revenues of approximately $25.5 million.

Income Taxes

We estimate certain components of our provision for income taxes. These estimates include, among other items, depreciation and amortization expense allowable for tax purposes, allowable tax credits for items such as taxes paid on reported employee tip income, effective rates for state and local income taxes and the tax deductibility of certain other items. We adjust our annual effective income tax rate as additional information on outcomes or events becomes available.

FASB ASC Topic 740, Income Taxes, requires that a position taken or expected to be taken in a tax return be recognized (or derecognized) in the financial statements when it is more likely than not (i.e., a likelihood of more than 50 percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

We provide for federal and state income taxes currently payable as well as for those deferred because of temporary differences between reporting income and expenses for financial statement purposes versus tax purposes. Federal income tax credits are recorded as a reduction of income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Interest recognized on reserves for uncertain tax positions is included in interest, net in our consolidated statements of earnings. A corresponding liability for accrued interest is included as a component of other current liabilities in our consolidated balance sheets. Penalties, when incurred, are recognized in selling, general and administrative expenses.

We base our estimates on the best available information at the time that we prepare the provision. We generally file our annual income tax returns several months after our fiscal year end. For U.S. federal income tax purposes, we participate in the Internal Revenue Service’s (IRS) Compliance Assurance Process whereby our U.S. federal income tax returns are reviewed by the IRS both prior to and after their filing. The U.S. federal income tax returns that we filed through the fiscal year ended May 30, 2010 have been audited by the IRS. In the first quarter of fiscal 2012, the IRS completed the audit of our tax returns for the fiscal year ended May 30, 2010 with no material adjustments. The Company’s tax returns for the fiscal year ended May 29, 2011 are under audit, and are expected to be completed by the second quarter of fiscal 2013. The IRS commenced examination of our U.S. federal income tax returns for May 27, 2012 in the first quarter of fiscal 2012. The examination is anticipated to be completed by the first quarter of fiscal 2014. Income tax returns are subject to audit by state and local governments, generally years after the returns are filed. These returns could be subject to material adjustments or differing interpretations of the tax laws. The major jurisdictions in which the Company files income tax returns include the U.S. federal jurisdiction, Canada, and most states in the U.S. that have an income tax. With a few exceptions, the Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before fiscal 2011, and state and local, or non-U.S. income tax examinations by tax authorities for years before fiscal 2002.

Included in the balance of unrecognized tax benefits at May 27, 2012 is $1.0 million related to tax positions for which it is reasonably possible that the total amounts could change during the next twelve months based on the outcome of examinations. The $1.0 million relates to items that would impact our effective income tax rate.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows generated from operating activities provide us with a significant source of liquidity, which we use to finance the purchases of land, buildings and equipment for new restaurants and to remodel existing restaurants, to pay dividends to our shareholders and to repurchase shares of our common stock. Since substantially all of our sales are for cash and cash equivalents, and accounts payable are generally due in 5 to 30 days, we are able to carry current liabilities in excess of current assets. In addition to cash flows from operations, we use a combination of long-term and short-term borrowings to fund our capital needs.

We currently manage our business and financial ratios to maintain an investment grade bond rating, which has historically allowed flexible access to financing at reasonable costs. Currently, our publicly issued long-term debt carries “Baa2” (Moody’s Investors Service), “BBB” (Standard & Poor’s) and “BBB” (Fitch) ratings. Our commercial paper has ratings of “P-2” (Moody’s Investors Service), “A-2” (Standard & Poor’s) and “F-2” (Fitch). These ratings are as of the date of the filing of this annual report and have been obtained with the understanding that Moody’s Investors Service, Standard & Poor’s and Fitch will continue to monitor our credit and make future adjustments to these ratings to the extent warranted. The ratings are not a recommendation to buy, sell or hold our securities, may be changed, superseded or withdrawn at any time and should be evaluated independently of any other rating.

Until October 3, 2011, we maintained a $750.0 million revolving Credit Agreement dated September 20, 2007 (Prior Revolving Credit Agreement) with Bank of America, N.A. (BOA), as administrative agent, and the lenders and other agents party thereto. The Prior Revolving Credit Agreement supported our commercial paper borrowing program and would have matured on September 20, 2012, but was terminated on October 3, 2011 when we entered into the new credit arrangements described below and repaid all amounts that were outstanding under the Prior Revolving Credit Agreement.

On October 3, 2011, we entered into a new $750.0 million revolving Credit Agreement (New Revolving Credit Agreement) with BOA, as administrative agent, and the lenders and other agents party thereto. The New Revolving Credit Agreement is a senior unsecured credit commitment to the Company and contains customary representations and affirmative and negative covenants (including limitations on liens and subsidiary debt and a maximum consolidated lease adjusted total debt to total capitalization ratio of 0.75 to 1.00) and events of default customary for credit facilities of this type. As of May 27, 2012, we were in compliance with the covenants under the New Revolving Credit Agreement. Additional information regarding terms and conditions of the Prior Revolving Credit agreement and the New Revolving Credit Agreement is incorporated by reference from Note 9 to our consolidated financial statements in Part II, Item 8 of this report.

As of May 27, 2012, we had no outstanding balances under the New Revolving Credit Agreement. As of May 27, 2012, $262.7 million of commercial paper and $70.9 million of letters of credit were outstanding, which are backed by this facility. After consideration of outstanding commercial paper and letters of credit backed by the New Revolving Credit Agreement, as of May 27, 2012, we had $416.4 million of credit available under the New Revolving Credit Agreement.

On October 11, 2011, we issued $400.0 million aggregate principal amount of unsecured 4.500 percent senior notes due October 2021 (the New Senior Notes) under a registration statement filed with the SEC on October 6, 2010. Discount and issuance costs, which totaled $5.1 million, are being amortized over the term of the New Senior Notes using the straight-line method, the results of which approximate the effective interest method. Interest on the New Senior Notes is payable semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2012. We may redeem the New Senior Notes at any time in whole or from time to time in part, at the principal amount plus a make-whole premium. If we experience a change in control triggering event, unless we have previously exercised our right to redeem the New Senior Notes, we may be required to purchase the New Senior Notes from the holders at a purchase price equal to 101 percent of their principal amount plus accrued and unpaid interest.

At May 27, 2012, our long-term debt consisted principally of:

- $100.0 million of unsecured 7.125 percent debentures due in February 2016;
- $500.0 million of unsecured 6.200 percent senior notes due in October 2017;
- $400.0 million of unsecured 4.500 percent senior notes due in October 2021;
- $150.0 million of unsecured 6.000 percent senior notes due in August 2035;
- $300.0 million of unsecured 6.800 percent senior notes due in October 2037; and
- An unsecured, variable rate $5.9 million commercial bank loan due in December 2018 that is used to support a loan

from us to the Employee Stock Ownership Plan (ESOP) portion of the Darden Savings Plan.

We also have $350.0 million of unsecured 5.625 percent senior notes due in October 2012 included in current liabilities as current portion of long-term debt. Upon maturity of the notes due October 2012, we expect to issue unsecured debt securities that will effectively refinance the notes due October 2012.

On June 18, 2012, we agreed to issue and sell $80.0 million unsecured 3.790 percent senior notes due in August 2019 and $220.0 million unsecured 4.520 percent senior notes due August 2024 (collectively, the “Notes”), pursuant to the provisions of a Note Purchase Agreement among us and the purchasers named therein. The sale and purchase of the Notes will occur at a closing in August 2012. We intend to use the net proceeds from the offering of the Notes for the repayment of existing indebtedness, and for other general corporate purposes. The Notes were offered in a private placement transaction exempt from the SEC registration requirements. Additional information regarding terms and conditions of the Note Purchase Agreement is incorporated by reference from Note 9 to our consolidated financial statements in Part II, Item 8 of this report.

The interest rates on our $350.0 million senior notes due October 2012, $500.0 million senior notes due October 2017 and $300.0 million senior notes due October 2037 are subject to adjustment from time to time if the debt rating assigned to such series of notes is downgraded below a certain rating level (or subsequently upgraded). The maximum adjustment is 2.000 percent above the initial interest rate and the interest rate cannot be reduced below the initial interest rate. As of May 27, 2012, no adjustments to these interest rates had been made.

All of our long-term debt currently outstanding is expected to be repaid entirely at maturity with interest being paid semi-annually over the life of the debt. The aggregate maturities of long-term debt for each of the five fiscal years subsequent to May 27, 2012 and thereafter are $350.0 million in fiscal 2013, $0.0 million in fiscal 2014, $0.0 million in fiscal 2015, $100.0 million in fiscal 2016, $0.0 million in fiscal 2017 and $1,355.9 million thereafter.

From time to time we enter into interest rate derivative instruments to manage interest rate risk inherent in our operations. See Note 10 to our consolidated financial statements in Part II, Item 8 of this report, incorporated herein by reference.

Through our shelf registration statement on file with the Securities and Exchange Commission (SEC), depending on conditions prevailing in the public capital markets, we may issue unsecured debt securities from time to time in one or more series, which may consist of notes, debentures or other evidences of indebtedness in one or more offerings.

We may from time to time repurchase our outstanding debt in privately negotiated transactions. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements and other factors.

A summary of our contractual obligations and commercial commitments at May 27, 2012, is as follows:

(in millions)					
	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Short-term debt	$ 262.7	$ 262.7	$ —	$ —	$ —
Long-term debt (1)	2,917.6	447.2	173.6	265.6	2,031.2
Operating leases	936.8	151.5	272.0	210.8	302.5
Purchase obligations (2)	675.0	650.5	16.5	8.0	—
Capital lease obligations (3)	94.7	5.2	10.9	11.4	67.2
Benefit obligations (4)	461.0	38.1	77.0	85.3	260.6
Unrecognized income tax benefits (5)	17.4	1.2	11.1	5.1	—
Total contractual obligations	$ 5,365.2	$ 1,556.4	$ 561.1	$ 586.2	$ 2,661.5

(in millions)					
	Amount of Commitment Expiration per Period				
Other Commercial Commitments	**Total Amounts Committed**	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Standby letters of credit (6)	$ 119.5	$ 119.5	$ —	$ —	$ —
Guarantees (7)	5.4	1.2	2.1	1.4	0.7
Total commercial commitments	$ 124.9	$ 120.7	$ 2.1	$ 1.4	$ 0.7

(1) Includes interest payments associated with existing long-term debt, including the current portion. Variable-rate interest payments associated with the ESOP loan were estimated based on an average interest rate of 1.3 percent. Excludes issuance discount of $5.5 million.

(2) Includes commitments for food and beverage items and supplies, capital projects, information technology and other miscellaneous commitments.

(3) Includes total imputed interest of $38.7 million over the life of the capital lease obligation.

(4) Includes expected contributions associated with our defined benefit plans and payments associated with our postretirement benefit plan and our non-qualified deferred compensation plan through fiscal 2022.

(5) Includes interest on unrecognized income tax benefits of $1.7 million, $0.2 million of which relates to contingencies expected to be resolved within one year.

(6) Includes letters of credit for $99.2 million of workers' compensation and general liability accruals in our consolidated financial statements, $70.9 million of which are backed by our Revolving Credit Agreement, letters of credit for $0.9 million of lease payments included in the contractual operating lease obligation payments noted above and other letters of credit totaling $19.4 million.

(7) Consists solely of guarantees associated with leased properties that have been assigned to third parties. We are not aware of any non-performance under these arrangements that would result in our having to perform in accordance with the terms of the guarantees.

Our fixed-charge coverage ratio, which measures the number of times each year that we earn enough to cover our fixed charges, amounted to 5.0 times and 5.4 times, on a continuing operations basis, for the fiscal years ended May 27, 2012 and May 29, 2011, respectively. Our adjusted debt to adjusted total capital ratio (which includes 6.25 times the total annual minimum rent of $136.6 million and $125.6 million for the fiscal years ended May 27, 2012 and May 29, 2011, respectively, as components of adjusted debt and adjusted total capital) was 62 percent and 56 percent at May 27, 2012 and May 29, 2011, respectively. We include the lease-debt equivalent and contractual lease guarantees in our adjusted debt to adjusted total capital ratio reported to shareholders, as we believe its inclusion better represents the optimal capital structure that we target from period to period and because it is consistent with the calculation of the covenant under our New Revolving Credit Agreement.

Based on these ratios, we believe our financial condition is strong. The composition of our capital structure is shown in the following table.

(In millions, except ratios)	May 27, 2012	May 29, 2011
CAPITAL STRUCTURE		
Short-term debt	$ 262.7	$ 185.5
Current portion long-term debt	350.0	—
Long-term debt, excluding unamortized discounts	1,459.1	1,411.7
Capital lease obligations	56.0	57.3
Total debt	$ 2,127.8	$ 1,654.5
Stockholders' equity	1,842.0	1,936.2
Total capital	$ 3,969.8	$ 3,590.7
CALCULATION OF ADJUSTED CAPITAL		
Total debt	$ 2,127.8	$ 1,654.5
Lease-debt equivalent	853.8	785.0
Guarantees	5.4	7.4
Adjusted debt	$ 2,987.0	$ 2,446.9
Stockholders' equity	1,842.0	1,936.2
Adjusted total capital	$ 4,829.0	$ 4,383.1
CAPITAL STRUCTURE RATIOS		
Debt to total capital ratio	54%	46%
Adjusted debt to adjusted total capital ratio	62%	56%

Net cash flows provided by operating activities from continuing operations were $762.2 million, $894.7 million and $903.4 million in fiscal 2012, 2011 and 2010, respectively. Net cash flows provided by operating activities include net earnings from continuing operations of $476.5 million, $478.7 million and $407.0 million in fiscal 2012, 2011 and 2010, respectively. Net cash flows provided by operating activities from continuing operations decreased in fiscal 2012 primarily due to higher inventory levels and the settlement of our October 2011 treasury-lock instruments. The increase in inventory levels in fiscal 2012 was primarily related to the timing of inventory purchases as a result of our strategy to take ownership of our inventory earlier in the supply chain to ensure a more secure and efficient supply of inventory to our restaurants. Net cash flows provided by operating activities reflect income tax payments of $123.5 million, $126.4 million and $94.8 million in fiscal 2012, 2011 and 2010, respectively. The lower tax payments in fiscal 2010, as compared with tax payments in fiscal 2012 and 2011, primarily relates to the recognition of tax benefits related to the timing of deductions for fixed-asset related expenditures and the application of the overpayment of income taxes in prior years to fiscal 2010 tax liabilities.

Net cash flows used in investing activities from continuing operations were $721.6 million, $552.7 million and $428.7 million in fiscal 2012, 2011 and 2010, respectively. Net cash flows used in investing activities from continuing operations included capital expenditures incurred principally for building new restaurants, remodeling existing restaurants, replacing equipment, and technology initiatives. Capital expenditures related to continuing operations were $639.7 million in fiscal 2012, compared to $547.7 million in fiscal 2011 and $432.1 million in fiscal 2010. The increasing trend of expenditures in fiscal 2012 and 2011 results primarily from increases in remodel and new restaurant activity over the past two years. Additionally, net cash used in the acquisition of Eddie V's in fiscal 2012 was $58.5 million.

Net cash flows used in financing activities from continuing operations were $40.4 million, $521.0 million and $290.0 million in fiscal 2012, 2011 and 2010, respectively. During October 2011, we completed the offering of $400.0 million of New Senior Notes, resulting in net proceeds of $394.9 million which were used to effectively refinance the $225.0 million of long-term notes that we repaid at maturity during fiscal 2011 and a portion of our outstanding short-term debt. Repayments of long-term debt were $2.1 million, $226.8 million and $1.8 million in fiscal 2012, 2011 and 2010, respectively. Net proceeds from the issuance of short-term debt were $77.2 million and $185.5 million in fiscal 2012 and 2011, respectively, while net repayments of short-term debt were $150.0 million in fiscal 2010. For fiscal 2012, net cash flows used in financing activities included our repurchase of 8.2 million shares of our common stock for $375.1

million, compared to 8.6 million shares of our common stock for $385.5 million in fiscal 2011 and 2.0 million shares of our common stock for $85.1 million in fiscal 2010. As of May 27, 2012, our Board of Directors had authorized us to repurchase up to 187.4 million shares of our common stock and a total of 170.9 million shares had been repurchased under the authorization. The repurchased common stock is reflected as a reduction of stockholders' equity. As of May 27, 2012, our unused authorization was 16.5 million shares. We received proceeds primarily from the issuance of common stock upon the exercise of stock options of $70.2 million, $63.0 million and $66.3 million in fiscal 2012, 2011 and 2010, respectively. Net cash flows used in financing activities also included dividends paid to stockholders of $223.9 million, $175.5 million and $140.0 million in fiscal 2012, 2011 and 2010, respectively. The increase in dividend payments reflects the increase in our annual dividend rate from $1.00 per share in fiscal 2010, to $1.28 per share in fiscal 2011 and to $1.72 per share in fiscal 2012. In June 2012, our Board of Directors approved an increase in the quarterly dividend to $0.50 per share, which indicates an annual dividend of $2.00 per share in fiscal 2013.

Our defined benefit and other postretirement benefit costs and liabilities are determined using various actuarial assumptions and methodologies prescribed under FASB ASC Topic 715, Compensation - Retirement Benefits and Topic 712, Compensation - Nonretirement Postemployment Benefits. We use certain assumptions including, but not limited to, the selection of a discount rate, expected long-term rate of return on plan assets and expected health care cost trend rates. We set the discount rate assumption annually for each plan at its valuation date to reflect the yield of high quality fixed-income debt instruments, with lives that approximate the maturity of the plan benefits. At May 27, 2012, our discount rate was 4.4 percent and 4.5 percent, respectively, for our defined benefit and postretirement benefit plans. The expected long-term rate of return on plan assets and health care cost trend rates are based upon several factors, including our historical assumptions compared with actual results, an analysis of current market conditions, asset allocations and the views of leading financial advisers and economists. Our assumed expected long-term rate of return on plan assets for our defined benefit plan was 9.0 percent for each of the fiscal years reported. At May 27, 2012, the expected health care cost trend rate assumed for our postretirement benefit plan for fiscal 2013 was 7.7 percent. The rate gradually decreases to 5.0 percent through fiscal 2022 and remains at that level thereafter. We made contributions of approximately $22.2 million, $12.9 million and $0.4 million in fiscal years 2012, 2011 and 2010, respectively, to our defined benefit pension plan to maintain its targeted funded status as of each annual valuation date.

The expected long-term rate of return on plan assets component of our net periodic benefit cost is calculated based on the market-related value of plan assets. Our target asset fund allocation is 40 percent U.S. equities, 35 percent high-quality, long-duration fixed-income securities, 20 percent international equities, 5 percent real estate securities. We monitor our actual asset fund allocation to ensure that it approximates our target allocation and believe that our long-term asset fund allocation will continue to approximate our target allocation. In developing our expected rate of return assumption, we have evaluated the actual historical performance and long-term return projections of the plan assets, which give consideration to the asset mix and the anticipated timing of the pension plan outflows. We employ a total return investment approach whereby a mix of equity and fixed income investments are used to maximize the long-term return of plan assets for what we consider a prudent level of risk. Our historical 10-year, 15-year and 20-year rates of return on plan assets, calculated using the geometric method average of returns, are approximately 7.8 percent, 8.0 percent and 9.4 percent, respectively, as of May 27, 2012.

We have recognized net actuarial losses, net of tax, as a component of accumulated other comprehensive income (loss) for the defined benefit plans and postretirement benefit plan as of May 27, 2012 of $87.4 million and $1.9 million, respectively. These net actuarial losses represent changes in the amount of the projected benefit obligation and plan assets resulting from differences in the assumptions used and actual experience. The amortization of the net actuarial loss component of our fiscal 2013 net periodic benefit cost for the defined benefit plans and postretirement benefit plan is expected to be approximately $8.8 million and $0.0 million, respectively.

We believe our defined benefit and postretirement benefit plan assumptions are appropriate based upon the factors discussed above. However, other assumptions could also be reasonably applied that could differ from the assumptions used. A quarter-percentage point change in the defined benefit plans' discount rate and the expected long-term rate of return on plan assets would increase or decrease earnings before income taxes by $0.7 million and $0.5 million, respectively. A quarter-percentage point change in our postretirement benefit plan discount rate would increase or decrease earnings before income taxes by $0.1 million. A one-percentage point increase in the health care cost trend rates would increase the accumulated postretirement benefit obligation (APBO) by $6.5 million at May 27, 2012 and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost by $0.5 million for fiscal 2012. A one-percentage point decrease in the health care cost trend rates would decrease the APBO by $5.1 million at May 27, 2012 and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost by $0.4 million for fiscal 2012. These changes in assumptions would not significantly impact our funding requirements. We expect to contribute approximately $17.5 million to $19.5 million to our defined benefit pension plans and approximately $1.0 million to our postretirement benefit plan during fiscal 2013.

On July 12, 2012, we entered into an agreement to acquire Yard House for $585.0 million in an all-cash transaction. After the acquisition, Yard House will be a wholly-owned subsidiary of Darden. The transaction has been approved by our Board of

Directors and is subject to the satisfaction of customary closing conditions, including, among others, the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The acquisition is expected to be completed early in the second quarter of fiscal 2013.

With the exception of the pending Yard House acquisition discussed above, we are not aware of any trends or events that would materially affect our capital requirements or liquidity. We believe that our internal cash-generating capabilities, the potential issuance of unsecured debt securities under our shelf registration statement and short-term commercial paper should be sufficient to finance our capital expenditures, including the Yard House acquisition, debt maturities, stock repurchase program and other operating activities through fiscal 2013.

OFF-BALANCE SHEET ARRANGEMENTS

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, sales or expenses, results of operations, liquidity, capital expenditures or capital resources.

FINANCIAL CONDITION

Our total current assets were $757.6 million at May 27, 2012, compared with $663.8 million at May 29, 2011. The increase was primarily due to higher inventory levels related to the timing of inventory purchases as a result of our strategy to take ownership of our inventory earlier in the supply chain to ensure a more secure and efficient supply of inventory to our restaurants.

Our total current liabilities were $1.77 billion at May 27, 2012, compared with $1.29 billion at May 29, 2011. The increase was primarily due to an increase in short-term debt related to our use of short-term financing to repurchase shares of our common stock, capital expenditures, purchase of inventory and the reclassification of long-term debt maturing within the next year.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including fluctuations in interest rates, foreign currency exchange rates, compensation and commodity prices. To manage this exposure, we periodically enter into interest rate and foreign currency exchange instruments, equity forwards and commodity instruments for other than trading purposes (see Notes 1 and 10 to our consolidated financial statements, in Part II, Item 8 of this report, incorporated herein by reference).

We use the variance/covariance method to measure value at risk, over time horizons ranging from one week to one year, at the 95 percent confidence level. At May 27, 2012, our potential losses in future net earnings resulting from changes in foreign currency exchange rate instruments, commodity instruments, equity forwards and floating rate debt interest rate exposures were approximately $57.9 million over a period of one year (including the impact of the interest rate swap agreements discussed in Note 10 to our consolidated financial statements in Part II, Item 8 of this report, incorporated herein by reference). The value at risk from an increase in the fair value of all of our long-term fixed rate debt, over a period of one year, was approximately $127.1 million. The fair value of our long-term fixed rate debt during fiscal 2012 averaged $1.85 billion, with a high of $2.04 billion and a low of $1.55 billion. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows by targeting an appropriate mix of variable and fixed rate debt.

APPLICATION OF NEW ACCOUNTING STANDARDS

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. Many of the amendments in this update change the wording used in the existing guidance to better align U.S. generally accepted accounting principles with International Financial Reporting Standards and to clarify the FASB's intent on various aspects of the fair value guidance. This update also requires increased disclosure of quantitative information about unobservable inputs used in a fair value measurement that is categorized within Level 3 of the fair value hierarchy. This update is effective for us in our first quarter of fiscal 2013 and will be applied prospectively. Other than requiring additional disclosures, adoption of this new guidance will not have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, Comprehensive Income (Topic 220), *Presentation of Comprehensive Income*, which requires companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This update eliminates the option to present the components of other comprehensive income as part of the statement of equity. In December 2011, the FASB issued ASU 2011-12, Comprehensive Income (Topic 220), *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05*, to defer the effective date of the specific requirement to present items that are reclassified out of accumulated other comprehensive income to net income alongside their respective components of net income and other comprehensive income. We adopted all other provisions of this update in our fourth quarter of fiscal 2012, with the addition of our consolidated statements of comprehensive income and other changes to our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, Intangibles - Goodwill and Other (Topic 350), *Testing Goodwill for Impairment*, which permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the two-step goodwill impairment model that is currently in place. If it is determined through the qualitative assessment that a reporting unit's fair value is more likely than not greater than its carrying value, the remaining impairment steps would be unnecessary. The qualitative assessment is optional, allowing companies to go directly to the quantitative assessment. This update is effective for annual and interim goodwill impairment tests performed in fiscal years beginning after December 15, 2011, which will require us to adopt these provisions in fiscal 2013; however, early adoption is permitted. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210), *Disclosures about Offsetting Assets and Liabilities*, which requires companies to disclose information about financial instruments that have been offset and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Companies will be required to provide both net (offset amounts) and gross information in the notes to the financial statements for relevant assets and liabilities that are offset. This update is effective for us in our first quarter of fiscal 2014 and will be applied retrospectively. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

FORWARD-LOOKING STATEMENTS

Statements set forth in or incorporated into this report regarding the expected net increase in the number of our restaurants, U.S. same-restaurant sales, total sales growth, diluted net earnings per share growth, and capital expenditures in fiscal 2013, and all other statements that are not historical facts, including without limitation statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Darden Restaurants, Inc. and its subsidiaries that are preceded by, followed by or that include words such as “may,” “will,” “expect,” “intend,” “anticipate,” “continue,” “estimate,” “project,” “believe,” “plan” or similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions of that Act. 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 for any reason to reflect events or circumstances arising after such date. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. In addition to the risks and uncertainties of ordinary business obligations, and those described in information incorporated into this report, the forward-looking statements contained in this report are subject to the risks and uncertainties described in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended May 27, 2012, which are summarized as follows:

- Food safety and food-borne illness concerns throughout the supply chain;
- Litigation, including allegations of illegal, unfair or inconsistent employment practices;
- Unfavorable publicity, or a failure to respond effectively to adverse publicity;
- Risks relating to public policy changes and federal, state and local regulation of our business, including in the areas of health care reform, environmental matters, minimum wage, unionization, data privacy, menu labeling, immigration requirements and taxes;
- Labor and insurance costs;
- Insufficient guest or employee facing technology, or a failure to maintain a continuous and secure cyber network, free from material failure, interruption or security breach;
- Our inability or failure to execute a comprehensive business continuity plan following a major natural disaster such as a hurricane or manmade disaster, including terrorism;
- Health concerns arising from food-related pandemics, outbreaks of flu viruses or other diseases;
- Intense competition, or an insufficient focus on competition and the consumer landscape;
- Our failure to drive both short-term and long-term profitable sales growth through brand relevance, operating excellence, opening new restaurants of existing brands and developing or acquiring new dining brands;
- Failure to complete the acquisition of Yard House, or once completed, to successfully integrate the Yard House

business, and the additional indebtedness incurred to finance the Yard House acquisition;

- Our plans to expand our newer brands Bahama Breeze, Seasons 52 and Eddie V's, and the testing of synergy restaurants and other new business ventures, that have not yet proven their long-term viability;
- A lack of suitable new restaurant locations or a decline in the quality of the locations of our current restaurants;
- Higher-than-anticipated costs to open, close, relocate or remodel restaurants;
- A failure to identify and execute innovative marketing and customer relationship tactics, ineffective or improper use of social media or other marketing initiatives, and increased advertising and marketing costs;
- A failure to develop and recruit effective leaders or the loss of key personnel, or a significant shortage of high-quality restaurant employees;
- A failure to address cost pressures, including rising costs for commodities, health care and utilities used by our restaurants, and a failure to effectively deliver cost management activities and achieve economies of scale in purchasing;
- The impact of shortages or interruptions in the delivery of food and other products from third party vendors and suppliers;
- Adverse weather conditions and natural disasters;
- Volatility in the market value of derivatives we use to hedge commodity prices;
- Economic and business factors specific to the restaurant industry and other general macroeconomic factors including unemployment, energy prices and interest rates that are largely out of our control;
- Disruptions in the financial markets that may impact consumer spending patterns, affect the availability and cost of credit and increase pension plan expenses;
- Risks associated with doing business with franchisees, business partners and vendors in foreign markets;
- Failure to protect our service marks or other intellectual property;
- Impairment of the carrying value of our goodwill or other intangible assets; and
- A failure of our internal controls over financial reporting and future changes in accounting standards.

Any of the risks described above or elsewhere in this report or our other filings with the SEC could have a material impact on our business, financial condition or results of operations. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. Therefore, the above is not intended to be a complete discussion of all potential risks or uncertainties.

REPORT OF MANAGEMENT'S RESPONSIBILITIES

The management of Darden Restaurants, Inc. is responsible for the fairness and accuracy of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, using management's best estimates and judgments where appropriate. The financial information throughout this report is consistent with our consolidated financial statements.

Management has established a system of internal controls that provides reasonable assurance that assets are adequately safeguarded and transactions are recorded accurately, in all material respects, in accordance with management's authorization. We maintain a strong audit program that independently evaluates the adequacy and effectiveness of internal controls. Our internal controls provide for appropriate segregation of duties and responsibilities and there are documented policies regarding utilization of our assets and proper financial reporting. These formally stated and regularly communicated policies set high standards of ethical conduct for all employees.

The Audit Committee of the Board of Directors meets at least quarterly to determine that management, internal auditors and the independent registered public accounting firm are properly discharging their duties regarding internal control and financial reporting. The independent registered public accounting firm, internal auditors and employees have full and free access to the Audit Committee at any time.

KPMG LLP, an independent registered public accounting firm, is retained to audit our consolidated financial statements and the effectiveness of our internal control over financial reporting. Their reports follow.

/s/ Clarence Otis, Jr.
Clarence Otis, Jr.
Chairman of the Board and Chief Executive Officer

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of May 27, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Management has concluded that, as of May 27, 2012, the Company's internal control over financial reporting was effective based on these criteria.

The Company's independent registered public accounting firm KPMG LLP, has issued an audit report on the effectiveness of our internal control over financial reporting, which follows.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The Board of Directors and Stockholders
Darden Restaurants, Inc.

We have audited Darden Restaurants, Inc.'s internal control over financial reporting as of May 27, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Darden Restaurants, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Darden Restaurants, Inc. maintained, in all material respects, effective internal control over financial reporting as of May 27, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Darden Restaurants, Inc. as of May 27, 2012 and May 29, 2011, and the related consolidated statements of earnings, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended May 27, 2012, and our report dated July 20, 2012 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Orlando, Florida
July 20, 2012
Certified Public Accountants

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Darden Restaurants, Inc.

We have audited the accompanying consolidated balance sheets of Darden Restaurants, Inc. and subsidiaries as of May 27, 2012 and May 29, 2011, and the related consolidated statements of earnings, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended May 27, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Darden Restaurants, Inc. and subsidiaries as of May 27, 2012 and May 29, 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended May 27, 2012, in conformity with U.S. generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Darden Restaurants, Inc.'s internal control over financial reporting as of May 27, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated July 20, 2012 expressed an unqualified opinion on the effectiveness of Darden Restaurants, Inc.'s internal control over financial reporting.

/s/ KPMG LLP

Orlando, Florida
July 20, 2012
Certified Public Accountants

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(In millions, except per share data)

	May 27, 2012	May 29, 2011	May 30, 2010
Sales	$ 7,998.7	$ 7,500.2	$ 7,113.1
Costs and expenses:			
Cost of sales:			
Food and beverage	2,460.6	2,173.6	2,051.2
Restaurant labor	2,502.0	2,396.9	2,350.6
Restaurant expenses	1,200.6	1,129.0	1,082.2
Total cost of sales, excluding restaurant depreciation and amortization of $326.9, $295.6 and $283.4, respectively	$ 6,163.2	$ 5,699.5	$ 5,484.0
Selling, general and administrative	746.8	742.7	690.7
Depreciation and amortization	349.1	316.8	300.9
Interest, net	101.6	93.6	93.9
Total costs and expenses	$ 7,360.7	$ 6,852.6	$ 6,569.5
Earnings before income taxes	638.0	647.6	543.6
Income taxes	(161.5)	(168.9)	(136.6)
Earnings from continuing operations	$ 476.5	$ 478.7	$ 407.0
Losses from discontinued operations, net of tax benefit of $0.7, $1.5, and $1.5, respectively	(1.0)	(2.4)	(2.5)
Net earnings	$ 475.5	$ 476.3	$ 404.5
Basic net earnings per share:			
Earnings from continuing operations	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:			
Earnings from continuing operations	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.57	$ 3.39	$ 2.84
Average number of common shares outstanding:			
Basic	130.1	136.8	139.3
Diluted	133.2	140.3	142.4
Dividends declared per common share	$ 1.72	$ 1.28	$ 1.00

See accompanying notes to consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	May 27, 2012	May 29, 2011	May 30, 2010
Net earnings	$ 475.5	$ 476.3	$ 404.5
Other comprehensive income (loss):			
Foreign currency adjustment	(1.2)	1.8	1.5
Change in fair value of marketable securities, net of tax of $0.1, $(0.1) and $0.0, respectively	(0.1)	0.2	—
Change in fair value of derivatives, net of tax of $27.8, $4.8 and $2.5, respectively	(45.6)	(5.2)	—
Net unamortized gain (loss) arising during period, including amortization of unrecognized net actuarial loss, net of taxes of $24.8, $(9.0) and $9.5, respectively	(39.9)	14.5	(15.4)
Other comprehensive income (loss)	$ (86.8)	$ 11.3	$ (13.9)
Total comprehensive income	$ 388.7	$ 487.6	$ 390.6

See accompanying notes to consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions)

	May 27, 2012	May 29, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 70.5	$ 70.5
Receivables, net	71.4	65.4
Inventories	404.1	300.1
Prepaid income taxes	12.2	5.2
Prepaid expenses and other current assets	74.9	77.0
Deferred income taxes	124.5	145.6
Total current assets	$ 757.6	$ 663.8
Land, buildings and equipment, net	3,951.3	3,622.0
Goodwill	538.6	517.1
Trademarks	464.9	454.0
Other assets	231.8	209.7
Total assets	$ 5,944.2	$ 5,466.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 260.7	$ 251.3
Short-term debt	262.7	185.5
Accrued payroll	154.3	167.1
Accrued income taxes	—	9.3
Other accrued taxes	60.4	64.3
Unearned revenues	231.7	200.0
Current portion of long-term debt	349.9	—
Other current liabilities	454.4	409.3
Total current liabilities	$ 1,774.1	$ 1,286.8
Long-term debt, less current portion	1,453.7	1,407.3
Deferred income taxes	312.9	345.4
Deferred rent	204.4	186.2
Obligations under capital leases, net of current installments	54.4	56.0
Other liabilities	302.7	248.7
Total liabilities	$ 4,102.2	$ 3,530.4
Stockholders' equity:		
Common stock and surplus, no par value. Authorized 500.0 shares; issued 289.0 and 287.2 shares, respectively; outstanding 129.0 and 134.6 shares, respectively	2,518.8	2,408.8
Preferred stock, no par value. Authorized 25.0 shares; none issued and outstanding	—	—
Retained earnings	3,172.8	2,921.9
Treasury stock, 160.0 and 152.6 shares, at cost, respectively	(3,695.8)	(3,325.3)
Accumulated other comprehensive income (loss)	(146.6)	(59.8)
Unearned compensation	(7.2)	(9.4)

Total stockholders’ equity	$	1,842.0	$	1,936.2
Total liabilities and stockholders’ equity	$	5,944.2	$	5,466.6

See accompanying notes to consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except per share data)

	Common Stock And Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation	Officer Notes Receivable	Total Stockholders' Equity
Balances at May 31, 2009	$ 2,183.1	$ 2,357.4	$(2,864.2)	$ (57.2)	$ (13.0)	$ (0.1)	$ 1,606.0
Net earnings	—	404.5	—	—	—	—	404.5
Other comprehensive income	—	—	—	(13.9)	—	—	(13.9)
Cash dividends declared ($1.00 per share)	—	(140.0)	—	—	—	—	(140.0)
Stock option exercises (2.9 shares)	55.0	—	4.3	—	—	—	59.3
Stock-based compensation	33.6	—	—	—	—	—	33.6
ESOP note receivable repayments	—	—	—	—	1.8	—	1.8
Income tax benefits credited to equity	20.1	—	—	—	—	—	20.1
Purchases of common stock for treasury (2.0 shares)	—	—	(85.1)	—	—	—	(85.1)
Issuance of treasury stock under Employee Stock Purchase Plan and other plans (0.3 shares)	6.1	—	1.5	—	—	—	7.6
Repayment of officer notes	—	—	—	—	—	0.1	0.1
Balances at May 30, 2010	$ 2,297.9	$ 2,621.9	$(2,943.5)	$ (71.1)	$ (11.2)	$ —	$ 1,894.0
Net earnings	—	476.3	—	—	—	—	476.3
Other comprehensive income	—	—	—	11.3	—	—	11.3
Cash dividends declared ($1.28 per share)	—	(176.3)	—	—	—	—	(176.3)
Stock option exercises (2.3 shares)	53.1	—	2.6	—	—	—	55.7
Stock-based compensation	33.9	—	—	—	—	—	33.9
ESOP note receivable repayments	—	—	—	—	1.8	—	1.8
Income tax benefits credited to equity	17.7	—	—	—	—	—	17.7
Purchases of common stock for treasury (8.6 shares)	—	—	(385.5)	—	—	—	(385.5)
Issuance of treasury stock under Employee Stock Purchase Plan and other plans (0.2 shares)	6.2	—	1.1	—	—	—	7.3
Balances at May 29, 2011	$ 2,408.8	$ 2,921.9	$(3,325.3)	$ (59.8)	$ (9.4)	$ —	$ 1,936.2
Net earnings	—	475.5	—	—	—	—	475.5
Other comprehensive income	—	—	—	(86.8)	—	—	(86.8)
Cash dividends declared ($1.72 per share)	—	(224.6)	—	—	—	—	(224.6)
Stock option exercises (2.2 shares)	59.4	—	3.5	—	—	—	62.9
Stock-based compensation	26.5	—	—	—	—	—	26.5
ESOP note receivable repayments	—	—	—	—	2.1	—	2.1
Income tax benefits credited to equity	17.9	—	—	—	—	—	17.9
Purchases of common stock for treasury (8.2 shares)	—	—	(375.1)	—	—	—	(375.1)
Issuance of treasury stock under Employee Stock Purchase Plan and other plans (0.2 shares)	6.2	—	1.1	—	0.1	—	7.4
Balances at May 27, 2012	$ 2,518.8	$ 3,172.8	$(3,695.8)	$ (146.6)	$ (7.2)	$ —	$ 1,842.0

See accompanying notes to consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions, except per share data)

	Fiscal Year Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Cash flows - operating activities			
Net earnings	$ 475.5	$ 476.3	$ 404.5
Losses from discontinued operations, net of tax	1.0	2.4	2.5
Adjustments to reconcile net earnings from continuing operations to cash flows:			
Depreciation and amortization	349.1	316.8	300.9
Asset impairment charges, net	0.5	4.7	6.2
Amortization of loan costs	6.7	2.8	3.3
Stock-based compensation expense	56.1	66.6	53.5
Change in current assets and liabilities	(191.4)	12.2	144.3
Contributions to pension and postretirement plan	(22.7)	(13.2)	(0.6)
Loss on disposal of land, buildings and equipment	7.1	6.9	0.3
Change in cash surrender value of trust-owned life insurance	4.1	(13.7)	(7.7)
Deferred income taxes	36.1	28.8	(10.2)
Change in deferred rent	18.5	17.1	15.4
Change in other liabilities	15.8	(15.4)	(14.4)
Income tax benefits from exercise of stock-based compensation credited to goodwill	0.6	0.2	1.4
Other, net	5.2	2.2	4.0
Net cash provided by operating activities of continuing operations	$ 762.2	$ 894.7	$ 903.4
Cash flows - investing activities			
Purchases of land, buildings and equipment	(639.7)	(547.7)	(432.1)
Proceeds from disposal of land, buildings and equipment	3.3	7.0	12.5
Purchases of marketable securities	(32.1)	(6.5)	(15.5)
Proceeds from sale of marketable securities	21.3	5.1	12.8
Cash used in business acquisitions, net of cash acquired	(58.5)	—	—
Increase in other assets	(15.9)	(10.6)	(6.4)
Net cash used in investing activities of continuing operations	$ (721.6)	$ (552.7)	$ (428.7)
Cash flows - financing activities			
Proceeds from issuance of common stock	70.2	63.0	66.3
Income tax benefits credited to equity	17.9	17.7	20.1
Dividends paid	(223.9)	(175.5)	(140.0)
Purchases of treasury stock	(375.1)	(385.5)	(85.1)
ESOP note receivable repayments	2.1	1.8	1.8
Proceeds from issuance of short-term debt	2,321.0	1,454.9	401.2
Repayments of short-term debt	(2,243.8)	(1,269.4)	(551.2)
Repayments of long-term debt	(2.1)	(226.8)	(1.8)
Principal payments on capital leases	(1.6)	(1.2)	(1.3)
Proceeds from issuance of long-term debt	400.0	—	—
Payment of debt issuance costs	(5.1)	—	—
Net cash used in financing activities of continuing operations	$ (40.4)	$ (521.0)	$ (290.0)
Cash flows - discontinued operations			

Net cash used in operating activities of discontinued operations		(0.5)		(2.1)		(1.4)
Net cash provided by investing activities of discontinued operations		0.3		2.8		2.6
Net cash (used in) provided by discontinued operations	$	(0.2)	$	0.7	$	1.2
(Decrease) increase in cash and cash equivalents		—		(178.3)		185.9
Cash and cash equivalents - beginning of year		70.5		248.8		62.9
Cash and cash equivalents - end of year	$	70.5	$	70.5	$	248.8
Cash flows from changes in current assets and liabilities						
Receivables, net		(6.1)		(5.9)		(15.8)
Inventories		(103.0)		(79.3)		26.2
Prepaid expenses and other current assets		(6.6)		(5.0)		(5.0)
Accounts payable		(10.2)		5.5		27.6
Accrued payroll		(13.3)		5.3		23.6
Prepaid/accrued income taxes		(16.3)		4.7		52.7
Other accrued taxes		(3.9)		2.3		1.8
Unearned revenues		31.1		27.3		26.9
Other current liabilities		(63.1)		57.3		6.3
Change in current assets and liabilities	$	(191.4)	$	12.2	$	144.3

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations and Principles of Consolidation

The accompanying consolidated financial statements include the operations of Darden Restaurants, Inc. and its wholly owned subsidiaries (Darden, the Company, we, us or our). We own and operate the Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's Prime Seafood® and Wildfish Seafood Grille® restaurant brands located in the United States and Canada. Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except three. Those three restaurants are located in Central Florida and are owned by joint ventures managed by us. None of our restaurants in the United States or Canada are franchised. As of May 27, 2012, we franchised 5 LongHorn Steakhouse restaurants in Puerto Rico, 22 Red Lobster restaurants in Japan, and 1 Red Lobster restaurant in Dubai, to unaffiliated franchisees under area development and franchise agreements. All significant inter-company balances and transactions have been eliminated in consolidation.

Basis of Presentation

On November 14, 2011, we completed the acquisition of eight Eddie V's Prime Seafood restaurants and three Wildfish Seafood Grille restaurants (collectively Eddie V's) and all related assets and net working capital for $58.5 million in cash. The results of operations from Eddie V's, which are not material, are included in our consolidated financial statements from the date of acquisition. The acquisition resulted in the recording of depreciable assets, definite-lived amortizable intangible assets and indefinite-lived intangible assets, including goodwill.

The following table summarizes the preliminary estimated fair values of the Eddie V's assets acquired and liabilities assumed as of the acquisition date and the final adjustments made thereto through the fiscal year ended May 27, 2012:

(in millions)	Preliminary	Adjustments	Final Adjusted
Current assets	$ 1.7	$ (0.3)	$ 1.4
Buildings and equipment	26.8	(0.4)	26.4
Trademarks	17.0	(6.1)	10.9
Other assets	2.9	(0.4)	2.5
Goodwill	16.6	5.5	22.1
Total assets acquired	$ 65.0	$ (1.7)	$ 63.3
Current liabilities	4.5	—	4.5
Other liabilities	1.3	(1.0)	0.3
Total liabilities assumed	$ 5.8	$ (1.0)	$ 4.8
Net assets acquired	$ 59.2	$ (0.7)	$ 58.5

Adjustments to the preliminary purchase price allocation during the period ended May 27, 2012 were primarily related to updated valuations in the preliminary appraisals of identifiable intangible and tangible assets.

The excess of the purchase price over the aggregate fair value of net assets acquired was allocated to goodwill, all of which is expected to be deductible for tax purposes. Goodwill represents benefits expected as a result of the acquisition, including sales and unit growth opportunities in addition to supply-chain synergies. Trademarks primarily have an indefinite life based on the expected use of the assets and the regulatory and economic environment within which they are being used. These trademarks represent highly respected brands with positive connotations and we intend to cultivate and protect the use of these brands. Goodwill and indefinite-lived trademarks are not amortized but are reviewed annually for impairment or more frequently if indicators of impairment exist. Buildings and equipment will be depreciated over a period of 5 months to 23 years. Other assets and liabilities represent value associated with favorable and unfavorable market leases and will be amortized over a weighted average period of 16 years.

As a result of the acquisition and related integration efforts, we incurred expenses of approximately $2.9 million during the year ended May 27, 2012, which are included in selling, general and administrative expenses in our consolidated statements of earnings. Pro-forma financial information of the combined entities for periods prior to the acquisition is not presented due to the immaterial impact of the financial results of Eddie V's on our consolidated financial statements.

During fiscal 2007 and 2008 we closed or sold all Smokey Bones Barbeque & Grill (Smokey Bones) and Rocky River Grillhouse restaurants and we closed nine Bahama Breeze restaurants. These restaurants and their related activities have been classified as discontinued operations. Therefore, for fiscal 2012, 2011 and 2010, all impairment losses and disposal costs, gains and losses on disposition attributable to these restaurants have been aggregated in a single caption entitled "Losses from discontinued operations, net of tax benefit" on the accompanying consolidated statements of earnings.

Unless otherwise noted, amounts and disclosures throughout these notes to consolidated financial statements relate to our continuing operations.

Fiscal Year
We operate on a 52/53 week fiscal year, which ends on the last Sunday in May. Fiscal 2012, 2011 and 2010 consisted of 52 weeks of operation.

Use of Estimates
We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents
Cash equivalents include highly liquid investments such as U.S. Treasury bills, taxable municipal bonds and money market funds that have an original maturity of three months or less. Amounts receivable from credit card companies are also considered cash equivalents because they are both short term and highly liquid in nature and are typically converted to cash within three days of the sales transaction.

Receivables, Net
Receivables, net of the allowance for doubtful accounts, represent their estimated net realizable value. Provisions for doubtful accounts are recorded based on historical collection experience and the age of the receivables. Receivables are written off when they are deemed uncollectible. See Note 3 – Receivables, Net for additional information.

Inventories
Inventories consist of food and beverages and are valued at the lower of weighted-average cost or market.

Marketable Securities
Available-for-sale securities are carried at fair value. Classification of marketable securities as current or noncurrent is dependent upon management's intended holding period, the security's maturity date, or both. Unrealized gains and losses, net of tax, on available-for-sale securities are carried in accumulated other comprehensive income (loss) within the consolidated financial statements and are reclassified into earnings when the securities mature or are sold.

Land, Buildings and Equipment, Net
Land, buildings and equipment are recorded at cost less accumulated depreciation. Building components are depreciated over estimated useful lives ranging from 7 to 40 years using the straight-line method. Leasehold improvements, which are reflected on our consolidated balance sheets as a component of buildings in land, buildings and equipment, net, are amortized over the lesser of the expected lease term, including cancelable option periods, or the estimated useful lives of the related assets using the straight-line method. Equipment is depreciated over estimated useful lives ranging from 2 to 10 years also using the straight-line method. See Note 5 – Land, Buildings and Equipment, Net for additional information. Gains and losses on the disposal of land, buildings and equipment are included in selling, general and administrative expenses in our accompanying consolidated statements of earnings. Depreciation and amortization expense from continuing operations associated with buildings and equipment and losses on disposal of land, buildings and equipment were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Depreciation and amortization on buildings and equipment	$ 340.6	$ 308.7	$ 293.2
Losses on disposal of land, buildings and equipment	7.1	6.9	0.3

Capitalized Software Costs and Other Definite-Lived Intangibles

Capitalized software, which is a component of other assets, is recorded at cost less accumulated amortization. Capitalized software is amortized using the straight-line method over estimated useful lives ranging from 3 to 10 years. The cost of capitalized software and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Capitalized software	$ 84.3	$ 79.9
Accumulated amortization	(63.4)	(56.1)
Capitalized software, net of accumulated amortization	$ 20.9	$ 23.8

We have other definite-lived intangible assets, including assets related to the value of below-market leases, which were acquired as part of the RARE Hospitality International, Inc. (RARE) and Eddie V's acquisitions and are included as a component of other assets on our consolidated balance sheets. We also have definite-lived intangible liabilities related to the value of above-market leases, which were acquired as part of the RARE and Eddie V's acquisitions and are included in other liabilities on our consolidated balance sheets. Definite-lived intangibles are amortized on a straight-line basis over estimated useful lives of 1 to 20 years. The cost and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Other definite-lived intangibles	$ 13.2	$ 11.1
Accumulated amortization	(6.2)	(5.6)
Other definite-lived intangible assets, net of accumulated amortization	$ 7.0	$ 5.5

(in millions)	May 27, 2012	May 29, 2011
Below-market leases	$ 24.0	$ 25.3
Accumulated amortization	(7.1)	(8.6)
Below market-leases, net of accumulated amortization	$ 16.9	$ 16.7

(in millions)	May 27, 2012	May 29, 2011
Above-market leases	$ (8.6)	$ (8.4)
Accumulated amortization	2.3	1.8
Above-market leases, net of accumulated amortization	$ (6.3)	$ (6.6)

Amortization expense associated with capitalized software and other definite-lived intangibles included in depreciation and amortization in our accompanying consolidated statements of earnings was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Amortization expense - capitalized software	$ 7.8	$ 7.7	$ 7.3
Amortization expense - other definite-lived intangibles	0.7	0.4	0.4

Amortization expense associated with above- and-below-market leases included in restaurant expenses as a component of rent expense on our consolidated statements of earnings was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Restaurant expense - below-market leases	$ 1.8	$ 2.2	$ 2.6
Restaurant expense - above-market leases	(0.5)	(0.5)	(0.5)

Amortization of capitalized software and other definite-lived intangible assets will be approximately $10.0 million annually for fiscal 2013 through 2017.

Trust-Owned Life Insurance

We have a trust that purchased life insurance policies covering certain of our officers and other key employees (trust-owned life insurance or TOLI). The trust is the owner and sole beneficiary of the TOLI policies. The policies were purchased to offset a portion of our obligations under our non-qualified deferred compensation plan. The cash surrender value for each policy is included in other assets while changes in cash surrender values are included in selling, general and administrative expenses.

Liquor Licenses

The costs of obtaining non-transferable liquor licenses that are directly issued by local government agencies for nominal fees are expensed as incurred. The costs of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived intangible assets and included in other assets. Liquor licenses are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Annual liquor license renewal fees are expensed over the renewal term.

Goodwill and Trademarks

We review our goodwill and trademarks for impairment annually, as of the first day of our fourth fiscal quarter or more frequently if indicators of impairment exist. Goodwill and trademarks are not subject to amortization and have been assigned to reporting units for purposes of impairment testing. The reporting units are our restaurant brands. Our goodwill and trademark balances are allocated as follows:

(in millions)	May 27, 2012	May 29, 2011
Goodwill:		
The Capital Grille	$ 401.8	$ 402.1
LongHorn Steakhouse	49.5	49.8
Olive Garden (1)	30.2	30.2
Red Lobster (1)	35.0	35.0
Eddie V's	22.1	—
Total Goodwill	$ 538.6	$ 517.1
Trademarks:		
The Capital Grille	$ 147.0	$ 147.0
LongHorn Steakhouse	307.0	307.0
Eddie V's Prime Seafood and Wildfish Seafood Grille	10.9	—
Total Trademarks	$ 464.9	$ 454.0

(1) Goodwill related to Olive Garden and Red Lobster is associated with the RARE acquisition and the direct benefits derived by Olive Garden and Red Lobster as a result of the RARE acquisition.

A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in our expected future cash flows; a sustained, significant decline in our stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The goodwill impairment test involves a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. We estimate fair value using the best information available, including market information and discounted cash flow projections (also referred to as the income approach). The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in sales, costs and number of units, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. We validate our estimates of fair value under the income approach by comparing the values to fair value estimates using a market approach. A market approach estimates fair value by applying cash flow and sales multiples to the reporting unit's operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units.

If the fair value of the reporting unit is higher than its carrying value, goodwill is deemed not to be impaired, and no further testing is required. If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment loss for the difference.

Consistent with our accounting policy for goodwill and trademarks we performed our annual impairment test of our goodwill and trademarks as of the first day of our fiscal 2012 fourth quarter. As of the beginning of our fiscal fourth quarter, we had seven reporting units: Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's. Two of these reporting units, LongHorn Steakhouse and The Capital Grille, have a significant amount of goodwill. As we finalized the purchase price allocation for Eddie V's during our fourth fiscal quarter of 2012 and no indicators of impairment were identified, we excluded the goodwill allocated to Eddie V's from our annual impairment test. As part of our process for performing the step one impairment test of goodwill, we estimated the fair value of our reporting units utilizing the income and market approaches described above to derive an enterprise value of the Company. We reconciled the enterprise value to our overall estimated market capitalization. The estimated market capitalization considers recent trends in our market capitalization and an expected control premium, based on comparable recent and historical transactions. Based on the results of the step one impairment test, no impairment of goodwill was indicated.

The fair value of trademarks are estimated and compared to the carrying value. We estimate the fair value of trademarks using the relief-from-royalty method, which requires assumptions related to projected sales from our annual long-range plan; assumed royalty rates that could be payable if we did not own the trademarks; and a discount rate. We recognize an impairment loss when the estimated fair value of the trademarks is less than its carrying value. We completed our impairment test and concluded as of the date of the test, there was no impairment of the trademarks for LongHorn Steakhouse and The Capital Grille.

We determined that there was no goodwill or trademark impairment as of the first day of our fourth fiscal quarter and no additional indicators of impairment were identified through the end of our fourth fiscal quarter that would require us to test further for impairment. However, declines in our market capitalization (reflected in our stock price) as well as in the market capitalization of other companies in the restaurant industry, declines in sales at our restaurants, and significant adverse changes in the operating environment for the restaurant industry may result in future impairment.

Changes in circumstances, existing at the measurement date or at other times in the future, or in the numerous estimates associated with management's judgments and assumptions made in assessing the fair value of our goodwill, could result in an impairment loss of a portion or all of our goodwill or trademarks. If we recorded an impairment loss, our financial position and results of operations would be adversely affected and our leverage ratio for purposes of our credit agreement would increase. A leverage ratio exceeding the maximum permitted under our credit agreement would be a default under our credit agreement. At May 27, 2012, a write down of goodwill, other indefinite-lived intangible assets, or any other assets in excess of approximately $850.0 million would have been required to cause our leverage ratio to exceed the permitted maximum. As our leverage ratio is determined on a quarterly basis and due to the seasonal nature of our business, a lesser amount of impairment in future quarters could cause our leverage ratio to exceed the permitted maximum.

We evaluate the useful lives of our other intangible assets, primarily intangible assets associated with the RARE acquisition, to determine if they are definite or indefinite-lived. A determination on useful life requires significant judgments and assumptions regarding the future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, legislative action that results in an uncertain or changing regulatory environment, and expected changes in distribution channels), the level of required maintenance expenditures, and the expected lives of other related groups of assets.

Impairment or Disposal of Long-Lived Assets

Land, buildings and equipment and certain other assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. If such assets are determined to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined based on appraisals or sales prices of comparable assets. Restaurant sites and certain other assets to be disposed of are reported at the lower of their carrying amount or fair value, less estimated costs to sell. Restaurant sites and certain other assets to be disposed of are included in assets held for disposal within prepaid expenses and other current assets in our consolidated balance sheets when certain criteria are met. These criteria include the requirement that the likelihood of disposing of these assets within one year is probable. Assets not meeting the

“held for sale” criteria remain in land, buildings and equipment until their disposal is probable within one year.

We account for exit or disposal activities, including restaurant closures, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 420, Exit or Disposal Cost Obligations. Such costs include the cost of disposing of the assets as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date we cease using a property under an operating lease, we record a liability for the net present value of any remaining lease obligations, net of estimated sublease income. Any subsequent adjustments to that liability as a result of lease termination or changes in estimates of sublease income are recorded in the period incurred. Upon disposal of the assets, primarily land, associated with a closed restaurant, any gain or loss is recorded in the same caption within our consolidated statements of earnings as the original impairment.

Insurance Accruals

Through the use of insurance program deductibles and self-insurance, we retain a significant portion of expected losses under our workers’ compensation, employee medical and general liability programs. However, we carry insurance for individual workers’ compensation and general liability claims that exceed $0.5 million. Accrued liabilities have been recorded based on our estimates of the anticipated ultimate costs to settle all claims, both reported and not yet reported.

Revenue Recognition

Sales, as presented in our consolidated statements of earnings, represents food and beverage product sold and is presented net of discounts, coupons, employee meals and complimentary meals and gift cards. Revenue from restaurant sales is recognized when food and beverage products are sold. Sales taxes collected from customers and remitted to governmental authorities are presented on a net basis within sales on our consolidated statements of earnings.

Revenues from the sales of franchises are recognized as income when substantially all of our material obligations under the franchise agreement have been performed. Continuing royalties, which are a percentage of net sales of franchised restaurants, are accrued as income when earned.

Unearned Revenues

Unearned revenues represent our liability for gift cards that have been sold but not yet redeemed. We recognize sales from our gift cards when the gift card is redeemed by the customer. Although there are no expiration dates or dormancy fees for our gift cards, based on our analysis of our historical gift card redemption patterns, we can reasonably estimate the amount of gift cards for which redemption is remote, which is referred to as “breakage”. We recognize breakage within sales for unused gift card amounts in proportion to actual gift card redemptions, which is also referred to as the “redemption recognition” method. The estimated value of gift cards expected to remain unused is recognized over the expected period of redemption as the remaining gift card values are redeemed, generally over a period of 10 years. Utilizing this method, we estimate both the amount of breakage and the time period of redemption. If actual redemption patterns vary from our estimates, actual gift card breakage income may differ from the amounts recorded. We update our estimates of our redemption period and our breakage rate periodically and apply that rate to gift card redemptions.

Food and Beverage Costs

Food and beverage costs include inventory, warehousing, related purchasing and distribution costs and gains and losses on certain commodity derivative contracts. Vendor allowances received in connection with the purchase of a vendor’s products are recognized as a reduction of the related food and beverage costs as earned. Advance payments are made by the vendors based on estimates of volume to be purchased from the vendors and the terms of the agreement. As we make purchases from the vendors each period, we recognize the pro rata portion of allowances earned as a reduction of food and beverage costs for that period. Differences between estimated and actual purchases are settled in accordance with the terms of the agreements. Vendor agreements are generally for a period of one year or more and payments received are initially recorded as long-term liabilities. Amounts which are expected to be earned within one year are recorded as current liabilities.

Income Taxes

We provide for federal and state income taxes currently payable as well as for those deferred because of temporary differences between reporting income and expenses for financial statement purposes versus tax purposes. Federal income tax credits are recorded as a reduction of income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Interest recognized on reserves for uncertain tax positions is included in interest, net in our consolidated statements of earnings. A corresponding liability for accrued interest is included as a component of other current liabilities in our consolidated balance sheets. Penalties, when incurred, are recognized in selling, general and administrative expenses.

ASC Topic 740, Income Taxes, requires that a position taken or expected to be taken in a tax return be recognized (or derecognized) in the financial statements when it is more likely than not (i.e., a likelihood of more than 50 percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. See Note 16 - Income Taxes for additional information.

Income tax benefits credited to equity relate to tax benefits associated with amounts that are deductible for income tax purposes but do not affect earnings. These benefits are principally generated from employee exercises of non-qualified stock options and vesting of employee restricted stock awards.

Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments as required by FASB ASC Topic 815, Derivatives and Hedging, and those utilized as economic hedges. We use financial and commodities derivatives to manage interest rate, compensation, commodities pricing and foreign currency exchange rate risks inherent in our business operations. Our use of derivative instruments is currently limited to interest rate hedges; equity forwards contracts; commodities futures and options contracts and foreign currency forward contracts. These instruments are generally structured as hedges of the variability of cash flows related to forecasted transactions (cash flow hedges). However, we do at times enter into instruments designated as fair value hedges to reduce our exposure to changes in fair value of the related hedged item. We do not enter into derivative instruments for trading or speculative purposes, where changes in the cash flows or fair value of the derivative are not expected to offset changes in cash flows or fair value of the hedged item. However, we have entered into equity forwards to economically hedge changes in the fair value of employee investments in our non-qualified deferred compensation plan and certain commodity futures contracts to economically hedge changes in the value of certain inventory purchases, for which we have not applied hedge accounting. All derivatives are recognized on the balance sheet at fair value. For those derivative instruments for which we intend to elect hedge accounting, on the date the derivative contract is entered into, we document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking the various hedge transactions. This process includes linking all derivatives designated as cash flow hedges to specific assets and liabilities on the consolidated balance sheet or to specific forecasted transactions. We also formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

To the extent our derivatives are effective in offsetting the variability of the hedged cash flows, and otherwise meet the cash flow hedge accounting criteria required by Topic 815 of the FASB ASC, changes in the derivatives' fair value are not included in current earnings but are included in accumulated other comprehensive income (loss), net of tax. These changes in fair value will be reclassified into earnings at the time of the forecasted transaction. Ineffectiveness measured in the hedging relationship is recorded currently in earnings in the period in which it occurs. To the extent our derivatives are effective in mitigating changes in fair value, and otherwise meet the fair value hedge accounting criteria required by Topic 815 of the FASB ASC, gains and losses in the derivatives' fair value are included in current earnings, as are the gains and losses of the related hedged item. To the extent the hedge accounting criteria are not met, the derivative contracts are utilized as economic hedges and changes in the fair value of such contracts are recorded currently in earnings in the period in which they occur. Cash flows related to derivatives are included in operating activities. See Note 10 – Derivative Instruments and Hedging Activities for additional information.

Leases

For operating leases, we recognize rent expense on a straight-line basis over the expected lease term, including cancelable option periods where failure to exercise the options would result in an economic penalty to the Company.

Differences between amounts paid and amounts expensed are recorded as deferred rent. Capital leases are recorded as an asset and an obligation at an amount equal to the present value of the minimum lease payments during the lease term. Within the provisions of certain of our leases, there are rent holidays and escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and escalations have been reflected in rent expense on a straight-line basis over the expected lease term, which includes cancelable option periods where failure to exercise such options would result in an economic penalty to the Company. The lease term commences on the date when we have the right to control the use of the leased property, which is typically before rent payments are due under the terms of the lease. Many of our leases have renewal periods totaling 5 to 20 years, exercisable at our option and require payment of property taxes, insurance and maintenance costs in addition to the rent payments. The consolidated financial statements reflect the same lease term for amortizing leasehold improvements as we use to determine capital versus operating lease classifications and in calculating straight-line rent expense

for each restaurant. Percentage rent expense is generally based on sales levels and is accrued at the point in time we determine that it is probable that such sales levels will be achieved. Amortization expense related to capital leases is included in depreciation and amortization expense on our consolidated statements of earnings.

Pre-Opening Expenses

Non-capital expenditures associated with opening new restaurants are expensed as incurred.

Advertising

Production costs of commercials are charged to operations in the fiscal period the advertising is first aired. The costs of programming and other advertising, promotion and marketing programs are charged to operations in the fiscal period incurred. Advertising expense related to continuing operations, included in selling, general and administrative expenses was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Advertising expense	$ 357.2	$ 340.2	$ 311.9

Stock-Based Compensation

We recognize the cost of employee service received in exchange for awards of equity instruments based on the grant date fair value of those awards. We utilize the Black-Scholes option pricing model to estimate the fair value of stock option awards. We recognize compensation expense on a straight-line basis over the employee service period for awards granted. The dividend yield has been estimated based upon our historical results and expectations for changes in dividend rates. The expected volatility was determined using historical stock prices. The risk-free interest rate was the rate available on zero coupon U.S. government obligations with a term approximating the expected life of each grant. The expected life was estimated based on the exercise history of previous grants, taking into consideration the remaining contractual period for outstanding awards. The weighted-average fair value of non-qualified stock options and the related assumptions used in the Black-Scholes model to record stock-based compensation are as follows:

	Stock Options Granted in Fiscal Year		
	2012	2011	2010
Weighted-average fair value	$ 14.31	$ 12.88	$ 10.74
Dividend yield	3.5%	3.0%	2.8%
Expected volatility of stock	39.4%	39.1%	40.6%
Risk-free interest rate	2.1%	2.2%	3.0%
Expected option life (in years)	6.5	6.7	6.6

Net Earnings per Share

Basic net earnings per share are computed by dividing net earnings by the weighted-average number of common shares outstanding for the reporting period. Diluted net earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Outstanding stock options, restricted stock, benefits granted under our Employee Stock Purchase Plan and performance stock units granted by us represent the only dilutive effect reflected in diluted weighted-average shares outstanding. These stock-based compensation instruments do not impact the numerator of the diluted net earnings per share computation.

The following table presents the computation of basic and diluted net earnings per common share:

(in millions, except per share data)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 476.5	$ 478.7	$ 407.0
Losses from discontinued operations	(1.0)	(2.4)	(2.5)
Net earnings	$ 475.5	$ 476.3	$ 404.5
Average common shares outstanding – Basic	130.1	136.8	139.3
Effect of dilutive stock-based compensation	3.1	3.5	3.1
Average common shares outstanding – Diluted	133.2	140.3	142.4
Basic net earnings per share:			
Earnings from continuing operations	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:			
Earnings from continuing operations	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.57	$ 3.39	$ 2.84

Restricted stock and options to purchase shares of our common stock excluded from the calculation of diluted net earnings per share because the effect would have been anti-dilutive, are as follows:

(in millions)	Fiscal Year Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Anti-dilutive restricted stock and options	2.6	1.2	3.3

Comprehensive Income

Comprehensive income includes net earnings and other comprehensive income (loss) items that are excluded from net earnings under U.S. generally accepted accounting principles. Other comprehensive income (loss) items include foreign currency translation adjustments, the effective unrealized portion of changes in the fair value of cash flow hedges, unrealized gains and losses on our marketable securities classified as held for sale and recognition of the funded status and amortization of unrecognized net actuarial gains and losses related to our pension and other postretirement plans. See Note 13 - Stockholders' Equity for additional information.

Foreign Currency

The Canadian dollar is the functional currency for our Canadian restaurant operations. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations are translated using the average exchange rates prevailing throughout the period. Translation gains and losses are reported as a separate component of other comprehensive income (loss). Aggregate cumulative translation losses were $1.6 million and $0.4 million at May 27, 2012 and May 29, 2011, respectively. Gains and losses from foreign currency transactions recognized in our consolidated statements of earnings were not significant for fiscal 2012, 2011 or 2010.

Segment Reporting

As of May 27, 2012, we operated the Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's restaurant brands in North America as operating segments. The brands operate principally in the U.S. within the full-service dining industry, providing similar products to similar customers. The brands also possess similar economic characteristics, resulting in similar long-term expected financial performance characteristics. Sales from external customers are derived principally from food and beverage sales. We do not rely on any major customers as a source of sales. We believe we meet the criteria for aggregating our operating segments into a single reporting segment.

Application of New Accounting Standards

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. Many of the amendments in this update change the wording used in the existing guidance to better align U.S. generally accepted accounting principles with International Financial Reporting Standards and to clarify the FASB's intent on various aspects of the fair value guidance. This update also requires increased disclosure of quantitative information about unobservable inputs used in a fair value measurement that is categorized within Level 3 of the fair value hierarchy. This update is effective for us in our first quarter of fiscal 2013 and will be applied prospectively. Other than requiring additional disclosures, adoption of this new guidance will not have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, Comprehensive Income (Topic 220), *Presentation of Comprehensive Income*, which requires companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This update eliminates the option to present the components of other comprehensive income as part of the statement of equity. In December 2011, the FASB issued ASU 2011-12, Comprehensive Income (Topic 220), *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05*, to defer the effective date of the specific requirement to present items that are reclassified out of accumulated other comprehensive income to net income alongside their respective components of net income and other comprehensive income. We adopted all other provisions of this update in our fourth quarter of fiscal 2012, with the addition of our consolidated statements of comprehensive income and other changes to our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, Intangibles - Goodwill and Other (Topic 350), *Testing Goodwill for Impairment*, which permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the two-step goodwill impairment model that is currently in place. If it is determined through the qualitative assessment that a reporting unit's fair value is more likely than not greater than its carrying value, the remaining impairment steps would be unnecessary. The qualitative assessment is optional, allowing companies to go directly to the quantitative assessment. This update is effective for annual and interim goodwill impairment tests performed in fiscal years beginning after December 15, 2011, which will require us to adopt these provisions in fiscal 2013; however, early adoption is permitted. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210), *Disclosures about Offsetting Assets and Liabilities*, which requires companies to disclose information about financial instruments that have been offset and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Companies will be required to provide both net (offset amounts) and gross information in the notes to the financial statements for relevant assets and liabilities that are offset. This update is effective for us in our first quarter of fiscal 2014 and will be applied retrospectively. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

NOTE 2 – DISCONTINUED OPERATIONS

For fiscal 2012, 2011 and 2010, all gains and losses on disposition, impairment charges and disposal costs related to the closure and disposition of Smokey Bones and Rocky River Grillhouse restaurants and closure of nine Bahama Breeze restaurants in fiscal 2007 and 2008 have been aggregated to a single caption entitled losses from discontinued operations, net of tax benefit in our consolidated statements of earnings and are comprised of the following:

(in millions)	Fiscal Year		
	2012	2011	2010
Sales	$ —	$ —	$ —
Losses before income taxes	(1.7)	(3.9)	(4.0)
Income tax benefit	0.7	1.5	1.5
Net losses from discontinued operations	$ (1.0)	$ (2.4)	$ (2.5)

As of May 27, 2012 and May 29, 2011, we had $5.6 million and $7.8 million, respectively, of assets associated with the closed restaurants reported as discontinued operations, which are included in land, buildings and equipment, net on the accompanying consolidated balance sheets.

NOTE 3 - RECEIVABLES, NET

Receivables, net are primarily comprised of amounts owed to us from the sale of gift cards in national retail outlets and receivables from national storage and distribution companies with which we contract to provide services that are billed to us on a per-case basis. In connection with these services, certain of our inventory items are conveyed to these storage and distribution companies to transfer ownership and risk of loss prior to delivery of the inventory to our restaurants. We reacquire these items

when the inventory is subsequently delivered to our restaurants. These transactions do not impact the consolidated statements of earnings. Receivables from the sale of gift cards in national retail outlets, national storage and distribution companies and our overall allowance for doubtful accounts are as follows:

(in millions)	May 27, 2012	May 29, 2011
Retail outlet gift card sales	$ 33.4	$ 25.0
Storage and distribution	6.5	17.4
Allowance for doubtful accounts	(0.3)	(0.3)

NOTE 4 –ASSET IMPAIRMENTS

During fiscal 2012, we recognized long-lived asset impairment charges of $0.5 million ($0.3 million net of tax), primarily related to the permanent closure of one Red Lobster, and the write-down of assets held for disposition based on updated valuations. During fiscal 2011, we recognized long-lived asset impairment charges of $4.7 million ($2.9 million net of tax), primarily related to the permanent closure of two Red Lobsters, the write-down of another Red Lobster based on an evaluation of expected cash flows, and the write-down of assets held for disposition based on updated valuations. During fiscal 2010 we recognized long-lived asset impairment charges of $6.2 million ($3.8 million net of tax), primarily related to the write-down of assets held for disposition based on updated valuations, the permanent closure of three Red Lobsters and three LongHorn Steakhouses and the write-down of two LongHorn Steakhouses and one Olive Garden based on an evaluation of expected cash flows. These costs are included in selling, general and administrative expenses as a component of earnings from continuing operations in the accompanying consolidated statements of earnings for fiscal 2012, 2011 and 2010. Impairment charges were measured based on the amount by which the carrying amount of these assets exceeded their fair value. Fair value is generally determined based on appraisals or sales prices of comparable assets and estimates of future cash flows.

The results of operations for all Red Lobster, Olive Garden and LongHorn Steakhouse restaurants permanently closed in fiscal 2012, 2011 and 2010 that would otherwise have met the criteria for discontinued operations reporting are not material to our consolidated financial position, results of operations or cash flows and, therefore, have not been presented as discontinued operations.

NOTE 5 - LAND, BUILDINGS AND EQUIPMENT, NET

The components of land, buildings and equipment, net, are as follows:

(in millions)	May 27, 2012	May 29, 2011
Land	$ 854.1	$ 799.6
Buildings	3,959.7	3,633.1
Equipment	1,701.2	1,511.3
Assets under capital leases	68.1	67.7
Construction in progress	142.5	155.7
Total land, buildings and equipment	$ 6,725.6	$ 6,167.4
Less accumulated depreciation and amortization	(2,758.3)	(2,533.0)
Less amortization associated with assets under capital leases	(16.0)	(12.4)
Land, buildings and equipment, net	$ 3,951.3	$ 3,622.0

NOTE 6 - OTHER ASSETS

The components of other assets are as follows:

(in millions)	May 27, 2012	May 29, 2011
Trust-owned life insurance	$ 68.9	$ 67.5
Capitalized software costs, net	20.9	23.8
Liquor licenses	47.3	43.7
Acquired below-market leases, net	16.9	16.7
Loan costs, net	15.3	12.2
Marketable securities	33.0	18.4
Insurance-related	16.7	16.5
Miscellaneous	12.8	10.9
Total other assets	$ 231.8	$ 209.7

NOTE 7 – SHORT-TERM DEBT

As of May 27, 2012, amounts outstanding as short-term debt, which consist of unsecured commercial paper borrowings, bearing an interest rate of 0.32 percent, were $262.7 million. As of May 29, 2011, amounts outstanding as short-term debt, which consist of unsecured commercial paper borrowings, bearing an interest rate of 0.30 percent, were $185.5 million.

NOTE 8 - OTHER CURRENT LIABILITIES

The components of other current liabilities are as follows:

(in millions)	May 27, 2012	May 29, 2011
Non-qualified deferred compensation plan	$ 201.4	$ 200.1
Sales and other taxes	60.6	61.5
Insurance-related	35.2	33.6
Employee benefits	59.7	42.6
Derivative liabilities	45.3	23.2
Accrued interest	15.6	14.0
Miscellaneous	36.6	34.3
Total other current liabilities	$ 454.4	$ 409.3

NOTE 9 - LONG-TERM DEBT

The components of long-term debt are as follows:

(in millions)	May 27, 2012	May 29, 2011
5.625% senior notes due October 2012	$ 350.0	$ 350.0
7.125% debentures due February 2016	100.0	100.0
6.200% senior notes due October 2017	500.0	500.0
4.500% senior notes due October 2021	400.0	—
6.000% senior notes due August 2035	150.0	150.0
6.800% senior notes due October 2037	300.0	300.0
ESOP loan with variable rate of interest (0.59% at May 27, 2012) due December 2018	5.9	8.0
Total long-term debt	$ 1,805.9	$ 1,408.0
Fair value hedge	3.2	3.7
Less issuance discount	(5.5)	(4.4)
Total long-term debt less issuance discount	$ 1,803.6	$ 1,407.3
Less current portion	(349.9)	—
Long-term debt, excluding current portion	$ 1,453.7	$ 1,407.3

Until October 3, 2011, we maintained a $750.0 million revolving Credit Agreement dated September 20, 2007 (Prior Revolving Credit Agreement) with Bank of America, N.A. (BOA), as administrative agent, and the lenders and other agents party thereto. The Prior Revolving Credit Agreement was a senior unsecured credit commitment to the Company and contained customary representations, affirmative and negative covenants (including limitations on liens and subsidiary debt and a maximum consolidated lease adjusted total debt to total capitalization ratio of 0.75 to 1.00) and events of default usual for credit facilities of this type. The Prior Revolving Credit Agreement also contained a sub-limit of $150.0 million for the issuance of letters of credit. The Prior Revolving Credit Agreement supported our commercial paper borrowing program and would have matured on September 20, 2012, but was terminated on October 3, 2011 when we entered into the new credit arrangements described below and repaid all amounts that were outstanding under the Prior Revolving Credit Agreement.

On October 3, 2011, we entered into a new $750.0 million revolving Credit Agreement (New Revolving Credit Agreement) with BOA, as administrative agent, and the lenders (New Revolving Credit Lenders) and other agents party thereto. The New Revolving Credit Agreement is a senior unsecured credit commitment to the Company and contains customary representations and affirmative and negative covenants (including limitations on liens and subsidiary debt and a maximum consolidated lease adjusted total debt to total capitalization ratio of 0.75 to 1.00) and events of default customary for credit facilities of this type. As of May 27, 2012, we were in compliance with the covenants under the New Revolving Credit Agreement.

The New Revolving Credit Agreement matures on October 3, 2016, and the proceeds may be used for commercial paper back-up, working capital and capital expenditures, the refinancing of certain indebtedness, certain acquisitions and general corporate purposes. The New Revolving Credit Agreement also contains a sub-limit of $150.0 million for the issuance of letters of credit. The borrowings and letters of credit obtained under the New Revolving Credit Agreement may be denominated in U.S. Dollars, Euro, Sterling, Yen, Canadian Dollars and each other currency approved by the New Revolving Credit Lenders. The Company could elect to increase the commitments under the New Revolving Credit Agreement by up to $250.0 million (to an aggregate amount of up to $1.0 billion), subject to the Company obtaining commitments from new and existing lenders for the additional amounts.

Loans under the New Revolving Credit Agreement bear interest at a rate of LIBOR plus a margin determined by reference to a ratings-based pricing grid (Applicable Margin), or the base rate (which is defined as the higher of the BOA prime rate or the Federal Funds rate plus 0.500 percent) plus the Applicable Margin. Assuming a “BBB” equivalent credit rating level, the Applicable Margin under the New Revolving Credit Agreement will be 1.075 percent for LIBOR loans and 0.075 percent for base rate loans. We may also request that loans under the New Revolving Credit Agreement be made at interest rates offered by one or more of the New Revolving Credit Lenders, which may vary from the LIBOR or base rate, for up to $200.0 million of borrowings. The New Revolving Credit Agreement requires that we pay a facility fee on the total amount of such facility (ranging from 0.125 percent to 0.250 percent, based on our credit ratings).

As of May 27, 2012, we had no outstanding balances under the New Revolving Credit Agreement. As of May 27, 2012, $262.7 million of commercial paper and $70.9 million of letters of credit were outstanding, which were backed by this facility. After consideration of commercial paper and letters of credit backed by the New Revolving Credit Agreement, as of May 27, 2012, we had $416.4 million of credit available under the New Revolving Credit Agreement.

On October 11, 2011, we issued $400.0 million aggregate principal amount of unsecured 4.500 percent senior notes due October 2021 (the New Senior Notes) under a registration statement filed with the SEC on October 6, 2010. Discount and issuance costs, which totaled $5.1 million, are being amortized over the term of the New Senior Notes using the straight-line method, the results of which approximate the effective interest method. Interest on the New Senior Notes is payable semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2012. We may redeem the New Senior Notes at any time in whole or from time to time in part, at the principal amount plus a make-whole premium. If we experience a change in control triggering event, unless we have previously exercised our right to redeem the New Senior Notes, we may be required to purchase the New Senior Notes from the holders at a purchase price equal to 101 percent of their principal amount plus accrued and unpaid interest.

The interest rates on our $350.0 million 5.625 percent senior notes due October 2012, $500.0 million 6.200 percent senior notes due October 2017 and $300.0 million 6.800 percent senior notes due October 2037 are subject to adjustment from time to time if the debt rating assigned to such series of notes is downgraded below a certain rating level (or subsequently upgraded). The maximum adjustment is 2.000 percent above the initial interest rate and the interest rate cannot be reduced below the initial interest rate. As of May 27, 2012, no adjustments to these interest rates had been made.

Our $350.0 million of unsecured 5.625 percent senior notes due in October 2012 is included in current liabilities as current portion of long-term debt, which we plan to repay through the issuance of unsecured debt securities in fiscal 2013.

All of our long-term debt currently outstanding is expected to be repaid entirely at maturity with interest being paid semi-annually over the life of the debt. The aggregate maturities of long-term debt for each of the five fiscal years subsequent to May 27, 2012, and thereafter are as follows:

Fiscal Year	Amount
2013	$ 350.0
2014	—
2015	—
2016	100.0
2017	—
Thereafter	1,355.9
Long-term debt	$ 1,805.9

Subsequent to our fiscal 2012 year end, on June 18, 2012, we agreed to issue and sell $80.0 million unsecured 3.790 percent senior notes due in August 2019 and $220.0 million unsecured 4.520 percent senior notes due August 2024 (collectively, the “Notes”), pursuant to the provisions of a Note Purchase Agreement among us and the purchasers named therein. The sale and purchase of the Notes will occur at a closing in August 2012. We intend to use the net proceeds from the offering of the Notes for the repayment of existing indebtedness, and for other general corporate purposes. The Notes were offered in a private placement transaction exempt from the SEC registration requirements. The Note Purchase Agreement contains customary representations and affirmative and negative covenants (including limitations on liens and a provision permitting a maximum priority debt of 20 percent of consolidated tangible net worth, as such terms are defined therein). The Note Purchase Agreement also contains events of default customary for agreements of this type (with customary grace periods, as applicable), including nonpayment of principal or interest when due; material incorrectness of representations and warranties when made; breach of covenants; bankruptcy and insolvency; unsatisfied ERISA obligations; unstayed material judgment beyond specified periods; and default under other material indebtedness.

NOTE 10 – DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We use financial and commodities derivatives to manage interest rate, equity-based compensation and commodities pricing and foreign currency exchange rate risks inherent in our business operations. By using these instruments, we expose ourselves, from time to time, to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. We minimize this credit risk by entering into transactions with high quality counterparties. We currently do not have any provisions in our agreements with counterparties that would require either party to hold or post collateral in the event that the market value of the related derivative instrument exceeds a certain limit. As such, the maximum amount of loss due to counterparty credit risk we would incur at May 27, 2012, if counterparties to the derivative instruments failed completely to perform, would approximate the values of derivative instruments currently recognized as assets in our consolidated balance sheet. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates, commodity prices, or the market price of our common stock. We minimize this market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

The notional values of our derivative contracts designated as hedging instruments and derivative contracts not designated as hedging instruments are as follows:

(in millions)	May 27, 2012	May 29, 2011
Derivative contracts designated as hedging instruments:		
Natural gas	$ 1.1	$ 3.8
Other commodities	7.6	—
Foreign currency	19.4	20.7
Interest rate locks	—	150.0
Interest rate swaps	550.0	350.0
Equity forwards	21.7	18.0
Derivative contracts not designated as hedging instruments:		
Natural gas	$ —	$ 7.7
Other commodities	—	12.7
Equity forwards	50.0	24.0

We periodically enter into natural gas futures, swaps and option contracts (collectively “natural gas contracts") to reduce the risk of variability in cash flows associated with fluctuations in the price of natural gas during the fiscal year. For a certain portion of our natural gas purchases, changes in the price we pay for natural gas is highly correlated with changes in the market price of natural gas. For these natural gas purchases, we designate natural gas contracts as cash flow hedging instruments. For the remaining portion of our natural gas purchases, changes in the price we pay for natural gas are not highly correlated with changes in the market price of natural gas, generally due to the timing of when changes in the market prices are reflected in the price we pay. For these natural gas purchases, we utilize natural gas contracts as economic hedges. Our natural gas contracts currently extend through September 2012.

We periodically enter into other commodity futures and swaps (typically for soybean oil, milk, diesel fuel, gasoline and butter) to reduce the risk of fluctuations in the price we pay for these commodities, which are either used directly in our restaurants (i.e., class III milk contracts for cheese and soybean oil for salad dressing) or are components of the cost we pay for items used in our restaurants (i.e., diesel fuel contracts to mitigate risk related to diesel fuel surcharges charged by our distributors). Our other commodity futures and swap contracts currently extend through May 2013.

We periodically enter into foreign currency forward contracts to reduce the risk of fluctuations in exchange rates specifically related to forecasted transactions or payments made in a foreign currency either for commodities and items used directly in our restaurants or for forecasted payments of services. Our foreign currency forward contracts currently extend through May 2013.

We entered into treasury-lock derivative instruments with $300.0 million of notional value to hedge a portion of the risk of changes in the benchmark interest rate prior to the issuance of the New Senior Notes in the second quarter of fiscal 2012, as changes in the benchmark interest rate would cause variability in our forecasted interest payments. These derivative instruments were designated as cash flow hedges. These instruments were settled at the issuance of the New Senior Notes for a cumulative loss of $53.7 million. Of the cumulative loss, $52.6 million was recorded in accumulated other comprehensive income (loss) and will be reclassified into earnings as an adjustment to interest expense on the New Senior Notes or similar debt as incurred.

We entered into forward-starting interest rate swap agreements with $300.0 million of notional value to hedge a portion of the risk of changes in the benchmark interest rate associated with the expected issuance of long-term debt to refinance our $350.0 million 5.625 percent senior notes due October 2012, as changes in the benchmark interest rate will cause variability in our forecasted interest payments. These derivative instruments are designated as cash flow hedges.

We entered into interest rate swap agreements with $250.0 million of notional value to limit the risk of changes in fair value of a portion of the $350.0 million 5.625 percent senior notes due October 2012 and a portion of the $400.0 million 4.500 percent senior notes due October 2021 attributable to changes in the benchmark interest rate, between inception of the interest rate swap agreements and maturity of the related debt. The swap agreements effectively swap the fixed rate obligations for floating rate obligations, thereby mitigating changes in fair value of the related debt prior to maturity. The swap agreements were designated as fair value hedges of the related debt and met the requirements to be accounted for under the short-cut method, resulting in no ineffectiveness in the hedging relationship. During fiscal 2012, 2011 and 2010, $3.3 million, $3.6 million and $3.4 million, respectively, was recorded as a reduction to interest expense related to the net swap settlements.

We enter into equity forward contracts to hedge the risk of changes in future cash flows associated with the unvested, unrecognized Darden stock units. The equity forward contracts will be settled at the end of the vesting periods of their underlying Darden stock units, which range between four and five years. The contracts were initially designated as cash flow hedges to the extent the Darden stock units are unvested and, therefore, unrecognized as a liability in our financial statements. As of May 27, 2012, we were party to equity forward contracts that were indexed to 1.1 million shares of our common stock, at varying forward rates between $27.57 per share and $45.66 per share, extending through August 2016. The forward contracts can only be net settled in cash. As the Darden stock units vest, we will de-designate that portion of the equity forward contract that no longer qualifies for hedge accounting and changes in fair value associated with that portion of the equity forward contract will be recognized in current earnings. We periodically incur interest on the notional value of the contracts and receive dividends on the underlying shares. These amounts are recognized currently in earnings as they are incurred.

We entered into equity forward contracts to hedge the risk of changes in future cash flows associated with recognized, cash-settled performance stock units and employee-directed investments in Darden stock within the non-qualified deferred compensation plan. The equity forward contracts are indexed to 0.7 million shares of our common stock at forward rates between $23.41 and $50.19 per share, can only be net settled in cash and expire between fiscal 2013 and 2016. We did not elect hedge accounting with the expectation that changes in the fair value of the equity forward contracts would offset changes in the fair value of the performance stock units and Darden stock investments in the non-qualified deferred compensation plan within selling, general and administrative expenses in our consolidated statements of earnings.

The fair value of our derivative contracts designated as hedging instruments and derivative contracts that are not designated as hedging instruments are as follows:

(in millions)	Balance Sheet Location	Derivative Assets		Derivative Liabilities	
		May 27, 2012	May 29, 2011	May 27, 2012	May 29, 2011
Derivative contracts designated as hedging instruments					
Commodity contracts	(1)	$ 0.3	$ 0.1	$ (0.4)	$ —
Equity forwards	(1)	0.9	0.4	—	—
Interest rate related	(1)	3.2	3.6	(44.9)	(23.2)
Foreign currency forwards	(1)	0.5	0.6	—	—
		$ 4.9	$ 4.7	$ (45.3)	$ (23.2)
Derivative contracts not designated as hedging instruments					
Commodity contracts	(1)	$ —	$ 0.6	$ —	$ —
Equity forwards	(1)	1.9	0.5	—	—
		$ 1.9	$ 1.1	$ —	$ —
Total derivative contracts		$ 6.8	$ 5.8	$ (45.3)	$ (23.2)

(1) Derivative assets and liabilities are included in receivables, net, prepaid expenses and other current assets, and other current liabilities, as applicable, on our consolidated balance sheets.

The effects of derivative instruments in cash flow hedging relationships on the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)			Location of Gain (Loss) Reclassified from AOCI to Earnings	Amount of Gain (Loss) Reclassified from AOCI to Earnings (Effective Portion)			Location of Gain (Loss) Recognized in Earnings (Ineffective Portion)	(1) Amount of Gain (Loss) Recognized in Earnings (Ineffective Portion)		
	Fiscal Year				Fiscal Year				Fiscal Year		
	2012	2011	2010		2012	2011	2010		2012	2011	2010
Commodity	$ (2.2)	$ (0.2)	$ (2.1)	(2)	$ (1.7)	$ (0.9)	$ (3.8)	(2)	$ —	$ —	$ —
Equity	(0.7)	2.6	3.9	(3)	—	—	—	(3)	0.6	0.2	0.3
Interest rate	(75.2)	(12.2)	(7.7)	Interest, net	(2.9)	0.7	0.5	Interest, net	(0.7)	(0.5)	—
Foreign currency	0.9	(0.1)	1.3	(4)	0.8	0.4	1.1	(4)	—	—	—
	$(77.2)	$ (9.9)	$ (4.6)		$ (3.8)	$ 0.2	$ (2.2)		$ (0.1)	$ (0.3)	$ 0.3

(1) Generally, all of our derivative instruments designated as cash flow hedges have some level of ineffectiveness, which is recognized currently in earnings. However, as these amounts are generally nominal and our consolidated financial statements are presented "in millions," these amounts may appear as zero in this tabular presentation.

(2) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs and restaurant expenses, which are components of cost of sales.

(3) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is restaurant labor expenses, which is a component of cost of sales, and selling, general and administrative expenses.

(4) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs, which is a component of cost of sales, and selling, general and administrative expenses.

The effects of derivative instruments in fair value hedging relationships on the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in Earnings on Derivatives			Location of Gain (Loss) Recognized in Earnings on Derivatives	Hedged Item in Fair Value Hedge Relationship	Amount of Gain (Loss) Recognized in Earnings on Related Hedged Item			Location of Gain (Loss) Recognized in Earnings on Related Hedged Item
	Fiscal Year					Fiscal Year			
	2012	2011	2010			2012	2011	2010	
Interest rate	$ (0.4)	$ 0.2	$ 3.4	Interest, net	Debt	$ 0.4	$ (0.2)	$ (3.4)	Interest, net

The effects of derivatives not designated as hedging instruments on the consolidated statements of earnings are as follows:

(in millions)	Location of Gain (Loss) Recognized in Earnings	Amount of Gain (Loss) Recognized in Earnings		
		Fiscal Year		
		2012	2011	2010
Commodity contracts	Cost of sales (1)	$ (7.9)	$ 0.6	$ (0.2)
Equity forwards	Cost of sales (2)	2.3	3.3	2.2
Equity forwards	Selling, general and administrative	6.0	3.3	1.3

	$ 0.4	$ 7.2	$ 3.3

(1) Location of the gain (loss) recognized in earnings is food and beverage costs and restaurant expenses, which are components of cost of sales.

(2) Location of the gain (loss) recognized in earnings is restaurant labor expenses, which is a component of cost of sales.

Based on the fair value of our derivative instruments designated as cash flow hedges as of May 27, 2012, we expect to reclassify $7.4 million of net losses on derivative instruments from accumulated other comprehensive income (loss) to earnings during the next twelve months based on the timing of our forecasted commodity purchases and maturity of equity forward and interest rate related instruments. However, the amounts ultimately realized in earnings will be dependent on the fair value of the contracts on the settlement dates.

NOTE 11 – FAIR VALUE MEASUREMENTS

The fair values of cash equivalents, receivables, net, accounts payable and short-term debt approximate their carrying amounts due to their short duration.

The following tables summarize the fair values of financial instruments measured at fair value on a recurring basis at May 27, 2012 and May 29, 2011:

Items Measured at Fair Value at May 27, 2012

(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	$ 14.5	$ —	$ 14.5	$ —
U.S. Treasury securities	(2)	13.3	13.3	—	—
Mortgage-backed securities	(1)	9.9	—	9.9	—
Derivatives:					
Commodities futures, swaps & options	(3)	(0.1)	—	(0.1)	—
Equity forwards	(4)	2.8	—	2.8	—
Interest rate locks & swaps	(5)	(41.7)	—	(41.7)	—
Foreign currency forwards	(6)	0.5	—	0.5	—
Total		$ (0.8)	$ 13.3	$ (14.1)	$ —

Items Measured at Fair Value at May 29, 2011

(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	$ 16.6	$ —	$ 16.6	$ —
U.S. Treasury securities	(2)	10.6	10.6	—	—
Mortgage-backed securities	(1)	4.9	—	4.9	—
Derivatives:					
Commodities futures, swaps & options	(3)	0.7	—	0.7	—
Equity forwards	(4)	0.9	—	0.9	—
Interest rate locks & swaps	(5)	(19.6)	—	(19.6)	—
Foreign currency forwards	(6)	0.6	—	0.6	—
Total		$ 14.7	$ 10.6	$ 4.1	$ —

(1) The fair value of these securities is based on the closing market prices of the investments when applicable, or, alternatively, valuations utilizing market data and other observable inputs, inclusive of the risk of nonperformance.

(2) The fair value of our U.S. Treasury securities is based on the closing market prices.

(3) The fair value of our commodities futures, swaps and options is based on closing market prices of the contracts, inclusive of the risk of nonperformance.

(4) The fair value of our equity forwards is based on the closing market value of Darden stock, inclusive of the risk of nonperformance.

(5) The fair value of our interest rate lock and swap agreements is based on current and expected market interest rates, inclusive of the risk of nonperformance.

(6) The fair value of our foreign currency forward contracts is based on the closing forward exchange market prices, inclusive of the risk of nonperformance.

The carrying value and fair value of long-term debt, including the amounts included in current liabilities, as of May 27, 2012, was $1.80 billion and $1.99 billion, respectively. The carrying value and fair value of long-term debt as of May 29, 2011, was $1.41 billion and $1.56 billion, respectively. The fair value of long-term debt is determined based on market prices or, if market prices are not available, the present value of the underlying cash flows discounted at our incremental borrowing rates.

The following table summarizes the fair values of non-financial assets measured at fair value on a non-recurring basis at May 27, 2012:

(in millions)		Fair Value of Assets	Items Measured at Fair Value: Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-lived assets held for disposal	(1)	$ 3.2	$ —	$ —	$ 3.2
Long-lived assets held and used	(2)	0.7	—	—	0.7
Total		$ 3.9	$ —	$ —	$ 3.9

(1) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held for disposal with a carrying amount of $3.5 million were written down to their fair value of $3.2 million, based on a review of comparable assets, resulting in an impairment charge of $0.3 million, which was included in losses from discontinued operations.

(2) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held and used with a carrying amount of $1.1 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $0.4 million, which was included in earnings from continuing operations.

The following table summarizes the fair values of non-financial assets measured at fair value on a non-recurring basis at May 29, 2011:

(in millions)		Fair Value of Assets	Items Measured at Fair Value: Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-lived assets held for disposal	(1)	$ 4.4	$ —	$ —	$ 4.4
Long-lived assets held and used	(2)	0.7	—	—	0.7
Total		$ 5.1	$ —	$ —	$ 5.1

(1) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held for disposal with a carrying amount of $7.0 million were written down to their fair value of $4.4 million, based on a review of comparable assets, resulting in an impairment charge of $2.6 million, of which $1.9 million was included in earnings from continuing operations and $0.7 million was included in losses from discontinued operations.

(2) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held and used with a carrying amount of $2.8 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $2.1 million, which was included in earnings from continuing operations.

NOTE 12 - FINANCIAL INSTRUMENTS

Marketable securities are carried at fair value and consist of available-for-sale securities related to insurance funding requirements for our workers compensation and general liability claims. The following table summarizes cost and market value for our securities that qualify as available-for-sale as of May 27, 2012:

(in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Available-for-sale securities	$ 37.2	$ 0.5	$ —	$ 37.7

Earnings include insignificant realized gains and loss from sales of available-for-sale securities. At May 27, 2012, the scheduled maturities of our available-for-sale securities are as follows:

(in millions)	Cost	Market Value
Less than 1 year	$ 4.7	$ 4.7
1 to 3 years	22.8	23.2
3 to 5 years	9.7	9.8
Total	$ 37.2	$ 37.7

NOTE 13 - STOCKHOLDERS' EQUITY

Treasury Stock

Repurchased common stock is reflected as a reduction of stockholders' equity. On December 17, 2010, our Board of Directors authorized an additional share repurchase authorization totaling 25.0 million shares in addition to the previous authorization of 162.4 million shares. Share repurchase authorizations and cumulative share repurchases under these authorizations, are as follows:

(in millions)	May 27, 2012
Share repurchase authorizations	187.4
Cumulative shares repurchased	170.9

The total shares and related cost of our common stock we repurchased was as follows:

(in millions)	Fiscal Year					
	2012		2011		2010	
	Shares	Cost	Shares	Cost	Shares	Cost
Treasury stock repurchases	8.2	$ 375.1	8.6	$ 385.5	2.0	$ 85.1

Stockholders' Rights Plan

Under our Rights Agreement dated May 16, 2005, each share of our common stock has associated with it one right to purchase one thousandth of a share of our Series A Participating Cumulative Preferred Stock at a purchase price of $120 per share, subject to adjustment under certain circumstances to prevent dilution. The rights are exercisable when, and are not transferable apart from our common stock until, a person or group has acquired 15 percent or more, or makes a tender offer for 15 percent or more, of our common stock. If the specified percentage of our common stock is then acquired, each right will entitle the holder (other than the acquiring company) to receive, upon exercise, common stock of either us or the acquiring company having a value equal to two times the exercise price of the right. The rights are redeemable by our Board of Directors under certain circumstances and expire on May 25, 2015.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), net of tax, are as follows:

(in millions)	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Marketable Securities	Unrealized Gains (Losses) on Derivatives	Benefit Plan Funding Position	Accumulated Other Comprehensive Income
Balances at May 30, 2010	$ (2.2)	$ 0.3	$ 1.1	$ (70.3)	$ (71.1)
Gain (loss)	1.8	0.2	(5.1)	10.7	7.6
Reclassification realized in net earnings	—	—	(0.1)	3.8	3.7
Balances at May 29, 2011	$ (0.4)	$ 0.5	$ (4.1)	$ (55.8)	$ (59.8)
Gain (loss)	(1.2)	(0.1)	(47.9)	(45.6)	(94.8)
Reclassification realized in net earnings	—	—	2.3	5.7	8.0
Balances at May 27, 2012	$ (1.6)	$ 0.4	$ (49.7)	$ (95.7)	$ (146.6)

NOTE 14 – LEASES

An analysis of rent expense incurred related to restaurants in continuing operations is as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Restaurant minimum rent	$ 130.9	$ 120.6	$ 111.7
Restaurant percentage rent	5.6	5.3	5.1
Restaurant rent averaging expense	12.9	11.1	10.0
Transportation equipment	3.5	3.2	3.3
Office equipment	0.6	0.4	0.8
Office space	1.0	0.9	4.5
Warehouse space	0.6	0.5	0.5
Total rent expense	$ 155.1	$ 142.0	$ 135.9

The annual future lease commitments under capital lease obligations and noncancelable operating leases, including those related to restaurants reported as discontinued operations, for each of the five fiscal years subsequent to May 27, 2012 and thereafter is as follows:

(in millions)		
Fiscal Year	Capital	Operating
2013	$ 5.2	$ 151.5
2014	5.4	142.0
2015	5.5	130.0
2016	5.6	114.5
2017	5.8	96.3
Thereafter	67.2	302.5
Total future lease commitments	$ 94.7	$ 936.8
Less imputed interest (at 6.5%)	(38.7)	
Present value of future lease commitments	$ 56.0	
Less current maturities	(1.6)	
Obligations under capital leases, net of current maturities	$ 54.4	

NOTE 15 - INTEREST, NET

The components of interest, net are as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest expense	$ 102.7	$ 93.7	$ 95.7
Imputed interest on capital leases	3.7	3.8	3.9
Capitalized interest	(3.9)	(3.0)	(4.4)
Interest income	(0.9)	(0.9)	(1.3)
Interest, net	$ 101.6	$ 93.6	$ 93.9

Capitalized interest was computed using our average borrowing rate. Interest paid, net of amounts capitalized was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest paid, net of amounts capitalized	$ 94.8	$ 98.3	$ 95.3

NOTE 16 - INCOME TAXES

Total income tax expense was allocated as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 161.5	$ 168.9	$ 136.6
Losses from discontinued operations	(0.7)	(1.5)	(1.5)
Total consolidated income tax expense	$ 160.8	$ 167.4	$ 135.1

The components of earnings before income taxes from continuing operations and the provision for income taxes thereon are as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations before income taxes:			
U.S.	$ 621.4	$ 631.4	$ 534.5
Canada	16.6	16.2	9.1
Earnings from continuing operations before income taxes	$ 638.0	$ 647.6	$ 543.6
Income taxes:			
Current:			
Federal	$ 97.0	$ 121.9	$ 126.5
State and local	26.0	17.5	28.7
Canada	2.4	0.1	0.1
Total current	$ 125.4	$ 139.5	$ 155.3
Deferred (principally U.S.):			
Federal	37.6	28.3	(10.6)
State and local	(1.5)	1.1	(8.1)
Total deferred	$ 36.1	$ 29.4	$ (18.7)
Total income taxes	$ 161.5	$ 168.9	$ 136.6

Income taxes paid were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Income taxes paid	$ 123.5	$ 126.4	$ 94.8

The following table is a reconciliation of the U.S. statutory income tax rate to the effective income tax rate from continuing operations included in the accompanying consolidated statements of earnings:

	Fiscal Year		
	2012	2011	2010
U.S. statutory rate	35.0 %	35.0 %	35.0 %
State and local income taxes, net of federal tax benefits	2.5	1.8	2.5
Benefit of federal income tax credits	(11.1)	(8.3)	(8.7)
Other, net	(1.1)	(2.4)	(3.7)
Effective income tax rate	25.3 %	26.1 %	25.1 %

As of May 27, 2012, we had estimated current prepaid federal and state income taxes of $4.1 million and $8.1 million, respectively. These amounts are included in our accompanying consolidated balance sheets as prepaid income taxes.

As of May 27, 2012, we had gross unrecognized tax benefits of $15.7 million, which represents the aggregate tax effect of the differences between tax return positions and benefits recognized in our consolidated financial statements, all of which would favorably affect the effective tax rate if resolved in our favor. A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

(in millions)	
Balances at May 29, 2011	$ 21.9
Additions to tax positions recorded during the current year	2.7
Reductions to tax positions due to settlements with taxing authorities	(2.2)
Reductions to tax positions due to statute expiration	(6.7)
Balances at May 27, 2012	$ 15.7

We recognize accrued interest related to unrecognized tax benefits in interest expense. Penalties, when incurred, are recognized in selling, general and administrative expense. Interest expense associated with unrecognized tax benefits, excluding the release of accrued interest related to prior year matters due to settlement or the lapse of the statute of limitations was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest expense on unrecognized tax benefits	$ 0.4	$ 1.6	$ 2.5

At May 27, 2012, we had $1.7 million accrued for the payment of interest associated with unrecognized tax benefits.

For U.S. federal income tax purposes, we participate in the Internal Revenue Service's (IRS) Compliance Assurance Process whereby our U.S. federal income tax returns are reviewed by the IRS both prior to and after their filing. The U.S. federal income tax returns that we filed through the fiscal year ended May 30, 2010 have been audited by the IRS. In the first quarter of fiscal 2012, the IRS completed the audit of our tax returns for the fiscal year ended May 30, 2010 with no material adjustments. The Company's tax returns for the fiscal year ended May 29, 2011 are under audit, and are expected to be completed by the second quarter of fiscal 2013. The IRS commenced examination of our U.S. federal income tax returns for May 27, 2012 in the first quarter of fiscal 2012. The examination is anticipated to be completed by the first quarter of fiscal 2014. Income tax returns are subject to audit by state and local governments, generally years after the returns are filed. These returns could be subject to material adjustments or differing interpretations of the tax laws. The major jurisdictions in which the Company files income tax returns include the U.S. federal jurisdiction, Canada, and most states in the U.S. that have an income tax. With a few exceptions, the Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before fiscal 2011, and state and local, or non-U.S. income tax examinations by tax authorities for years before fiscal 2002.

Included in the balance of unrecognized tax benefits at May 27, 2012 is $1.0 million related to tax positions for which it is reasonably possible that the total amounts could change during the next twelve months based on the outcome of examinations. The $1.0 million relates to items that would impact our effective income tax rate.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

(in millions)	May 27, 2012	May 29, 2011
Accrued liabilities	$ 65.9	$ 46.2
Compensation and employee benefits	221.2	193.6
Deferred rent and interest income	61.3	55.1
Other	23.4	15.9
Gross deferred tax assets	$ 371.8	$ 310.8
Trademarks and other acquisition related intangibles	(175.3)	(178.0)
Buildings and equipment	(363.3)	(314.3)
Capitalized software and other assets	(15.1)	(12.0)
Other	(6.5)	(6.3)
Gross deferred tax liabilities	$ (560.2)	$ (510.6)
Net deferred tax liabilities	$ (188.4)	$ (199.8)

A valuation allowance for deferred tax assets is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Realization is dependent upon the generation of future taxable income or the reversal of deferred tax liabilities during the periods in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

NOTE 17 - RETIREMENT PLANS

Defined Benefit Plans and Postretirement Benefit Plan

Substantially all of our employees are eligible to participate in a retirement plan. We sponsor non-contributory defined benefit pension plans, which have been frozen, for a group of salaried employees in the United States, in which benefits are based on various formulas that include years of service and compensation factors; and for a group of hourly employees in the United States, in which a fixed level of benefits is provided. Pension plan assets are primarily invested in U.S., International, and private equities, as well as long duration bonds and real estate investments. Our policy is to fund, at a minimum, the amount necessary on an actuarial basis to provide for benefits in accordance with the requirements of the Employee Retirement Income Security Act of 1974, as amended and the Internal Revenue Code (IRC), as amended by the Pension Protection Act of 2006. We also sponsor a contributory postretirement benefit plan that provides health care benefits to our salaried retirees. Fundings related to the defined benefit pension plans and postretirement benefit plans, which are funded on a pay-as-you-go basis, were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Defined benefit pension plans funding	$ 22.2	$ 12.9	$ 0.4
Postretirement benefit plan funding	0.5	0.3	0.6

We expect to contribute approximately $17.5 million to $19.5 million to our defined benefit pension plans and approximately $1.0 million to our postretirement benefit plan during fiscal 2013.

We are required to recognize the over or under-funded status of the plans as an asset or liability as measured by the difference between the fair value of the plan assets and the benefit obligation and any unrecognized prior service costs and actuarial gains and losses as a component of accumulated other comprehensive income (loss), net of tax.

The following provides a reconciliation of the changes in the plan benefit obligation, fair value of plan assets and the funded status of the plans as of May 27, 2012 and May 29, 2011:

(in millions)	Defined Benefit Plans		Postretirement Benefit Plan	
	2012	2011	2012	2011
Change in Benefit Obligation:				
Benefit obligation at beginning of period	$ 215.8	$ 200.2	$ 27.0	$ 38.9
Service cost	5.1	5.9	0.8	0.9
Interest cost	9.6	9.5	1.5	2.3
Plan amendments	—	—	—	—
Participant contributions	—	—	0.3	0.4
Benefits paid	(9.8)	(8.9)	(0.8)	(0.7)
Actuarial loss (gain)	53.7	9.1	0.8	(14.8)
Benefit obligation at end of period	$ 274.4	$ 215.8	$ 29.6	$ 27.0
Change in Plan Assets:				
Fair value at beginning of period	$ 187.4	$ 154.6	$ —	$ —
Actual return on plan assets	3.7	28.8	—	—
Employer contributions	22.2	12.9	0.5	0.3
Participant contributions	—	—	0.3	0.4
Benefits paid	(9.8)	(8.9)	(0.8)	(0.7)
Fair value at end of period	$ 203.5	$ 187.4	$ —	$ —
Reconciliation of the Plans' Funded Status:				
Unfunded status at end of period	$ (70.9)	$ (28.4)	$ (29.6)	$ (27.0)

The following is a detail of the balance sheet components of each of our plans and a reconciliation of the amounts included in accumulated other comprehensive income (loss):

(in millions)	Defined Benefit Plans		Postretirement Benefit Plan	
	May 27, 2012	May 29, 2011	May 27, 2012	May 29, 2011
Components of the Consolidated Balance Sheets:				
Current liabilities	$ —	$ 0.4	$ —	$ 0.7
Non-current liabilities	70.9	28.0	29.6	26.3
Net amounts recognized	$ 70.9	$ 28.4	$ 29.6	$ 27.0
Amounts Recognized in Accumulated Other Comprehensive Income (Loss), net of tax:				
Prior service (cost) credit	$ (0.2)	$ (0.3)	$ 0.1	$ 0.1
Net actuarial loss	(87.4)	(50.5)	(1.9)	(1.3)
Net amounts recognized	$ (87.6)	$ (50.8)	$ (1.8)	$ (1.2)

The following is a summary of our accumulated and projected benefit obligations:

(in millions)	May 27, 2012	May 29, 2011
Accumulated benefit obligation for all pension plans	$ 265.0	$ 211.8
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	265.0	211.8
Fair value of plan assets	203.5	187.4
Projected benefit obligations for all plans with projected benefit obligations in excess of plan assets	274.4	215.8

The following table presents the weighted-average assumptions used to determine benefit obligations and net expense:

	Defined Benefit Plans		Postretirement Benefit Plan	
	2012	2011	2012	2011
Weighted-average assumptions used to determine benefit obligations at May 27 and May 29 (1)				
Discount rate	4.35%	5.37%	4.52%	5.46%
Rate of future compensation increases	4.22%	3.75%	N/A	N/A
Weighted-average assumptions used to determine net expense for fiscal years ended May 27 and May 29 (2)				
Discount rate	5.37%	5.89%	5.46%	5.98%
Expected long-term rate of return on plan assets	9.00%	9.00%	N/A	N/A
Rate of future compensation increases	3.75%	3.75%	N/A	N/A

(1) Determined as of the end of fiscal year.

(2) Determined as of the beginning of fiscal year.

We set the discount rate assumption annually for each of the plans at their valuation dates to reflect the yield of high-quality fixed-income debt instruments, with lives that approximate the maturity of the plan benefits. The expected long-term rate of return on plan assets and health care cost trend rates are based upon several factors, including our historical assumptions compared with actual results, an analysis of current market conditions, asset fund allocations and the views of leading financial advisers and economists.

For fiscal 2012, 2011 and 2010, we have used an expected long-term rate of return on plan assets for our defined benefit plan of 9.0 percent. In developing our expected rate of return assumption, we have evaluated the actual historical performance and long-term return projections of the plan assets, which give consideration to the asset mix and the anticipated timing of the pension plan outflows. We employ a total return investment approach whereby a mix of equity and fixed income investments are used to maximize the long-term return of plan assets for what we consider a prudent level of risk. Our historical 10-year, 15-year and 20-year rates of return on plan assets, calculated using the geometric method average of returns, are approximately 7.8 percent, 8.0 percent and 9.4 percent, respectively, as of May 27, 2012. Our Benefit Plans Committee sets the investment policy for the Defined Benefit Plans and oversees the investment allocation, which includes setting long-term strategic targets. Our overall investment strategy is to achieve appropriate diversification through a mix of equity investments, which may include U.S., International, and private equities, as well as long duration bonds and real estate investments. Our target asset fund allocation is 40 percent U.S. equities, 35 percent high-quality, long-duration fixed-income securities, 20 percent international equities, 5 percent real estate securities. The investment policy establishes a re-balancing band around the established targets within which the asset class weight is allowed to vary. Equity securities, international equities and fixed-income securities include investments in various industry sectors. Investments in real estate securities follow different strategies designed to maximize returns, allow for diversification and provide a hedge against inflation. Our current positioning is neutral on investment style between value and growth companies and large and small cap companies. We monitor our actual asset fund allocation to ensure that it approximates our target allocation and believe that our long-term asset fund allocation will continue to approximate our target allocation. Investments held in the U.S. commingled fund, an international commingled fund, U.S. government fixed income securities and an emerging markets commingled fund represented approximately 39.6 percent, 13.2 percent, 10.5 percent and 5.5 percent, respectively, of total plan assets and represents the only significant concentrations of risk related to a single entity, sector, country, commodity or investment fund. No other single sector concentration of assets exceeded 5.0 percent of total plan assets, which is consistent with the overall investment strategy to achieve appropriate

diversification.

The discount rate and expected return on plan assets assumptions have a significant effect on amounts reported for defined benefit pension plans. A quarter percentage point change in the defined benefit plans' discount rate and the expected long-term rate of return on plan assets would increase or decrease earnings before income taxes by $0.7 million and $0.5 million, respectively.

The assumed health care cost trend rate increase in the per-capita charges for postretirement benefits was 7.7 percent for fiscal 2013. The rate gradually decreases to 5.0 percent through fiscal 2022 and remains at that level thereafter.

The assumed health care cost trend rate has a significant effect on amounts reported for retiree health care plans. A one percentage point increase or decrease in the assumed health care cost trend rate would affect the service and interest cost components of net periodic postretirement benefit cost by $0.5 million and $0.4 million, respectively, and would increase or decrease the accumulated postretirement benefit obligation by $6.5 million and $5.1 million, respectively.

Components of net periodic benefit cost included in continuing operations are as follows:

(in millions)	Defined Benefit Plans			Postretirement Benefit Plan		
	2012	2011	2010	2012	2011	2010
Service cost	$ 5.1	$ 5.9	$ 4.9	$ 0.8	$ 0.9	$ 0.6
Interest cost	9.6	9.5	10.0	1.5	2.3	1.9
Expected return on plan assets	(17.8)	(16.6)	(16.4)	—	—	—
Amortization of unrecognized prior service cost	0.1	0.1	0.1	(0.1)	—	—
Recognized net actuarial loss	8.2	4.5	0.3	—	1.3	0.6
Net pension and postretirement cost (benefit)	$ 5.2	$ 3.4	$ (1.1)	$ 2.2	$ 4.5	$ 3.1

The amortization of the net actuarial loss component of our fiscal 2013 net periodic benefit cost for the defined benefit plans and postretirement benefit plan is expected to be approximately $8.8 million and $0.0 million, respectively.

The fair values of the defined benefit pension plans assets at their measurement dates of May 27, 2012 and May 29, 2011, are as follows:

		Items Measured at Fair Value at May 27, 2012			
(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity:					
U.S. Commingled Funds	(1)	$ 80.5	$ —	$ 80.5	$ —
International Commingled Funds	(2)	26.8	—	26.8	—
Emerging Market Commingled Funds	(3)	11.3	—	11.3	—
Real Estate Commingled Funds	(4)	10.0	—	10.0	—
Fixed-Income:					
U.S. Treasuries	(5)	20.0	20.0	—	—
U.S. Corporate Securities	(5)	37.7	—	37.7	—
International Securities	(5)	2.7	—	2.7	—
Public Sector Utility Securities	(5)	10.4	—	10.4	—
Cash & Accruals		4.1	4.1	—	—

Total	$ 203.5	$ 24.1	$ 179.4	$ —

(1) U.S. commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for

total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(2) International commingled funds are comprised of investments in funds that purchase publicly traded non-U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(3) Emerging market commingled funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(4) Real estate commingled funds are comprised of investments in funds that purchase publicly traded common stock of real estate securities for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(5) Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date.

		Items Measured at Fair Value at May 29, 2011			
(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity:					
U.S. & International	(1)	$ 37.9	$ 37.9	$ —	$ —
U.S. Mutual & Commingled Funds	(2)	22.1	1.6	20.5	—
Developed Market Equity Funds	(3)	19.7	11.7	8.0	—
Emerging Market Equity Funds	(3)	6.9	—	6.9	—
Private Equity Partnerships	(4)	25.6	—	—	25.6
Private Equity Securities	(5)	—	—	—	—
Fixed-Income:					
Fixed-income Securities	(6)	43.2	38.3	4.9	—
Energy & Real Estate Public Sector	(7)	9.1	—	4.8	4.3
Real Asset Commingled Funds	(8)	4.0	—	4.0	—
Real Asset Private Funds	(9)	10.8	—	—	10.8
Cash & Accruals		8.1	8.1	—	—
Total		$ 187.4	$ 97.6	$ 49.1	$ 40.7

(1) U.S. equity securities and international equity securities are comprised of investments in common stock of U.S. and non-U.S. companies for total return purposes. These investments are valued by the trustee at closing prices from national exchanges on the valuation date.

(2) U.S. mutual and commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(3) Emerging market equity funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(4) Private equity partnerships are comprised of investments in limited partnerships that invest in private companies for total return purposes. The investments are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

(5) Private equity securities are comprised of investments in publicly traded common stock that were received as a distribution from a private equity partnership as well as equity investments in private companies for total return purposes. Stocks received from private equity distributions are valued by the trustee at closing prices from national exchanges on the valuation date. Investments in private companies are valued by management based upon information provided by the respective third-party investment manager who considers factors such as the cost of the investment, most recent round of financing, and expected future cash flows

(6) Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date. Unlisted investments are valued at prices quoted by various national markets, fixed income pricing models and/or independent financial analysts.

(7) Energy and real estate securities are comprised of investments in publicly traded common stock of energy companies and real estate investment trusts for purposes of total return. These securities are valued by the trustee at closing prices from national exchanges on the valuation date. Unlisted investments are valued at prices quoted by various national markets and publications and/or independent financial analysts.

(8) Real asset commingled funds are comprised of investments in funds that purchase publicly traded common stock of energy companies or real estate investment trusts for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(9) Real asset private funds are comprised of interests in limited partnerships that invest in private companies in the energy industry and private real estate properties for purposes of total return. These interests are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

The following table presents the changes in Level 3 investments for the defined benefit pension plans at May 27, 2012:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
(in millions)	Private Equity Partnerships	Private Equity Securities	Energy & Real Estate Public Sector	Real Asset Private Funds	Total
Beginning balance at May 29, 2011	$ 25.6	$ —	$ 4.3	$ 10.8	$ 40.7
Actual return on plan assets:					
Relating to assets still held at the reporting date	—	—	—	—	—
Relating to assets sold during the period	0.3	—	—	—	0.3
Purchases, sales and settlements	(25.9)	—	(4.3)	(10.8)	(41.0)
Transfers in and/or out of Level 3	—	—	—	—	—
Ending balance at May 27, 2012	$ —	$ —	$ —	$ —	$ —

The following table presents the changes in Level 3 investments for the defined benefit pension plans at May 29, 2011:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
(in millions)	Private Equity Partnerships	Private Equity Securities	Energy & Real Estate Public Sector	Real Asset Private Funds	Total
Beginning balance at May 30, 2010	$ 22.9	$ 0.1	$ 4.2	$ 9.2	$ 36.4
Actual return on plan assets:					
Relating to assets still held at the reporting date	2.8	(0.1)	0.1	0.3	3.1
Relating to assets sold during the period	2.0	—	—	0.6	2.6
Purchases, sales, and settlements	(2.1)	—	—	0.7	(1.4)
Transfers in and/or out of Level 3	—	—	—	—	—

Ending balance at May 29, 2011	$	25.6	$	—	$	4.3	$	10.8	$	40.7

The following benefit payments are expected to be paid between fiscal 2013 and fiscal 2022:

(in millions)	Defined Benefit Plans	Postretirement Benefit Plan
2013	$ 10.0	$ 0.7
2014	10.4	0.7
2015	10.9	0.8
2016	11.5	0.9
2017	12.4	0.9
2018-2022	74.6	6.0

Postemployment Severance Plan

We accrue for postemployment severance costs in our consolidated financial statements and recognize actuarial gains and losses related to our postemployment severance accrual as a component of accumulated other comprehensive income (loss). As of May 27, 2012 and May 29, 2011, $4.8 million and $2.8 million, respectively, of unrecognized actuarial losses related to our postemployment severance plan were included in accumulated other comprehensive income (loss) on a net of tax basis.

Defined Contribution Plan

We have a defined contribution (401(k)) plan covering most employees age 21 and older. We match contributions for participants with at least one year of service up to 6 percent of compensation, based on our performance. The match ranges from a minimum of $0.25 to $1.20 for each dollar contributed by the participant. The plan had net assets of $664.9 million at May 27, 2012 and $658.9 million at May 29, 2011. Expense recognized in fiscal 2012, 2011 and 2010 was $0.9 million, $0.7 million and $1.2 million, respectively. Employees classified as "highly compensated" under the IRC are not eligible to participate in this plan. Instead, highly compensated employees are eligible to participate in a separate non-qualified deferred compensation (FlexComp) plan. This plan allows eligible employees to defer the payment of part of their annual salary and all or part of their annual bonus and provides for awards that approximate the matching contributions and other amounts that participants would have received had they been eligible to participate in our defined contribution and defined benefit plans. Amounts payable to highly compensated employees under the FlexComp plan totaled $201.4 million and $200.1 million at May 27, 2012 and May 29, 2011, respectively. These amounts are included in other current liabilities.

The defined contribution plan includes an Employee Stock Ownership Plan (ESOP). This ESOP originally borrowed $50.0 million from third parties, with guarantees by us, and borrowed $25.0 million from us at a variable interest rate. The $50.0 million third party loan was refinanced in 1997 by a commercial bank loan to us and a corresponding loan from us to the ESOP. Compensation expense is recognized as contributions are accrued. Fluctuations in our stock price impact the amount of expense to be recognized. Contributions to the plan, plus the dividends accumulated on unallocated shares held by the ESOP, are used to pay principal, interest and expenses of the plan. As loan payments are made, common stock is allocated to ESOP participants. In each of the fiscal years 2012, 2011 and 2010, the ESOP incurred interest expense of $0.0 million, $0.1 million and $0.1 million, respectively, and used dividends received of $1.9 million, $1.4 million and $1.6 million, respectively, and contributions received from us of $0.5 million, $0.1 million and $0.2 million, respectively, to pay principal and interest on our debt.

ESOP shares are included in weighted-average common shares outstanding for purposes of calculating net earnings per share. At May 27, 2012, the ESOP's debt to us had a balance of $5.9 million with a variable rate of interest of 0.59 percent and is due to be repaid no later than December 2014. The number of our common shares held in the ESOP at May 27, 2012 approximated 4.9 million shares, representing 3.7 million allocated shares and 1.2 million suspense shares.

At the end of fiscal 2005, the ESOP borrowed $1.6 million from us at a variable interest rate and acquired an additional 0.05 million shares of our common stock, which were held in suspense within the ESOP at May 29, 2005. The loan, which had a variable interest rate of 0.59 percent at May 27, 2012, is due to be repaid no later than December 2018. The shares acquired under this loan are accounted for in accordance with FASB ASC Subtopic 718-40, Employee Stock Ownership Plans. Fluctuations in our stock price are recognized as adjustments to common stock and surplus when the shares are committed to be released. These ESOP shares are not considered outstanding until they are committed to be released and, therefore, have been excluded for purposes of calculating basic and diluted net earnings per share at May 27, 2012. The fair value of these shares at May 27, 2012 was $2.1 million.

NOTE 18 - STOCK-BASED COMPENSATION

We maintain two active stock option and stock grant plans under which new awards may still be issued, known as the Darden Restaurants, Inc. 2002 Stock Incentive Plan (2002 Plan) and the RARE Hospitality International, Inc. Amended and Restated 2002 Long-Term Incentive Plan (RARE Plan). We also have four other stock option and stock grant plans under which we no longer can grant new awards, although awards outstanding under the plans may still vest and be exercised in accordance with their terms: the Stock Plan for Directors (Director Stock Plan); the Director Compensation Plan; the Stock Option and Long-Term Incentive Plan of 1995 (1995 Plan) and the Restaurant Management and Employee Stock Plan of 2000 (2000 Plan). All of the plans are administered by the Compensation Committee of the Board of Directors. The 2002 Plan provides for the issuance of up to 18.3 million common shares in connection with the granting of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units (RSUs), stock awards and other stock-based awards including performance stock units and Darden stock units to key employees and non-employee directors. The RARE Plan provides for the issuance of up to 3.9 million common shares in connection with the granting of non-qualified stock options, incentive stock options and restricted stock to employees. Awards under the RARE Plan are only permitted to be granted to employees who were employed by RARE as of the date of acquisition and continued their employment with the Company. The Director Stock Plan provided for the issuance of up to 0.375 million common shares out of our treasury in connection with the granting of non-qualified stock options, restricted stock and RSUs to non-employee directors. No new awards could be granted under the Director Stock Plan after September 30, 2000. The Director Compensation Plan provided for the issuance of 0.1 million common shares out of our treasury to non-employee directors of the Board. No new awards may be granted under the Director Compensation Plan after September 30, 2005. The 1995 Plan provided for the issuance of up to 33.3 million common shares in connection with the granting of non-qualified stock options, restricted stock or RSUs to key employees. The 2000 Plan provided for the issuance of up to 5.4 million shares of common stock out of our treasury as non-qualified stock options, restricted stock or RSUs. Under all of these plans, stock options are granted at a price equal to the fair value of the shares at the date of grant for terms not exceeding ten years and have various vesting periods at the discretion of the Compensation Committee. Outstanding options generally vest over one to four years. Restricted stock and RSUs granted under the 1995 Plan, the 2000 Plan and the 2002 Plan generally vest over periods ranging from three to five years and no sooner than one year from the date of grant. Performance Stock Units granted under the 2002 Plan generally vest over a three-year period, and vested amounts may range from 0.0 to 150.0 percent of targeted amounts depending on the achievement of certain sales and diluted net earnings per share performance measures. Darden stock units granted under the 2002 Plan generally vest over a five-year period, with no performance vesting feature.

On December 15, 2005, the Board of Directors approved the Director Compensation Program, effective as of October 1, 2005, for Non-Employee Directors. The Director Compensation Program provides for payments to non-employee directors of: (a) an annual retainer and meeting fees for special Board meetings and committee meetings; (b) an additional annual retainer for the Lead Director and committee chairs; and (c) an annual award of common stock with a fair value of $0.1 million on the date of grant upon election or re-election to the Board. Directors may elect to have their cash compensation paid in any combination of current or deferred cash, common stock or salary replacement options. Deferred cash compensation may be invested on a tax-deferred basis in the same manner as deferrals under our non-qualified deferred compensation plan. Prior to the date of grant, directors may elect to have their annual stock award paid in the form of common stock or cash, or a combination thereof, or deferred. To the extent directors elect to receive cash or cash settled awards, the value of the awards are carried as a liability on our consolidated balance sheet at fair value until such time as it is settled. All stock options and other stock or stock-based awards that are part of the compensation paid or deferred pursuant to the Director Compensation Program are awarded under the 2002 Plan.

Stock-based compensation expense included in continuing operations was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Stock options	$ 19.0	$ 20.7	$ 20.2
Restricted stock/restricted stock units	4.3	9.9	10.2
Darden stock units	17.1	17.1	13.1
Performance stock units	12.6	15.6	6.8
Employee stock purchase plan	1.8	1.9	1.8
Director compensation program/other	1.3	1.4	1.4
	$ 56.1	$ 66.6	$ 53.5

The following table presents a summary of our stock option activity as of and for the year ended May 27, 2012:

	Options (in millions)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (Yrs)	Aggregate Intrinsic Value (in millions)
Outstanding beginning of period	13.0	$32.77	5.53	$235.6
Options granted	1.6	51.06		
Options exercised	(2.2)	28.12		
Options canceled	(0.1)	35.71		
Outstanding end of period	12.3	$36.05	5.58	209.3
Exercisable	7.2	$32.28	3.90	$150.0

The total intrinsic value of options exercised during fiscal 2012, 2011 and 2010 was $49.7 million, $49.9 million and $59.1 million, respectively. Cash received from option exercises during fiscal 2012, 2011 and 2010 was $62.9 million, $55.7 million and $59.3 million, respectively. Stock options have a maximum contractual period of ten years from the date of grant. We settle employee stock option exercises with authorized but unissued shares of Darden common stock or treasury shares we have acquired through our ongoing share repurchase program.

As of May 27, 2012, there was $33.4 million of unrecognized compensation cost related to unvested stock options granted under our stock plans. This cost is expected to be recognized over a weighted-average period of 2.5 years. The total fair value of stock options that vested during fiscal 2012 was $21.1 million.

Restricted stock and RSUs are granted at a value equal to the market price of our common stock on the date of grant. Restrictions lapse with regard to restricted stock, and RSUs are settled in shares, at the end of their vesting periods, which is generally four years.

The following table presents a summary of our restricted stock and RSU activity as of and for the fiscal year ended May 27, 2012:

	Shares (in millions)	Weighted-Average Grant Date Fair Value Per Share
Outstanding beginning of period	0.6	$29.36
Shares granted	0.1	46.71
Shares vested	(0.4)	34.44
Outstanding end of period	0.3	$39.63

As of May 27, 2012, there was $4.6 million of unrecognized compensation cost related to unvested restricted stock and RSUs granted under our stock plans. This cost is expected to be recognized over a weighted-average period of 2.5 years. The total fair value of restricted stock and RSUs that vested during fiscal 2012, 2011 and 2010 was $10.0 million, $9.1 million and $9.4 million, respectively.

Darden stock units are granted at a value equal to the market price of our common stock on the date of grant and will be settled in cash at the end of their vesting periods, which range between four and five years, at the then market price of our common stock. Compensation expense is measured based on the market price of our common stock each period, is amortized over the vesting period and the vested portion is carried as a liability in our accompanying consolidated balance sheets. We also entered into equity forward contracts to hedge the risk of changes in future cash flows associated with the unvested, unrecognized Darden stock units granted (see Note 10 – Derivative Instruments and Hedging Activities for additional information).

The following table presents a summary of our Darden stock unit activity as of and for the fiscal year ended May 27, 2012:

	Units (in millions)	Weighted-Average Fair Value Per Unit
Outstanding beginning of period	1.9	$50.92
Units granted	0.6	50.08
Units vested	(0.3)	48.74
Units canceled	(0.1)	39.38
Outstanding end of period	2.1	$53.06

Based on the value of our common stock as of May 27, 2012, there was $48.7 million of unrecognized compensation cost related to Darden stock units granted under our incentive plans. This cost is expected to be recognized over a weighted-average period of 2.9 years. Darden stock units with a fair value of $12.1 million vested during fiscal 2012.

The following table presents a summary of our performance stock unit activity as of and for the fiscal year ended May 27, 2012:

	Units (in millions)	Weighted-Average Fair Value Per Unit
Outstanding beginning of period	1.0	$37.91
Units granted	0.3	51.45
Units vested	(0.2)	50.42
Units canceled	—	—
Outstanding end of period	1.1	$39.33

The performance stock units issued before fiscal 2010 vest over a period of five years following the date of grant, where zero percent to 150.0 percent of one-fifth (20 percent) of the grant is earned or forfeited at the end of each year in the vesting period. Performance stock units issued during fiscal 2010 and subsequent will cliff vest 3 years from the date of grant, where zero percent to 150.0 percent of the entire grant is earned or forfeited at the end of 3 years. The number of units that actually vests will be determined for each year based on the achievement of Company performance criteria set forth in the award agreement and may range from zero percent to 150.0 percent of the annual target. These awards issued before fiscal 2010 may be settled in cash or shares of common stock at the election of the Company on the date of grant. The performance stock unit grants for fiscal 2007 and 2008 were designated as equity settled awards, while the fiscal 2009 grant was designated as a cash-settled award. All awards issued during fiscal 2010 and subsequent will be cash settled awards. Holders will receive one share of common stock or its equivalent in cash for each performance stock unit that vests. For equity-settled awards, compensation expense is measured based on grant date fair value and amortized over the service period. Cash-settled awards are measured based on the market price of our common stock each period, are amortized over the service period and the vested portion is carried as a liability in our accompanying consolidated balance sheets. As of May 27, 2012, there was $18.9 million of unrecognized compensation cost related to unvested performance stock units granted under our stock plans. This cost is expected to be recognized over a weighted-average period of 1.5 years. The total fair value of performance stock units that vested in fiscal 2012 was $9.8 million.

We maintain an Employee Stock Purchase Plan to provide eligible employees who have completed one year of service (excluding senior officers subject to Section 16(b) of the Securities Exchange Act of 1934, and certain other employees who are employed less than full time or own 5 percent or more of our capital stock or that of any subsidiary) an opportunity to invest up to $5.0 thousand per calendar quarter to purchase shares of our common stock, subject to certain limitations. Under the plan, up to an aggregate of 3.6 million shares are available for purchase by employees at a purchase price that is 85.0 percent of the fair market value of our common stock on either the first or last trading day of each calendar quarter, whichever is lower. Cash received from employees pursuant to the plan during fiscal 2012, 2011 and 2010 was $7.2 million, $7.4 million and $7.1 million, respectively.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

As collateral for performance on contracts and as credit guarantees to banks and insurers, we were contingently liable for guarantees of subsidiary obligations under standby letters of credit. At May 27, 2012 and May 29, 2011, we had $99.2 million and $96.4 million, respectively, of standby letters of credit related to workers' compensation and general liabilities accrued in our consolidated financial statements. At May 27, 2012 and May 29, 2011, we had $20.3 million and $16.8 million, respectively, of standby letters of credit related to contractual operating lease obligations and other payments. All standby letters of credit are renewable annually.

At May 27, 2012 and May 29, 2011, we had $5.4 million and $7.4 million, respectively, of guarantees associated with leased properties that have been assigned to third parties. These amounts represent the maximum potential amount of future payments under the guarantees. The fair value of these potential payments discounted at our pre-tax cost of capital at May 27, 2012 and May 29, 2011, amounted to $4.1 million and $5.4 million, respectively. We did not accrue for the guarantees, as the likelihood of the third parties defaulting on the assignment agreements was deemed to be less than probable. In the event of default by a third party, the indemnity and default clauses in our assignment agreements govern our ability to recover from and pursue the third party for damages incurred as a result of its default. We do not hold any third-party assets as collateral related to these assignment agreements, except to the extent that the assignment allows us to repossess the building and personal property. These guarantees expire over their respective lease terms, which range from fiscal 2013 through fiscal 2021.

We are subject to private lawsuits, administrative proceedings and claims that arise in the ordinary course of our business. A number of these lawsuits, proceedings and claims may exist at any given time. These matters typically involve claims from guests, employees and others related to operational issues common to the restaurant industry, and can also involve infringement of, or challenges to, our trademarks. While the resolution of a lawsuit, proceeding or claim may have an impact on our financial results for the period in which it is resolved, we believe that the final disposition of the lawsuits, proceedings and claims in which we are currently involved, either individually or in the aggregate, will not have a material adverse effect on our financial position, results of operations or liquidity.

NOTE 20 – SUBSEQUENT EVENT

On June 20, 2012, the Board of Directors declared a cash dividend of $0.50 per share to be paid August 1, 2012 to all shareholders of record as of the close of business on July 10, 2012.

On July 12, 2012, we entered into an agreement to acquire Yard House USA, Inc., (Yard House), for $585.0 million in an all-cash transaction. After the acquisition, Yard House will be a wholly-owned subsidiary of Darden. The transaction has been approved by our Board of Directors and is subject to the satisfaction of customary closing conditions, including, among others, the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The acquisition is expected to be completed early in the second quarter of fiscal 2013.

NOTE 21 - QUARTERLY DATA (UNAUDITED)

The following table summarizes unaudited quarterly data for fiscal 2012 and fiscal 2011:

	Fiscal 2012 - Quarters Ended				
(in millions, except per share data)	Aug. 28	Nov. 27	Feb. 26	May 27	Total
Sales	$ 1,942.0	$ 1,831.5	$ 2,159.7	$ 2,065.6	$ 7,998.7
Earnings before income taxes	147.0	72.5	217.8	200.7	638.0
Earnings from continuing operations	106.8	54.1	164.1	151.6	476.5
Losses from discontinued operations, net of tax	(0.2)	(0.4)	—	(0.4)	(1.0)
Net earnings	106.6	53.7	164.1	151.2	475.5
Basic net earnings per share:					
Earnings from continuing operations	0.80	0.42	1.28	1.18	3.66
Losses from discontinued operations	—	(0.01)	—	—	(0.01)
Net earnings	0.80	0.41	1.28	1.18	3.65
Diluted net earnings per share:					
Earnings from continuing operations	0.78	0.41	1.25	1.15	3.58
Losses from discontinued operations	—	(0.01)	—	—	(0.01)
Net earnings	0.78	0.40	1.25	1.15	3.57
Dividends paid per share	0.43	0.43	0.43	0.43	1.72
Stock price:					
High	53.81	49.20	51.90	55.84	55.84
Low	43.85	40.69	41.65	48.49	40.69

	Fiscal 2011 - Quarters Ended				
(in millions, except per share data)	Aug. 29	Nov. 28	Feb. 27	May 29	Total
Sales	$ 1,806.7	$ 1,726.2	$ 1,976.8	$ 1,990.4	$ 7,500.2
Earnings before income taxes	159.1	103.2	199.1	186.2	647.6
Earnings from continuing operations	113.3	75.8	151.7	138.0	478.7
Losses from discontinued operations, net of tax	(0.2)	(1.3)	(0.5)	(0.6)	(2.4)
Net earnings	113.1	74.5	151.2	137.4	476.3
Basic net earnings per share:					
Earnings from continuing operations	0.82	0.55	1.11	1.02	3.50
Losses from discontinued operations	—	(0.01)	—	—	(0.02)
Net earnings	0.82	0.54	1.11	1.02	3.48
Diluted net earnings per share:					
Earnings from continuing operations	0.80	0.54	1.08	1.00	3.41
Losses from discontinued operations	—	(0.01)	—	(0.01)	(0.02)
Net earnings	0.80	0.53	1.08	0.99	3.39
Dividends paid per share	0.32	0.32	0.32	0.32	1.28
Stock price:					
High	45.04	49.99	50.84	52.12	52.12
Low	37.08	41.03	45.07	45.51	37.08

Five-Year Financial Summary

Financial Review 2012

(In millions, except per share data)	Fiscal Year Ended May 27, 2012	May 29, 2011	May 30, 2010	May 31, 2009(2)	May 25, 2008
Operating Results (3)					
Sales	$ 7,998.7	$ 7,500.2	$ 7,113.1	$ 7,217.5	$ 6,626.5
Costs and expenses:					
Cost of sales:					
Food and beverage	2,460.6	2,173.6	2,051.2	2,200.3	1,996.2
Restaurant labor	2,502.0	2,396.9	2,350.6	2,308.2	2,124.7
Restaurant expenses	1,200.6	1,129.0	1,082.2	1,128.4	1,017.8
Total cost of sales, excluding restaurant depreciation and amortization (4)	$ 6,163.2	$ 5,699.5	$ 5,484.0	$ 5,636.9	$ 5,138.7
Selling, general and administrative (1)	746.8	742.7	690.7	677.6	641.7
Depreciation and amortization	349.1	316.8	300.9	283.1	245.7
Interest, net	101.6	93.6	93.9	107.4	85.7
Total costs and expenses	$ 7,360.7	$ 6,852.6	$ 6,569.5	$ 6,705.0	$ 6,111.8
Earnings before income taxes	638.0	647.6	543.6	512.5	514.7
Income taxes	(161.5)	(168.9)	(136.6)	(140.7)	(145.2)
Earnings from continuing operations	$ 476.5	$ 478.7	$ 407.0	$ 371.8	$ 369.5
(Losses) earnings from discontinued operations, net of tax (benefit) expense of $(0.7), $(1.5), $(1.5), $0.2 and $3.0	(1.0)	(2.4)	(2.5)	0.4	7.7
Net earnings	$ 475.5	$ 476.3	$ 404.5	$ 372.2	$ 377.2
Basic net earnings per share:					
Earnings from continuing operations	$ 3.66	$ 3.50	$ 2.92	$ 2.71	$ 2.63
(Losses) earnings from discontinued operations	$ (0.01)	$ (0.02)	$ (0.02)	$ —	$ 0.06
Net earnings	$ 3.65	$ 3.48	$ 2.90	$ 2.71	$ 2.69
Diluted net earnings per share:					
Earnings from continuing operations	$ 3.58	$ 3.41	$ 2.86	$ 2.65	$ 2.55
(Losses) earnings from discontinued operations	$ (0.01)	$ (0.02)	$ (0.02)	$ —	$ 0.05
Net earnings	$ 3.57	$ 3.39	$ 2.84	$ 2.65	$ 2.60
Average number of common shares outstanding:					
Basic	130.1	136.8	139.3	137.4	140.4
Diluted	133.2	140.3	142.4	140.4	145.1
Financial Position					
Total assets	$ 5,944.2	$ 5,466.6	$ 5,276.1	$ 5,056.6	$ 4,761.1
Land, buildings and equipment, net	$ 3,951.3	$ 3,622.0	$ 3,403.7	$ 3,306.7	$ 3,066.0
Working capital (deficit)	$ (1,016.5)	$ (623.0)	$ (519.6)	$ (493.8)	$ (631.1)
Long-term debt, less current portion	$ 1,453.7	$ 1,407.3	$ 1,408.7	$ 1,632.3	$ 1,634.3
Stockholders' equity	$ 1,842.0	$ 1,936.2	$ 1,894.0	$ 1,606.0	$ 1,409.1
Stockholders' equity per outstanding share	$ 14.28	$ 14.38	$ 13.47	$ 11.53	$ 10.03

Five-Year Financial Summary (continued)

	Fiscal Year Ended				
(In millions, except per share data)	May 27, 2012	May 29, 2011	May 30, 2010	May 31, 2009	May 25, 2008
Other Statistics					
Cash flows from operations (2) (3)	$ 762.2	$ 894.7	$ 903.4	$ 783.5	$ 766.8
Capital expenditures (3) (5)	$ 639.7	$ 547.7	$ 432.1	$ 535.3	$ 1,627.3
Dividends paid	$ 223.9	$ 175.5	$ 140.0	$ 110.2	$ 100.9
Dividends paid per share	$ 1.72	$ 1.28	$ 1.00	$ 0.80	$ 0.72
Advertising expense (2) (3)	$ 357.2	$ 340.2	$ 311.9	$ 308.3	$ 257.8
Stock price:					
High	$ 55.84	$ 52.12	$ 49.01	$ 40.26	$ 47.08
Low	$ 40.69	$ 37.08	$ 29.94	$ 13.54	$ 20.99
Close	$ 53.06	$ 50.92	$ 42.90	$ 36.17	$ 31.74
Number of employees	181,468	178,380	174,079	178,692	178,200
Number of restaurants (3)	1,994	1,894	1,824	1,773	1,702

(1) Includes asset impairment charges of $0.5 million, $4.7 million, $6.2 million, $12.0 million and $0.0 million, respectively.

(2) Fiscal year 2009 consisted of 53 weeks while all other fiscal years consisted of 52 weeks.

(3) Consistent with our consolidated financial statements, information has been presented on a continuing operations basis. Accordingly, the activities related to Smokey Bones, Rocky River Grillhouse and the nine Bahama Breeze restaurants closed or sold in fiscal 2007 and 2008 have been excluded.

(4) Excludes restaurant depreciation and amortization of $326.9 million, $295.6 million, $283.4 million, $267.1 million and $230.0 million, respectively.

(5) Fiscal 2008 includes net cash used in the acquisition of RARE Hospitality International, Inc. of $1.20 billion in addition to $429.2 million of capital expenditures related principally to building new restaurants and replacing old restaurants and equipment.

EXHIBIT 21

SUBSIDIARIES OF DARDEN RESTAURANTS, INC.

Darden Corporation, a Florida corporation. (a)

GMRI, Inc., a Florida corporation, doing business as Red Lobster, Olive Garden, Bahama Breeze and Seasons 52. (b)

RARE Hospitality International, Inc., a Georgia corporation and direct wholly owned subsidiary of GMRI, Inc., doing business as LongHorn Steakhouse, The Capital Grille and Olive Garden.

RARE Hospitality Management, Inc., a Delaware corporation and direct wholly owned subsidiary of RARE Hospitality International, Inc., doing business as LongHorn Steakhouse and The Capital Grille. (c)

(a) One wholly-owned subsidiary operating in the same line of business in the United States and foreign countries has been omitted.

(b) Three wholly-owned subsidiaries operating in the same line of business in the United States have been omitted.

(c) Two wholly-owned subsidiaries operating in the same line of business in the United States have been omitted.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Darden Restaurants, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-3 (No. 333-169789) and on Form S-8 (Nos. 333-178876, 333-57410, 333-91579, 333-105056, 333-124363, 333-122560, 333-148260, 333-146464, 333-156557 and 333-169788) of Darden Restaurants, Inc. of our reports dated July 20, 2012, with respect to the consolidated balance sheets of Darden Restaurants, Inc. and subsidiaries as of May 27, 2012 and May 29, 2011, and the related consolidated statements of earnings, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended May 27, 2012 and the effectiveness of internal control over financial reporting as of May 27, 2012, which reports are included in the 2012 Annual Report to Shareholders included as an exhibit to this annual report on Form 10-K of Darden Restaurants, Inc.

/s/ KPMG LLP

Orlando, Florida
July 20, 2012
Certified Public Accountants

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that the undersigned constitutes and appoints Teresa M. Sebastian, Clarence Otis, Jr. and C. Bradford Richmond, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K for the fiscal year ended May 27, 2012 and any and all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as might or could be done in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed effective as of the 1st day of June, 2012, by the following persons.

By: /s/ Leonard L. Berry Leonard L. Berry	By: /s/ William M. Lewis, Jr. William M. Lewis, Jr.
By: /s/ Odie C. Donald Odie C. Donald	By: /s/ Cornelius McGillicuddy, III Cornelius McGillicuddy, III
By: /s/ Christopher J. Fraleigh Christopher J. Fraleigh	By: /s/ Andrew H. Madsen Andrew H. Madsen
By: /s/ Victoria D. Harker Victoria D. Harker	By: /s/ Clarence Otis, Jr. Clarence Otis, Jr.
By: /s/ David H. Hughes David H. Hughes	By: /s/ Michael D. Rose Michael D. Rose
By: /s/ Charles A. Ledsinger, Jr. Charles A. Ledsinger, Jr.	By: /s/ Maria A. Sastre Maria A. Sastre

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that the undersigned constitutes and appoints Teresa M. Sebastian, Clarence Otis, Jr. and C. Bradford Richmond, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K for the fiscal year ended May 27, 2012 and any and all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as might or could be done in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed effective as of this 19th day of June, 2012, by the following persons.

By: /s/ Michael W. Barnes
Michael W. Barnes

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that the undersigned constitutes and appoints Teresa M. Sebastian, Clarence Otis, Jr. and C. Bradford Richmond, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K for the fiscal year ended May 27, 2012 and any and all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as might or could be done in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed effective as of this 19th day of June, 2012, by the following persons.

By: /s/ William S. Simon
William S. Simon

EXHIBIT 31(a)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Clarence Otis, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Darden Restaurants, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Clarence Otis, Jr.

Clarence Otis, Jr.
Chairman and Chief Executive Officer
July 20, 2012

EXHIBIT 31(b)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, C. Bradford Richmond, certify that:

1. I have reviewed this Annual Report on Form 10-K of Darden Restaurants, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ C. Bradford Richmond

C. Bradford Richmond

Senior Vice President and Chief Financial Officer

July 20, 2012

EXHIBIT 32(a)

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Darden Restaurants, Inc. (“Company”) on Form 10-K for the year ended May 27, 2012, as filed with the Securities and Exchange Commission (“Report”), I, Clarence Otis, Jr., Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Clarence Otis, Jr.

Clarence Otis, Jr.
Chairman and Chief Executive Officer
July 20, 2012

EXHIBIT 32(b)

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Darden Restaurants, Inc. ("Company") on Form 10-K for the year ended May 27, 2012, as filed with the Securities and Exchange Commission ("Report"), I, Clarence Otis, Jr., Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ C. Bradford Richmond

C. Bradford Richmond
Senior Vice President and Chief Financial Officer
July 20, 2012

Long-Term Debt (Tables)

12 Months Ended May 27, 2012

Long-term Debt, Unclassified [Abstract]

Components Of Long-Term Debt

The components of long-term debt are as follows:

(in millions)		May 27, 2012		May 29, 2011
5.625% senior notes due October 2012	$	350.0	$	350.0
7.125% debentures due February 2016		100.0		100.0
6.200% senior notes due October 2017		500.0		500.0
4.500% senior notes due October 2021		400.0		—
6.000% senior notes due August 2035		150.0		150.0
6.800% senior notes due October 2037		300.0		300.0
ESOP loan with variable rate of interest (0.59% at May 27, 2012) due December 2018		5.9		8.0
Total long-term debt	$	1,805.9	$	1,408.0
Fair value hedge		3.2		3.7
Less issuance discount		(5.5)		(4.4)
Total long-term debt less issuance discount	$	1,803.6	$	1,407.3
Less current portion		(349.9)		—
Long-term debt, excluding current portion	$	1,453.7	$	1,407.3

Aggregate Maturities Of Long-Term Debt

All of our long-term debt currently outstanding is expected to be repaid entirely at maturity with interest being paid semi-annually over the life of the debt. The aggregate maturities of long-term debt for each of the five fiscal years subsequent to May 27, 2012, and thereafter are as follows:

Fiscal Year	Amount
2013	$ 350.0
2014	—
2015	—
2016	100.0
2017	—
Thereafter	1,355.9
Long-term debt	$ 1,805.9

Retirement Plans (Expected Benefit Payments) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012
Defined Benefit Plans	
2013	$ 10.0
2014	10.4
2015	10.9
2016	11.5
2017	12.4
2018-2022	74.6
Postretirement Benefit Plan	
2013	0.7
2014	0.7
2015	0.8
2016	0.9
2017	0.9
2018-2022	$ 6.0

Summary Of Significant Accounting Policies (Costs And Accumulated Amortization Of Acquired Definite-Lived Intangible Assets) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Accounting Policies [Abstract]		
Other definite-lived intangibles	$ 13.2	$ 11.1
Accumulated amortization	(6.2)	(5.6)
Other definite-lived intangible assets, net of accumulated amortization	7.0	5.5
Below-market leases	24.0	25.3
Accumulated amortization	(7.1)	(8.6)
Below market-leases, net of accumulated amortization	16.9	16.7
Above-market leases	(8.6)	(8.4)
Accumulated amortization	2.3	1.8
Above-market leases, net of accumulated amortization	$ (6.3)	$ (6.6)

Stock-Based Compensation (Tables)	12 Months Ended May 27, 2012

Share-based Compensation [Abstract]

Recognized Stock-Based Compensation Expense

Stock-based compensation expense included in continuing operations was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Stock options	$ 19.0	$ 20.7	$ 20.2
Restricted stock/restricted stock units	4.3	9.9	10.2
Darden stock units	17.1	17.1	13.1
Performance stock units	12.6	15.6	6.8
Employee stock purchase plan	1.8	1.9	1.8
Director compensation program/other	1.3	1.4	1.4
	$ 56.1	$ 66.6	$ 53.5

Summary Of Stock Option Activity

The following table presents a summary of our stock option activity as of and for the year ended May 27, 2012:

	Options (in millions)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (Yrs)	Aggregate Intrinsic Value (in millions)
Outstanding beginning of period	13.0	$32.77	5.53	$235.6
Options granted	1.6	51.06		
Options exercised	(2.2)	28.12		
Options canceled	(0.1)	35.71		
Outstanding end of period	12.3	$36.05	5.58	209.3
Exercisable	7.2	$32.28	3.90	$150.0

Summary Of Restricted Stock And RSU Activity

The following table presents a summary of our restricted stock and RSU activity as of and for the fiscal year ended May 27, 2012:

	Shares (in millions)	Weighted-Average Grant Date Fair Value Per Share
Outstanding beginning of period	0.6	$29.36
Shares granted	0.1	46.71
Shares vested	(0.4)	34.44
Outstanding end of period	0.3	$39.63

Summary Of Darden Stock Unit Activity

The following table presents a summary of our Darden stock unit activity as of and for the fiscal year ended May 27, 2012:

	Units (in millions)	Weighted-Average Fair Value Per Unit
Outstanding beginning of period	1.9	$50.92
Units granted	0.6	50.08
Units vested	(0.3)	48.74
Units canceled	(0.1)	39.38
Outstanding end of period	2.1	$53.06

Summary Of Performance Stock Unit Activity

The following table presents a summary of our performance stock unit activity as of and for the fiscal year ended May 27, 2012:

	Units (in millions)	Weighted-Average Fair Value Per Unit
Outstanding beginning of period	1.0	$37.91
Units granted	0.3	51.45
Units vested	(0.2)	50.42
Units canceled	—	—
Outstanding end of period	1.1	$39.33

Stock-Based Compensation (Summary Of Performance Stock Unit Activity) (Details) (Performance stock units, USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended May 27, 2012
Performance stock units	
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested [Roll Forward]	
Outstanding beginning of period (shares)	1.0
Units granted (shares)	0.3
Units vested (shares)	(0.2)
Units canceled (shares)	0
Outstanding end of period (shares)	1.1
Outstanding beginning of period, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 37.91
Units granted, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 51.45
Units vested, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 50.42
Units canceled, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 0.00
Outstanding end of period, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 39.33

Long-Term Debt (Narrative) (Details) (USD $)	12 Months Ended					12 Months Ended						12 Months Ended	0 Months Ended	12 Months Ended				1 Months Ended				12 Months Ended		12 Months Ended
	May 27, 2012	May 29, 2011	May 30, 2010	May 27, 2012 Senior Notes adjustments	Jun. 18, 2012 Senior Notes Issuance of Debt	May 27, 2012 Prior Revolving Credit Agreement Sub Limit	May 27, 2012 Prior Revolving Credit Agreement Revolving Credit Facility	May 27, 2012 New Revolving Credit Agreement	May 27, 2012 New Revolving Credit Agreement Letters of Credit	May 27, 2012 New Revolving Credit Agreement Commercial Paper	May 27, 2012 New Revolving Credit Agreement Sub Limit	May 27, 2012 New Revolving Credit Agreement Revolving Credit Facility	Oct. 11, 2011 4.500% Senior Notes Due October 2021 Senior Notes	May 27, 2012 4.500% Senior Notes Due October 2021 Senior Notes	May 27, 2012 5.625% Senior Notes Due October 2012 Senior Notes	May 27, 2012 6.200 Percent Senior Notes Due October 2017 Senior Notes	May 27, 2012 6.800% Senior Notes Due October 2037 Senior Notes	Jun. 18, 2012 3.790% Senior Notes Due August 2019 Senior Notes Issuance of Debt	Jun. 18, 2012 4.520% Senior Notes Due August 2024 Senior Notes Issuance of Debt	May 27, 2012 Libor New Revolving Credit Agreement Revolving Credit Facility	May 27, 2012 Base Rate Loans New Revolving Credit Agreement Revolving Credit Facility	May 27, 2012 Minimum New Revolving Credit Agreement	May 27, 2012 Maximum Senior Notes	May 27, 2012 Maximum New Revolving Credit Agreement
Maximum borrowing available under the credit facility							$ 750,000,000					$ 750,000,000												
Total debt to total capitalization ratio							0.75					0.75												
Line of credit facility, sub-limit amount						150,000,000					150,000,000	1,000,000,000												
Expiration date of credit facility							September 20, 2012	October 3, 2016																
Increase in credit facility												250,000,000												
Base interest rate percentage of revolving credit facility in addition to federal funds rate (percentage)												0.50%												
Applicable interest rate assuming a BBB equivalent credit rating level (percentage)																				1.075%	0.075%			
Maximum amount of borrowings resulting in fluctuation of LIBOR or base rate												200,000,000												
New Revolving Credit Agreement, unused capacity, commitment fee percentage (percentage)																						0.125%		0.25%
Amount outstanding under credit facility									70,900,000	262,700,000		0												
Remaining credit available								416,400,000																
Face amount of debt													400,000,000	400,000,000	350,000,000	500,000,000	300,000,000	80,000,000	220,000,000					
Interest rate of debt (percentage)													4.50%	4.50%	5.625%	6.20%	6.80%	3.79%	4.52%					
Payments of debt issuance costs	$ 5,100,000	$ 0	$ 0										$ 5,100,000											
Percent of principal amount required to purchase new senior notes in event of control triggering event (percentage)													101.00%											
Maturity date of debt														Oct. 01, 2021	Oct. 01, 2012	Oct. 01, 2017	Oct. 01, 2037	Aug. 01, 2019	Aug. 01, 2024					
Maximum range of interest rate adjustment on funds borrowed (percentage)																							2.00%	
Adjustments made to interest rates on funds borrowed				0																				
Percentage of maximum priority debt of consolidated tangible net worth (percentage)					20.00%																			

Subsequent Event (Details) (USD $) In Millions, except Per Share data, unless otherwise specified	1 Months Ended	
	Jun. 20, 2012 Dividend Declared	Jul. 12, 2012 Acquisition
Subsequent Event [Line Items]		
Dividend declared date	Jun. 20, 2012	
Cash dividend declared, per share (dollars per share)	$ 0.5	
Dividend payment date	Aug. 01, 2012	
Dividend record date	Jul. 10, 2012	
Cash paid to acquire restaurants		$ 585.0

Summary Of Significant Accounting Policies (Amortization Expense Associated With Capitalized Software And Other Definite Lived Intangibles) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Accounting Policies [Abstract]			
Amortization expense - capitalized software	$ 7.8	$ 7.7	$ 7.3
Amortization expenses - other definite-lived intangibles	$ 0.7	$ 0.4	$ 0.4

Derivative Instruments And Hedging Activities (Effects Of Derivatives Not Designated As Hedging Instruments) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	May 27, 2012		May 29, 2011		May 30, 2010	
Amount of Gain (Loss) Recognized in Earnings	$ 0.4		$ 7.2		$ 3.3	
Commodity Contract | Cost of Sales						
Amount of Gain (Loss) Recognized in Earnings	(7.9)	[1]	0.6	[1]	(0.2)	[1]
Forward Contracts | Cost of Sales						
Amount of Gain (Loss) Recognized in Earnings	2.3	[2]	3.3	[2]	2.2	[2]
Forward Contracts | Selling, General And Administrative						
Amount of Gain (Loss) Recognized in Earnings	$ 6.0		$ 3.3		$ 1.3	

[1] Location of the gain (loss) recognized in earnings is food and beverage costs and restaurant expenses, which are components of cost of sales.

[2] Location of the gain (loss) recognized in earnings is restaurant labor expenses, which is a component of cost of sales.

Retirement Plans (Change In Plan Assets) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]			
Fair value at beginning of period	$ 187.4		
Benefits paid	(22.7)	(13.2)	(0.6)
Fair value at end of period	203.5	187.4	
Defined Benefit Plans			
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]			
Fair value at beginning of period	187.4	154.6	
Actual return on plan assets	3.7	28.8	
Employer contributions	22.2	12.9	0.4
Participant contributions	0	0	
Benefits paid	(9.8)	(8.9)	
Fair value at end of period	203.5	187.4	154.6
Postretirement Benefit Plan			
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]			
Fair value at beginning of period	0	0	
Actual return on plan assets	0	0	
Employer contributions	0.5	0.3	0.6
Participant contributions	0.3	0.4	
Benefits paid	(0.8)	(0.7)	
Fair value at end of period	$ 0	$ 0	$ 0

Income Taxes (Tables)

12 Months Ended May 27, 2012

Income Tax Disclosure [Abstract]

Allocation Of Total Income Tax Expense

Total income tax expense was allocated as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 161.5	$ 168.9	$ 136.6
Losses from discontinued operations	(0.7)	(1.5)	(1.5)
Total consolidated income tax expense	$ 160.8	$ 167.4	$ 135.1

Components Of Earnings Before Income Tax And Provision For Income Taxes

The components of earnings before income taxes from continuing operations and the provision for income taxes thereon are as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations before income taxes:			
U.S.	$ 621.4	$ 631.4	$ 534.5
Canada	16.6	16.2	9.1
Earnings from continuing operations before income taxes	$ 638.0	$ 647.6	$ 543.6
Income taxes:			
Current:			
Federal	$ 97.0	$ 121.9	$ 126.5
State and local	26.0	17.5	28.7
Canada	2.4	0.1	0.1
Total current	$ 125.4	$ 139.5	$ 155.3
Deferred (principally U.S.):			
Federal	37.6	28.3	(10.6)
State and local	(1.5)	1.1	(8.1)
Total deferred	$ 36.1	$ 29.4	$ (18.7)
Total income taxes	$ 161.5	$ 168.9	$ 136.6

Income Taxes Paid

Income taxes paid were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Income taxes paid	$ 123.5	$ 126.4	$ 94.8

Effective Income Tax Rate Reconciliation

The following table is a reconciliation of the U.S. statutory income tax rate to the effective income tax rate from continuing operations included in the accompanying consolidated statements of earnings:

	Fiscal Year		
	2012	2011	2010
U.S. statutory rate	35.0 %	35.0 %	35.0 %
State and local income taxes, net of federal tax benefits	2.5	1.8	2.5
Benefit of federal income tax credits	(11.1)	(8.3)	(8.7)
Other, net	(1.1)	(2.4)	(3.7)
Effective income tax rate	25.3 %	26.1 %	25.1 %

Schedule of Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

(in millions)		
Balances at May 29, 2011	$	21.9
Additions to tax positions recorded during the current year		2.7
Reductions to tax positions due to settlements with taxing authorities		(2.2)
Reductions to tax positions due to statute expiration		(6.7)
Balances at May 27, 2012	$	15.7

Interest Expense On Unrecognized Tax Benefits

Interest expense associated with unrecognized tax benefits, excluding the release of accrued interest related to prior year matters due to settlement or the lapse of the statute of limitations was as follows:

(in millions)	Fiscal Year					
		2012		2011		2010
Interest expense on unrecognized tax benefits	$	0.4	$	1.6	$	2.5

Tax Effects On Deferred Tax Assets And Liabilities

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

(in millions)		May 27, 2012		May 29, 2011
Accrued liabilities	$	65.9	$	46.2
Compensation and employee benefits		221.2		193.6
Deferred rent and interest income		61.3		55.1
Other		23.4		15.9
Gross deferred tax assets	$	371.8	$	310.8
Trademarks and other acquisition related intangibles		(175.3)		(178.0)
Buildings and equipment		(363.3)		(314.3)
Capitalized software and other assets		(15.1)		(12.0)
Other		(6.5)		(6.3)
Gross deferred tax liabilities	$	(560.2)	$	(510.6)
Net deferred tax liabilities	$	(188.4)	$	(199.8)

Summary Of Significant Accounting Policies (Tables)	12 Months Ended May 27, 2012
Accounting Policies [Abstract]	
Schedule of Recognized Identified Assets Acquired and Liabilities Assumed	The following table summarizes the preliminary estimated fair values of the Eddie V's assets acquired and liabilities assumed as of the acquisition date and the final adjustments made thereto through the fiscal year ended May 27, 2012:

(in millions)	Preliminary	Adjustments	Final Adjusted
Current assets	$ 1.7	$ (0.3)	$ 1.4
Buildings and equipment	26.8	(0.4)	26.4
Trademarks	17.0	(6.1)	10.9
Other assets	2.9	(0.4)	2.5
Goodwill	16.6	5.5	22.1
Total assets acquired	$ 65.0	$ (1.7)	$ 63.3
Current liabilities	4.5	—	4.5
Other liabilities	1.3	(1.0)	0.3
Total liabilities assumed	$ 5.8	$ (1.0)	$ 4.8
Net assets acquired	$ 59.2	$ (0.7)	$ 58.5

Depreciation And Amortization Expense From Continuing Operations Related To Land, Buildings And Equipment

Depreciation and amortization expense from continuing operations associated with buildings and equipment and losses on disposal of land, buildings and equipment were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Depreciation and amortization on buildings and equipment	$ 340.6	$ 308.7	$ 293.2
Losses on disposal of land, buildings and equipment	7.1	6.9	0.3

Capitalized Software Costs And Related Accumulated Amortization

The cost of capitalized software and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Capitalized software	$ 84.3	$ 79.9
Accumulated amortization	(63.4)	(56.1)
Capitalized software, net of accumulated amortization	$ 20.9	$ 23.8

Costs And Accumulated Amortization Of Acquired Definite-Lived Intangible Assets

The cost and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Other definite-lived intangibles	$ 13.2	$ 11.1
Accumulated amortization	(6.2)	(5.6)
Other definite-lived intangible assets, net of accumulated amortization	$ 7.0	$ 5.5

(in millions)	May 27, 2012	May 29, 2011
Below-market leases	$ 24.0	$ 25.3

Accumulated amortization		(7.1)		(8.6)
Below market-leases, net of accumulated amortization	$	16.9	$	16.7

(in millions)		May 27, 2012		May 29, 2011
Above-market leases	$	(8.6)	$	(8.4)
Accumulated amortization		2.3		1.8
Above-market leases, net of accumulated amortization	$	(6.3)	$	(6.6)

Amortization Expense Associated With Capitalized Software And Other Definite Lived Intangibles

Amortization expense associated with capitalized software and other definite-lived intangibles included in depreciation and amortization in our accompanying consolidated statements of earnings was as follows:

(in millions)	Fiscal Year					
		2012		2011		2010
Amortization expense - capitalized software	$	7.8	$	7.7	$	7.3
Amortization expense - other definite-lived intangibles		0.7		0.4		0.4

Amortization Expense Related To Acquired Definite-Lived Intangible Assets

Amortization expense associated with above- and-below-market leases included in restaurant expenses as a component of rent expense on our consolidated statements of earnings was as follows:

(in millions)	Fiscal Year					
		2012		2011		2010
Restaurant expense - below-market leases	$	1.8	$	2.2	$	2.6
Restaurant expense - above-market leases		(0.5)		(0.5)		(0.5)

Goodwill And Trademark Balances

Our goodwill and trademark balances are allocated as follows:

(in millions)		May 27, 2012		May 29, 2011
Goodwill:				
The Capital Grille	$	401.8	$	402.1
LongHorn Steakhouse		49.5		49.8
Olive Garden (1)		30.2		30.2
Red Lobster (1)		35.0		35.0
Eddie V's		22.1		—
Total Goodwill	$	538.6	$	517.1
Trademarks:				
The Capital Grille	$	147.0	$	147.0
LongHorn Steakhouse		307.0		307.0
Eddie V's Prime Seafood and Wildfish Seafood Grille		10.9		—
Total Trademarks	$	464.9	$	454.0

(1) Goodwill related to Olive Garden and Red Lobster is associated with the RARE acquisition and the direct benefits derived by Olive Garden and Red Lobster as a result of the RARE acquisition.

Advertising Expenses

The costs of programming and other advertising, promotion and marketing programs are charged to operations in the fiscal period incurred. Advertising expense related to continuing operations, included in selling, general and administrative expenses was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Advertising expense	$ 357.2	$ 340.2	$ 311.9

Stock-Based Compensation

The weighted-average fair value of non-qualified stock options and the related assumptions used in the Black-Scholes model to record stock-based compensation are as follows:

	Stock Options Granted in Fiscal Year		
	2012	2011	2010
Weighted-average fair value	$ 14.31	$ 12.88	$ 10.74
Dividend yield	3.5%	3.0%	2.8%
Expected volatility of stock	39.4%	39.1%	40.6%
Risk-free interest rate	2.1%	2.2%	3.0%
Expected option life (in years)	6.5	6.7	6.6

Basic And Diluted Earnings Per Common Share

The following table presents the computation of basic and diluted net earnings per common share:

(in millions, except per share data)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 476.5	$ 478.7	$ 407.0
Losses from discontinued operations	(1.0)	(2.4)	(2.5)
Net earnings	$ 475.5	$ 476.3	$ 404.5
Average common shares outstanding – Basic	130.1	136.8	139.3
Effect of dilutive stock-based compensation	3.1	3.5	3.1
Average common shares outstanding – Diluted	133.2	140.3	142.4
Basic net earnings per share:			
Earnings from continuing operations	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:			
Earnings from continuing operations	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.57	$ 3.39	$ 2.84

Restricted Stock And Options To Purchase Shares Of Common Stock Excluded From Calculation Of Diluted Earnings Per Share

Restricted stock and options to purchase shares of our common stock excluded from the calculation of diluted net earnings per share because the effect would have been anti-dilutive, are as follows:

(in millions)	Fiscal Year Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Anti-dilutive restricted stock and options	2.6	1.2	3.3

Fair Value Measurements (Fair Values Of Financial Instruments Measured At Fair Value On Recurring Basis) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012		May 29, 2011	
Fixed-income securities, Corporate bonds and U.S Treasury securities	$ 37.7			
Fair Value of assets (liabilities)				
Fair value of assets (liabilities)			14.7	
Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair value of assets (liabilities)			10.6	
Significant Other Observable Inputs (Level 2)				
Fair value of assets (liabilities)			4.1	
Significant Unobservable Inputs (Level 3)				
Fair value of assets (liabilities)			0	
Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)				
Fair value of assets (liabilities)	(0.8)			
Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair value of assets (liabilities)	13.3			
Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)				
Fair value of assets (liabilities)	(14.1)			
Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)				
Fair value of assets (liabilities)	0			
Commodities Swaps And Futures | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)				
Fair value of assets (liabilities)	(0.1)	[1]	0.7	[1]
Commodities Swaps And Futures | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair value of assets (liabilities)	0	[1]	0	[1]
Commodities Swaps And Futures | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)				
Fair value of assets (liabilities)	(0.1)	[1]	0.7	[1]
Commodities Swaps And Futures | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)				
Fair value of assets (liabilities)	0	[1]	0	[1]
Forward Contracts | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)				
Fair value of assets (liabilities)	2.8	[2]	0.9	[2]
Forward Contracts | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair value of assets (liabilities)	0	[2]	0	[2]

Forward Contracts | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)		
Fair value of assets (liabilities)	2.8 [2]	0.9 [2]
Forward Contracts | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)		
Fair value of assets (liabilities)	0 [2]	0 [2]
Interest Rate Locks And Swaps | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)		
Fair value of assets (liabilities)	(41.7) [3]	(19.6) [3]
Interest Rate Locks And Swaps | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair value of assets (liabilities)	0 [3]	0 [3]
Interest Rate Locks And Swaps | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)		
Fair value of assets (liabilities)	(41.7) [3]	(19.6) [3]
Interest Rate Locks And Swaps | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)		
Fair value of assets (liabilities)	0 [3]	0 [3]
Foreign Exchange Contract | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)		
Fair value of assets (liabilities)	0.5 [4]	0.6 [4]
Foreign Exchange Contract | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair value of assets (liabilities)	0 [4]	0 [4]
Foreign Exchange Contract | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)		
Fair value of assets (liabilities)	0.5 [4]	0.6 [4]
Foreign Exchange Contract | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)		
Fair value of assets (liabilities)	0 [4]	0 [4]
Corporate Bond Securities | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)		
Fixed-income securities, Corporate bonds and U.S Treasury securities	14.5 [5]	16.6 [5]
Corporate Bond Securities | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fixed-income securities, Corporate bonds and U.S Treasury securities	0 [5]	0 [5]
Corporate Bond Securities | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)		
Fixed-income securities, Corporate bonds and U.S Treasury securities	14.5 [5]	16.6 [5]
Corporate Bond Securities | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)		
Fixed-income securities, Corporate bonds and U.S Treasury securities	0 [5]	0 [5]

US Treasury Securities | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	13.3	[6]	10.6	[6]
US Treasury Securities | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	13.3	[6]	10.6	[6]
US Treasury Securities | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	0	[6]	0	[6]
US Treasury Securities | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	0	[6]	0	[6]
Collateralized Mortgage Backed Securities | Fair Value, Measurements, Recurring | Fair Value of assets (liabilities)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	9.9	[5]	4.9	[5]
Collateralized Mortgage Backed Securities | Fair Value, Measurements, Recurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	0	[5]	0	[5]
Collateralized Mortgage Backed Securities | Fair Value, Measurements, Recurring | Significant Other Observable Inputs (Level 2)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	9.9	[5]	4.9	[5]
Collateralized Mortgage Backed Securities | Fair Value, Measurements, Recurring | Significant Unobservable Inputs (Level 3)				
Fixed-income securities, Corporate bonds and U.S Treasury securities	$ 0	[5]	$ 0	[5]

[1] The fair value of our commodities futures, swaps and options is based on closing market prices of the contracts, inclusive of the risk of nonperformance.

[2] The fair value of our equity forwards is based on the closing market value of Darden stock, inclusive of the risk of nonperformance.

[3] The fair value of our interest rate lock and swap agreements is based on current and expected market interest rates, inclusive of the risk of nonperformance.

[4] The fair value of our foreign currency forward contracts is based on the closing forward exchange market prices, inclusive of the risk of nonperformance.

[5] The fair value of these securities is based on the closing market prices of the investments when applicable, or, alternatively, valuations utilizing market data and other observable inputs, inclusive of the risk of nonperformance.

[6] The fair value of our U.S. Treasury securities is based on the closing market prices.

Stock-Based Compensation (Restricted Stock And RSU Activity) (Narrative) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012 Y	May 29, 2011	May 30, 2010
Minimum vesting period, in years (years)	1		
Maximum vesting period, in years (years)	4		
Restricted stock/restricted stock units			
Unrecognized compensation cost related to unvested stock options granted	$ 4.6		
Unrecognized compensation cost, period of recognition, in years (years)	2.5		
Fair market value on grant date	10.0	9.1	9.4
Darden Stock Units			
Unrecognized compensation cost related to unvested stock options granted	48.7		
Unrecognized compensation cost, period of recognition, in years (years)	2.9		
Fair market value on grant date	$ 12.1		
Minimum vesting period, in years (years)	4		
Maximum vesting period, in years (years)	5		

Derivative Instruments And Hedging Activities (Narrative) (Details) (USD $) In Millions, except Per Share data, unless otherwise specified				12 Months Ended					12 Months Ended					12 Months Ended					12 Months Ended	
	May 27, 2012	May 29, 2011	May 30, 2010	May 27, 2012 Darden Stock Units	May 27, 2012 Darden Stock Units Minimum	May 27, 2012 Darden Stock Units Maximum	May 27, 2012 Employee-Directed Investments In Darden Stock Within The Non-Qualified Deferred Compensation Plan [Member]	May 27, 2012 Employee-Directed Investments In Darden Stock Within The Non-Qualified Deferred Compensation Plan [Member] Minimum	May 27, 2012 Employee-Directed Investments In Darden Stock Within The Non-Qualified Deferred Compensation Plan [Member] Maximum	May 27, 2012 5.625% Senior Notes Due October 2012 Senior Notes	May 27, 2012 4.500% Senior Notes Due October 2021 Senior Notes	Oct. 11, 2011 4.500% Senior Notes Due October 2021 Senior Notes	May 27, 2012 Natural Gas Contracts	May 27, 2012 Other Commodity Futures And Swap Contracts	May 27, 2012 Foreign Currency	May 27, 2012 Interest Rate Locks 5.625% Senior Notes Due October 2012	May 27, 2012 Interest Rate Swaps 5.625% Senior Notes Due October 2012	May 27, 2012 Forward Contracts Darden Stock Units	May 27, 2012 Forward Contracts Employee-Directed Investments In Darden Stock Within The Non-Qualified Deferred Compensation Plan [Member]	Aug. 29, 2009 Forward Contracts Interest Rate Swaps 5.625% Senior Notes Due October 2012
Derivative, maturity date													Sep. 30, 2012	May 30, 2013						
Contract expiration date															May 31, 2013			Aug. 01, 2016		
Notional amount of derivatives																$ 300.0	$ 250.0			$ 300.0
Gain loss on sale of derivatives recorded in net income and accumulated other comprehensive income																(53.7)				
Accumulated other comprehensive income loss cumulative changes in net gain loss from cash flow hedges before tax																52.6				
Interest rate of debt (percentage)										5.625%	4.50%	4.50%								
Face amount of debt										350.0	400.0	400.0								
Maturity date of debt										Oct. 01, 2012	Oct. 01, 2021									
Derivative instruments, gain (loss) recognized in income, et	3.3	3.6	3.4																	
Minimum vesting period, in years (years)	1			4																
Maximum vesting period, in years (years)	4			5																
Forward contract indexed to issuer's equity, indexed shares (shares)							0.7											1.1		
Common stock at forward contract rate (dollars per share)					$ 27.57	$ 45.66		$ 23.41	$ 50.19											
Investment maturity date, range start																			2013	
Investment maturity date, range end																			2016	
Amount of gain (loss) reclassified from AOCI to Earnings (effective portion)	$ (7.4)																			

Leases (Annual Future Lease Commitments) (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	May 27, 2012	May 29, 2011
Leases [Abstract]		
Capital lease, 2013	$ 5.2	
Capital lease, 2014	5.4	
Capital lease, 2015	5.5	
Capital lease, 2016	5.6	
Capital lease, 2017	5.8	
Capital lease, Thereafter	67.2	
Capital lease, Total future lease commitments	94.7	
Capital lease, Less imputed interest (at 6.5%)	(38.7)	
Capital lease, Present value of future lease commitments	56.0	
Capital lease, Less current maturities	(1.6)	
Capital lease, Obligations under capital leases, net of current maturities	54.4	56.0
Operating lease, 2013	151.5	
Operating lease, 2014	142.0	
Operating lease, 2015	130.0	
Operating lease, 2016	114.5	
Operating lease, 2017	96.3	
Operating lease, Thereafter	302.5	
Operating lease, Total future lease commitments	$ 936.8	
Capital lease, imputed interest (percentage)	6.50%	

Summary Of Significant Accounting Policies (Goodwill And Trademark Balances) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012		May 29, 2011	
Goodwill	$ 538.6		$ 517.1	
Trademarks	464.9		454.0	
The Capital Grille				
Goodwill	401.8		402.1	
Trademarks	147.0		147.0	
LongHorn Steakhouse				
Goodwill	49.5		49.8	
Trademarks	307.0		307.0	
Olive Garden				
Goodwill	30.2	[1]	30.2	[1]
Red Lobster				
Goodwill	35.0	[1]	35.0	[1]
Eddie Vs Prime Seafood				
Goodwill	22.1		0	
Trademarks	$ 10.9		$ 0	

[1] Goodwill related to Olive Garden and Red Lobster is associated with the RARE acquisition and the direct benefits derived by Olive Garden and Red Lobster as a result of the RARE acquisition.

Retirement Plans (Components Of Net Periodic Benefit Cost) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Defined Benefit Plans			
Service cost	$ 5.1	$ 5.9	$ 4.9
Interest cost	9.6	9.5	10.0
Expected return on plan assets	(17.8)	(16.6)	(16.4)
Amortization of unrecognized prior service cost	0.1	0.1	0.1
Recognized net actuarial loss	8.2	4.5	0.3
Net pension and postretirement cost (benefit)	5.2	3.4	(1.1)
Postretirement Benefit Plan			
Service cost	0.8	0.9	0.6
Interest cost	1.5	2.3	1.9
Expected return on plan assets	0	0	0
Amortization of unrecognized prior service cost	(0.1)	0	0
Recognized net actuarial loss	0	1.3	0.6
Net pension and postretirement cost (benefit)	$ 2.2	$ 4.5	$ 3.1

Derivative Instruments And Hedging Activities (Effects Of Derivative Instruments In Cash Flow Hedging Relationships) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	May 27, 2012		May 29, 2011		May 30, 2010	
Amount of Gain (Loss) Recognized in AOCI (effective portion)	$ (77.2)		$ (9.9)		$ (4.6)	
Amount of Gain (Loss) Reclassified from AOCI to Earnings (effective portion)	(3.8)		0.2		(2.2)	
Amount of Gain (Loss) Recognized in Earnings (ineffective portion)	(0.1)	[1]	(0.3)	[1]	0.3	[1]
Commodity						
Amount of Gain (Loss) Recognized in AOCI (effective portion)	(2.2)		(0.2)		(2.1)	
Commodity | Cost of Sales						
Amount of Gain (Loss) Reclassified from AOCI to Earnings (effective portion)	(1.7)	[2]	(0.9)	[2]	(3.8)	[2]
Amount of Gain (Loss) Recognized in Earnings (ineffective portion)	0	[1],[2]	0	[1],[2]	0	[1],[2]
Equity						
Amount of Gain (Loss) Recognized in AOCI (effective portion)	(0.7)		2.6		3.9	
Equity | Cost Of Sales And Selling General And Administrative Expense						
Amount of Gain (Loss) Reclassified from AOCI to Earnings (effective portion)	0	[3]	0	[3]	0	[3]
Amount of Gain (Loss) Recognized in Earnings (ineffective portion)	0.6	[1],[3]	0.2	[1],[3]	0.3	[1],[3]
Interest Rate Contract						
Amount of Gain (Loss) Recognized in AOCI (effective portion)	(75.2)		(12.2)		(7.7)	
Interest Rate Contract | Interest, Net						
Amount of Gain (Loss) Reclassified from AOCI to Earnings (effective portion)	(2.9)		0.7		0.5	
Amount of Gain (Loss) Recognized in Earnings (ineffective portion)	(0.7)	[1]	(0.5)	[1]	0	[1]
Foreign Currency						
Amount of Gain (Loss) Recognized in AOCI (effective portion)	0.9		(0.1)		1.3	
Foreign Currency | Cost Of Sales And Selling General And Administrative Expense						
Amount of Gain (Loss) Reclassified from AOCI to Earnings (effective portion)	0.8	[4]	0.4	[4]	1.1	[4]
Amount of Gain (Loss) Recognized in Earnings (ineffective portion)	$ 0	[1],[4]	$ 0	[1],[4]	$ 0	[1],[4]

[1] Generally, all of our derivative instruments designated as cash flow hedges have some level of ineffectiveness, which is recognized currently in earnings. However, as these amounts are generally nominal and our consolidated financial statements are presented “in millions,” these amounts may appear as zero in this tabular presentation.

[2] Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs and restaurant expenses, which are components of cost of sales.

[3] Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is restaurant labor expenses, which is a component of cost of sales, and selling, general and administrative expenses.

[4] Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs, which is a component of cost of sales, and selling, general and administrative expenses.

Stockholders' Equity (Total Shares And Related Cost Of Common Stock Repurchased) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Stockholders' Equity Note [Abstract]			
Treasury stock repurchases, Shares (shares)	8.2	8.6	2.0
Treasury stock repurchases, Cost	$ 375.1	$ 385.5	$ 85.1

Fair Value Measurements (Fair Values Of Non-Financial Assets Measured At Fair Value On Non-Recurring Basis) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended			
	May 27, 2012		May 29, 2011	
Impaired assets to be disposed of by method other than sale, carrying value of asset	$ 3.5			
Impaired long lived assets held and used carrying value	1.1			
Long-lived assets held for disposal, carrying amount			7.0	
Segment, Discontinued Operations				
Impairment of long-lived assets to be disposed of	0.3			
Segment, Continuing Operations				
Impairment of long-lived assets to be disposed of	0.4			
Long-lived assets held and used, impairment charge			2.1	
Fair Value, Measurements, Nonrecurring				
Long-lived assets held for disposal	3.2	[1]	4.4	[2]
Long-lived assets held and used	0.7	[3]	0.7	[4]
Total	3.9		5.1	
Assets held-for-sale, long lived, fair value disclosure	3.2	[1]		
Impairment of long-lived assets to be disposed of			2.6	
Impaired long lived assets held and used carrying value			2.8	
Property, Plant, and Equipment, fair value disclosure	0.7	[3]		
Fair Value, Measurements, Nonrecurring | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Long-lived assets held for disposal	0	[1]	0	[2]
Long-lived assets held and used	0	[3]	0	[4]
Total	0		0	
Fair Value, Measurements, Nonrecurring | Significant Other Observable Inputs (Level 2)				
Long-lived assets held for disposal	0	[1]	0	[2]
Long-lived assets held and used	0	[3]	0	[4]
Total	0		0	
Fair Value, Measurements, Nonrecurring | Significant Unobservable Inputs (Level 3)				
Long-lived assets held for disposal	3.2	[1]	4.4	[2]
Long-lived assets held and used	0.7	[3]	0.7	[4]
Total	3.9		5.1	
Fair Value, Measurements, Nonrecurring | Segment, Discontinued Operations				
Impairment of long-lived assets to be disposed of			0.7	
Fair Value, Measurements, Nonrecurring | Segment, Continuing Operations				
Impairment of long-lived assets to be disposed of			$ 1.9	

[1] In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held for disposal with a carrying amount of $3.5 million were written down to their fair value of $3.2 million, based on a review of comparable assets, resulting in an impairment charge of $0.3 million, which was included in losses from discontinued operations.

[2] In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held for disposal with a carrying amount of $7.0 million were written down to their fair value of $4.4 million, based on a review of comparable assets, resulting in an impairment charge of $2.6 million, of which $1.9 million was included in earnings from continuing operations and $0.7 million was included in losses from discontinued operations.

[3] In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held and used with a carrying amount of $1.1 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $0.4 million, which was included in earnings from continuing operations.

[4] In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held and used with a carrying amount of $2.8 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $2.1 million, which was included in earnings from continuing operations.

Stockholders' Equity (Accumulated Other Comprehensive Income (Loss)) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Stockholders' Equity Note [Abstract]			
Foreign currency translation adjustment	$ (1.6)	$ (0.4)	$ (2.2)
Unrealized gains (losses) on marketable securities, net of tax	0.4	0.5	0.3
Unrealized gains (losses) on derivatives, net of tax	(49.7)	(4.1)	1.1
Benefit plan funding position, net of tax	(95.7)	(55.8)	(70.3)
Total accumulated other comprehensive income (loss)	(146.6)	(59.8)	(71.1)
Other Comprehensive Income (Loss), Foreign Currency Transaction and Translation Adjustment, Net of Tax	(1.2)	1.8	1.5
Other Comprehensive Income (Loss), Available-for-sale Securities Adjustment, Net of Tax	(0.1)	0.2	0
Unrealized Gains (Losses) on Derivatives, Gain (loss)	(47.9)	(5.1)	
Benefit Plan Funding Position, Gain (Loss)	(45.6)	10.7	
Other comprehensive income	(94.8)	7.6	
Unrealized Gains (Losses) on Derivatives, Reclassification realized in net earnings	2.3	(0.1)	
Benefit Plan Funding Position, Reclassification realized in net earnings	5.7	3.8	
Other Comprehensive Income (Loss) Net Of Tax Reclassification Realized In Net Earnings	$ 8.0	$ 3.7	

Derivative Instruments And Hedging Activities (Effects Of Derivative Instruments In Fair Value Hedging Relationships) (Details) (Interest, Net, Fair Value Hedging, USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Interest Rate Contract			
Amount of Gain (Loss) Recognized in Earnings on Derivatives	$ (0.4)	$ 0.2	$ 3.4
Debt			
Amount of Gain (Loss) Recognized in Earnings on Related Hedged Item	$ 0.4	$ (0.2)	$ (3.4)

Long-Term Debt (Components Of Long-Term Debt) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	May 27, 2012	May 29, 2011
Total long-term debt	$ 1,805.9	$ 1,408.0
Fair value hedge	3.2	3.7
Less issuance discount	(5.5)	(4.4)
Total long-term debt less issuance discount	1,803.6	1,407.3
Less current portion	(349.9)	0
Long-term debt, excluding current portion	1,453.7	1,407.3
5.625% Senior Notes Due October 2012		
Total long-term debt	350.0	350.0
Debt instrument, interest rate, stated percentage (percentage)	5.625%	
Maturity date of debt	Oct. 01, 2012	
7.125% Debentures Due February 2016		
Total long-term debt	100.0	100.0
Debt instrument, interest rate, stated percentage (percentage)	7.125%	
Maturity date of debt	Feb. 01, 2016	
6.200 Percent Senior Notes Due October 2017		
Total long-term debt	500.0	500.0
Debt instrument, interest rate, stated percentage (percentage)	6.20%	
Maturity date of debt	Oct. 01, 2017	
4.500% Senior Notes Due October 2021		
Total long-term debt	400.0	0
6.000% Senior Notes Due August 2035		
Total long-term debt	150.0	150.0
Debt instrument, interest rate, stated percentage (percentage)	6.00%	
Maturity date of debt	Aug. 01, 2035	
6.800% Senior Notes Due October 2037		
Total long-term debt	300.0	300.0
Debt instrument, interest rate, stated percentage (percentage)	6.80%	
Maturity date of debt	Oct. 01, 2037	
ESOP Loan With Variable Rate Of Interest Due December 2018		
Total long-term debt	$ 5.9	$ 8.0
Debt instrument, interest rate, stated percentage (percentage)	0.59%	
Maturity date of debt	Dec. 01, 2018	

Interest, Net	12 Months Ended May 27, 2012
Interest Income (Expense), Net [Abstract]	
Interest, Net	

INTEREST, NET

The components of interest, net are as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest expense	$ 102.7	$ 93.7	$ 95.7
Imputed interest on capital leases	3.7	3.8	3.9
Capitalized interest	(3.9)	(3.0)	(4.4)
Interest income	(0.9)	(0.9)	(1.3)
Interest, net	$ 101.6	$ 93.6	$ 93.9

Capitalized interest was computed using our average borrowing rate. Interest paid, net of amounts capitalized was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest paid, net of amounts capitalized	$ 94.8	$ 98.3	$ 95.3

Summary Of Significant Accounting Policies (Narrative) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended	12 Months Ended														0 Months Ended		12 Months Ended			
	May 27, 2012 years months resturants	Nov. 14, 2011	May 29, 2011	May 30, 2010	May 27, 2012 Minimum Y	May 27, 2012 Maximum Y	May 27, 2012 Building Y	May 27, 2012 Equipment Y	May 27, 2012 Capitalized Software Y	May 27, 2012 Definite-Lived Intangible Assets Y	May 30, 2010 Segment, Discontinued Operations LongHorn Steakhouse resturants	May 29, 2011 Segment, Discontinued Operations Red Lobster resturants	May 30, 2010 Segment, Discontinued Operations Red Lobster resturants	May 28, 2008 Segment, Discontinued Operations Bahama Breeze Restaurants resturants	May 27, 2007 Segment, Discontinued Operations Bahama Breeze Restaurants resturants	Nov. 14, 2011 Eddie Vs Prime Seafood resturants	Nov. 14, 2011 Wildfish Seafood Grille resturants	May 27, 2012 Lease Agreements years	May 27, 2012 Puerto Rico LongHorn Steakhouse Franchised Units resturants	May 27, 2012 Japan Red Lobster Franchised Units resturants	May 27, 2012 United Arab Emirates Red Lobster Franchised Units resturants
Number of restaurants (restaurants)	3										3	2	3	9	9				5	22	1
Number of resturants acquired (restaurants)																8	3				
Cash paid to acquire restaurants		$ 58.5																			
Estimated useful life of property, plant and equipment, minimum (years)	5						7	2													
Estimated useful life of property, plant and equipment, maximum (years)	23						40	10													
Acquired finite-lived intangible asset, weighted average useful life (years)																		16			
Business combination, integration related costs	2.9																				
Finite lived intangible assets, useful life minimum (years)									3	1											
Finite lived intangible assets, useful life maximum (years)									10	20											
Future Amortization Expense, Year One	10.0																				
Future Amortization Expense, Year Two	10																				
Future Amortization Expense, Year Three	10																				
Future Amortization Expense, Year Four	10																				
Future Amortization Expense, Year Five	10																				
Maximum write down of goodwill, other indefinite lived intangible assets and any other assets to cause leverage ratio to exceed permitted maximum	850.0																				
Minimum eligible amount for maintenance of worker's compensation liability	0.5																				
Minimum eligible amount for maintenance of general liability claims	0.5																				
Revenue recognition gift cards breakage redemption period (years)	10 years																				
Renewal period of lease arrangements (years)					5	20															
Aggregate cumulative translation losses	$ 1.6		$ 0.4	$ 2.2																	

Financial Instruments (Tables)	**12 Months Ended May 27, 2012**
Fair Value Disclosures [Abstract]	
Available-For-Sale Securities At Market Value	The following table summarizes cost and market value for our securities that qualify as available-for-sale as of May 27, 2012:
Scheduled Maturities Of Available-For-Sale Securities	Earnings include insignificant realized gains and loss from sales of available-for-sale securities. At May 27, 2012, the scheduled maturities of our available-for-sale securities are as follows:

(in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Available-for-sale securities	$ 37.2	$ 0.5	$ —	$ 37.7

(in millions)	Cost	Market Value
Less than 1 year	$ 4.7	$ 4.7
1 to 3 years	22.8	23.2
3 to 5 years	9.7	9.8
Total	$ 37.2	$ 37.7

Derivative Instruments And Hedging Activities (Fair Value Of Derivative Contracts Designated And Not Designated As Hedging Instruments) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012		May 29, 2011	
Derivative contracts, Derivative Assets	$ 6.8		$ 5.8	
Derivative contracts, Derivative Liabilities	(45.3)		(23.2)	
Designated As Hedging Instruments				
Derivative contracts, Derivative Assets	4.9		4.7	
Derivative contracts, Derivative Liabilities	(45.3)		(23.2)	
Not Designated As Hedging Instrument				
Derivative contracts, Derivative Assets	1.9		1.1	
Derivative contracts, Derivative Liabilities	0		0	
Commodity Contract | Designated As Hedging Instruments				
Derivative contracts, Derivative Assets	0.3	[1]	0.1	[1]
Derivative contracts, Derivative Liabilities	(0.4)	[1]	0	[1]
Commodity Contract | Not Designated As Hedging Instrument				
Derivative contracts, Derivative Assets	0	[1]	0.6	[1]
Derivative contracts, Derivative Liabilities	0	[1]	0	[1]
Forward Contracts | Designated As Hedging Instruments				
Derivative contracts, Derivative Assets	0.9	[1]	0.4	[1]
Derivative contracts, Derivative Liabilities	0	[1]	0	[1]
Forward Contracts | Not Designated As Hedging Instrument				
Derivative contracts, Derivative Assets	1.9	[1]	0.5	[1]
Derivative contracts, Derivative Liabilities	0	[1]	0	[1]
Interest Rate Contract | Designated As Hedging Instruments				
Derivative contracts, Derivative Assets	3.2	[1]	3.6	[1]
Derivative contracts, Derivative Liabilities	(44.9)	[1]	(23.2)	[1]
Foreign Exchange Contract | Designated As Hedging Instruments				
Derivative contracts, Derivative Assets	0.5	[1]	0.6	[1]
Derivative contracts, Derivative Liabilities	$ 0	[1]	$ 0	[1]

[1] Derivative assets and liabilities are included in receivables, net, prepaid expenses and other current assets, and other current liabilities, as applicable, on our consolidated balance sheets.

Income Taxes (Reconciliation Of Unrecognized Tax Benefits) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended May 27, 2012
Reconciliation of Unrecognized Tax Benefits, Excluding Amounts Pertaining to Examined Tax Returns [Roll Forward]	
Balance at May 29, 2011	$ 21.9
Additions to tax positions recorded during the current year	2.7
Reductions to tax positions due to settlements with taxing authorities	(2.2)
Reductions to tax positions due to statute expiration	(6.7)
Balance at May 27, 2012	$ 15.7

Other Assets (Tables)	12 Months Ended May 27, 2012
Other Assets [Abstract]	
Components Of Other Assets	The components of other assets are as follows:

(in millions)	May 27, 2012	May 29, 2011
Trust-owned life insurance	$ 68.9	$ 67.5
Capitalized software costs, net	20.9	23.8
Liquor licenses	47.3	43.7
Acquired below-market leases, net	16.9	16.7
Loan costs, net	15.3	12.2
Marketable securities	33.0	18.4
Insurance-related	16.7	16.5
Miscellaneous	12.8	10.9
Total other assets	$ 231.8	$ 209.7

Summary Of Significant Accounting Policies (Depreciation And Amortization Expense From Continuing Operations Related To Land, Buildings And Equipment) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Property, Plant and Equipment [Line Items]			
Depreciation and amortization on buildings and equipment	$ 349.1	$ 316.8	$ 300.9
Losses on disposal of land, buildings and equipment	7.1	6.9	0.3
Buildings And Equipment			
Property, Plant and Equipment [Line Items]			
Depreciation and amortization on buildings and equipment	$ 340.6	$ 308.7	$ 293.2

Other Assets (Components Of Other Assets) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Other Assets [Abstract]		
Trust-owned life insurance	$ 68.9	$ 67.5
Capitalized software costs, net	20.9	23.8
Liquor licenses	47.3	43.7
Acquired below-market leases, net	16.9	16.7
Loan costs, net	15.3	12.2
Marketable securities	33.0	18.4
Insurance-related	16.7	16.5
Miscellaneous	12.8	10.9
Total other assets	$ 231.8	$ 209.7

Retirement Plans (Changes In Level 3 Investments For Defined Benefit Pension Plans) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended			
	May 27, 2012		May 29, 2011	
Actual return on plan assets:				
Fair value at end of period	$ 203.5		$ 187.4	
Private Equity Partnerships				
Actual return on plan assets:				
Fair value at end of period			25.6	[1]
Private Equity Securities				
Actual return on plan assets:				
Fair value at end of period			0	[2]
Energy And Real Estate Public Sector				
Actual return on plan assets:				
Fair value at end of period			9.1	[3]
Real Asset Private Funds				
Actual return on plan assets:				
Fair value at end of period			10.8	[4]
Significant Unobservable Inputs (Level 3)				
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]				
Fair value at beginning of period	40.7		36.4	
Actual return on plan assets:				
Relating to assets still held at the reporting date	0		3.1	
Relating to assets sold during the Period	0.3		2.6	
Purchases, sales, and settlements	(41.0)		(1.4)	
Transfers in and/or out of Level 3	0		0	
Fair value at end of period	0		40.7	
Significant Unobservable Inputs (Level 3) | Private Equity Partnerships				
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]				
Fair value at beginning of period	25.6	[1]	22.9	
Actual return on plan assets:				
Relating to assets still held at the reporting date	0		2.8	
Relating to assets sold during the Period	0.3		2.0	
Purchases, sales, and settlements	(25.9)		(2.1)	
Transfers in and/or out of Level 3	0		0	
Fair value at end of period	0		25.6	[1]
Significant Unobservable Inputs (Level 3) | Private Equity Securities				
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]				
Fair value at beginning of period	0	[2]	0.1	
Actual return on plan assets:				

Relating to assets still held at the reporting date	0		(0.1)	
Relating to assets sold during the Period	0		0	
Purchases, sales, and settlements	0		0	
Transfers in and/or out of Level 3	0		0	
Fair value at end of period	0		0	[2]
Significant Unobservable Inputs (Level 3) | Energy And Real Estate Public Sector				
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]				
Fair value at beginning of period	4.3	[3]	4.2	
Actual return on plan assets:				
Relating to assets still held at the reporting date	0		0.1	
Relating to assets sold during the Period	0		0	
Purchases, sales, and settlements	(4.3)		0	
Transfers in and/or out of Level 3	0		0	
Fair value at end of period	0		4.3	[3]
Significant Unobservable Inputs (Level 3) | Real Asset Private Funds				
Defined Benefit Plan, Change in Fair Value of Plan Assets [Roll Forward]				
Fair value at beginning of period	10.8	[4]	9.2	
Actual return on plan assets:				
Relating to assets still held at the reporting date	0		0.3	
Relating to assets sold during the Period	0		0.6	
Purchases, sales, and settlements	(10.8)		0.7	
Transfers in and/or out of Level 3	0		0	
Fair value at end of period	$ 0		$ 10.8	[4]

[1] Private equity partnerships are comprised of investments in limited partnerships that invest in private companies for total return purposes. The investments are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

[2] Private equity securities are comprised of investments in publicly traded common stock that were received as a distribution from a private equity partnership as well as equity investments in private companies for total return purposes. Stocks received from private equity distributions are valued by the trustee at closing prices from national exchanges on the valuation date. Investments in private companies are valued by management based upon information provided by the respective third-party investment manager who considers factors such as the cost of the investment, most recent round of financing, and expected future cash flows

[3] Energy and real estate securities are comprised of investments in publicly traded common stock of energy companies and real estate investment trusts for purposes of total return. These securities are valued by the trustee at closing prices from national exchanges on the valuation date. Unlisted investments are valued at prices quoted by various national markets and publications and/or independent financial analysts.

[4] Real asset private funds are comprised of interests in limited partnerships that invest in private companies in the energy industry and private real estate properties for purposes of total return. These interests are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

Summary Of Significant Accounting Policies (Restricted Stock And Options To Purchase Shares Of Common Stock Excluded From Calculation Of Diluted Earnings Per Share) (Details) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Accounting Policies [Abstract]			
Anti-dilutive restricted stock and options (shares)	2.6	1.2	3.3

Retirement Plans (Tables)	12 Months Ended May 27, 2012
Compensation and Retirement Disclosure [Abstract]	
Funding Of Defined Benefit Pension Plans And Postretirement Benefit Plans	Fundings related to the defined benefit pension plans and postretirement benefit plans, which are funded on a pay-as-you-go basis, were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Defined benefit pension plans funding	$ 22.2	$ 12.9	$ 0.4
Postretirement benefit plan funding	0.5	0.3	0.6

Change In Benefit Obligation

The following provides a reconciliation of the changes in the plan benefit obligation, fair value of plan assets and the funded status of the plans as of May 27, 2012 and May 29, 2011:

(in millions)	Defined Benefit Plans		Postretirement Benefit Plan	
	2012	2011	2012	2011
Change in Benefit Obligation:				
Benefit obligation at beginning of period	$ 215.8	$ 200.2	$ 27.0	$ 38.9
Service cost	5.1	5.9	0.8	0.9
Interest cost	9.6	9.5	1.5	2.3
Plan amendments	—	—	—	—
Participant contributions	—	—	0.3	0.4
Benefits paid	(9.8)	(8.9)	(0.8)	(0.7)
Actuarial loss (gain)	53.7	9.1	0.8	(14.8)
Benefit obligation at end of period	$ 274.4	$ 215.8	$ 29.6	$ 27.0

Change In Plan Assets

Change in Plan Assets:				
Fair value at beginning of period	$ 187.4	$ 154.6	$ —	$ —
Actual return on plan assets	3.7	28.8	—	—
Employer contributions	22.2	12.9	0.5	0.3
Participant contributions	—	—	0.3	0.4
Benefits paid	(9.8)	(8.9)	(0.8)	(0.7)
Fair value at end of period	$ 203.5	$ 187.4	$ —	$ —

Reconciliation Of The Plan's Funded Status

Reconciliation of the Plans' Funded Status:				
Unfunded status at end of period	$ (70.9)	$ (28.4)	$ (29.6)	$ (27.0)

Funded Status And Amounts Recognized In Accumulated Other Comprehensive Income (Loss)

The following is a detail of the balance sheet components of each of our plans and a reconciliation of the amounts included in accumulated other comprehensive income (loss):

(in millions)	Defined Benefit Plans		Postretirement Benefit Plan	
	May 27, 2012	May 29, 2011	May 27, 2012	May 29, 2011

Components of the Consolidated Balance Sheets:				
Current liabilities	$ —	$ 0.4	$ —	$ 0.7
Non-current liabilities	70.9	28.0	29.6	26.3
Net amounts recognized	$ 70.9	$ 28.4	$ 29.6	$ 27.0
Amounts Recognized in Accumulated Other Comprehensive Income (Loss), net of tax:				
Prior service (cost) credit	$ (0.2)	$ (0.3)	$ 0.1	$ 0.1
Net actuarial loss	(87.4)	(50.5)	(1.9)	(1.3)
Net amounts recognized	$ (87.6)	$ (50.8)	$ (1.8)	$ (1.2)

Accumulated Benefit Obligations In Excess Of Plan Assets

The following is a summary of our accumulated and projected benefit obligations:

(in millions)	May 27, 2012	May 29, 2011
Accumulated benefit obligation for all pension plans	$ 265.0	$ 211.8
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	265.0	211.8
Fair value of plan assets	203.5	187.4
Projected benefit obligations for all plans with projected benefit obligations in excess of plan assets	274.4	215.8

Weighted-Average Assumptions Used

The following table presents the weighted-average assumptions used to determine benefit obligations and net expense:

	Defined Benefit Plans		Postretirement Benefit Plan	
	2012	2011	2012	2011
Weighted-average assumptions used to determine benefit obligations at May 27 and May 29 (1)				
Discount rate	4.35%	5.37%	4.52%	5.46%
Rate of future compensation increases	4.22%	3.75%	N/A	N/A
Weighted-average assumptions used to determine net expense for fiscal years ended May 27 and May 29 (2)				
Discount rate	5.37%	5.89%	5.46%	5.98%
Expected long-term rate of return on plan assets	9.00%	9.00%	N/A	N/A
Rate of future compensation increases	3.75%	3.75%	N/A	N/A

(1) Determined as of the end of fiscal year.

(2) Determined as of the beginning of fiscal year.

Components Of Net Periodic Benefit Cost

Components of net periodic benefit cost included in continuing operations are as follows:

(in millions)	Defined Benefit Plans			Postretirement Benefit Plan		
	2012	2011	2010	2012	2011	2010
Service cost	$ 5.1	$ 5.9	$ 4.9	$ 0.8	$ 0.9	$ 0.6

Interest cost	9.6	9.5	10.0	1.5	2.3	1.9
Expected return on plan assets	(17.8)	(16.6)	(16.4)	—	—	—
Amortization of unrecognized prior service cost	0.1	0.1	0.1	(0.1)	—	—
Recognized net actuarial loss	8.2	4.5	0.3	—	1.3	0.6
Net pension and postretirement cost (benefit)	$ 5.2	$ 3.4	$ (1.1)	$ 2.2	$ 4.5	$ 3.1

Fair Values Of Defined Benefit Pension Plans Assets

The fair values of the defined benefit pension plans assets at their measurement dates of May 27, 2012 and May 29, 2011, are as follows:

		Items Measured at Fair Value at May 27, 2012			
(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity:					
U.S. Commingled Funds	(1)	$ 80.5	$ —	$ 80.5	$ —
International Commingled Funds	(2)	26.8	—	26.8	—
Emerging Market Commingled Funds	(3)	11.3	—	11.3	—
Real Estate Commingled Funds	(4)	10.0	—	10.0	—
Fixed-Income:					
U.S. Treasuries	(5)	20.0	20.0	—	—
U.S. Corporate Securities	(5)	37.7	—	37.7	—
International Securities	(5)	2.7	—	2.7	—
Public Sector Utility Securities	(5)	10.4	—	10.4	—
Cash & Accruals		4.1	4.1	—	—
Total		$ 203.5	$ 24.1	$ 179.4	$ —

(1) U.S. commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(2) International commingled funds are comprised of investments in funds that purchase publicly traded non-U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(3) Emerging market commingled funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(4) Real estate commingled funds are comprised of investments in funds that purchase publicly traded common stock of real estate securities for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(5) Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date.

		Items Measured at Fair Value at May 29, 2011			
(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity:					
U.S. & International	(1)	$ 37.9	$ 37.9	$ —	$ —
U.S. Mutual & Commingled Funds	(2)	22.1	1.6	20.5	—
Developed Market Equity Funds	(3)	19.7	11.7	8.0	—
Emerging Market Equity Funds	(3)	6.9	—	6.9	—
Private Equity Partnerships	(4)	25.6	—	—	25.6
Private Equity Securities	(5)	—	—	—	—
Fixed-Income:					
Fixed-income Securities	(6)	43.2	38.3	4.9	—
Energy & Real Estate Public Sector	(7)	9.1	—	4.8	4.3
Real Asset Commingled Funds	(8)	4.0	—	4.0	—
Real Asset Private Funds	(9)	10.8	—	—	10.8
Cash & Accruals		8.1	8.1	—	—
Total		$ 187.4	$ 97.6	$ 49.1	$ 40.7

(1) U.S. equity securities and international equity securities are comprised of investments in common stock of U.S. and non-U.S. companies for total return purposes. These investments are valued by the trustee at closing prices from national exchanges on the valuation date.

(2) U.S. mutual and commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(3) Emerging market equity funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(4) Private equity partnerships are comprised of investments in limited partnerships that invest in private companies for total return purposes. The investments are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their

consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

(5) Private equity securities are comprised of investments in publicly traded common stock that were received as a distribution from a private equity partnership as well as equity investments in private companies for total return purposes. Stocks received from private equity distributions are valued by the trustee at closing prices from national exchanges on the valuation date. Investments in private companies are valued by management based upon information provided by the respective third-party investment manager who considers factors such as the cost of the investment, most recent round of financing, and expected future cash flows

(6) Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date. Unlisted investments are valued at prices quoted by various national markets, fixed income pricing models and/or independent financial analysts.

(7) Energy and real estate securities are comprised of investments in publicly traded common stock of energy companies and real estate investment trusts for purposes of total return. These securities are valued by the trustee at closing prices from national exchanges on the valuation date. Unlisted investments are valued at prices quoted by various national markets and publications and/or independent financial analysts.

(8) Real asset commingled funds are comprised of investments in funds that purchase publicly traded common stock of energy companies or real estate investment trusts for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(9) Real asset private funds are comprised of interests in limited partnerships that invest in private companies in the energy industry and private real estate properties for purposes of total return. These interests are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

Changes In Level 3 Investments For Defined Benefit Pension Plans

The following table presents the changes in Level 3 investments for the defined benefit pension plans at May 27, 2012:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
(in millions)	Private Equity Partnerships	Private Equity Securities	Energy & Real Estate Public Sector	Real Asset Private Funds	Total
Beginning balance at May 29, 2011	$ 25.6	$ —	$ 4.3	$ 10.8	$ 40.7
Actual return on plan assets:					
Relating to assets still held at the reporting date	—	—	—	—	—
Relating to assets sold during the period	0.3	—	—	—	0.3
Purchases, sales and settlements	(25.9)	—	(4.3)	(10.8)	(41.0)
Transfers in and/or out of Level 3	—	—	—	—	—
Ending balance at May 27, 2012	$ —	$ —	$ —	$ —	$ —

The following table presents the changes in Level 3 investments for the defined benefit pension plans at May 29, 2011:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
(in millions)	Private Equity Partnerships	Private Equity Securities	Energy & Real Estate Public Sector	Real Asset Private Funds	Total
Beginning balance at May 30, 2010	$ 22.9	$ 0.1	$ 4.2	$ 9.2	$ 36.4
Actual return on plan assets:					
Relating to assets still held at the reporting date	2.8	(0.1)	0.1	0.3	3.1
Relating to assets sold during the period	2.0	—	—	0.6	2.6
Purchases, sales, and settlements	(2.1)	—	—	0.7	(1.4)
Transfers in and/or out of Level 3	—	—	—	—	—
Ending balance at May 29, 2011	$ 25.6	$ —	$ 4.3	$ 10.8	$ 40.7

Expected Benefit Payments

The following benefit payments are expected to be paid between fiscal 2013 and fiscal 2022:

(in millions)	Defined Benefit Plans	Postretirement Benefit Plan
2013	$ 10.0	$ 0.7
2014	10.4	0.7
2015	10.9	0.8
2016	11.5	0.9
2017	12.4	0.9
2018-2022	74.6	6.0

Consolidated Statements Of Changes In Stockholders' Equity (Parenthetical) (USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Cash dividends declared, per share	$ 1.72	$ 1.28	$ 1
Stock option exercises, shares (shares)	2.2	2.3	2.9
Purchases of common stock for treasury, shares	8.2	8.6	2.0
Issuance of treasury stock under Employee Stock Purchase Plan and other plans, shares	0.2	0.2	0.3

Stock-Based Compensation (Stock Option Activity) (Narrative) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Total intrinsic value of options exercised	$ 49.7	$ 49.9	$ 59.1
Cash received from option exercises	62.9	55.7	59.3
Vesting period (years)	four		
Stock options			
Unrecognized compensation cost related to unvested stock options granted	33.4		
Unrecognized compensation cost, period of recognition, in years (years)	2.5		
Fair market value on grant date	$ 21.1		

Discontinued Operations Discontinued Operations (Narrative) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012 resturants	May 29, 2011	May 28, 2008 Segment, Discontinued Operations Bahama Breeze Restaurants resturants	May 27, 2007 Segment, Discontinued Operations Bahama Breeze Restaurants resturants
Number of restaurants (restaurants)	3		9	9
Assets associated with discontinued operations included in land, buildings and equipment	$ 5.6	$ 7.8		

Stockholders' Equity (Tables)	12 Months Ended May 27, 2012

Stockholders' Equity Note [Abstract]

Share Repurchase Authorizations And Cumulative Share Repurchases

Share repurchase authorizations and cumulative share repurchases under these authorizations, are as follows:

(in millions)	May 27, 2012
Share repurchase authorizations	187.4
Cumulative shares repurchased	170.9

Total Shares And Related Cost Of Common Stock Repurchased

The total shares and related cost of our common stock we repurchased was as follows:

(in millions)	Fiscal Year					
	2012		2011		2010	
	Shares	Cost	Shares	Cost	Shares	Cost
Treasury stock repurchases	8.2	$375.1	8.6	$385.5	2.0	$85.1

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), net of tax, are as follows:

(in millions)	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Marketable Securities	Unrealized Gains (Losses) on Derivatives	Benefit Plan Funding Position	Accumulated Other Comprehensive Income
Balances at May 30, 2010	$ (2.2)	$ 0.3	$ 1.1	$ (70.3)	$ (71.1)
Gain (loss)	1.8	0.2	(5.1)	10.7	7.6
Reclassification realized in net earnings	—	—	(0.1)	3.8	3.7
Balances at May 29, 2011	$ (0.4)	$ 0.5	$ (4.1)	$ (55.8)	$ (59.8)
Gain (loss)	(1.2)	(0.1)	(47.9)	(45.6)	(94.8)
Reclassification realized in net earnings	—	—	2.3	5.7	8.0
Balances at May 27, 2012	$ (1.6)	$ 0.4	$ (49.7)	$ (95.7)	$ (146.6)

Commitments And Contingencies	12 Months Ended May 27, 2012
Commitments and Contingencies Disclosure [Abstract]	
Commitments And Contingencies	**COMMITMENTS AND CONTINGENCIES** As collateral for performance on contracts and as credit guarantees to banks and insurers, we were contingently liable for guarantees of subsidiary obligations under standby letters of credit. At May 27, 2012 and May 29, 2011, we had $99.2 million and $96.4 million, respectively, of standby letters of credit related to workers' compensation and general liabilities accrued in our consolidated financial statements. At May 27, 2012 and May 29, 2011, we had $20.3 million and $16.8 million, respectively, of standby letters of credit related to contractual operating lease obligations and other payments. All standby letters of credit are renewable annually. At May 27, 2012 and May 29, 2011, we had $5.4 million and $7.4 million, respectively, of guarantees associated with leased properties that have been assigned to third parties. These amounts represent the maximum potential amount of future payments under the guarantees. The fair value of these potential payments discounted at our pre-tax cost of capital at May 27, 2012 and May 29, 2011, amounted to $4.1 million and $5.4 million, respectively. We did not accrue for the guarantees, as the likelihood of the third parties defaulting on the assignment agreements was deemed to be less than probable. In the event of default by a third party, the indemnity and default clauses in our assignment agreements govern our ability to recover from and pursue the third party for damages incurred as a result of its default. We do not hold any third-party assets as collateral related to these assignment agreements, except to the extent that the assignment allows us to repossess the building and personal property. These guarantees expire over their respective lease terms, which range from fiscal 2013 through fiscal 2021. We are subject to private lawsuits, administrative proceedings and claims that arise in the ordinary course of our business. A number of these lawsuits, proceedings and claims may exist at any given time. These matters typically involve claims from guests, employees and others related to operational issues common to the restaurant industry, and can also involve infringement of, or challenges to, our trademarks. While the resolution of a lawsuit, proceeding or claim may have an impact on our financial results for the period in which it is resolved, we believe that the final disposition of the lawsuits, proceedings and claims in which we are currently involved, either individually or in the aggregate, will not have a material adverse effect on our financial position, results of operations or liquidity.

Stock-Based Compensation	12 Months Ended May 27, 2012
Share-based Compensation [Abstract]	
Stock-Based Compensation	

STOCK-BASED COMPENSATION

We maintain two active stock option and stock grant plans under which new awards may still be issued, known as the Darden Restaurants, Inc. 2002 Stock Incentive Plan (2002 Plan) and the RARE Hospitality International, Inc. Amended and Restated 2002 Long-Term Incentive Plan (RARE Plan). We also have four other stock option and stock grant plans under which we no longer can grant new awards, although awards outstanding under the plans may still vest and be exercised in accordance with their terms: the Stock Plan for Directors (Director Stock Plan); the Director Compensation Plan; the Stock Option and Long-Term Incentive Plan of 1995 (1995 Plan) and the Restaurant Management and Employee Stock Plan of 2000 (2000 Plan). All of the plans are administered by the Compensation Committee of the Board of Directors. The 2002 Plan provides for the issuance of up to 18.3 million common shares in connection with the granting of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units (RSUs), stock awards and other stock-based awards including performance stock units and Darden stock units to key employees and non-employee directors. The RARE Plan provides for the issuance of up to 3.9 million common shares in connection with the granting of non-qualified stock options, incentive stock options and restricted stock to employees. Awards under the RARE Plan are only permitted to be granted to employees who were employed by RARE as of the date of acquisition and continued their employment with the Company. The Director Stock Plan provided for the issuance of up to 0.375 million common shares out of our treasury in connection with the granting of non-qualified stock options, restricted stock and RSUs to non-employee directors. No new awards could be granted under the Director Stock Plan after September 30, 2000. The Director Compensation Plan provided for the issuance of 0.1 million common shares out of our treasury to non-employee directors of the Board. No new awards may be granted under the Director Compensation Plan after September 30, 2005. The 1995 Plan provided for the issuance of up to 33.3 million common shares in connection with the granting of non-qualified stock options, restricted stock or RSUs to key employees. The 2000 Plan provided for the issuance of up to 5.4 million shares of common stock out of our treasury as non-qualified stock options, restricted stock or RSUs. Under all of these plans, stock options are granted at a price equal to the fair value of the shares at the date of grant for terms not exceeding ten years and have various vesting periods at the discretion of the Compensation Committee. Outstanding options generally vest over one to four years. Restricted stock and RSUs granted under the 1995 Plan, the 2000 Plan and the 2002 Plan generally vest over periods ranging from three to five years and no sooner than one year from the date of grant. Performance Stock Units granted under the 2002 Plan generally vest over a three-year period, and vested amounts may range from 0.0 to 150.0 percent of targeted amounts depending on the achievement of certain sales and diluted net earnings per share performance measures. Darden stock units granted under the 2002 Plan generally vest over a five-year period, with no performance vesting feature.

On December 15, 2005, the Board of Directors approved the Director Compensation Program, effective as of October 1, 2005, for Non-Employee Directors. The Director Compensation Program provides for payments to non-employee directors of: (a) an annual retainer and meeting fees for special Board meetings and committee meetings; (b) an additional annual retainer for the Lead Director and committee chairs; and (c) an annual award of common stock with a fair value of $0.1 million on the date of grant upon election or re-election to the Board. Directors may elect to have their cash compensation paid in any combination of current or deferred cash, common stock or salary replacement options. Deferred cash compensation may be invested on a tax-deferred basis in the same manner as deferrals under our non-qualified deferred compensation plan. Prior to the date of grant, directors may elect to have their annual stock award paid in the form of common stock or cash, or a combination thereof, or deferred. To the extent directors elect to receive cash or cash settled awards, the value of the awards are carried as a liability on our consolidated balance sheet at fair value until such time as it is settled. All stock options and other stock or stock-based awards that are part of the compensation paid or deferred pursuant to the Director Compensation Program are awarded under the 2002 Plan.

Stock-based compensation expense included in continuing operations was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Stock options	$ 19.0	$ 20.7	$ 20.2
Restricted stock/restricted stock units	4.3	9.9	10.2
Darden stock units	17.1	17.1	13.1
Performance stock units	12.6	15.6	6.8
Employee stock purchase plan	1.8	1.9	1.8
Director compensation program/other	1.3	1.4	1.4
	$ 56.1	$ 66.6	$ 53.5

The following table presents a summary of our stock option activity as of and for the year ended May 27, 2012:

	Options (in millions)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (Yrs)	Aggregate Intrinsic Value (in millions)
Outstanding beginning of period	13.0	$32.77	5.53	$235.6
Options granted	1.6	51.06		
Options exercised	(2.2)	28.12		
Options canceled	(0.1)	35.71		
Outstanding end of period	12.3	$36.05	5.58	209.3
Exercisable	7.2	$32.28	3.90	$150.0

The total intrinsic value of options exercised during fiscal 2012, 2011 and 2010 was $49.7 million, $49.9 million and $59.1 million, respectively. Cash received from option exercises during fiscal 2012, 2011 and 2010 was $62.9 million, $55.7 million and $59.3 million, respectively. Stock options have a maximum contractual period of ten years from the date of grant. We settle employee stock option exercises with authorized but unissued shares of Darden common stock or treasury shares we have acquired through our ongoing share repurchase program.

As of May 27, 2012, there was $33.4 million of unrecognized compensation cost related to unvested stock options granted under our stock plans. This cost is expected to be recognized over a weighted-average period of 2.5 years. The total fair value of stock options that vested during fiscal 2012 was $21.1 million.

Restricted stock and RSUs are granted at a value equal to the market price of our common stock on the date of grant. Restrictions lapse with regard to restricted stock, and RSUs are settled in shares, at the end of their vesting periods, which is generally four years.

The following table presents a summary of our restricted stock and RSU activity as of and for the fiscal year ended May 27, 2012:

	Shares (in millions)	Weighted-Average Grant Date Fair Value Per Share
Outstanding beginning of period	0.6	$29.36
Shares granted	0.1	46.71
Shares vested	(0.4)	34.44
Outstanding end of period	0.3	$39.63

As of May 27, 2012, there was $4.6 million of unrecognized compensation cost related to unvested restricted stock and RSUs granted under our stock plans. This cost is expected to be recognized over a weighted-average period of 2.5 years. The total fair value of restricted stock and RSUs that vested during fiscal 2012, 2011 and 2010 was $10.0 million, $9.1 million and $9.4 million, respectively.

Darden stock units are granted at a value equal to the market price of our common stock on the date of grant and will be settled in cash at the end of their vesting periods, which range between four and five years, at the then market price of our common stock. Compensation expense is measured based on the market price of our common stock each period, is amortized over the vesting period and the vested portion is carried as a liability in our accompanying consolidated balance sheets. We also entered into equity forward contracts to hedge the risk of changes in future cash flows associated with the unvested, unrecognized Darden stock units granted (see Note 10 – Derivative Instruments and Hedging Activities for additional information).

The following table presents a summary of our Darden stock unit activity as of and for the fiscal year ended May 27, 2012:

	Units (in millions)	Weighted-Average Fair Value Per Unit
Outstanding beginning of period	1.9	$50.92
Units granted	0.6	50.08
Units vested	(0.3)	48.74
Units canceled	(0.1)	39.38
Outstanding end of period	2.1	$53.06

Based on the value of our common stock as of May 27, 2012, there was $48.7 million of unrecognized compensation cost related to Darden stock units granted under our incentive plans. This cost is expected to be recognized over a weighted-average period of 2.9 years. Darden stock units with a fair value of $12.1 million vested during fiscal 2012.

The following table presents a summary of our performance stock unit activity as of and for the fiscal year ended May 27, 2012:

	Units (in millions)	Weighted-Average Fair Value Per Unit
Outstanding beginning of period	1.0	$37.91
Units granted	0.3	51.45
Units vested	(0.2)	50.42

Units canceled	—	—
Outstanding end of period	1.1	$39.33

The performance stock units issued before fiscal 2010 vest over a period of five years following the date of grant, where zero percent to 150.0 percent of one-fifth (20 percent) of the grant is earned or forfeited at the end of each year in the vesting period. Performance stock units issued during fiscal 2010 and subsequent will cliff vest 3 years from the date of grant, where zero percent to 150.0 percent of the entire grant is earned or forfeited at the end of 3 years. The number of units that actually vests will be determined for each year based on the achievement of Company performance criteria set forth in the award agreement and may range from zero percent to 150.0 percent of the annual target. These awards issued before fiscal 2010 may be settled in cash or shares of common stock at the election of the Company on the date of grant. The performance stock unit grants for fiscal 2007 and 2008 were designated as equity settled awards, while the fiscal 2009 grant was designated as a cash-settled award. All awards issued during fiscal 2010 and subsequent will be cash settled awards. Holders will receive one share of common stock or its equivalent in cash for each performance stock unit that vests. For equity-settled awards, compensation expense is measured based on grant date fair value and amortized over the service period. Cash-settled awards are measured based on the market price of our common stock each period, are amortized over the service period and the vested portion is carried as a liability in our accompanying consolidated balance sheets. As of May 27, 2012, there was $18.9 million of unrecognized compensation cost related to unvested performance stock units granted under our stock plans. This cost is expected to be recognized over a weighted-average period of 1.5 years. The total fair value of performance stock units that vested in fiscal 2012 was $9.8 million.

We maintain an Employee Stock Purchase Plan to provide eligible employees who have completed one year of service (excluding senior officers subject to Section 16(b) of the Securities Exchange Act of 1934, and certain other employees who are employed less than full time or own 5 percent or more of our capital stock or that of any subsidiary) an opportunity to invest up to $5.0 thousand per calendar quarter to purchase shares of our common stock, subject to certain limitations. Under the plan, up to an aggregate of 3.6 million shares are available for purchase by employees at a purchase price that is 85.0 percent of the fair market value of our common stock on either the first or last trading day of each calendar quarter, whichever is lower. Cash received from employees pursuant to the plan during fiscal 2012, 2011 and 2010 was $7.2 million, $7.4 million and $7.1 million, respectively.

Retirement Plans (Defined Benefit And Postretirement Benefit Plans) (Narrative) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Defined Benefit Plans			
Expected long-term rate of return on plan assets (percentage)	9.00% [1]	9.00% [1]	9.00%
Effect of quarter percentage point change in discount rate on earnings before income taxes	$ 0.7		
Effect of quarter percentage point change in expected long term rate of return on plan assets on earnings before income taxes	0.5		
Amortization of net actuarial loss	8.8		
Defined Benefit Plans | U.S. Equities			
Target asset fund allocation, equities (percentage)	40.00%		
Defined Benefit Plans | Fixed-Income Securities			
Target asset fund allocation, fixed income securities (percentage)	35.00%		
Defined Benefit Plans | International Equities			
Target asset fund allocation, equities (percentage)	20.00%		
Defined Benefit Plans | Real Assets			
Target asset fund allocation, real assets (percentage)	5.00%		
Defined Benefit Plans | US Comingled Fund			
Concentration of market risk related to large investments in a single fund or sector (percentage)	39.60%		
Defined Benefit Plans | International Comingled Fund			
Concentration of market risk related to large investments in a single fund or sector (percentage)	13.20%		
Defined Benefit Plans | U.S. Fixed-Income Treasury Securities			
Concentration of market risk related to large investments in a single fund or sector (percentage)	10.50%		
Defined Benefit Plans | Emerging Markets Comingled Fund			
Concentration of market risk related to large investments in a single fund or sector (percentage)	5.50%		
Defined Benefit Plans | Other Investments			
Concentration of market risk related to large investments in a single fund or sector (percentage)	5.00%		
Postretirement Benefit Plan			
Expected employer contribution to the benefit plans	1.0		
Assumed health care cost trend rate increase in per-capita charges (percentage)	7.70%		
Ultimate health care cost trend rate (percentage)	5.00%		
Year that rate reaches ultimate trend rate	2022		
Effect of one percentage point increase on service and interest cost components	0.5		
Effect of one percentage point decrease on service and interest cost components	0.4		

Effect of one percentage point increase on accumulated postretirement benefit obligation	6.5
Effect of one percentage point decrease on accumulated postretirement benefit obligation	5.1
Amortization of net actuarial loss	0
Minimum | Defined Benefit Plans	
Expected employer contribution to the benefit plans	17.5
Maximum | Defined Benefit Plans	
Expected employer contribution to the benefit plans	$ 19.5
10-Year Rates | Defined Benefit Plans	
Actual rate of return on plan assets (percentage)	7.80%
15-Year Rates | Defined Benefit Plans	
Actual rate of return on plan assets (percentage)	8.00%
20-Year Rates | Defined Benefit Plans	
Actual rate of return on plan assets (percentage)	9.40%

[1] Determined as of the beginning of fiscal year.

Summary Of Significant Accounting Policies (Amortization Expense Related To Acquired Definite-Lived Intangible Assets) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Accounting Policies [Abstract]			
Restaurant expense - below-market leases	$ 1.8	$ 2.2	$ 2.6
Restaurant expense - above-market leases	$ (0.5)	$ (0.5)	$ (0.5)

Leases (Tables)	12 Months Ended May 27, 2012

Leases [Abstract]

Analysis Of Rent Expense

An analysis of rent expense incurred related to restaurants in continuing operations is as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Restaurant minimum rent	$ 130.9	$ 120.6	$ 111.7
Restaurant percentage rent	5.6	5.3	5.1
Restaurant rent averaging expense	12.9	11.1	10.0
Transportation equipment	3.5	3.2	3.3
Office equipment	0.6	0.4	0.8
Office space	1.0	0.9	4.5
Warehouse space	0.6	0.5	0.5
Total rent expense	$ 155.1	$ 142.0	$ 135.9

Annual Future Lease Commitments

The annual future lease commitments under capital lease obligations and noncancelable operating leases, including those related to restaurants reported as discontinued operations, for each of the five fiscal years subsequent to May 27, 2012 and thereafter is as follows:

(in millions)

Fiscal Year	Capital	Operating
2013	$ 5.2	$ 151.5
2014	5.4	142.0
2015	5.5	130.0
2016	5.6	114.5
2017	5.8	96.3
Thereafter	67.2	302.5
Total future lease commitments	$ 94.7	$ 936.8
Less imputed interest (at 6.5%)	(38.7)	
Present value of future lease commitments	$ 56.0	
Less current maturities	(1.6)	
Obligations under capital leases, net of current maturities	$ 54.4	

Subsequent Event	12 Months Ended May 27, 2012
Subsequent Events [Abstract]	
Subsequent Event	**SUBSEQUENT EVENT** On June 20, 2012, the Board of Directors declared a cash dividend of $0.50 per share to be paid August 1, 2012 to all shareholders of record as of the close of business on July 10, 2012. On July 12, 2012, we entered into an agreement to acquire Yard House USA, Inc., (Yard House), for $585.0 million in an all-cash transaction. After the acquisition, Yard House will be a wholly-owned subsidiary of Darden. The transaction has been approved by our Board of Directors and is subject to the satisfaction of customary closing conditions, including, among others, the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The acquisition is expected to be completed early in the second quarter of fiscal 2013.

Quarterly Data

Quarterly Financial Data [Abstract]

Quarterly Data

12 Months Ended May 27, 2012

QUARTERLY DATA (UNAUDITED)

The following table summarizes unaudited quarterly data for fiscal 2012 and fiscal 2011:

	Fiscal 2012 - Quarters Ended				
(in millions, except per share data)	Aug. 28	Nov. 27	Feb. 26	May 27	Total
Sales	$1,942.0	$1,831.5	$2,159.7	$2,065.6	$7,998.7
Earnings before income taxes	147.0	72.5	217.8	200.7	638.0
Earnings from continuing operations	106.8	54.1	164.1	151.6	476.5
Losses from discontinued operations, net of tax	(0.2)	(0.4)	—	(0.4)	(1.0)
Net earnings	106.6	53.7	164.1	151.2	475.5
Basic net earnings per share:					
Earnings from continuing operations	0.80	0.42	1.28	1.18	3.66
Losses from discontinued operations	—	(0.01)	—	—	(0.01)
Net earnings	0.80	0.41	1.28	1.18	3.65
Diluted net earnings per share:					
Earnings from continuing operations	0.78	0.41	1.25	1.15	3.58
Losses from discontinued operations	—	(0.01)	—	—	(0.01)
Net earnings	0.78	0.40	1.25	1.15	3.57
Dividends paid per share	0.43	0.43	0.43	0.43	1.72
Stock price:					
High	53.81	49.20	51.90	55.84	55.84
Low	43.85	40.69	41.65	48.49	40.69

	Fiscal 2011 - Quarters Ended				
(in millions, except per share data)	Aug. 29	Nov. 28	Feb. 27	May 29	Total
Sales	$1,806.7	$1,726.2	$1,976.8	$1,990.4	$7,500.2
Earnings before income taxes	159.1	103.2	199.1	186.2	647.6
Earnings from continuing operations	113.3	75.8	151.7	138.0	478.7
Losses from discontinued operations, net of tax	(0.2)	(1.3)	(0.5)	(0.6)	(2.4)
Net earnings	113.1	74.5	151.2	137.4	476.3
Basic net earnings per share:					
Earnings from continuing operations	0.82	0.55	1.11	1.02	3.50
Losses from discontinued operations	—	(0.01)	—	—	(0.02)

Net earnings	0.82	0.54	1.11	1.02	3.48
Diluted net earnings per share:					
Earnings from continuing operations	0.80	0.54	1.08	1.00	3.41
Losses from discontinued operations	—	(0.01)	—	(0.01)	(0.02)
Net earnings	0.80	0.53	1.08	0.99	3.39
Dividends paid per share	0.32	0.32	0.32	0.32	1.28
Stock price:					
High	45.04	49.99	50.84	52.12	52.12
Low	37.08	41.03	45.07	45.51	37.08

Consolidated Statements Of Changes In Stockholders' Equity (USD $) In Millions	Total	Common Stock And Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation	Officer Notes Receivable
Balances at May. 31, 2009	$ 1,606.0	$ 2,183.1	$ 2,357.4	$ (2,864.2)	$ (57.2)	$ (13.0)	$ (0.1)
Net earnings	404.5	0	404.5	0	0	0	0
Other comprehensive income	(13.9)	0	0	0	(13.9)	0	0
Cash dividends declared	(140.0)	0	(140.0)	0	0	0	0
Stock option exercises	59.3	55.0	0	4.3	0	0	0
Stock-based compensation	33.6	33.6	0	0	0	0	0
ESOP note receivable repayments	1.8	0	0	0	0	1.8	0
Income tax benefits credited to equity	20.1	20.1	0	0	0	0	0
Purchases of common stock for treasury	(85.1)	0	0	(85.1)	0	0	0
Issuance of treasury stock under Employee Stock Purchase Plan and other plans	7.6	6.1	0	1.5	0	0	0
Repayment of officer notes	0.1	0	0	0	0	0	0.1
Balances at May. 30, 2010	1,894.0	2,297.9	2,621.9	(2,943.5)	(71.1)	(11.2)	0
Net earnings	476.3	0		0	0	0	0
Other comprehensive income	11.3	0	0	0	11.3	0	0
Cash dividends declared	(176.3)	0	(176.3)	0	0	0	0
Stock option exercises	55.7	53.1	0	2.6	0	0	0
Stock-based compensation	33.9	33.9	0	0	0	0	0
ESOP note receivable repayments	1.8	0	0	0	0	1.8	0
Income tax benefits credited to equity	17.7	17.7	0	0	0	0	0
Purchases of common stock for treasury	(385.5)	0	0	(385.5)	0	0	0
Issuance of treasury stock under Employee Stock Purchase Plan and other plans	7.3	6.2	0	1.1	0	0	0
Balances at May. 29, 2011	1,936.2	2,408.8	2,921.9	(3,325.3)	(59.8)	(9.4)	0
Net earnings	475.5	0		0	0	0	0
Other comprehensive income	(86.8)	0	0	0	(86.8)	0	0
Cash dividends declared	(224.6)	0	(224.6)	0	0	0	0
Stock option exercises	62.9	59.4	0	3.5	0	0	0
Stock-based compensation	26.5	26.5	0	0	0	0	0
ESOP note receivable repayments	2.1	0	0	0	0	2.1	0

Income tax benefits credited to equity	17.9	17.9	0	0	0	0	0
Purchases of common stock for treasury	(375.1)	0	0	(375.1)	0	0	0
Issuance of treasury stock under Employee Stock Purchase Plan and other plans	7.4	6.2	0	1.1	0	0.1	0
Balances at May. 27, 2012	$ 1,842.0	$ 2,518.8	$ 3,172.8	$ (3,695.8)	$ (146.6)	$ (7.2)	$ 0

Summary Of Significant Accounting Policies (Policy)	12 Months Ended May 27, 2012
Accounting Policies [Abstract]	
Operations and Principles of Consolidation	***Operations and Principles of Consolidation*** The accompanying consolidated financial statements include the operations of Darden Restaurants, Inc. and its wholly owned subsidiaries (Darden, the Company, we, us or our). We own and operate the Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's Prime Seafood® and Wildfish Seafood Grille® restaurant brands located in the United States and Canada. Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except three. Those three restaurants are located in Central Florida and are owned by joint ventures managed by us. None of our restaurants in the United States or Canada are franchised. As of May 27, 2012, we franchised 5 LongHorn Steakhouse restaurants in Puerto Rico, 22 Red Lobster restaurants in Japan, and 1 Red Lobster restaurant in Dubai, to unaffiliated franchisees under area development and franchise agreements. All significant inter-company balances and transactions have been eliminated in consolidation.
Basis of Presentation	***Basis of Presentation***

On November 14, 2011, we completed the acquisition of eight Eddie V's Prime Seafood restaurants and three Wildfish Seafood Grille restaurants (collectively Eddie V's) and all related assets and net working capital for $58.5 million in cash. The results of operations from Eddie V's, which are not material, are included in our consolidated financial statements from the date of acquisition. The acquisition resulted in the recording of depreciable assets, definite-lived amortizable intangible assets and indefinite-lived intangible assets, including goodwill.

The following table summarizes the preliminary estimated fair values of the Eddie V's assets acquired and liabilities assumed as of the acquisition date and the final adjustments made thereto through the fiscal year ended May 27, 2012:

(in millions)	Preliminary	Adjustments	Final Adjusted
Current assets	$ 1.7	$ (0.3)	$ 1.4
Buildings and equipment	26.8	(0.4)	26.4
Trademarks	17.0	(6.1)	10.9
Other assets	2.9	(0.4)	2.5
Goodwill	16.6	5.5	22.1
Total assets acquired	$ 65.0	$ (1.7)	$ 63.3
Current liabilities	4.5	—	4.5
Other liabilities	1.3	(1.0)	0.3
Total liabilities assumed	$ 5.8	$ (1.0)	$ 4.8
Net assets acquired	$ 59.2	$ (0.7)	$ 58.5

Adjustments to the preliminary purchase price allocation during the period ended May 27, 2012 were primarily related to updated valuations in the preliminary appraisals of identifiable intangible and tangible assets.

The excess of the purchase price over the aggregate fair value of net assets acquired was allocated to goodwill, all of which is expected to be deductible for tax purposes. Goodwill represents benefits expected as a result of the acquisition, including sales and unit growth opportunities in addition to supply-chain synergies. Trademarks primarily have an indefinite life based on the expected use of the assets and the regulatory and economic environment within which they are being used. These trademarks represent highly respected brands with positive connotations and we intend to cultivate and protect the use of these brands. Goodwill and indefinite-lived trademarks are not amortized but are reviewed annually for impairment or more frequently if indicators of impairment exist. Buildings and equipment will be depreciated over a period of 5 months to 23 years. Other assets and liabilities represent value associated with favorable and unfavorable market leases and will be amortized over a weighted average period of 16 years.

As a result of the acquisition and related integration efforts, we incurred expenses of approximately $2.9 million during the year ended May 27, 2012, which are included in selling, general and administrative expenses in our consolidated statements of earnings. Pro-forma financial information of the combined entities for periods prior to the acquisition is not presented due to the immaterial impact of the financial results of Eddie V's on our consolidated financial statements.

During fiscal 2007 and 2008 we closed or sold all Smokey Bones Barbeque & Grill (Smokey Bones) and Rocky River Grillhouse restaurants and we closed nine Bahama Breeze restaurants. These restaurants and their related activities have been classified as discontinued operations. Therefore, for fiscal 2012, 2011 and 2010, all impairment losses and disposal costs, gains and losses on disposition attributable to these restaurants have been aggregated in a single caption entitled “Losses from discontinued operations, net of tax benefit” on the accompanying consolidated statements of earnings.

Unless otherwise noted, amounts and disclosures throughout these notes to consolidated financial statements relate to our continuing operations.

Fiscal Year

Fiscal Year

We operate on a 52/53 week fiscal year, which ends on the last Sunday in May. Fiscal 2012, 2011 and 2010 consisted of 52 weeks of operation.

Use of Estimates

Use of Estimates

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash Equivalents

Cash equivalents include highly liquid investments such as U.S. Treasury bills, taxable municipal bonds and money market funds that have an original maturity of three months or less. Amounts receivable from credit card companies are also considered cash equivalents because they are both short term and highly liquid in nature and are typically converted to cash within three days of the sales transaction.

Receivables, Net

Receivables, Net

Receivables, net of the allowance for doubtful accounts, represent their estimated net realizable value. Provisions for doubtful accounts are recorded based on historical collection experience and the age of the receivables. Receivables are written off when they are deemed uncollectible. See Note 3 – Receivables, Net for additional information.

Inventories

Inventories

Inventories consist of food and beverages and are valued at the lower of weighted-average cost or market.

Marketable Securities

Marketable Securities

Available-for-sale securities are carried at fair value. Classification of marketable securities as current or noncurrent is dependent upon management’s intended holding period, the security’s maturity date, or both. Unrealized gains and losses, net of tax, on available-for-sale securities are carried in accumulated other comprehensive income (loss) within the consolidated financial statements and are reclassified into earnings when the securities mature or are sold.

Land, Buildings and Equipment, Net

Land, Buildings and Equipment, Net

Land, buildings and equipment are recorded at cost less accumulated depreciation. Building components are depreciated over estimated useful lives ranging from 7 to 40 years using the straight-line method. Leasehold improvements, which are reflected on our consolidated balance sheets as a component of buildings in land, buildings and equipment, net, are amortized over the lesser of the expected lease term, including cancelable option periods, or the estimated useful lives of the related assets using the straight-line method. Equipment is depreciated over estimated useful lives ranging from 2 to 10 years also using the straight-line method. See Note 5 – Land, Buildings and Equipment, Net for additional information. Gains and losses on the disposal of land, buildings and equipment are included in selling, general and administrative expenses in our accompanying consolidated statements of earnings. Depreciation and amortization expense from continuing operations associated with buildings and equipment and losses on disposal of land, buildings and equipment were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Depreciation and amortization on buildings and equipment	$ 340.6	$ 308.7	$ 293.2
Losses on disposal of land, buildings and equipment	7.1	6.9	0.3

Capitalized Software Costs and Other Definite-Lived Intangibles

Capitalized Software Costs and Other Definite-Lived Intangibles

Capitalized software, which is a component of other assets, is recorded at cost less accumulated amortization. Capitalized software is amortized using the straight-line method over estimated useful lives ranging from 3 to 10 years. The cost of capitalized software and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Capitalized software	$ 84.3	$ 79.9
Accumulated amortization	(63.4)	(56.1)
Capitalized software, net of accumulated amortization	$ 20.9	$ 23.8

We have other definite-lived intangible assets, including assets related to the value of below-market leases, which were acquired as part of the RARE Hospitality International, Inc. (RARE) and Eddie V's acquisitions and are included as a component of other assets on our consolidated balance sheets. We also have definite-lived intangible liabilities related to the value of above-market leases, which were acquired as part of the RARE and Eddie V's acquisitions and are included in other liabilities on our consolidated balance sheets. Definite-lived intangibles are amortized on a straight-line basis over estimated useful lives of 1 to 20 years. The cost and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Other definite-lived intangibles	$ 13.2	$ 11.1
Accumulated amortization	(6.2)	(5.6)
Other definite-lived intangible assets, net of accumulated amortization	$ 7.0	$ 5.5

(in millions)	May 27, 2012	May 29, 2011
Below-market leases	$ 24.0	$ 25.3
Accumulated amortization	(7.1)	(8.6)

Below market-leases, net of accumulated amortization	$	16.9	$	16.7

(in millions)		May 27, 2012		May 29, 2011
Above-market leases	$	(8.6)	$	(8.4)
Accumulated amortization		2.3		1.8
Above-market leases, net of accumulated amortization	$	(6.3)	$	(6.6)

Amortization expense associated with capitalized software and other definite-lived intangibles included in depreciation and amortization in our accompanying consolidated statements of earnings was as follows:

(in millions)		Fiscal Year				
		2012		2011		2010
Amortization expense - capitalized software	$	7.8	$	7.7	$	7.3
Amortization expense - other definite-lived intangibles		0.7		0.4		0.4

Amortization expense associated with above- and-below-market leases included in restaurant expenses as a component of rent expense on our consolidated statements of earnings was as follows:

(in millions)		Fiscal Year				
		2012		2011		2010
Restaurant expense - below-market leases	$	1.8	$	2.2	$	2.6
Restaurant expense - above-market leases		(0.5)		(0.5)		(0.5)

Amortization of capitalized software and other definite-lived intangible assets will be approximately $10.0 million annually for fiscal 2013 through 2017.

Trust-Owned Life Insurance

Trust-Owned Life Insurance

We have a trust that purchased life insurance policies covering certain of our officers and other key employees (trust-owned life insurance or TOLI). The trust is the owner and sole beneficiary of the TOLI policies. The policies were purchased to offset a portion of our obligations under our non-qualified deferred compensation plan. The cash surrender value for each policy is included in other assets while changes in cash surrender values are included in selling, general and administrative expenses.

Liquor Licenses

Liquor Licenses

The costs of obtaining non-transferable liquor licenses that are directly issued by local government agencies for nominal fees are expensed as incurred. The costs of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived intangible assets and included in other assets. Liquor licenses are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Annual liquor license renewal fees are expensed over the renewal term.

Goodwill and Trademarks

Goodwill and Trademarks

We review our goodwill and trademarks for impairment annually, as of the first day of our fourth fiscal quarter or more frequently if indicators of impairment exist. Goodwill and trademarks are not subject to amortization and have been assigned to reporting units for purposes of impairment testing. The reporting units are our restaurant brands. Our goodwill and trademark balances are allocated as follows:

(in millions)		May 27, 2012		May 29, 2011
Goodwill:				
The Capital Grille	$	401.8	$	402.1
LongHorn Steakhouse		49.5		49.8
Olive Garden (1)		30.2		30.2
Red Lobster (1)		35.0		35.0
Eddie V's		22.1		—
Total Goodwill	$	538.6	$	517.1
Trademarks:				
The Capital Grille	$	147.0	$	147.0
LongHorn Steakhouse		307.0		307.0
Eddie V's Prime Seafood and Wildfish Seafood Grille		10.9		—
Total Trademarks	$	464.9	$	454.0

(1) Goodwill related to Olive Garden and Red Lobster is associated with the RARE acquisition and the direct benefits derived by Olive Garden and Red Lobster as a result of the RARE acquisition.

A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in our expected future cash flows; a sustained, significant decline in our stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The goodwill impairment test involves a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. We estimate fair value using the best information available, including market information and discounted cash flow projections (also referred to as the income approach). The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in sales, costs and number of units, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. We validate our estimates of fair value under the income approach by comparing the values to fair value estimates using a market approach. A market approach estimates fair value by applying cash flow and sales multiples to the reporting unit's operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units.

If the fair value of the reporting unit is higher than its carrying value, goodwill is deemed not to be impaired, and no further testing is required. If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment loss for the difference.

Consistent with our accounting policy for goodwill and trademarks we performed our annual impairment test of our goodwill and trademarks as of the first day of our fiscal 2012 fourth quarter. As of the beginning of our fiscal fourth quarter, we had seven reporting units: Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's. Two of these reporting units, LongHorn Steakhouse and The Capital Grille, have a significant amount of goodwill. As we finalized the purchase price allocation for Eddie V's during our fourth fiscal quarter of 2012 and no indicators of impairment were identified, we excluded the goodwill allocated to Eddie V's from our annual impairment test. As part of our process for performing the step one impairment test of goodwill, we estimated the fair value of our reporting units utilizing the income and market approaches described above to derive an enterprise value of the Company. We reconciled the enterprise value to our overall estimated market capitalization. The estimated market capitalization considers recent trends in our market capitalization and an expected control premium, based on comparable recent and historical transactions. Based on the results of the step one impairment test, no impairment of goodwill was indicated.

The fair value of trademarks are estimated and compared to the carrying value. We estimate the fair value of trademarks using the relief-from-royalty method, which requires assumptions related to projected sales from our annual long-range plan; assumed royalty rates that could be payable if we did not own the trademarks; and a discount rate. We recognize an impairment loss when the estimated fair value of the trademarks is less than its carrying value. We completed our impairment test and concluded as of the date of the test, there was no impairment of the trademarks for LongHorn Steakhouse and The Capital Grille.

We determined that there was no goodwill or trademark impairment as of the first day of our fourth fiscal quarter and no additional indicators of impairment were identified through the end of our fourth fiscal quarter that would require us to test further for impairment. However, declines in our market capitalization (reflected in our stock price) as well as in the market capitalization of other companies in the restaurant industry, declines in sales at our restaurants, and significant adverse changes in the operating environment for the restaurant industry may result in future impairment.

Changes in circumstances, existing at the measurement date or at other times in the future, or in the numerous estimates associated with management's judgments and assumptions made in assessing the fair value of our goodwill, could result in an impairment loss of a portion or all of our goodwill or trademarks. If we recorded an impairment loss, our financial position and results of operations would be adversely affected and our leverage ratio for purposes of our credit agreement would increase. A leverage ratio exceeding the maximum permitted under our credit agreement would be a default under our credit agreement. At May 27, 2012, a write down of goodwill, other indefinite-lived intangible assets, or any other assets in excess of approximately $850.0 million would have been required to cause our leverage ratio to exceed the permitted maximum. As our leverage ratio is determined on a quarterly basis and due to the seasonal nature of our business, a lesser amount of impairment in future quarters could cause our leverage ratio to exceed the permitted maximum.

We evaluate the useful lives of our other intangible assets, primarily intangible assets associated with the RARE acquisition, to determine if they are definite or indefinite-lived. A determination on useful life requires significant judgments and assumptions regarding the future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, legislative action that results in an uncertain or changing regulatory environment, and expected changes in distribution channels), the level of required maintenance expenditures, and the expected lives of other related groups of assets.

Impairment or Disposal of Long-Lived Assets

Impairment or Disposal of Long-Lived Assets

Land, buildings and equipment and certain other assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. If such assets are determined to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined based on appraisals or sales prices of comparable assets. Restaurant sites and certain other assets to be disposed of are reported at the lower of their carrying amount or fair value, less estimated costs to sell. Restaurant sites and certain other assets to be disposed of are included in assets held for disposal within prepaid expenses and other current assets in our consolidated balance sheets when certain criteria are met. These criteria include the requirement that the likelihood of disposing of these assets within one year is probable. Assets not meeting the "held for sale" criteria remain in land, buildings and equipment until their disposal is probable within one year.

We account for exit or disposal activities, including restaurant closures, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 420, Exit or Disposal Cost Obligations. Such costs include the cost of disposing of the assets as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date we cease using a property under an operating lease, we record a liability for the net present value of any remaining lease obligations, net of estimated sublease income. Any subsequent adjustments to that liability as a result of lease termination or changes in estimates of sublease income are recorded in the period incurred. Upon disposal of the assets, primarily land, associated with a closed restaurant, any gain or loss is recorded in the same caption within our consolidated statements of earnings as the original impairment.

Insurance Accruals

Insurance Accruals

Through the use of insurance program deductibles and self-insurance, we retain a significant portion of expected losses under our workers' compensation, employee medical and general liability programs. However, we carry insurance for individual workers' compensation and general liability claims that exceed $0.5 million. Accrued liabilities have been recorded based on our estimates of the anticipated ultimate costs to settle all claims, both reported and not yet reported.

Revenue Recognition

Revenue Recognition

Sales, as presented in our consolidated statements of earnings, represents food and beverage product sold and is presented net of discounts, coupons, employee meals and complimentary meals and gift cards. Revenue from restaurant sales is recognized when food and beverage products are sold. Sales taxes collected from customers and remitted to governmental authorities are presented on a net basis within sales on our consolidated statements of earnings.

Revenues from the sales of franchises are recognized as income when substantially all of our material obligations under the franchise agreement have been performed. Continuing royalties, which are a percentage of net sales of franchised restaurants, are accrued as income when earned.

Unearned Revenues

Unearned Revenues

Unearned revenues represent our liability for gift cards that have been sold but not yet redeemed. We recognize sales from our gift cards when the gift card is redeemed by the customer. Although there are no expiration dates or dormancy fees for our gift cards, based on our analysis of our historical gift card redemption patterns, we can reasonably estimate the amount of gift cards for which redemption is remote, which is referred to as "breakage". We recognize breakage within sales for unused gift card amounts in proportion to actual gift card redemptions, which is also referred to as the "redemption recognition" method. The estimated value of gift cards expected to remain unused is recognized over the expected period of redemption as the remaining gift card values are redeemed, generally over a period of 10 years. Utilizing this method, we estimate both the amount of breakage and the time period of redemption. If actual redemption patterns vary from our estimates, actual gift card breakage income may differ from the amounts recorded. We update our estimates of our redemption period and our breakage rate periodically and apply that rate to gift card redemptions.

Food and Beverage Costs

Food and Beverage Costs

Food and beverage costs include inventory, warehousing, related purchasing and distribution costs and gains and losses on certain commodity derivative contracts. Vendor allowances received in connection with the purchase of a vendor's products are recognized as a reduction of the related food and beverage costs as earned. Advance payments are made by the vendors based on estimates of volume to be purchased from the vendors and the terms of the agreement. As we make purchases from the vendors each period, we recognize the pro rata portion of allowances earned as a reduction of food and beverage costs for that period. Differences between estimated and actual purchases are settled in accordance with the terms of the agreements. Vendor agreements are generally for a period of one year or more and payments received are initially recorded as long-term liabilities. Amounts which are expected to be earned within one year are recorded as current liabilities.

Income Taxes

Income Taxes

We provide for federal and state income taxes currently payable as well as for those deferred because of temporary differences between reporting income and expenses for financial statement purposes versus tax purposes. Federal income tax credits are recorded as a reduction of income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Interest recognized on reserves for uncertain tax positions is included in interest, net in our consolidated statements of earnings. A corresponding liability for accrued interest is included as a component of other current liabilities in our consolidated balance sheets. Penalties, when incurred, are recognized in selling, general and administrative expenses.

ASC Topic 740, Income Taxes, requires that a position taken or expected to be taken in a tax return be recognized (or derecognized) in the financial statements when it is more likely than not (i.e., a likelihood of more than 50 percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. See Note 16 - Income Taxes for additional information.

Income tax benefits credited to equity relate to tax benefits associated with amounts that are deductible for income tax purposes but do not affect earnings. These benefits are principally generated from employee exercises of non-qualified stock options and vesting of employee restricted stock awards.

Derivative Instruments and Hedging Activities

Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments as required by FASB ASC Topic 815, Derivatives and Hedging, and those utilized as economic hedges. We use financial and commodities derivatives to manage interest rate, compensation, commodities pricing and foreign currency exchange rate risks inherent in our business operations. Our use of derivative instruments is currently limited to interest rate hedges; equity forwards contracts; commodities futures and options contracts and foreign currency forward contracts. These instruments are generally structured as hedges of the variability of cash flows related to forecasted transactions (cash flow hedges). However, we do at times enter into instruments designated as fair value hedges to reduce our exposure to changes in fair value of the related hedged item. We do not enter into derivative instruments for trading or speculative purposes, where changes in the cash flows or fair value of the derivative are not expected to offset changes in cash flows or fair value of the hedged item. However, we have entered into equity forwards to economically hedge changes in the fair value of employee investments in our non-qualified deferred compensation plan and certain commodity futures contracts to economically hedge changes in the value of certain inventory purchases, for which we have not applied hedge accounting. All derivatives are recognized on the balance sheet at fair value. For those derivative instruments for which we intend to elect hedge accounting, on the date the derivative contract is entered into, we document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking the various hedge transactions. This process includes linking all derivatives designated as cash flow hedges to specific assets and liabilities on the consolidated balance sheet or to specific forecasted transactions. We also formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

To the extent our derivatives are effective in offsetting the variability of the hedged cash flows, and otherwise meet the cash flow hedge accounting criteria required by Topic 815 of the FASB ASC, changes in the derivatives' fair value are not included in current earnings but are included in accumulated other comprehensive income (loss), net of tax. These changes in fair value will be reclassified into earnings at the time of the forecasted transaction. Ineffectiveness measured in the hedging relationship is recorded currently in earnings in the period in which it occurs. To the extent our derivatives are effective in mitigating changes in fair value, and otherwise meet the fair value hedge accounting criteria required by Topic 815 of the FASB ASC, gains and losses in the derivatives' fair value are included in current earnings, as are the gains and losses of the related hedged item. To the extent the hedge accounting criteria are not met, the derivative contracts are utilized as economic hedges and changes in the fair value of such contracts are recorded currently in earnings in the period in which they occur. Cash flows related to derivatives are included in operating activities. See Note 10 – Derivative Instruments and Hedging Activities for additional information.

Leases

Leases

For operating leases, we recognize rent expense on a straight-line basis over the expected lease term, including cancelable option periods where failure to exercise the options would result in an economic penalty to the Company.

Differences between amounts paid and amounts expensed are recorded as deferred rent. Capital leases are recorded as an asset and an obligation at an amount equal to the present value of the minimum lease payments during the lease term. Within the provisions of certain of our leases, there are rent holidays and escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and escalations have been reflected in rent expense on a straight-line basis over the expected lease term, which includes cancelable option periods where failure to exercise such options would result in an economic penalty to the Company. The lease term commences on the date when we have the right to control the use of the leased property, which is typically before rent payments are due under the terms of the lease. Many of our leases have renewal periods totaling 5 to 20 years, exercisable at our option and require payment of property taxes, insurance and maintenance costs in addition to the rent payments. The consolidated financial statements reflect the same lease term for amortizing leasehold improvements as we use to determine capital versus operating lease classifications and in calculating straight-line rent expense for each restaurant. Percentage rent expense is generally based on sales levels and is accrued at the point in time we determine that it is probable that such sales levels will be achieved. Amortization expense related to capital leases is included in depreciation and amortization expense on our consolidated statements of earnings.

Pre-Opening Expenses

Pre-Opening Expenses

Non-capital expenditures associated with opening new restaurants are expensed as incurred.

Advertising

Advertising

Production costs of commercials are charged to operations in the fiscal period the advertising is first aired. The costs of programming and other advertising, promotion and marketing programs are charged to operations in the fiscal period incurred. Advertising expense related to continuing operations, included in selling, general and administrative expenses was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Advertising expense	$ 357.2	$ 340.2	$ 311.9

Stock-Based Compensation

Stock-Based Compensation

We recognize the cost of employee service received in exchange for awards of equity instruments based on the grant date fair value of those awards. We utilize the Black-Scholes option pricing model to estimate the fair value of stock option awards. We recognize compensation expense on a straight-line basis over the employee service period for awards granted. The dividend yield has been estimated based upon our historical results and expectations for changes in dividend rates. The expected volatility was determined using historical stock prices. The risk-free interest rate was the rate available on zero coupon U.S. government obligations with a term approximating the expected life of each grant. The expected life was estimated based on the exercise history of previous grants, taking into consideration the remaining contractual period for outstanding awards. The weighted-average fair value of non-qualified stock options and the related assumptions used in the Black-Scholes model to record stock-based compensation are as follows:

	Stock Options Granted in Fiscal Year		
	2012	2011	2010
Weighted-average fair value	$ 14.31	$ 12.88	$ 10.74
Dividend yield	3.5%	3.0%	2.8%
Expected volatility of stock	39.4%	39.1%	40.6%
Risk-free interest rate	2.1%	2.2%	3.0%
Expected option life (in years)	6.5	6.7	6.6

Net Earnings per Share

Net Earnings per Share

Basic net earnings per share are computed by dividing net earnings by the weighted-average number of common shares outstanding for the reporting period. Diluted net earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Outstanding stock options, restricted stock, benefits granted under our Employee Stock Purchase Plan and performance stock units granted by us represent the only dilutive effect reflected in diluted weighted-average shares outstanding. These stock-based compensation instruments do not impact the numerator of the diluted net earnings per share computation.

The following table presents the computation of basic and diluted net earnings per common share:

(in millions, except per share data)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 476.5	$ 478.7	$ 407.0
Losses from discontinued operations	(1.0)	(2.4)	(2.5)
Net earnings	$ 475.5	$ 476.3	$ 404.5
Average common shares outstanding – Basic	130.1	136.8	139.3
Effect of dilutive stock-based compensation	3.1	3.5	3.1
Average common shares outstanding – Diluted	133.2	140.3	142.4
Basic net earnings per share:			
Earnings from continuing operations	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations	(0.01)	(0.02)	(0.02)

Net earnings	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:			
Earnings from continuing operations	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.57	$ 3.39	$ 2.84

Restricted stock and options to purchase shares of our common stock excluded from the calculation of diluted net earnings per share because the effect would have been anti-dilutive, are as follows:

(in millions)	Fiscal Year Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Anti-dilutive restricted stock and options	2.6	1.2	3.3

Comprehensive Income

Comprehensive Income

Comprehensive income includes net earnings and other comprehensive income (loss) items that are excluded from net earnings under U.S. generally accepted accounting principles. Other comprehensive income (loss) items include foreign currency translation adjustments, the effective unrealized portion of changes in the fair value of cash flow hedges, unrealized gains and losses on our marketable securities classified as held for sale and recognition of the funded status and amortization of unrecognized net actuarial gains and losses related to our pension and other postretirement plans. See Note 13 - Stockholders' Equity for additional information.

Foreign Currency

Foreign Currency

The Canadian dollar is the functional currency for our Canadian restaurant operations. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations are translated using the average exchange rates prevailing throughout the period. Translation gains and losses are reported as a separate component of other comprehensive income (loss). Aggregate cumulative translation losses were $1.6 million and $0.4 million at May 27, 2012 and May 29, 2011, respectively. Gains and losses from foreign currency transactions recognized in our consolidated statements of earnings were not significant for fiscal 2012, 2011 or 2010.

Segment Reporting

Segment Reporting

As of May 27, 2012, we operated the Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's restaurant brands in North America as operating segments. The brands operate principally in the U.S. within the full-service dining industry, providing similar products to similar customers. The brands also possess similar economic characteristics, resulting in similar long-term expected financial performance characteristics. Sales from external customers are derived principally from food and beverage sales. We do not rely on any major customers as a source of sales. We believe we meet the criteria for aggregating our operating segments into a single reporting segment.

Application of New Accounting Standards

Application of New Accounting Standards

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. Many of the amendments in this update change the wording used in the existing guidance to better align U.S. generally accepted accounting principles with International Financial Reporting Standards and to clarify the FASB's intent on various aspects of the fair value guidance. This update also requires increased disclosure of quantitative information about unobservable inputs used in a fair value measurement that is categorized within Level 3 of the fair value hierarchy. This update is effective for us in our first quarter of fiscal 2013 and will be applied prospectively. Other than requiring additional disclosures, adoption of this new guidance will not have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, Comprehensive Income (Topic 220), *Presentation of Comprehensive Income*, which requires companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This update eliminates the option to present the components of other comprehensive income as part of the statement of equity. In December 2011, the FASB issued ASU 2011-12, Comprehensive Income (Topic 220), *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05*, to defer the effective date of the specific requirement to present items that are reclassified out of accumulated other comprehensive income to net income alongside their respective components of net income and other comprehensive income. We adopted all other provisions of this update in our fourth quarter of fiscal 2012, with the addition of our consolidated statements of comprehensive income and other changes to our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, Intangibles - Goodwill and Other (Topic 350), *Testing Goodwill for Impairment*, which permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the two-step goodwill impairment model that is currently in place. If it is determined through the qualitative assessment that a reporting unit's fair value is more likely than not greater than its carrying value, the remaining impairment steps would be unnecessary. The qualitative assessment is optional, allowing companies to go directly to the quantitative assessment. This update is effective for annual and interim goodwill impairment tests performed in fiscal years beginning after December 15, 2011, which will require us to adopt these provisions in fiscal 2013; however, early adoption is permitted. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210), *Disclosures about Offsetting Assets and Liabilities*, which requires companies to disclose information about financial instruments that have been offset and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Companies will be required to provide both net (offset amounts) and gross information in the notes to the financial statements for relevant assets and liabilities that are offset. This update is effective for us in our first quarter of fiscal 2014 and will be applied retrospectively. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

Financial Instruments (Scheduled Maturities Of Available-For-Sale Securities) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012
Available-for-sale Securities, Cost	$ 37.2
Available-for-sale Securities, Market Value	37.7
Maturity, Less Than One Year	
Available-for-sale Securities, Cost	4.7
Available-for-sale Securities, Market Value	4.7
Maturity, One to Three Years	
Available-for-sale Securities, Cost	22.8
Available-for-sale Securities, Market Value	23.2
Maturity, Three to Five Years	
Available-for-sale Securities, Cost	9.7
Available-for-sale Securities, Market Value	$ 9.8

Stock-Based Compensation (Recognized Stock-Based Compensation Expense) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Stock-based compensation expense	$ 56.1	$ 66.6	$ 53.5
Stock options			
Stock-based compensation expense	19.0	20.7	20.2
Restricted stock/restricted stock units			
Stock-based compensation expense	4.3	9.9	10.2
Darden Stock Units			
Stock-based compensation expense	17.1	17.1	13.1
Performance stock units			
Stock-based compensation expense	12.6	15.6	6.8
Employee stock purchase plan			
Stock-based compensation expense	1.8	1.9	1.8
Director compensation program/other			
Stock-based compensation expense	$ 1.3	$ 1.4	$ 1.4

Derivative Instruments And Hedging Activities (Tables)	12 Months Ended May 27, 2012

Schedule of Notional Amounts of Outstanding Derivative Positions

The notional values of our derivative contracts designated as hedging instruments and derivative contracts not designated as hedging instruments are as follows:

(in millions)	May 27, 2012	May 29, 2011
Derivative contracts designated as hedging instruments:		
Natural gas	$ 1.1	$ 3.8
Other commodities	7.6	—
Foreign currency	19.4	20.7
Interest rate locks	—	150.0
Interest rate swaps	550.0	350.0
Equity forwards	21.7	18.0
Derivative contracts not designated as hedging instruments:		
Natural gas	$ —	$ 7.7
Other commodities	—	12.7
Equity forwards	50.0	24.0

Fair Value Of Derivative Contracts Designated And Not Designated As Hedging Instruments

The fair value of our derivative contracts designated as hedging instruments and derivative contracts that are not designated as hedging instruments are as follows:

(in millions)	Balance Sheet Location	Derivative Assets		Derivative Liabilities	
		May 27, 2012	May 29, 2011	May 27, 2012	May 29, 2011
Derivative contracts designated as hedging instruments					
Commodity contracts	(1)	$ 0.3	$ 0.1	$ (0.4)	$ —
Equity forwards	(1)	0.9	0.4	—	—
Interest rate related	(1)	3.2	3.6	(44.9)	(23.2)
Foreign currency forwards	(1)	0.5	0.6	—	—
		$ 4.9	$ 4.7	$ (45.3)	$ (23.2)
Derivative contracts not designated as hedging instruments					
Commodity contracts	(1)	$ —	$ 0.6	$ —	$ —
Equity forwards	(1)	1.9	0.5	—	—
		$ 1.9	$ 1.1	$ —	$ —
Total derivative contracts		$ 6.8	$ 5.8	$ (45.3)	$ (23.2)

(1) Derivative assets and liabilities are included in receivables, net, prepaid expenses and other current assets, and other current liabilities, as applicable, on our consolidated balance sheets.

Cash Flow Hedges

Effects Of Derivative Instruments In Hedging Relationships

The effects of derivative instruments in cash flow hedging relationships on the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)			Location of Gain (Loss) Reclassified from AOCI to Earnings	Amount of Gain (Loss) Reclassified from AOCI to Earnings (Effective Portion)			Location of Gain (Loss) Recognized in Earnings (Ineffective Portion)	(1) Amount of Gain (Loss) Recognized in Earnings (Ineffective Portion)		
	Fiscal Year				Fiscal Year				Fiscal Year		
	2012	2011	2010		2012	2011	2010		2012	2011	2010
Commodity	$ (2.2)	$ (0.2)	$ (2.1)	(2)	$(1.7)	$(0.9)	$(3.8)	(2)	$ —	$ —	$ —
Equity	(0.7)	2.6	3.9	(3)	—	—	—	(3)	0.6	0.2	0.3
Interest rate	(75.2)	(12.2)	(7.7)	Interest, net	(2.9)	0.7	0.5	Interest, net	(0.7)	(0.5)	—

Foreign currency	0.9	(0.1)	1.3	(4)	0.8	0.4	1.1	(4)	—	—	—
	$(77.2)	$ (9.9)	$ (4.6)		$(3.8)	$ 0.2	$(2.2)		$(0.1)	$(0.3)	$ 0.3

(1) Generally, all of our derivative instruments designated as cash flow hedges have some level of ineffectiveness, which is recognized currently in earnings. However, as these amounts are generally nominal and our consolidated financial statements are presented "in millions," these amounts may appear as zero in this tabular presentation.

(2) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs and restaurant expenses, which are components of cost of sales.

(3) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is restaurant labor expenses, which is a component of cost of sales, and selling, general and administrative expenses.

(4) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs, which is a component of cost of sales, and selling, general and administrative expenses.

Fair Value Hedging

Effects Of Derivative Instruments In Hedging Relationships

The effects of derivative instruments in fair value hedging relationships on the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in Earnings on Derivatives			Location of Gain (Loss) Recognized in Earnings on Derivatives	Hedged Item in Fair Value Hedge Relationship	Amount of Gain (Loss) Recognized in Earnings on Related Hedged Item			Location of Gain (Loss) Recognized in Earnings on Related Hedged Item
	Fiscal Year					Fiscal Year			
	2012	2011	2010			2012	2011	2010	
Interest rate	$ (0.4)	$ 0.2	$ 3.4	Interest, net	Debt	$ 0.4	$ (0.2)	$ (3.4)	Interest, net

Not Designated As Hedging Instrument

Effects Of Derivative Instruments In Hedging Relationships

The effects of derivatives not designated as hedging instruments on the consolidated statements of earnings are as follows:

(in millions)	Location of Gain (Loss) Recognized in Earnings	Amount of Gain (Loss) Recognized in Earnings Fiscal Year 2012	2011	2010
Commodity contracts	Cost of sales (1)	$ (7.9)	$ 0.6	$ (0.2)
Equity forwards	Cost of sales (2)	2.3	3.3	2.2
Equity forwards	Selling, general and administrative	6.0	3.3	1.3
		$ 0.4	$ 7.2	$ 3.3

(1) Location of the gain (loss) recognized in earnings is food and beverage costs and restaurant expenses, which are components of cost of sales.

(2) Location of the gain (loss) recognized in earnings is restaurant labor expenses, which is a component of cost of sales.

Summary Of Significant Accounting Policies (Capitalized Software Costs And Related Accumulated Amortization) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Accounting Policies [Abstract]		
Capitalized software	$ 84.3	$ 79.9
Accumulated amortization	(63.4)	(56.1)
Capitalized software, net of accumulated amortization	$ 20.9	$ 23.8

Long-Term Debt (Aggregate Maturities Of Long-Term Debt) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Long-term Debt, Unclassified [Abstract]		
2013	$ 350.0	
2014	0	
2015	0	
2016	100.0	
2017	0	
Thereafter	1,355.9	
Long-term debt	$ 1,805.9	$ 1,408.0

Consolidated Statements Of Earnings (USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Sales	$ 7,998.7	$ 7,500.2	$ 7,113.1
Cost of sales:			
Food and beverage	2,460.6	2,173.6	2,051.2
Restaurant labor	2,502.0	2,396.9	2,350.6
Restaurant expenses	1,200.6	1,129.0	1,082.2
Total cost of sales, excluding restaurant depreciation and amortization of $326.9, $295.6, $283.4, respectively	6,163.2	5,699.5	5,484.0
Selling, general and administrative	746.8	742.7	690.7
Depreciation and amortization	349.1	316.8	300.9
Interest, net	101.6	93.6	93.9
Total costs and expenses	7,360.7	6,852.6	6,569.5
Earnings before income taxes	638.0	647.6	543.6
Income taxes	(161.5)	(168.9)	(136.6)
Earnings from continuing operations	476.5	478.7	407.0
Losses from discontinued operations, net of tax benefit of $0.7, $1.5, and $1.5, respectively	(1.0)	(2.4)	(2.5)
Net earnings	$ 475.5	$ 476.3	$ 404.5
Basic net earnings per share:			
Earnings from continuing operations (dollars per share)	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations (dollars per share)	$ (0.01)	$ (0.02)	$ (0.02)
Net earnings	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:			
Earnings from continuing operations (dollars per share)	$ 3.58	$ 3.41	$ 2.86
(Losses) earnings from discontinued operations, Diluted (dollars per share)	$ (0.01)	$ (0.02)	$ (0.02)
Net earnings	$ 3.57	$ 3.39	$ 2.84
Average number of common shares outstanding:			
Basic (shares)	130.1	136.8	139.3
Diluted (shares)	133.2	140.3	142.4
Dividends declared per common share (dollars per share)	$ 1.72	$ 1.28	$ 1

Interest, Net (Tables)

12 Months Ended May 27, 2012

Interest Income (Expense), Net [Abstract]

Components Of Interest

The components of interest, net are as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest expense	$ 102.7	$ 93.7	$ 95.7
Imputed interest on capital leases	3.7	3.8	3.9
Capitalized interest	(3.9)	(3.0)	(4.4)
Interest income	(0.9)	(0.9)	(1.3)
Interest, net	$ 101.6	$ 93.6	$ 93.9

Computation Of Capitalized Interest

Capitalized interest was computed using our average borrowing rate. Interest paid, net of amounts capitalized was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest paid, net of amounts capitalized	$ 94.8	$ 98.3	$ 95.3

Income Taxes (Effective Income Tax Rate Reconciliation) (Details)	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Income Tax Disclosure [Abstract]			
U.S. statutory rate	35.00%	35.00%	35.00%
State and local income taxes, net of federal tax benefits	2.50%	1.80%	2.50%
Benefit of federal income tax credits	(11.10%)	(8.30%)	(8.70%)
Other, net	(1.10%)	(2.40%)	(3.70%)
Effective income tax rate	25.30%	26.10%	25.10%

Stock-Based Compensation (Narrative) (Details) (USD $) In Millions, except Share data in Thousands, unless otherwise specified	12 Months Ended
	May 27, 2012 Y plans
Number of stock plans that no longer issue shares (plans)	4
Maximum terms of awards (years)	10
Vesting period, years minimum (years)	1
Vesting period, years maximum (years)	4
2002 Plan	
Shares available for issuance (shares)	18,300
Vesting period, years minimum (years)	3
Vesting period, years maximum (years)	5
RARE Plan	
Shares available for issuance (shares)	3,900
Director Stock Plan	
Shares available for issuance (shares)	375
Director Compensation Program	
Shares available for issuance (shares)	100
Annual award common stock, fair value	0.1
1995 Plan	
Shares available for issuance (shares)	33,300
Vesting period, years minimum (years)	3
Vesting period, years maximum (years)	5
2000 Plan	
Shares available for issuance (shares)	5,400
Vesting period, years minimum (years)	3
Vesting period, years maximum (years)	5

Consolidated Balance Sheets (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Current assets:		
Cash and cash equivalents	$ 70.5	$ 70.5
Receivables, net	71.4	65.4
Inventories	404.1	300.1
Prepaid income taxes	12.2	5.2
Prepaid expenses and other current assets	74.9	77.0
Deferred income taxes	124.5	145.6
Total current assets	757.6	663.8
Land, buildings and equipment, net	3,951.3	3,622.0
Goodwill	538.6	517.1
Trademarks	464.9	454.0
Other assets	231.8	209.7
Total assets	5,944.2	5,466.6
Current liabilities:		
Accounts payable	260.7	251.3
Short-term debt	262.7	185.5
Accrued payroll	154.3	167.1
Accrued income taxes	0	9.3
Other accrued taxes	60.4	64.3
Unearned revenues	231.7	200.0
Current portion of long-term debt	349.9	0
Other current liabilities	454.4	409.3
Total current liabilities	1,774.1	1,286.8
Long-term debt, less current portion	1,453.7	1,407.3
Deferred income taxes	312.9	345.4
Deferred rent	204.4	186.2
Obligations under capital leases, net of current installments	54.4	56.0
Other liabilities	302.7	248.7
Total liabilities	4,102.2	3,530.4
Stockholders' equity:		
Common stock and surplus, no par value. Authorized 500.0 shares; issued 289.0 and 287.2 shares, respectively; outstanding 129.0 and 134.6 shares, respectively	2,518.8	2,408.8
Preferred stock, no par value. Authorized 25.0 shares; none issued and outstanding	0	0
Retained earnings	3,172.8	2,921.9
Treasury stock, 160.0 and 152.6 shares, at cost, respectively	(3,695.8)	(3,325.3)
Accumulated other comprehensive income (loss)	(146.6)	(59.8)
Unearned compensation	(7.2)	(9.4)
Total stockholders' equity	1,842.0	1,936.2
Total liabilities and stockholders' equity	$ 5,944.2	$ 5,466.6

Income Taxes (Components Of Earnings Before Income Tax And Provision For Income Taxes) (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	May 27, 2012	Feb. 26, 2012	Nov. 27, 2011	Aug. 28, 2011	May 29, 2011	Feb. 27, 2011	Nov. 28, 2010	Aug. 29, 2010	May 27, 2012	May 29, 2011	May 30, 2010
Earnings from continuing operations before income taxes											
Earnings from continuing operations before income taxes, U.S.									$ 621.4	$ 631.4	$ 534.5
Earnings from continuing operations before income taxes, Canada									16.6	16.2	9.1
Earnings before income taxes	200.7	217.8	72.5	147.0	186.2	199.1	103.2	159.1	638.0	647.6	543.6
Income Taxes, Current:											
Current, Federal									97.0	121.9	126.5
Current, State and local									26.0	17.5	28.7
Current, Canada									2.4	0.1	0.1
Total current									125.4	139.5	155.3
Income taxes, Deferred											
Total deferred									36.1	28.8	(10.2)
Total income taxes									161.5	168.9	136.6
U.S.											
Income taxes, Deferred											
Deferred, Federal									37.6	28.3	(10.6)
Deferred, State and local									(1.5)	1.1	(8.1)
Total deferred									36.1	29.4	(18.7)
Total income taxes									$ 161.5	$ 168.9	$ 136.6

Summary Of Significant Accounting Policies (Stock-Based Compensation) (Details) (USD $)	12 Months Ended		
	May 27, 2012 Y	May 29, 2011 Y	May 30, 2010 Y
Accounting Policies [Abstract]			
Weighted-average fair value (dollars per share)	$ 14.31	$ 12.88	$ 10.74
Dividend yield (percentage)	3.50%	3.00%	2.80%
Expected volatility of stock (percentage)	39.40%	39.10%	40.60%
Risk-free interest rate (percentage)	2.10%	2.20%	3.00%
Expected option life (years)	6.5	6.7	6.6

Income Taxes (Tax Effects On Deferred Tax Assets And Liabilities) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Income Tax Disclosure [Abstract]		
Accrued liabilities	$ 65.9	$ 46.2
Compensation and employee benefits	221.2	193.6
Deferred rent and interest income	61.3	55.1
Other	23.4	15.9
Gross deferred tax assets	371.8	310.8
Trademarks and other acquisition related intangibles	(175.3)	(178.0)
Buildings and equipment	(363.3)	(314.3)
Capitalized software and other assets	(15.1)	(12.0)
Other	(6.5)	(6.3)
Gross deferred tax liabilities	(560.2)	(510.6)
Net deferred tax liabilities	$ (188.4)	$ (199.8)

Receivables, Net (Tables)	12 Months Ended May 27, 2012
Receivables [Abstract]	
Receivables From Various Parties	Receivables from the sale of gift cards in national retail outlets, national storage and distribution companies and our overall allowance for doubtful accounts are as follows:

(in millions)	May 27, 2012	May 29, 2011
Retail outlet gift card sales	$ 33.4	$ 25.0
Storage and distribution	6.5	17.4
Allowance for doubtful accounts	(0.3)	(0.3)

Asset Impairment, Net (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012 resturants	May 29, 2011	May 30, 2010
Number of restaurants (restaurants)	3		
Long-lived asset impairment charges	$ 0.5	$ 4.7	$ 6.2
Asset impairment charges, net of tax	$ 0.3	$ 2.9	$ 3.8
Segment, Discontinued Operations | Red Lobster			
Number of restaurants (restaurants)		2	3
Segment, Discontinued Operations | LongHorn Steakhouse			
Number of restaurants (restaurants)			3
Segment, Written Down | LongHorn Steakhouse			
Number of restaurants (restaurants)			2
Segment, Written Down | Olive Garden			
Number of restaurants (restaurants)			1

Financial Instruments	12 Months Ended May 27, 2012

[Fair Value Disclosures [Abstract]]

[Financial Instruments]

FINANCIAL INSTRUMENTS

Marketable securities are carried at fair value and consist of available-for-sale securities related to insurance funding requirements for our workers compensation and general liability claims. The following table summarizes cost and market value for our securities that qualify as available-for-sale as of May 27, 2012:

(in millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Available-for-sale securities	$ 37.2	$ 0.5	$ —	$ 37.7

Earnings include insignificant realized gains and loss from sales of available-for-sale securities. At May 27, 2012, the scheduled maturities of our available-for-sale securities are as follows:

(in millions)	Cost	Market Value
Less than 1 year	$ 4.7	$ 4.7
1 to 3 years	22.8	23.2
3 to 5 years	9.7	9.8
Total	$ 37.2	$ 37.7

Land, Buildings And Equipment, Net (Tables)	12 Months Ended May 27, 2012
Property, Plant and Equipment, Net [Abstract]	
Components Of Land, Buildings And Equipment, Net	The components of land, buildings and equipment, net, are as follows:

(in millions)	May 27, 2012	May 29, 2011
Land	$ 854.1	$ 799.6
Buildings	3,959.7	3,633.1
Equipment	1,701.2	1,511.3
Assets under capital leases	68.1	67.7
Construction in progress	142.5	155.7
Total land, buildings and equipment	$ 6,725.6	$ 6,167.4
Less accumulated depreciation and amortization	(2,758.3)	(2,533.0)
Less amortization associated with assets under capital leases	(16.0)	(12.4)
Land, buildings and equipment, net	$ 3,951.3	$ 3,622.0

Income Taxes (Interest Expense On Unrecognized Tax Benefits) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Income Tax Disclosure [Abstract]			
Interest expense on unrecognized tax benefits	$ 0.4	$ 1.6	$ 2.5

Commitments And Contingencies (Details) (USD $) In Millions, unless otherwise specified	**12 Months Ended**	
	May 27, 2012	**May 29, 2011**
Guarantees of leased properties assigned to third parties	$ 5.4	$ 7.4
Fair value of potential payments discounted at pre-tax cost of capital related to guarantee obligations	4.1	5.4
Lease expiration date	fiscal 2013 through fiscal 2021	
Workers Compensation And General Liabilities Accrued		
Standby letters of credit	99.2	96.4
Operating Lease Obligation		
Standby letters of credit	$ 20.3	$ 16.8

Leases	12 Months Ended May 27, 2012
Leases [Abstract]	
Leases	LEASES

LEASES

An analysis of rent expense incurred related to restaurants in continuing operations is as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Restaurant minimum rent	$ 130.9	$ 120.6	$ 111.7
Restaurant percentage rent	5.6	5.3	5.1
Restaurant rent averaging expense	12.9	11.1	10.0
Transportation equipment	3.5	3.2	3.3
Office equipment	0.6	0.4	0.8
Office space	1.0	0.9	4.5
Warehouse space	0.6	0.5	0.5
Total rent expense	$ 155.1	$ 142.0	$ 135.9

The annual future lease commitments under capital lease obligations and noncancelable operating leases, including those related to restaurants reported as discontinued operations, for each of the five fiscal years subsequent to May 27, 2012 and thereafter is as follows:

(in millions)		
Fiscal Year	Capital	Operating
2013	$ 5.2	$ 151.5
2014	5.4	142.0
2015	5.5	130.0
2016	5.6	114.5
2017	5.8	96.3
Thereafter	67.2	302.5
Total future lease commitments	$ 94.7	$ 936.8
Less imputed interest (at 6.5%)	(38.7)	
Present value of future lease commitments	$ 56.0	
Less current maturities	(1.6)	
Obligations under capital leases, net of current maturities	$ 54.4	

Short-Term Debt (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Short-term Debt [Abstract]		
Short-term debt, interest rate (percentage)	0.32%	0.30%
Short-term debt	$ 262.7	$ 185.5

Retirement Plans (Weighted-Average Assumptions Used) (Details)	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Defined Benefit Plans			
Weighted-average assumptions used to determine benefit obligations, discount rate (percentage)	4.35% [1]	5.37% [1]	
Weighted-average assumptions used to determine benefit obligations, rate of future compensation increases (percentage)	4.22% [1]	3.75% [1]	
Weighted-average assumptions used to determine net expense, discount rate (percentage)	5.37% [2]	5.89% [2]	
Weighted-average assumptions used to determine net expense, expected long-term rate of return on plan assets (percentage)	9.00% [2]	9.00% [2]	9.00%
Weighted-average assumptions used to determine net expense, rate of future compensation increases (percentage)	3.75% [2]	3.75% [2]	
Postretirement Benefit Plan			
Weighted-average assumptions used to determine benefit obligations, discount rate (percentage)	4.52% [1]	5.46% [1]	
Weighted-average assumptions used to determine net expense, discount rate (percentage)	5.46% [2]	5.98% [2]	

[1] Determined as of the end of fiscal year.

[2] Determined as of the beginning of fiscal year.

Consolidated Balance Sheets (Parenthetical) (USD $)	May 27, 2012	May 29, 2011
Common stock, no par value (dollars per share)	$ 0	$ 0
Common stock, Authorized (shares)	500,000,000	500,000,000
Common stock, issued (shares)	289,000,000	287,200,000
Common stock, outstanding (shares)	129,000,000	134,600,000
Preferred stock, no par value (dollars per share)	$ 0	$ 0
Preferred stock, Authorized (shares)	25,000,000	25,000,000
Preferred stock, issued (shares)	0	0
Preferred stock, outstanding (shares)	0	0
Treasury stock, shares (shares)	160,000,000	152,600,000

Consolidated Statements Of Earnings (Parenthetical) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Total cost of sales, restaurant depreciation and amortization	$ 326.9	$ 295.6	$ 283.4
Losses from discontinued operations, tax benefit	$ 0.7	$ 1.5	$ 1.5

Short-Term Debt	12 Months Ended May 27, 2012
Short-term Debt [Abstract]	
Short-Term Debt	**SHORT-TERM DEBT** As of May 27, 2012, amounts outstanding as short-term debt, which consist of unsecured commercial paper borrowings, bearing an interest rate of 0.32 percent, were $262.7 million. As of May 29, 2011, amounts outstanding as short-term debt, which consist of unsecured commercial paper borrowings, bearing an interest rate of 0.30 percent, were $185.5 million.

Retirement Plans (Changes In Benefit Obligation) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Defined Benefit Plan, Change in Benefit Obligation [Roll Forward]			
Benefits paid	$ (22.7)	$ (13.2)	$ (0.6)
Defined Benefit Plans			
Defined Benefit Plan, Change in Benefit Obligation [Roll Forward]			
Benefit obligation at beginning of period	215.8	200.2	
Service cost	5.1	5.9	4.9
Interest cost	9.6	9.5	10.0
Plan amendments	0	0	
Participant contributions	0	0	
Benefits paid	(9.8)	(8.9)	
Actuarial loss (gain)	53.7	9.1	
Benefit obligation at end of period	274.4	215.8	200.2
Postretirement Benefit Plan			
Defined Benefit Plan, Change in Benefit Obligation [Roll Forward]			
Benefit obligation at beginning of period	27.0	38.9	
Service cost	0.8	0.9	0.6
Interest cost	1.5	2.3	1.9
Plan amendments	0	0	
Participant contributions	0.3	0.4	
Benefits paid	(0.8)	(0.7)	
Actuarial loss (gain)	0.8	(14.8)	
Benefit obligation at end of period	$ 29.6	$ 27.0	$ 38.9

Income Taxes (Allocation Of Total Income Tax Expense) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Income Tax Disclosure [Abstract]			
Earnings from continuing operations	$ 161.5	$ 168.9	$ 136.6
(Losses) earnings from discontinued operations	(0.7)	(1.5)	(1.5)
Total consolidated income tax expense	$ 160.8	$ 167.4	$ 135.1

Interest, Net (Computation Of Capitalized Interest) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Interest Income (Expense), Net [Abstract]			
Interest paid, net of amounts capitalized	$ 94.8	$ 98.3	$ 95.3

Stock-Based Compensation (Performance Stock Unit Activity) (Narrative) (Details) (USD $)	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Vesting period (years)	four		
Performance stock units			
Share based compensation arrangement by share based payment award number of stock units that would be issued on vesting of shares (shares)	1		
Unrecognized compensation cost related to unvested stock options granted	$ 18,900,000		
Unrecognized compensation cost, period of recognition, in years (years)	1.5		
Fair market value on grant date	9,800,000		
Employee stock purchase plan			
Percentage of capital stock (percentage)	5.00%		
Investment authorized	5,000		
Shares available for purchase by employees (shares)	3,600,000		
Percent of fair market value, common stock purchased by employees (percentage)	85.00%		
Cash received from employees who acquired shares under ESPP	$ 7,200,000	$ 7,400,000	$ 7,100,000
Before Fiscal Two Thousand Ten | Performance stock units			
Vesting period (years)	five		
During And Subsequent To Fiscal Two Thousand Ten | Performance stock units			
Vesting period (years)	3		
Minimum | Performance stock units			
Vesting percentage (percentage)	0.00%		
Minimum | Before Fiscal Two Thousand Ten | Performance stock units			
Vesting percentage (percentage)	0.00%		
Minimum | During And Subsequent To Fiscal Two Thousand Ten | Performance stock units			
Vesting percentage (percentage)	0.00%		
Maximum | Performance stock units			
Vesting percentage (percentage)	150.00%		
Maximum | Before Fiscal Two Thousand Ten | Performance stock units			
Vesting percentage (percentage)	150.00%		
Maximum | During And Subsequent To Fiscal Two Thousand Ten | Performance stock units			
Vesting percentage (percentage)	150.00%		

Stock-Based Compensation (Summary Of Darden Stock Unit Activity) (Details) (Darden Stock Units, USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended May 27, 2012
Darden Stock Units	
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested [Roll Forward]	
Outstanding beginning of period (shares)	1.9
Units granted (shares)	0.6
Units vested (shares)	(0.3)
Units canceled (shares)	(0.1)
Outstanding end of period (shares)	2.1
Outstanding beginning of period, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 50.92
Units granted, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 50.08
Units vested, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 48.74
Units canceled, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 39.38
Outstanding end of period, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 53.06

Document And Entity Information (USD $) In Thousands, except Share data, unless otherwise specified	12 Months Ended	
	May 27, 2012	Nov. 25, 2011
Document And Entity Information Abstract		
Entity Registrant Name	Darden Restaurants Inc	
Entity Central Index Key	0000940944	
Current Fiscal Year End Date	--05-27	
Entity Filer Category	Large Accelerated Filer	
Document Type	10-K	
Document Period End Date	May 27, 2012	
Document Fiscal Year Focus	2012	
Document Fiscal Period Focus	FY	
Amendment Flag	false	
Entity Common Stock, Shares Outstanding	129,027,000	
Entity Well-known Seasoned Issuer	Yes	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Public Float		$ 5,784,642

Quarterly Data (Schedule Of Unaudited Quarterly Data) (Details) (USD $) In Millions, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	May 27, 2012	Feb. 26, 2012	Nov. 27, 2011	Aug. 28, 2011	May 29, 2011	Feb. 27, 2011	Nov. 28, 2010	Aug. 29, 2010	May 27, 2012	May 29, 2011	May 30, 2010
Sales	$ 2,065.6	$ 2,159.7	$ 1,831.5	$ 1,942.0	$ 1,990.4	$ 1,976.8	$ 1,726.2	$ 1,806.7	$ 7,998.7	$ 7,500.2	$ 7,113.1
Earnings before income taxes	200.7	217.8	72.5	147.0	186.2	199.1	103.2	159.1	638.0	647.6	543.6
Earnings from continuing operations	151.6	164.1	54.1	106.8	138.0	151.7	75.8	113.3	476.5	478.7	407.0
Losses from discontinued operations	(0.4)	0	(0.4)	(0.2)	(0.6)	(0.5)	(1.3)	(0.2)	(1.0)	(2.4)	(2.5)
Net earnings	$ 151.2	$ 164.1	$ 53.7	$ 106.6	$ 137.4	$ 151.2	$ 74.5	$ 113.1	$ 475.5	$ 476.3	$ 404.5
Basic net earnings per share:											
Earnings from continuing operations, Basic (dollars per share)	$ 1.18	$ 1.28	$ 0.42	$ 0.80	$ 1.02	$ 1.11	$ 0.55	$ 0.82	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations, Basic (dollars per share)	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ (0.02)	$ (0.02)
Net earnings	$ 1.18	$ 1.28	$ 0.41	$ 0.80	$ 1.02	$ 1.11	$ 0.54	$ 0.82	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:											
Earnings from continuing operations, Diluted (dollars per share)	$ 1.15	$ 1.25	$ 0.41	$ 0.78	$ 1.00	$ 1.08	$ 0.54	$ 0.80	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations, Diluted (dollars per share)	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ (0.02)	$ (0.02)
Net earnings	$ 1.15	$ 1.25	$ 0.40	$ 0.78	$ 0.99	$ 1.08	$ 0.53	$ 0.80	$ 3.57	$ 3.39	$ 2.84
Dividends paid per share (dollars per share)	$ 0.43	$ 0.43	$ 0.43	$ 0.43	$ 0.32	$ 0.32	$ 0.32	$ 0.32	$ 1.72	$ 1.28	
Maximum											
Stock price											
Stock price (dollars per share)	$ 55.84	$ 51.90	$ 49.2	$ 53.81	$ 52.12	$ 50.84	$ 49.99	$ 45.04	$ 55.84	$ 52.12	
Minimum											
Stock price											
Stock price (dollars per share)	$ 48.49	$ 41.65	$ 40.69	$ 43.85	$ 45.51	$ 45.07	$ 41.03	$ 37.08	$ 40.69	$ 37.08	

Other Current Liabilities	12 Months Ended May 27, 2012
Liabilities, Current [Abstract]	
Other Current Liabilities	**OTHER CURRENT LIABILITIES** The components of other current liabilities are as follows:

(in millions)	May 27, 2012	May 29, 2011
Non-qualified deferred compensation plan	$ 201.4	$ 200.1
Sales and other taxes	60.6	61.5
Insurance-related	35.2	33.6
Employee benefits	59.7	42.6
Derivative liabilities	45.3	23.2
Accrued interest	15.6	14.0
Miscellaneous	36.6	34.3
Total other current liabilities	$ 454.4	$ 409.3

Fair Value Measurements (Carrying Value And Fair Value Of Long-Term Debt) (Details) (USD $)	May 27, 2012	May 29, 2011
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Carrying value of long-term debt	$ 1,803,600,000	$ 1,407,300,000
Carrying Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Carrying value of long-term debt	1,800,000,000	1,410,000,000
Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of long-term debt	$ 1,990,000,000	$ 1,560,000,000

Interest, Net (Components Of Interest) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Interest Income (Expense), Net [Abstract]			
Interest expense	$ 102.7	$ 93.7	$ 95.7
Imputed interest on capital leases	3.7	3.8	3.9
Capitalized interest	3.9	3.0	4.4
Interest income	(0.9)	(0.9)	(1.3)
Interest Income (Expense), Nonoperating, Net	$ (101.6)	$ (93.6)	$ (93.9)

Consolidated Statements of Comprehensive Income (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Net earnings	$ 475.5	$ 476.3	$ 404.5
Other comprehensive income			
Foreign currency adjustment	(1.2)	1.8	1.5
Change in fair value of marketable securities, net of tax of $0.1, $(0.1) and $0.0, respectively	(0.1)	0.2	0
Change in fair value of derivatives, net of tax of $27.8, $4.8 and $2.5, respectively	(45.6)	(5.2)	0
Net unamortized gain (loss) arising during period, including amortization of unrecognized net actuarial loss, net of taxes of $24.8, $(9.0) and $9.5, respectively	(39.9)	14.5	(15.4)
Other comprehensive income (loss)	(86.8)	11.3	(13.9)
Total comprehensive income	$ 388.7	$ 487.6	$ 390.6

Discontinued Operations	12 Months Ended May 27, 2012
Discontinued Operations and Disposal Groups [Abstract]	
Discontinued Operations	**DISCONTINUED OPERATIONS** For fiscal 2012, 2011 and 2010, all gains and losses on disposition, impairment charges and disposal costs related to the closure and disposition of Smokey Bones and Rocky River Grillhouse restaurants and closure of nine Bahama Breeze restaurants in fiscal 2007 and 2008 have been aggregated to a single caption entitled losses from discontinued operations, net of tax benefit in our consolidated statements of earnings and are comprised of the following:

(in millions)	Fiscal Year		
	2012	2011	2010
Sales	$ —	$ —	$ —
Losses before income taxes	(1.7)	(3.9)	(4.0)
Income tax benefit	0.7	1.5	1.5
Net losses from discontinued operations	$ (1.0)	$ (2.4)	$ (2.5)

As of May 27, 2012 and May 29, 2011, we had $5.6 million and $7.8 million, respectively, of assets associated with the closed restaurants reported as discontinued operations, which are included in land, buildings and equipment, net on the accompanying consolidated balance sheets.

Summary Of Significant Accounting Policies	12 Months Ended May 27, 2012
Accounting Policies [Abstract]	
Summary Of Significant Accounting Policies	

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations and Principles of Consolidation
The accompanying consolidated financial statements include the operations of Darden Restaurants, Inc. and its wholly owned subsidiaries (Darden, the Company, we, us or our). We own and operate the Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze®, Seasons 52®, Eddie V's Prime Seafood® and Wildfish Seafood Grille® restaurant brands located in the United States and Canada. Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except three. Those three restaurants are located in Central Florida and are owned by joint ventures managed by us. None of our restaurants in the United States or Canada are franchised. As of May 27, 2012, we franchised 5 LongHorn Steakhouse restaurants in Puerto Rico, 22 Red Lobster restaurants in Japan, and 1 Red Lobster restaurant in Dubai, to unaffiliated franchisees under area development and franchise agreements. All significant inter-company balances and transactions have been eliminated in consolidation.

Basis of Presentation
On November 14, 2011, we completed the acquisition of eight Eddie V's Prime Seafood restaurants and three Wildfish Seafood Grille restaurants (collectively Eddie V's) and all related assets and net working capital for $58.5 million in cash. The results of operations from Eddie V's, which are not material, are included in our consolidated financial statements from the date of acquisition. The acquisition resulted in the recording of depreciable assets, definite-lived amortizable intangible assets and indefinite-lived intangible assets, including goodwill.

The following table summarizes the preliminary estimated fair values of the Eddie V's assets acquired and liabilities assumed as of the acquisition date and the final adjustments made thereto through the fiscal year ended May 27, 2012:

(in millions)	Preliminary	Adjustments	Final Adjusted
Current assets	$ 1.7	$ (0.3)	$ 1.4
Buildings and equipment	26.8	(0.4)	26.4
Trademarks	17.0	(6.1)	10.9
Other assets	2.9	(0.4)	2.5
Goodwill	16.6	5.5	22.1
Total assets acquired	$ 65.0	$ (1.7)	$ 63.3
Current liabilities	4.5	—	4.5
Other liabilities	1.3	(1.0)	0.3
Total liabilities assumed	$ 5.8	$ (1.0)	$ 4.8
Net assets acquired	$ 59.2	$ (0.7)	$ 58.5

Adjustments to the preliminary purchase price allocation during the period ended May 27, 2012 were primarily related to updated valuations in the preliminary appraisals of identifiable intangible and tangible assets.

The excess of the purchase price over the aggregate fair value of net assets acquired was allocated to goodwill, all of which is expected to be deductible for tax purposes. Goodwill represents benefits expected as a result of the acquisition, including sales and unit growth opportunities in addition to supply-chain synergies. Trademarks primarily have an indefinite life based on the expected use of the assets and the regulatory and economic environment within which they are being used. These trademarks represent highly respected brands with positive connotations and we intend to cultivate and protect the use of these brands. Goodwill and indefinite-lived trademarks are not amortized but are reviewed annually for impairment or more frequently if indicators of impairment exist. Buildings and equipment will be depreciated over a period of 5 months to 23 years. Other assets and liabilities represent value associated with favorable and unfavorable market leases and will be amortized over a weighted average period of 16 years.

As a result of the acquisition and related integration efforts, we incurred expenses of approximately $2.9 million during the year ended May 27, 2012, which are included in selling, general and administrative expenses in our consolidated statements of earnings. Pro-forma financial information of the combined entities for periods prior to the acquisition is not presented due to the immaterial impact of the financial results of Eddie V's on our consolidated financial statements.

During fiscal 2007 and 2008 we closed or sold all Smokey Bones Barbeque & Grill (Smokey Bones) and Rocky River Grillhouse restaurants and we closed nine Bahama Breeze restaurants. These restaurants and their related activities have been classified as discontinued operations. Therefore, for fiscal 2012, 2011 and 2010, all impairment losses and disposal costs, gains and losses on disposition attributable to these restaurants have been aggregated in a single caption entitled "Losses from discontinued operations, net of tax benefit" on the accompanying consolidated statements of earnings.

Unless otherwise noted, amounts and disclosures throughout these notes to consolidated financial statements relate to our continuing operations.

Fiscal Year

We operate on a 52/53 week fiscal year, which ends on the last Sunday in May. Fiscal 2012, 2011 and 2010 consisted of 52 weeks of operation.

Use of Estimates

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include highly liquid investments such as U.S. Treasury bills, taxable municipal bonds and money market funds that have an original maturity of three months or less. Amounts receivable from credit card companies are also considered cash equivalents because they are both short term and highly liquid in nature and are typically converted to cash within three days of the sales transaction.

Receivables, Net

Receivables, net of the allowance for doubtful accounts, represent their estimated net realizable value. Provisions for doubtful accounts are recorded based on historical collection experience and the age of the receivables. Receivables are written off when they are deemed uncollectible. See Note 3 – Receivables, Net for additional information.

Inventories

Inventories consist of food and beverages and are valued at the lower of weighted-average cost or market.

Marketable Securities
Available-for-sale securities are carried at fair value. Classification of marketable securities as current or noncurrent is dependent upon management's intended holding period, the security's maturity date, or both. Unrealized gains and losses, net of tax, on available-for-sale securities are carried in accumulated other comprehensive income (loss) within the consolidated financial statements and are reclassified into earnings when the securities mature or are sold.

Land, Buildings and Equipment, Net
Land, buildings and equipment are recorded at cost less accumulated depreciation. Building components are depreciated over estimated useful lives ranging from 7 to 40 years using the straight-line method. Leasehold improvements, which are reflected on our consolidated balance sheets as a component of buildings in land, buildings and equipment, net, are amortized over the lesser of the expected lease term, including cancelable option periods, or the estimated useful lives of the related assets using the straight-line method. Equipment is depreciated over estimated useful lives ranging from 2 to 10 years also using the straight-line method. See Note 5 – Land, Buildings and Equipment, Net for additional information. Gains and losses on the disposal of land, buildings and equipment are included in selling, general and administrative expenses in our accompanying consolidated statements of earnings. Depreciation and amortization expense from continuing operations associated with buildings and equipment and losses on disposal of land, buildings and equipment were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Depreciation and amortization on buildings and equipment	$ 340.6	$ 308.7	$ 293.2
Losses on disposal of land, buildings and equipment	7.1	6.9	0.3

Capitalized Software Costs and Other Definite-Lived Intangibles
Capitalized software, which is a component of other assets, is recorded at cost less accumulated amortization. Capitalized software is amortized using the straight-line method over estimated useful lives ranging from 3 to 10 years. The cost of capitalized software and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Capitalized software	$ 84.3	$ 79.9
Accumulated amortization	(63.4)	(56.1)
Capitalized software, net of accumulated amortization	$ 20.9	$ 23.8

We have other definite-lived intangible assets, including assets related to the value of below-market leases, which were acquired as part of the RARE Hospitality International, Inc. (RARE) and Eddie V's acquisitions and are included as a component of other assets on our consolidated balance sheets. We also have definite-lived intangible liabilities related to the value of above-market leases, which were acquired as part of the RARE and Eddie V's acquisitions and are included in other liabilities on our consolidated balance sheets. Definite-lived intangibles are amortized on a straight-line basis over estimated useful lives of 1 to 20 years. The cost and related accumulated amortization was as follows:

(in millions)	May 27, 2012	May 29, 2011
Other definite-lived intangibles	$ 13.2	$ 11.1
Accumulated amortization	(6.2)	(5.6)

Other definite-lived intangible assets, net of accumulated amortization	$	7.0	$	5.5

(in millions)		May 27, 2012		May 29, 2011
Below-market leases	$	24.0	$	25.3
Accumulated amortization		(7.1)		(8.6)
Below market-leases, net of accumulated amortization	$	16.9	$	16.7

(in millions)		May 27, 2012		May 29, 2011
Above-market leases	$	(8.6)	$	(8.4)
Accumulated amortization		2.3		1.8
Above-market leases, net of accumulated amortization	$	(6.3)	$	(6.6)

Amortization expense associated with capitalized software and other definite-lived intangibles included in depreciation and amortization in our accompanying consolidated statements of earnings was as follows:

(in millions)		Fiscal Year				
		2012		2011		2010
Amortization expense - capitalized software	$	7.8	$	7.7	$	7.3
Amortization expense - other definite-lived intangibles		0.7		0.4		0.4

Amortization expense associated with above- and-below-market leases included in restaurant expenses as a component of rent expense on our consolidated statements of earnings was as follows:

(in millions)		Fiscal Year				
		2012		2011		2010
Restaurant expense - below-market leases	$	1.8	$	2.2	$	2.6
Restaurant expense - above-market leases		(0.5)		(0.5)		(0.5)

Amortization of capitalized software and other definite-lived intangible assets will be approximately $10.0 million annually for fiscal 2013 through 2017.

Trust-Owned Life Insurance

We have a trust that purchased life insurance policies covering certain of our officers and other key employees (trust-owned life insurance or TOLI). The trust is the owner and sole beneficiary of the TOLI policies. The policies were purchased to offset a portion of our obligations under our non-qualified deferred compensation plan. The cash surrender value for each policy is included in other assets while changes in cash surrender values are included in selling, general and administrative expenses.

Liquor Licenses

The costs of obtaining non-transferable liquor licenses that are directly issued by local government agencies for nominal fees are expensed as incurred. The costs of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived intangible assets and included in other assets. Liquor licenses are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Annual liquor license renewal fees are expensed over the renewal term.

Goodwill and Trademarks

We review our goodwill and trademarks for impairment annually, as of the first day of our fourth fiscal quarter or more frequently if indicators of impairment exist. Goodwill and trademarks are not subject to amortization and have been assigned to reporting units for purposes of impairment testing. The reporting units are our restaurant brands. Our goodwill and trademark balances are allocated as follows:

(in millions)	May 27, 2012	May 29, 2011
Goodwill:		
The Capital Grille	$ 401.8	$ 402.1
LongHorn Steakhouse	49.5	49.8
Olive Garden (1)	30.2	30.2
Red Lobster (1)	35.0	35.0
Eddie V's	22.1	—
Total Goodwill	$ 538.6	$ 517.1
Trademarks:		
The Capital Grille	$ 147.0	$ 147.0
LongHorn Steakhouse	307.0	307.0
Eddie V's Prime Seafood and Wildfish Seafood Grille	10.9	—
Total Trademarks	$ 464.9	$ 454.0

(1) Goodwill related to Olive Garden and Red Lobster is associated with the RARE acquisition and the direct benefits derived by Olive Garden and Red Lobster as a result of the RARE acquisition.

A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in our expected future cash flows; a sustained, significant decline in our stock price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The goodwill impairment test involves a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. We estimate fair value using the best information available, including market information and discounted cash flow projections (also referred to as the income approach). The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in sales, costs and number of units, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. We validate our estimates of fair value under the income approach by comparing the values to fair value estimates using a market approach. A market approach estimates fair value by applying cash flow and sales multiples to the reporting unit's operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units.

If the fair value of the reporting unit is higher than its carrying value, goodwill is deemed not to be impaired, and no further testing is required. If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment loss for the difference.

Consistent with our accounting policy for goodwill and trademarks we performed our annual impairment test of our goodwill and trademarks as of the first day of our fiscal 2012 fourth quarter. As of the beginning of our fiscal fourth quarter, we had seven reporting units: Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's. Two of these reporting units, LongHorn Steakhouse and The Capital Grille, have a significant amount of goodwill. As we finalized the purchase price allocation for Eddie V's during our fourth fiscal quarter of 2012 and no indicators of impairment were identified, we excluded the goodwill allocated to Eddie V's from our annual impairment test. As part of our process for performing the step one impairment test of goodwill, we estimated the fair value of our reporting units utilizing the income and market approaches described above to derive an enterprise value of the Company. We reconciled the enterprise value to our overall estimated market capitalization. The estimated market capitalization considers recent trends in our market capitalization and an expected control premium, based on comparable recent and historical transactions. Based on the results of the step one impairment test, no impairment of goodwill was indicated.

The fair value of trademarks are estimated and compared to the carrying value. We estimate the fair value of trademarks using the relief-from-royalty method, which requires assumptions related to projected sales from our annual long-range plan; assumed royalty rates that could be payable if we did not own the trademarks; and a discount rate. We recognize an impairment loss when the estimated fair value of the trademarks is less than its carrying value. We completed our impairment test and concluded as of the date of the test, there was no impairment of the trademarks for LongHorn Steakhouse and The Capital Grille.

We determined that there was no goodwill or trademark impairment as of the first day of our fourth fiscal quarter and no additional indicators of impairment were identified through the end of our fourth fiscal quarter that would require us to test further for impairment. However, declines in our market capitalization (reflected in our stock price) as well as in the market capitalization of other companies in the restaurant industry, declines in sales at our restaurants, and significant adverse changes in the operating environment for the restaurant industry may result in future impairment.

Changes in circumstances, existing at the measurement date or at other times in the future, or in the numerous estimates associated with management’s judgments and assumptions made in assessing the fair value of our goodwill, could result in an impairment loss of a portion or all of our goodwill or trademarks. If we recorded an impairment loss, our financial position and results of operations would be adversely affected and our leverage ratio for purposes of our credit agreement would increase. A leverage ratio exceeding the maximum permitted under our credit agreement would be a default under our credit agreement. At May 27, 2012, a write down of goodwill, other indefinite-lived intangible assets, or any other assets in excess of approximately $850.0 million would have been required to cause our leverage ratio to exceed the permitted maximum. As our leverage ratio is determined on a quarterly basis and due to the seasonal nature of our business, a lesser amount of impairment in future quarters could cause our leverage ratio to exceed the permitted maximum.

We evaluate the useful lives of our other intangible assets, primarily intangible assets associated with the RARE acquisition, to determine if they are definite or indefinite-lived. A determination on useful life requires significant judgments and assumptions regarding the future effects of obsolescence, demand, competition, other economic factors (such as the stability of the industry, legislative action that results in an uncertain or changing regulatory environment, and expected changes in distribution channels), the level of required maintenance expenditures, and the expected lives of other related groups of assets.

Impairment or Disposal of Long-Lived Assets
Land, buildings and equipment and certain other assets, including definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. If such assets are determined to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined based on appraisals or sales prices of comparable assets. Restaurant sites and certain other assets to be disposed of are reported at the lower of their carrying amount or fair value, less estimated costs to sell. Restaurant sites and certain other assets to be disposed of are included in assets held for disposal within prepaid expenses and other current assets in our consolidated balance sheets when certain criteria are met. These criteria include the requirement that the likelihood of disposing of these assets within one year is probable. Assets not meeting the “held for sale” criteria remain in land, buildings and equipment until their disposal is probable within one year.

We account for exit or disposal activities, including restaurant closures, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 420, Exit or Disposal Cost Obligations. Such costs include the cost of disposing of the assets as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date we cease using a property under an operating lease, we record a liability for the net present value of any remaining lease obligations, net of estimated sublease income. Any subsequent adjustments to that liability as a result of lease termination or changes in estimates of sublease income are recorded in the period incurred. Upon disposal of the assets, primarily land, associated with a closed restaurant, any gain or loss is recorded in the same caption within our consolidated statements of earnings as the original impairment.

Insurance Accruals
Through the use of insurance program deductibles and self-insurance, we retain a significant portion of expected losses under our workers’ compensation, employee medical and general liability programs. However, we carry insurance for individual workers’ compensation and general liability claims that exceed $0.5 million. Accrued liabilities have been recorded based on our estimates of the anticipated ultimate costs to settle all claims, both reported and not yet reported.

Revenue Recognition
Sales, as presented in our consolidated statements of earnings, represents food and beverage product sold and is presented net of discounts, coupons, employee meals and complimentary meals and gift cards. Revenue from restaurant sales is recognized when food and beverage products are sold. Sales taxes collected from customers and remitted to governmental authorities are presented on a net basis within sales on our consolidated statements of earnings.

Revenues from the sales of franchises are recognized as income when substantially all of our material obligations under the franchise agreement have been performed. Continuing royalties, which are a percentage of net sales of franchised restaurants, are accrued as income when earned.

Unearned Revenues
Unearned revenues represent our liability for gift cards that have been sold but not yet redeemed. We recognize sales from our gift cards when the gift card is redeemed by the customer. Although there are no expiration dates or dormancy fees for our gift cards, based on our analysis of our historical gift card redemption patterns, we can reasonably estimate the amount of gift cards for

which redemption is remote, which is referred to as "breakage". We recognize breakage within sales for unused gift card amounts in proportion to actual gift card redemptions, which is also referred to as the "redemption recognition" method. The estimated value of gift cards expected to remain unused is recognized over the expected period of redemption as the remaining gift card values are redeemed, generally over a period of 10 years. Utilizing this method, we estimate both the amount of breakage and the time period of redemption. If actual redemption patterns vary from our estimates, actual gift card breakage income may differ from the amounts recorded. We update our estimates of our redemption period and our breakage rate periodically and apply that rate to gift card redemptions.

Food and Beverage Costs
Food and beverage costs include inventory, warehousing, related purchasing and distribution costs and gains and losses on certain commodity derivative contracts. Vendor allowances received in connection with the purchase of a vendor's products are recognized as a reduction of the related food and beverage costs as earned. Advance payments are made by the vendors based on estimates of volume to be purchased from the vendors and the terms of the agreement. As we make purchases from the vendors each period, we recognize the pro rata portion of allowances earned as a reduction of food and beverage costs for that period. Differences between estimated and actual purchases are settled in accordance with the terms of the agreements. Vendor agreements are generally for a period of one year or more and payments received are initially recorded as long-term liabilities. Amounts which are expected to be earned within one year are recorded as current liabilities.

Income Taxes
We provide for federal and state income taxes currently payable as well as for those deferred because of temporary differences between reporting income and expenses for financial statement purposes versus tax purposes. Federal income tax credits are recorded as a reduction of income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Interest recognized on reserves for uncertain tax positions is included in interest, net in our consolidated statements of earnings. A corresponding liability for accrued interest is included as a component of other current liabilities in our consolidated balance sheets. Penalties, when incurred, are recognized in selling, general and administrative expenses.

ASC Topic 740, Income Taxes, requires that a position taken or expected to be taken in a tax return be recognized (or derecognized) in the financial statements when it is more likely than not (i.e., a likelihood of more than 50 percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. See Note 16 - Income Taxes for additional information.

Income tax benefits credited to equity relate to tax benefits associated with amounts that are deductible for income tax purposes but do not affect earnings. These benefits are principally generated from employee exercises of non-qualified stock options and vesting of employee restricted stock awards.

Derivative Instruments and Hedging Activities
We enter into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments as required by FASB ASC Topic 815, Derivatives and Hedging, and those utilized as economic hedges. We use financial and commodities derivatives to manage interest rate, compensation, commodities pricing and foreign currency exchange rate risks inherent in our business operations. Our use of derivative instruments is currently limited to interest rate hedges; equity forwards contracts; commodities futures and options contracts and foreign currency forward contracts. These instruments are generally structured as hedges of the variability of cash flows related to forecasted transactions (cash flow hedges). However, we do at

times enter into instruments designated as fair value hedges to reduce our exposure to changes in fair value of the related hedged item. We do not enter into derivative instruments for trading or speculative purposes, where changes in the cash flows or fair value of the derivative are not expected to offset changes in cash flows or fair value of the hedged item. However, we have entered into equity forwards to economically hedge changes in the fair value of employee investments in our non-qualified deferred compensation plan and certain commodity futures contracts to economically hedge changes in the value of certain inventory purchases, for which we have not applied hedge accounting. All derivatives are recognized on the balance sheet at fair value. For those derivative instruments for which we intend to elect hedge accounting, on the date the derivative contract is entered into, we document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking the various hedge transactions. This process includes linking all derivatives designated as cash flow hedges to specific assets and liabilities on the consolidated balance sheet or to specific forecasted transactions. We also formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

To the extent our derivatives are effective in offsetting the variability of the hedged cash flows, and otherwise meet the cash flow hedge accounting criteria required by Topic 815 of the FASB ASC, changes in the derivatives' fair value are not included in current earnings but are included in accumulated other comprehensive income (loss), net of tax. These changes in fair value will be reclassified into earnings at the time of the forecasted transaction. Ineffectiveness measured in the hedging relationship is recorded currently in earnings in the period in which it occurs. To the extent our derivatives are effective in mitigating changes in fair value, and otherwise meet the fair value hedge accounting criteria required by Topic 815 of the FASB ASC, gains and losses in the derivatives' fair value are included in current earnings, as are the gains and losses of the related hedged item. To the extent the hedge accounting criteria are not met, the derivative contracts are utilized as economic hedges and changes in the fair value of such contracts are recorded currently in earnings in the period in which they occur. Cash flows related to derivatives are included in operating activities. See Note 10 – Derivative Instruments and Hedging Activities for additional information.

Leases

For operating leases, we recognize rent expense on a straight-line basis over the expected lease term, including cancelable option periods where failure to exercise the options would result in an economic penalty to the Company.

Differences between amounts paid and amounts expensed are recorded as deferred rent. Capital leases are recorded as an asset and an obligation at an amount equal to the present value of the minimum lease payments during the lease term. Within the provisions of certain of our leases, there are rent holidays and escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and escalations have been reflected in rent expense on a straight-line basis over the expected lease term, which includes cancelable option periods where failure to exercise such options would result in an economic penalty to the Company. The lease term commences on the date when we have the right to control the use of the leased property, which is typically before rent payments are due under the terms of the lease. Many of our leases have renewal periods totaling 5 to 20 years, exercisable at our option and require payment of property taxes, insurance and maintenance costs in addition to the rent payments. The consolidated financial statements reflect the same lease term for amortizing leasehold improvements as we use to determine capital versus operating lease classifications and in calculating straight-line rent expense for each restaurant. Percentage rent expense is generally based on sales levels and is accrued at the point in time we determine that it is probable that such sales levels will be achieved. Amortization expense related to capital leases is included in depreciation and amortization expense on our consolidated statements of earnings.

Pre-Opening Expenses

Non-capital expenditures associated with opening new restaurants are expensed as incurred.

Advertising
Production costs of commercials are charged to operations in the fiscal period the advertising is first aired. The costs of programming and other advertising, promotion and marketing programs are charged to operations in the fiscal period incurred. Advertising expense related to continuing operations, included in selling, general and administrative expenses was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Advertising expense	$ 357.2	$ 340.2	$ 311.9

Stock-Based Compensation
We recognize the cost of employee service received in exchange for awards of equity instruments based on the grant date fair value of those awards. We utilize the Black-Scholes option pricing model to estimate the fair value of stock option awards. We recognize compensation expense on a straight-line basis over the employee service period for awards granted. The dividend yield has been estimated based upon our historical results and expectations for changes in dividend rates. The expected volatility was determined using historical stock prices. The risk-free interest rate was the rate available on zero coupon U.S. government obligations with a term approximating the expected life of each grant. The expected life was estimated based on the exercise history of previous grants, taking into consideration the remaining contractual period for outstanding awards. The weighted-average fair value of non-qualified stock options and the related assumptions used in the Black-Scholes model to record stock-based compensation are as follows:

	Stock Options Granted in Fiscal Year		
	2012	2011	2010
Weighted-average fair value	$ 14.31	$ 12.88	$ 10.74
Dividend yield	3.5%	3.0%	2.8%
Expected volatility of stock	39.4%	39.1%	40.6%
Risk-free interest rate	2.1%	2.2%	3.0%
Expected option life (in years)	6.5	6.7	6.6

Net Earnings per Share
Basic net earnings per share are computed by dividing net earnings by the weighted-average number of common shares outstanding for the reporting period. Diluted net earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Outstanding stock options, restricted stock, benefits granted under our Employee Stock Purchase Plan and performance stock units granted by us represent the only dilutive effect reflected in diluted weighted-average shares outstanding. These stock-based compensation instruments do not impact the numerator of the diluted net earnings per share computation.

The following table presents the computation of basic and diluted net earnings per common share:

(in millions, except per share data)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 476.5	$ 478.7	$ 407.0
Losses from discontinued operations	(1.0)	(2.4)	(2.5)
Net earnings	$ 475.5	$ 476.3	$ 404.5
Average common shares outstanding – Basic	130.1	136.8	139.3

Effect of dilutive stock-based compensation	3.1	3.5	3.1
Average common shares outstanding – Diluted	133.2	140.3	142.4
Basic net earnings per share:			
Earnings from continuing operations	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.65	$ 3.48	$ 2.90
Diluted net earnings per share:			
Earnings from continuing operations	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations	(0.01)	(0.02)	(0.02)
Net earnings	$ 3.57	$ 3.39	$ 2.84

Restricted stock and options to purchase shares of our common stock excluded from the calculation of diluted net earnings per share because the effect would have been anti-dilutive, are as follows:

(in millions)	Fiscal Year Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Anti-dilutive restricted stock and options	2.6	1.2	3.3

Comprehensive Income
Comprehensive income includes net earnings and other comprehensive income (loss) items that are excluded from net earnings under U.S. generally accepted accounting principles. Other comprehensive income (loss) items include foreign currency translation adjustments, the effective unrealized portion of changes in the fair value of cash flow hedges, unrealized gains and losses on our marketable securities classified as held for sale and recognition of the funded status and amortization of unrecognized net actuarial gains and losses related to our pension and other postretirement plans. See Note 13 - Stockholders' Equity for additional information.

Foreign Currency
The Canadian dollar is the functional currency for our Canadian restaurant operations. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations are translated using the average exchange rates prevailing throughout the period. Translation gains and losses are reported as a separate component of other comprehensive income (loss). Aggregate cumulative translation losses were $1.6 million and $0.4 million at May 27, 2012 and May 29, 2011, respectively. Gains and losses from foreign currency transactions recognized in our consolidated statements of earnings were not significant for fiscal 2012, 2011 or 2010.

Segment Reporting
As of May 27, 2012, we operated the Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's restaurant brands in North America as operating segments. The brands operate principally in the U.S. within the full-service dining industry, providing similar products to similar customers. The brands also possess similar economic characteristics, resulting in similar long-term expected financial performance characteristics. Sales from external customers are derived principally from food and beverage sales. We do not rely on any major customers as a source of sales. We believe we meet the criteria for aggregating our operating segments into a single reporting segment.

Application of New Accounting Standards
In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820), *Amendments to Achieve Common Fair Value Measurement and*

Disclosure Requirements in U.S. GAAP and IFRS. Many of the amendments in this update change the wording used in the existing guidance to better align U.S. generally accepted accounting principles with International Financial Reporting Standards and to clarify the FASB's intent on various aspects of the fair value guidance. This update also requires increased disclosure of quantitative information about unobservable inputs used in a fair value measurement that is categorized within Level 3 of the fair value hierarchy. This update is effective for us in our first quarter of fiscal 2013 and will be applied prospectively. Other than requiring additional disclosures, adoption of this new guidance will not have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, Comprehensive Income (Topic 220), *Presentation of Comprehensive Income*, which requires companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This update eliminates the option to present the components of other comprehensive income as part of the statement of equity. In December 2011, the FASB issued ASU 2011-12, Comprehensive Income (Topic 220), *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05*, to defer the effective date of the specific requirement to present items that are reclassified out of accumulated other comprehensive income to net income alongside their respective components of net income and other comprehensive income. We adopted all other provisions of this update in our fourth quarter of fiscal 2012, with the addition of our consolidated statements of comprehensive income and other changes to our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, Intangibles - Goodwill and Other (Topic 350), *Testing Goodwill for Impairment*, which permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before applying the two-step goodwill impairment model that is currently in place. If it is determined through the qualitative assessment that a reporting unit's fair value is more likely than not greater than its carrying value, the remaining impairment steps would be unnecessary. The qualitative assessment is optional, allowing companies to go directly to the quantitative assessment. This update is effective for annual and interim goodwill impairment tests performed in fiscal years beginning after December 15, 2011, which will require us to adopt these provisions in fiscal 2013; however, early adoption is permitted. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210), *Disclosures about Offsetting Assets and Liabilities*, which requires companies to disclose information about financial instruments that have been offset and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. Companies will be required to provide both net (offset amounts) and gross information in the notes to the financial statements for relevant assets and liabilities that are offset. This update is effective for us in our first quarter of fiscal 2014 and will be applied retrospectively. We do not believe adoption of this new guidance will have a significant impact on our consolidated financial statements.

Stockholders' Equity

12 Months Ended
May 27, 2012

Stockholders' Equity Note [Abstract]

Stockholders' Equity

STOCKHOLDERS' EQUITY

Treasury Stock

Repurchased common stock is reflected as a reduction of stockholders' equity. On December 17, 2010, our Board of Directors authorized an additional share repurchase authorization totaling 25.0 million shares in addition to the previous authorization of 162.4 million shares. Share repurchase authorizations and cumulative share repurchases under these authorizations, are as follows:

(in millions)	May 27, 2012
Share repurchase authorizations	187.4
Cumulative shares repurchased	170.9

The total shares and related cost of our common stock we repurchased was as follows:

(in millions)	Fiscal Year					
	2012		2011		2010	
	Shares	Cost	Shares	Cost	Shares	Cost
Treasury stock repurchases	8.2	$375.1	8.6	$385.5	2.0	$85.1

Stockholders' Rights Plan

Under our Rights Agreement dated May 16, 2005, each share of our common stock has associated with it one right to purchase one thousandth of a share of our Series A Participating Cumulative Preferred Stock at a purchase price of $120 per share, subject to adjustment under certain circumstances to prevent dilution. The rights are exercisable when, and are not transferable apart from our common stock until, a person or group has acquired 15 percent or more, or makes a tender offer for 15 percent or more, of our common stock. If the specified percentage of our common stock is then acquired, each right will entitle the holder (other than the acquiring company) to receive, upon exercise, common stock of either us or the acquiring company having a value equal to two times the exercise price of the right. The rights are redeemable by our Board of Directors under certain circumstances and expire on May 25, 2015.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), net of tax, are as follows:

(in millions)	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Marketable Securities	Unrealized Gains (Losses) on Derivatives	Benefit Plan Funding Position	Accumulated Other Comprehensive Income
Balances at May 30, 2010	$ (2.2)	$ 0.3	$ 1.1	$ (70.3)	$ (71.1)
Gain (loss)	1.8	0.2	(5.1)	10.7	7.6
Reclassification realized in net earnings	—	—	(0.1)	3.8	3.7
Balances at May 29, 2011	$ (0.4)	$ 0.5	$ (4.1)	$ (55.8)	$ (59.8)

Gain (loss)		(1.2)		(0.1)		(47.9)		(45.6)		(94.8)
Reclassification realized in net earnings		—		—		2.3		5.7		8.0
Balances at May 27, 2012	$	(1.6)	$	0.4	$	(49.7)	$	(95.7)	$	(146.6)

Long-Term Debt	12 Months Ended May 27, 2012

Long-term Debt, Unclassified [Abstract]

Long-Term Debt

LONG-TERM DEBT

The components of long-term debt are as follows:

(in millions)		May 27, 2012		May 29, 2011
5.625% senior notes due October 2012	$	350.0	$	350.0
7.125% debentures due February 2016		100.0		100.0
6.200% senior notes due October 2017		500.0		500.0
4.500% senior notes due October 2021		400.0		—
6.000% senior notes due August 2035		150.0		150.0
6.800% senior notes due October 2037		300.0		300.0
ESOP loan with variable rate of interest (0.59% at May 27, 2012) due December 2018		5.9		8.0
Total long-term debt	$	1,805.9	$	1,408.0
Fair value hedge		3.2		3.7
Less issuance discount		(5.5)		(4.4)
Total long-term debt less issuance discount	$	1,803.6	$	1,407.3
Less current portion		(349.9)		—
Long-term debt, excluding current portion	$	1,453.7	$	1,407.3

Until October 3, 2011, we maintained a $750.0 million revolving Credit Agreement dated September 20, 2007 (Prior Revolving Credit Agreement) with Bank of America, N.A. (BOA), as administrative agent, and the lenders and other agents party thereto. The Prior Revolving Credit Agreement was a senior unsecured credit commitment to the Company and contained customary representations, affirmative and negative covenants (including limitations on liens and subsidiary debt and a maximum consolidated lease adjusted total debt to total capitalization ratio of 0.75 to 1.00) and events of default usual for credit facilities of this type. The Prior Revolving Credit Agreement also contained a sub-limit of $150.0 million for the issuance of letters of credit. The Prior Revolving Credit Agreement supported our commercial paper borrowing program and would have matured on September 20, 2012, but was terminated on October 3, 2011 when we entered into the new credit arrangements described below and repaid all amounts that were outstanding under the Prior Revolving Credit Agreement.

On October 3, 2011, we entered into a new $750.0 million revolving Credit Agreement (New Revolving Credit Agreement) with BOA, as administrative agent, and the lenders (New Revolving Credit Lenders) and other agents party thereto. The New Revolving Credit Agreement is a senior unsecured credit commitment to the Company and contains customary representations and affirmative and negative covenants (including limitations on liens and subsidiary debt and a maximum consolidated lease adjusted total debt to total capitalization ratio of 0.75 to 1.00) and events of default customary for credit facilities of this type. As of May 27, 2012, we were in compliance with the covenants under the New Revolving Credit Agreement.

The New Revolving Credit Agreement matures on October 3, 2016, and the proceeds may be used for commercial paper back-up, working capital and capital expenditures, the refinancing of certain indebtedness, certain acquisitions and general corporate purposes. The New Revolving Credit Agreement also contains a sub-limit of $150.0 million for the issuance of letters of credit.

The borrowings and letters of credit obtained under the New Revolving Credit Agreement may be denominated in U.S. Dollars, Euro, Sterling, Yen, Canadian Dollars and each other currency approved by the New Revolving Credit Lenders. The Company could elect to increase the commitments under the New Revolving Credit Agreement by up to $250.0 million (to an aggregate amount of up to $1.0 billion), subject to the Company obtaining commitments from new and existing lenders for the additional amounts.

Loans under the New Revolving Credit Agreement bear interest at a rate of LIBOR plus a margin determined by reference to a ratings-based pricing grid (Applicable Margin), or the base rate (which is defined as the higher of the BOA prime rate or the Federal Funds rate plus 0.500 percent) plus the Applicable Margin. Assuming a “BBB” equivalent credit rating level, the Applicable Margin under the New Revolving Credit Agreement will be 1.075 percent for LIBOR loans and 0.075 percent for base rate loans. We may also request that loans under the New Revolving Credit Agreement be made at interest rates offered by one or more of the New Revolving Credit Lenders, which may vary from the LIBOR or base rate, for up to $200.0 million of borrowings. The New Revolving Credit Agreement requires that we pay a facility fee on the total amount of such facility (ranging from 0.125 percent to 0.250 percent, based on our credit ratings).

As of May 27, 2012, we had no outstanding balances under the New Revolving Credit Agreement. As of May 27, 2012, $262.7 million of commercial paper and $70.9 million of letters of credit were outstanding, which were backed by this facility. After consideration of commercial paper and letters of credit backed by the New Revolving Credit Agreement, as of May 27, 2012, we had $416.4 million of credit available under the New Revolving Credit Agreement.

On October 11, 2011, we issued $400.0 million aggregate principal amount of unsecured 4.500 percent senior notes due October 2021 (the New Senior Notes) under a registration statement filed with the SEC on October 6, 2010. Discount and issuance costs, which totaled $5.1 million, are being amortized over the term of the New Senior Notes using the straight-line method, the results of which approximate the effective interest method. Interest on the New Senior Notes is payable semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2012. We may redeem the New Senior Notes at any time in whole or from time to time in part, at the principal amount plus a make-whole premium. If we experience a change in control triggering event, unless we have previously exercised our right to redeem the New Senior Notes, we may be required to purchase the New Senior Notes from the holders at a purchase price equal to 101 percent of their principal amount plus accrued and unpaid interest.

The interest rates on our $350.0 million 5.625 percent senior notes due October 2012, $500.0 million 6.200 percent senior notes due October 2017 and $300.0 million 6.800 percent senior notes due October 2037 are subject to adjustment from time to time if the debt rating assigned to such series of notes is downgraded below a certain rating level (or subsequently upgraded). The maximum adjustment is 2.000 percent above the initial interest rate and the interest rate cannot be reduced below the initial interest rate. As of May 27, 2012, no adjustments to these interest rates had been made.

Our $350.0 million of unsecured 5.625 percent senior notes due in October 2012 is included in current liabilities as current portion of long-term debt, which we plan to repay through the issuance of unsecured debt securities in fiscal 2013.

All of our long-term debt currently outstanding is expected to be repaid entirely at maturity with interest being paid semi-annually over the life of the debt. The aggregate maturities of long-term debt for each of the five fiscal years subsequent to May 27, 2012, and thereafter are as follows:

Fiscal Year	Amount
2013	$ 350.0
2014	—
2015	—

2016	100.0
2017	—
Thereafter	1,355.9
Long-term debt	$ 1,805.9

Subsequent to our fiscal 2012 year end, on June 18, 2012, we agreed to issue and sell $80.0 million unsecured 3.790 percent senior notes due in August 2019 and $220.0 million unsecured 4.520 percent senior notes due August 2024 (collectively, the “Notes”), pursuant to the provisions of a Note Purchase Agreement among us and the purchasers named therein. The sale and purchase of the Notes will occur at a closing in August 2012. We intend to use the net proceeds from the offering of the Notes for the repayment of existing indebtedness, and for other general corporate purposes. The Notes were offered in a private placement transaction exempt from the SEC registration requirements. The Note Purchase Agreement contains customary representations and affirmative and negative covenants (including limitations on liens and a provision permitting a maximum priority debt of 20 percent of consolidated tangible net worth, as such terms are defined therein). The Note Purchase Agreement also contains events of default customary for agreements of this type (with customary grace periods, as applicable), including nonpayment of principal or interest when due; material incorrectness of representations and warranties when made; breach of covenants; bankruptcy and insolvency; unsatisfied ERISA obligations; unstayed material judgment beyond specified periods; and default under other material indebtedness.

Stockholders' Equity (Narrative) (Details) (USD $)	Dec. 17, 2010	May 16, 2005
Stockholders' Equity Note [Abstract]		
Additional repurchase of stock authorized, shares (shares)	25,000,000	
Repurchase of stock authorized, shares (shares)	162,400,000	
Right to purchase Series A Participating Cumulative Preferred Stock (shares)		0.001
Participating cumulative preferred stock at purchase price (dollars per share)		$ 120
Rights are exercisable and not transferable to common stock (percentage)		15.00%
Percentage of acquisition for tender offer of common stock (percentage)		15.00%
Common stock of value equal to number of times the exercise price		2
Rights are redeemed and expired		May 25, 2015

Land, Buildings And Equipment, Net	12 Months Ended May 27, 2012
Property, Plant and Equipment, Net [Abstract]	
Land, Buildings And Equipment, Net	

LAND, BUILDINGS AND EQUIPMENT, NET

The components of land, buildings and equipment, net, are as follows:

(in millions)	May 27, 2012	May 29, 2011
Land	$ 854.1	$ 799.6
Buildings	3,959.7	3,633.1
Equipment	1,701.2	1,511.3
Assets under capital leases	68.1	67.7
Construction in progress	142.5	155.7
Total land, buildings and equipment	$ 6,725.6	$ 6,167.4
Less accumulated depreciation and amortization	(2,758.3)	(2,533.0)
Less amortization associated with assets under capital leases	(16.0)	(12.4)
Land, buildings and equipment, net	$ 3,951.3	$ 3,622.0

Summary Of Significant Accounting Policies (Basic And Diluted Earnings Per Common Share) (Details) (USD $) In Millions, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	May 27, 2012	Feb. 26, 2012	Nov. 27, 2011	Aug. 28, 2011	May 29, 2011	Feb. 27, 2011	Nov. 28, 2010	Aug. 29, 2010	May 27, 2012	May 29, 2011	May 30, 2010
Accounting Policies [Abstract]											
Earnings from continuing operations	$ 151.6	$ 164.1	$ 54.1	$ 106.8	$ 138.0	$ 151.7	$ 75.8	$ 113.3	$ 476.5	$ 478.7	$ 407.0
Losses from discontinued operations	(0.4)	0	(0.4)	(0.2)	(0.6)	(0.5)	(1.3)	(0.2)	(1.0)	(2.4)	(2.5)
Net earnings	$ 151.2	$ 164.1	$ 53.7	$ 106.6	$ 137.4	$ 151.2	$ 74.5	$ 113.1	$ 475.5	$ 476.3	$ 404.5
Average common shares outstanding - Basic (shares)									130.1	136.8	139.3
Effect of dilutive stock-based compensation (shares)									3.1	3.5	3.1
Average common shares outstanding - Diluted (shares)									133.2	140.3	142.4
Earnings from continuing operations, Basic (dollars per share)	$ 1.18	$ 1.28	$ 0.42	$ 0.80	$ 1.02	$ 1.11	$ 0.55	$ 0.82	$ 3.66	$ 3.50	$ 2.92
Losses from discontinued operations, Basic (dollars per share)	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ (0.02)	$ (0.02)
Net earnings	$ 1.18	$ 1.28	$ 0.41	$ 0.80	$ 1.02	$ 1.11	$ 0.54	$ 0.82	$ 3.65	$ 3.48	$ 2.90
Earnings from continuing operations, Diluted (dollars per share)	$ 1.15	$ 1.25	$ 0.41	$ 0.78	$ 1.00	$ 1.08	$ 0.54	$ 0.80	$ 3.58	$ 3.41	$ 2.86
Losses from discontinued operations, Diluted (dollars per share)	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)	$ (0.02)	$ (0.02)
Net earnings	$ 1.15	$ 1.25	$ 0.40	$ 0.78	$ 0.99	$ 1.08	$ 0.53	$ 0.80	$ 3.57	$ 3.39	$ 2.84

Retirement Plans (Fair Values Of Defined Benefit Pension Plans Assets) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012		May 29, 2011	May 30, 2010
Fair values of the defined benefit pension plans assets	$ 203.5		$ 187.4	
Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets	24.1		97.6	
Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets	179.4		49.1	
Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0		40.7	36.4
US Comingled Funds				
Fair values of the defined benefit pension plans assets	80.5	[1]		
US Comingled Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets	0	[1]		
US Comingled Funds | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets	80.5	[1]		
US Comingled Funds | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0	[1]		
International Comingled Funds				
Fair values of the defined benefit pension plans assets	26.8	[2]		
International Comingled Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets	0	[2]		
International Comingled Funds | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets	26.8	[2]		
International Comingled Funds | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0	[2]		
Emerging Markets Comingled Funds				
Fair values of the defined benefit pension plans assets	11.3	[3]		
Emerging Markets Comingled Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets	0	[3]		
Emerging Markets Comingled Funds | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets	11.3	[3]		
Emerging Markets Comingled Funds | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0	[3]		

Real Asset Commingled Funds		
Fair values of the defined benefit pension plans assets	10.0 [4]	4.0 [5]
Real Asset Commingled Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair values of the defined benefit pension plans assets	0 [4]	0 [5]
Real Asset Commingled Funds | Significant Other Observable Inputs (Level 2)		
Fair values of the defined benefit pension plans assets	10.0 [4]	4.0 [5]
Real Asset Commingled Funds | Significant Unobservable Inputs (Level 3)		
Fair values of the defined benefit pension plans assets	0 [4]	0 [5]
US Treasury Securities		
Fair values of the defined benefit pension plans assets	20.0 [6]	
US Treasury Securities | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair values of the defined benefit pension plans assets	20.0 [6]	
US Treasury Securities | Significant Other Observable Inputs (Level 2)		
Fair values of the defined benefit pension plans assets	0 [6]	
US Treasury Securities | Significant Unobservable Inputs (Level 3)		
Fair values of the defined benefit pension plans assets	0 [6]	
US Corporate Securities		
Fair values of the defined benefit pension plans assets	37.7 [6]	
US Corporate Securities | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair values of the defined benefit pension plans assets	0 [6]	
US Corporate Securities | Significant Other Observable Inputs (Level 2)		
Fair values of the defined benefit pension plans assets	37.7 [6]	
US Corporate Securities | Significant Unobservable Inputs (Level 3)		
Fair values of the defined benefit pension plans assets	0 [6]	
International Securities		
Fair values of the defined benefit pension plans assets	2.7 [6]	
International Securities | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair values of the defined benefit pension plans assets	0 [6]	
International Securities | Significant Other Observable Inputs (Level 2)		
Fair values of the defined benefit pension plans assets	2.7 [6]	
International Securities | Significant Unobservable Inputs (Level 3)		
Fair values of the defined benefit pension plans assets	0 [6]	
Public Sector Utility Securities		
Fair values of the defined benefit pension plans assets	10.4 [6]	
Public Sector Utility Securities | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)		
Fair values of the defined benefit pension plans assets	0 [6]	

Public Sector Utility Securities | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets	10.4	[6]		
Public Sector Utility Securities | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0	[6]		
Cash And Accruals				
Fair values of the defined benefit pension plans assets	4.1		8.1	
Cash And Accruals | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets	4.1		8.1	
Cash And Accruals | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets	0		0	
Cash And Accruals | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0		0	
US and International				
Fair values of the defined benefit pension plans assets			37.9	[7]
US and International | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets			37.9	[7]
US and International | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets			0	[7]
US and International | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets			0	[7]
U.S. Equity Mutual And Commingled Funds]				
Fair values of the defined benefit pension plans assets			22.1	[8]
U.S. Equity Mutual And Commingled Funds] | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets			1.6	[8]
U.S. Equity Mutual And Commingled Funds] | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets			20.5	[8]
U.S. Equity Mutual And Commingled Funds] | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets			0	[8]
Developed Market Equity Funds				
Fair values of the defined benefit pension plans assets			19.7	[9]
Developed Market Equity Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets			11.7	[9]
Developed Market Equity Funds | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets			8.0	[9]
Developed Market Equity Funds | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets			0	[9]

Emerging Market Equity Funds				
Fair values of the defined benefit pension plans assets		6.9	[9]	
Emerging Market Equity Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets		0	[9]	
Emerging Market Equity Funds | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets		6.9	[9]	
Emerging Market Equity Funds | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets		0	[9]	
Private Equity Partnerships				
Fair values of the defined benefit pension plans assets		25.6	[10]	
Private Equity Partnerships | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets		0	[10]	
Private Equity Partnerships | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets		0	[10]	
Private Equity Partnerships | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0	25.6	[10]	22.9
Private Equity Funds				
Fair values of the defined benefit pension plans assets		0	[11]	
Private Equity Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets		0	[11]	
Private Equity Funds | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets		0	[11]	
Private Equity Funds | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets	0	0	[11]	0.1
Fixed-Income Securities				
Fair values of the defined benefit pension plans assets		43.2	[12]	
Fixed-Income Securities | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets		38.3	[12]	
Fixed-Income Securities | Significant Other Observable Inputs (Level 2)				
Fair values of the defined benefit pension plans assets		4.9	[12]	
Fixed-Income Securities | Significant Unobservable Inputs (Level 3)				
Fair values of the defined benefit pension plans assets		0	[12]	
Energy And Real Estate Public Sector				
Fair values of the defined benefit pension plans assets		9.1	[13]	
Energy And Real Estate Public Sector | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)				
Fair values of the defined benefit pension plans assets		0	[13]	

Energy And Real Estate Public Sector | Significant Other Observable Inputs (Level 2)			
Fair values of the defined benefit pension plans assets		4.8 [13]	
Energy And Real Estate Public Sector | Significant Unobservable Inputs (Level 3)			
Fair values of the defined benefit pension plans assets	0	4.3 [13]	4.2
Real Asset Private Funds			
Fair values of the defined benefit pension plans assets		10.8 [14]	
Real Asset Private Funds | Quoted Prices In Active Market For Identical Assets (Liabilities) (Level 1)			
Fair values of the defined benefit pension plans assets		0 [14]	
Real Asset Private Funds | Significant Other Observable Inputs (Level 2)			
Fair values of the defined benefit pension plans assets		0 [14]	
Real Asset Private Funds | Significant Unobservable Inputs (Level 3)			
Fair values of the defined benefit pension plans assets	$ 0	$ 10.8 [14]	$ 9.2

[1] U.S. commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

[2] International commingled funds are comprised of investments in funds that purchase publicly traded non-U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

[3] Emerging market commingled funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

[4] Real estate commingled funds are comprised of investments in funds that purchase publicly traded common stock of real estate securities for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

[5] Real asset commingled funds are comprised of investments in funds that purchase publicly traded common stock of energy companies or real estate investment trusts for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

[6] Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date.

[7] U.S. equity securities and international equity securities are comprised of investments in common stock of U.S. and non-U.S. companies for total return purposes. These investments are valued by the trustee at closing prices from national exchanges on the valuation date.

[8] U.S. mutual and commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

[9] Emerging market equity funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued

at unit values provided by the investment managers which are based on the fair value of the underlying investments.

[10] Private equity partnerships are comprised of investments in limited partnerships that invest in private companies for total return purposes. The investments are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

[11] Private equity securities are comprised of investments in publicly traded common stock that were received as a distribution from a private equity partnership as well as equity investments in private companies for total return purposes. Stocks received from private equity distributions are valued by the trustee at closing prices from national exchanges on the valuation date. Investments in private companies are valued by management based upon information provided by the respective third-party investment manager who considers factors such as the cost of the investment, most recent round of financing, and expected future cash flows

[12] Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date. Unlisted investments are valued at prices quoted by various national markets, fixed income pricing models and/or independent financial analysts.

[13] Energy and real estate securities are comprised of investments in publicly traded common stock of energy companies and real estate investment trusts for purposes of total return. These securities are valued by the trustee at closing prices from national exchanges on the valuation date. Unlisted investments are valued at prices quoted by various national markets and publications and/or independent financial analysts.

[14] Real asset private funds are comprised of interests in limited partnerships that invest in private companies in the energy industry and private real estate properties for purposes of total return. These interests are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

Receivables, Net	12 Months Ended May 27, 2012
Receivables [Abstract]	
Receivables, Net	**RECEIVABLES, NET** Receivables, net are primarily comprised of amounts owed to us from the sale of gift cards in national retail outlets and receivables from national storage and distribution companies with which we contract to provide services that are billed to us on a per-case basis. In connection with these services, certain of our inventory items are conveyed to these storage and distribution companies to transfer ownership and risk of loss prior to delivery of the inventory to our restaurants. We reacquire these items when the inventory is subsequently delivered to our restaurants. These transactions do not impact the consolidated statements of earnings. Receivables from the sale of gift cards in national retail outlets, national storage and distribution companies and our overall allowance for doubtful accounts are as follows:

(in millions)	May 27, 2012	May 29, 2011
Retail outlet gift card sales	$ 33.4	$ 25.0
Storage and distribution	6.5	17.4
Allowance for doubtful accounts	(0.3)	(0.3)

Asset Impairment, Net	12 Months Ended May 27, 2012
Asset Impairment Charges [Abstract]	
Asset Impairment, Net	**ASSET IMPAIRMENTS** During fiscal 2012, we recognized long-lived asset impairment charges of $0.5 million ($0.3 million net of tax), primarily related to the permanent closure of one Red Lobster, and the write-down of assets held for disposition based on updated valuations. During fiscal 2011, we recognized long-lived asset impairment charges of $4.7 million ($2.9 million net of tax), primarily related to the permanent closure of two Red Lobsters, the write-down of another Red Lobster based on an evaluation of expected cash flows, and the write-down of assets held for disposition based on updated valuations. During fiscal 2010 we recognized long-lived asset impairment charges of $6.2 million ($3.8 million net of tax), primarily related to the write-down of assets held for disposition based on updated valuations, the permanent closure of three Red Lobsters and three LongHorn Steakhouses and the write-down of two LongHorn Steakhouses and one Olive Garden based on an evaluation of expected cash flows. These costs are included in selling, general and administrative expenses as a component of earnings from continuing operations in the accompanying consolidated statements of earnings for fiscal 2012, 2011 and 2010. Impairment charges were measured based on the amount by which the carrying amount of these assets exceeded their fair value. Fair value is generally determined based on appraisals or sales prices of comparable assets and estimates of future cash flows. The results of operations for all Red Lobster, Olive Garden and LongHorn Steakhouse restaurants permanently closed in fiscal 2012, 2011 and 2010 that would otherwise have met the criteria for discontinued operations reporting are not material to our consolidated financial position, results of operations or cash flows and, therefore, have not been presented as discontinued operations.

Other Assets	12 Months Ended May 27, 2012
Other Assets [Abstract]	
Other Assets	**OTHER ASSETS** The components of other assets are as follows:

(in millions)	May 27, 2012	May 29, 2011
Trust-owned life insurance	$ 68.9	$ 67.5
Capitalized software costs, net	20.9	23.8
Liquor licenses	47.3	43.7
Acquired below-market leases, net	16.9	16.7
Loan costs, net	15.3	12.2
Marketable securities	33.0	18.4
Insurance-related	16.7	16.5
Miscellaneous	12.8	10.9
Total other assets	$ 231.8	$ 209.7

Receivables, Net (Receivable From Various Parties) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Allowance for doubtful accounts	$ (0.3)	$ (0.3)
Retail outlet gift card sales		
Receivables	33.4	25.0
Storage and distribution		
Receivables	$ 6.5	$ 17.4

Stock-Based Compensation (Darden Stock Unit Activity) (Narrative) (Details) (Darden Stock Units, USD $) In Millions, unless otherwise specified	12 Months Ended
	May 27, 2012 Y
Darden Stock Units	
Unrecognized compensation cost related to unvested stock options granted	$ 48.7
Unrecognized compensation cost, period of recognition, in years (years)	2.9
Fair market value on grant date	$ 12.1

Stockholders' Equity (Share Repurchase Authorizations And Cumulative Share Repurchases) (Details) In Millions, unless otherwise specified	May 27, 2012
Stockholders' Equity Note [Abstract]	
Share repurchase authorizations (shares)	187.4
Cumulative shares repurchased (shares)	170.9

Land, Buildings And Equipment, Net (Components Of Land, Buildings And Equipment, Net) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Property, Plant and Equipment, Net [Abstract]		
Land	$ 854.1	$ 799.6
Buildings	3,959.7	3,633.1
Equipment	1,701.2	1,511.3
Assets under capital leases	68.1	67.7
Construction in progress	142.5	155.7
Total land, buildings and equipment	6,725.6	6,167.4
Less accumulated depreciation and amortization	(2,758.3)	(2,533.0)
Less amortization associated with assets under capital leases	(16.0)	(12.4)
Land, buildings and equipment, net	$ 3,951.3	$ 3,622.0

Retirement Plans (Funding Of Defined Benefit Pension Plans And Postretirement Benefit Plans) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Defined Benefit Plans			
Defined benefit pension plans and postretirement benefit plans funding	$ 22.2	$ 12.9	$ 0.4
Postretirement Benefit Plan			
Defined benefit pension plans and postretirement benefit plans funding	$ 0.5	$ 0.3	$ 0.6

Discontinued Operations (Schedule of Gain (Loss) From Discontinued Operations Recorded in Consolidated Statements Of Earnings) (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	May 27, 2012	Feb. 26, 2012	Nov. 27, 2011	Aug. 28, 2011	May 29, 2011	Feb. 27, 2011	Nov. 28, 2010	Aug. 29, 2010	May 27, 2012	May 29, 2011	May 30, 2010
Discontinued Operations and Disposal Groups [Abstract]											
Sales									$ 0	$ 0	$ 0
Losses before income taxes									(1.7)	(3.9)	(4.0)
Income tax benefit									0.7	1.5	1.5
Net losses from discontinued operations	$ (0.4)	$ 0	$ (0.4)	$ (0.2)	$ (0.6)	$ (0.5)	$ (1.3)	$ (0.2)	$ (1.0)	$ (2.4)	$ (2.5)

Income Taxes (Narrative) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Prepaid state income taxes	$ 12.2	$ 5.2
Gross unrecognized tax benefits	15.7	21.9
Unrecognized tax benefits, accrued interest	1.7	
Tax position, change is reasonably possible in the next twelve month	1.0	
Federal		
Prepaid state income taxes	4.1	
State		
Prepaid state income taxes	$ 8.1	

Discontinued Operations (Tables)	12 Months Ended May 27, 2012
Discontinued Operations and Disposal Groups [Abstract]	
Gain (Loss) From Discontinued Operations Recorded In Consolidated Statements Of Earnings	For fiscal 2012, 2011 and 2010, all gains and losses on disposition, impairment charges and disposal costs related to the closure and disposition of Smokey Bones and Rocky River Grillhouse restaurants and closure of nine Bahama Breeze restaurants in fiscal 2007 and 2008 have been aggregated to a single caption entitled losses from discontinued operations, net of tax benefit in our consolidated statements of earnings and are comprised of the following:

(in millions)	Fiscal Year		
	2012	2011	2010
Sales	$ —	$ —	$ —
Losses before income taxes	(1.7)	(3.9)	(4.0)
Income tax benefit	0.7	1.5	1.5
Net losses from discontinued operations	$ (1.0)	$ (2.4)	$ (2.5)

Summary of Significant Accounting Policies (Preliminary Estimated Fair Values of Acquisition) (Details) (USD $) In Millions, unless otherwise specified	Nov. 14, 2011 Preliminary	May 27, 2012 Adjustments	May 27, 2012 Final Adjusted
Business Acquisition [Line Items]			
Current assets	$ 1.7	$ (0.3)	$ 1.4
Buildings and equipment	26.8	(0.4)	26.4
Trademarks	17.0	(6.1)	10.9
Other assets	2.9	(0.4)	2.5
Goodwill	16.6	5.5	22.1
Total assets acquired	65.0	(1.7)	63.3
Current liabilities	4.5	0	4.5
Other liabilities	1.3	(1.0)	0.3
Total liabilities assumed	5.8	(1.0)	4.8
Net assets acquired	$ 59.2	$ (0.7)	$ 58.5

Fair Value Measurements	12 Months Ended May 27, 2012

Fair Value Disclosures [Abstract]

Fair Value Measurements

FAIR VALUE MEASUREMENTS

The fair values of cash equivalents, receivables, net, accounts payable and short-term debt approximate their carrying amounts due to their short duration.

The following tables summarize the fair values of financial instruments measured at fair value on a recurring basis at May 27, 2012 and May 29, 2011:

Items Measured at Fair Value at May 27, 2012

(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	$ 14.5	$ —	$ 14.5	$ —
U.S. Treasury securities	(2)	13.3	13.3	—	—
Mortgage-backed securities	(1)	9.9	—	9.9	—
Derivatives:					
Commodities futures, swaps & options	(3)	(0.1)	—	(0.1)	—
Equity forwards	(4)	2.8	—	2.8	—
Interest rate locks & swaps	(5)	(41.7)	—	(41.7)	—
Foreign currency forwards	(6)	0.5	—	0.5	—
Total		$ (0.8)	$ 13.3	$ (14.1)	$ —

Items Measured at Fair Value at May 29, 2011

(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	$ 16.6	$ —	$ 16.6	$ —
U.S. Treasury securities	(2)	10.6	10.6	—	—
Mortgage-backed securities	(1)	4.9	—	4.9	—
Derivatives:					
Commodities futures, swaps & options	(3)	0.7	—	0.7	—
Equity forwards	(4)	0.9	—	0.9	—

Interest rate locks & swaps	(5)	(19.6)	—	(19.6)	—
Foreign currency forwards	(6)	0.6	—	0.6	—
Total		$ 14.7	$ 10.6	$ 4.1	$ —

(1) The fair value of these securities is based on the closing market prices of the investments when applicable, or, alternatively, valuations utilizing market data and other observable inputs, inclusive of the risk of nonperformance.

(2) The fair value of our U.S. Treasury securities is based on the closing market prices.

(3) The fair value of our commodities futures, swaps and options is based on closing market prices of the contracts, inclusive of the risk of nonperformance.

(4) The fair value of our equity forwards is based on the closing market value of Darden stock, inclusive of the risk of nonperformance.

(5) The fair value of our interest rate lock and swap agreements is based on current and expected market interest rates, inclusive of the risk of nonperformance.

(6) The fair value of our foreign currency forward contracts is based on the closing forward exchange market prices, inclusive of the risk of nonperformance.

The carrying value and fair value of long-term debt, including the amounts included in current liabilities, as of May 27, 2012, was $1.80 billion and $1.99 billion, respectively. The carrying value and fair value of long-term debt as of May 29, 2011, was $1.41 billion and $1.56 billion, respectively. The fair value of long-term debt is determined based on market prices or, if market prices are not available, the present value of the underlying cash flows discounted at our incremental borrowing rates.

The following table summarizes the fair values of non-financial assets measured at fair value on a non-recurring basis at May 27, 2012:

		Items Measured at Fair Value			
(in millions)		Fair Value of Assets	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-lived assets held for disposal	(1)	$ 3.2	$ —	$ —	$ 3.2
Long-lived assets held and used	(2)	0.7	—	—	0.7
Total		$ 3.9	$ —	$ —	$ 3.9

(1) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held for disposal with a carrying amount of $3.5 million were written down to their fair value of $3.2 million, based on a review of comparable assets, resulting in an impairment charge of $0.3 million, which was included in losses from discontinued operations.

(2) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held and used with a carrying amount of $1.1 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $0.4 million, which was included in earnings from continuing operations.

The following table summarizes the fair values of non-financial assets measured at fair value on a non-recurring basis at May 29, 2011:

		Items Measured at Fair Value			
(in millions)		Fair Value of Assets	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-lived assets held for disposal	(1)	$ 4.4	$ —	$ —	$ 4.4
Long-lived assets held and used	(2)	0.7	—	—	0.7
Total		$ 5.1	$ —	$ —	$ 5.1

(1) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held for disposal with a carrying amount of $7.0 million were written down to their fair value of $4.4 million, based on a review of comparable assets, resulting in an impairment charge of $2.6 million, of which $1.9 million was included in earnings from continuing operations and $0.7 million was included in losses from discontinued operations.

(2) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held and used with a carrying amount of $2.8 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $2.1 million, which was included in earnings from continuing operations.

Stock-Based Compensation (Summary Of Stock Option Activity) (Details) (USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended		
	May 27, 2012 Y	May 29, 2011 Y	May 30, 2010
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding [Roll Forward]			
Outstanding beginning of period (shares)	13.0		
Options granted (shares)	1.6		
Options exercised (shares)	(2.2)	(2.3)	(2.9)
Options canceled (shares)	(0.1)		
Outstanding end of period (shares)	12.3	13.0	
Exercisable (shares)	7.2		
Weighted Average Exercise Price Per Share Outstanding, beginning balance (dollars per share)	$ 32.77		
Options granted Weighted Average Exercise Price Per Share (dollars per share)	$ 51.06		
Options exercised Weighted Average Exercise Price Per Share (dollars per share)	$ 28.12		
Options canceled Weighted Average Exercise Price Per Share (dollars per share)	$ 35.71		
Weighted Average Exercise Price Per Share Outstanding, ending balance (dollars per share)	$ 36.05	$ 32.77	
Exercisable Weighted Average Exercise Price Per Share (dollars per share)	$ 32.28		
Weighted Average Remaining Contractual Life Outstanding, beginning balance (years)	5.53		
Weighted Average Remaining Contractual Life Outstanding, ending balance (years)	5.58	5.53	
Exercisable Weighted Average Remaining Contractual Life (years)	3.90		
Aggregate Intrinsic Value Outstanding, beginning balance	$ 235.6		
Aggregate Intrinsic Value Outstanding, ending balance	209.3	235.6	
Exercisable Aggregate Intrinsic Value	$ 150.0		

Income Taxes	12 Months Ended May 27, 2012

Income Tax Disclosure [Abstract]

Income Taxes

INCOME TAXES

Total income tax expense was allocated as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations	$ 161.5	$ 168.9	$ 136.6
Losses from discontinued operations	(0.7)	(1.5)	(1.5)
Total consolidated income tax expense	$ 160.8	$ 167.4	$ 135.1

The components of earnings before income taxes from continuing operations and the provision for income taxes thereon are as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Earnings from continuing operations before income taxes:			
U.S.	$ 621.4	$ 631.4	$ 534.5
Canada	16.6	16.2	9.1
Earnings from continuing operations before income taxes	$ 638.0	$ 647.6	$ 543.6
Income taxes:			
Current:			
Federal	$ 97.0	$ 121.9	$ 126.5
State and local	26.0	17.5	28.7
Canada	2.4	0.1	0.1
Total current	$ 125.4	$ 139.5	$ 155.3
Deferred (principally U.S.):			
Federal	37.6	28.3	(10.6)
State and local	(1.5)	1.1	(8.1)
Total deferred	$ 36.1	$ 29.4	$ (18.7)
Total income taxes	$ 161.5	$ 168.9	$ 136.6

Income taxes paid were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Income taxes paid	$ 123.5	$ 126.4	$ 94.8

The following table is a reconciliation of the U.S. statutory income tax rate to the effective income tax rate from continuing operations included in the accompanying consolidated statements of earnings:

Fiscal Year

	2012	2011	2010
U.S. statutory rate	35.0 %	35.0 %	35.0 %
State and local income taxes, net of federal tax benefits	2.5	1.8	2.5
Benefit of federal income tax credits	(11.1)	(8.3)	(8.7)
Other, net	(1.1)	(2.4)	(3.7)
Effective income tax rate	25.3 %	26.1 %	25.1 %

As of May 27, 2012, we had estimated current prepaid federal and state income taxes of $4.1 million and $8.1 million, respectively. These amounts are included in our accompanying consolidated balance sheets as prepaid income taxes.

As of May 27, 2012, we had gross unrecognized tax benefits of $15.7 million, which represents the aggregate tax effect of the differences between tax return positions and benefits recognized in our consolidated financial statements, all of which would favorably affect the effective tax rate if resolved in our favor. A reconciliation of the beginning and ending amount of unrecognized tax benefits follows:

(in millions)	
Balances at May 29, 2011	$ 21.9
Additions to tax positions recorded during the current year	2.7
Reductions to tax positions due to settlements with taxing authorities	(2.2)
Reductions to tax positions due to statute expiration	(6.7)
Balances at May 27, 2012	$ 15.7

We recognize accrued interest related to unrecognized tax benefits in interest expense. Penalties, when incurred, are recognized in selling, general and administrative expense. Interest expense associated with unrecognized tax benefits, excluding the release of accrued interest related to prior year matters due to settlement or the lapse of the statute of limitations was as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Interest expense on unrecognized tax benefits	$ 0.4	$ 1.6	$ 2.5

At May 27, 2012, we had $1.7 million accrued for the payment of interest associated with unrecognized tax benefits.

For U.S. federal income tax purposes, we participate in the Internal Revenue Service's (IRS) Compliance Assurance Process whereby our U.S. federal income tax returns are reviewed by the IRS both prior to and after their filing. The U.S. federal income tax returns that we filed through the fiscal year ended May 30, 2010 have been audited by the IRS. In the first quarter of fiscal 2012, the IRS completed the audit of our tax returns for the fiscal year ended May 30, 2010 with no material adjustments. The Company's tax returns for the fiscal year ended May 29, 2011 are under audit, and are expected to be completed by the second quarter of fiscal 2013. The IRS commenced examination of our U.S. federal income tax returns for May 27, 2012 in the first quarter of fiscal 2012. The examination is anticipated to be completed by the first quarter of fiscal 2014. Income tax returns are subject to audit by state and local governments, generally years after the returns are filed. These returns could be subject to material adjustments or differing interpretations of the tax laws. The major jurisdictions in which the Company files income tax returns include the U.S. federal jurisdiction, Canada, and most states in the U.S. that have an income tax. With a few exceptions, the Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before fiscal 2011, and state and local, or non-U.S. income tax examinations by tax authorities for years before fiscal 2002.

Included in the balance of unrecognized tax benefits at May 27, 2012 is $1.0 million related to tax positions for which it is reasonably possible that the total amounts could change during the next twelve months based on the outcome of examinations. The $1.0 million relates to items that would impact our effective income tax rate.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

(in millions)	May 27, 2012	May 29, 2011
Accrued liabilities	$ 65.9	$ 46.2
Compensation and employee benefits	221.2	193.6
Deferred rent and interest income	61.3	55.1
Other	23.4	15.9
Gross deferred tax assets	$ 371.8	$ 310.8
Trademarks and other acquisition related intangibles	(175.3)	(178.0)
Buildings and equipment	(363.3)	(314.3)
Capitalized software and other assets	(15.1)	(12.0)
Other	(6.5)	(6.3)
Gross deferred tax liabilities	$ (560.2)	$ (510.6)
Net deferred tax liabilities	$ (188.4)	$ (199.8)

A valuation allowance for deferred tax assets is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Realization is dependent upon the generation of future taxable income or the reversal of deferred tax liabilities during the periods in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Income Taxes (Income Taxes Paid) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Income Tax Disclosure [Abstract]			
Income taxes paid	$ 123.5	$ 126.4	$ 94.8

Quarterly Data (Tables)

12 Months Ended May 27, 2012

Quarterly Financial Data [Abstract]

Schedule Of Unaudited Quarterly Data

The following table summarizes unaudited quarterly data for fiscal 2012 and fiscal 2011:

	Fiscal 2012 - Quarters Ended				
(in millions, except per share data)	Aug. 28	Nov. 27	Feb. 26	May 27	Total
Sales	$1,942.0	$1,831.5	$2,159.7	$2,065.6	$7,998.7
Earnings before income taxes	147.0	72.5	217.8	200.7	638.0
Earnings from continuing operations	106.8	54.1	164.1	151.6	476.5
Losses from discontinued operations, net of tax	(0.2)	(0.4)	—	(0.4)	(1.0)
Net earnings	106.6	53.7	164.1	151.2	475.5
Basic net earnings per share:					
Earnings from continuing operations	0.80	0.42	1.28	1.18	3.66
Losses from discontinued operations	—	(0.01)	—	—	(0.01)
Net earnings	0.80	0.41	1.28	1.18	3.65
Diluted net earnings per share:					
Earnings from continuing operations	0.78	0.41	1.25	1.15	3.58
Losses from discontinued operations	—	(0.01)	—	—	(0.01)
Net earnings	0.78	0.40	1.25	1.15	3.57
Dividends paid per share	0.43	0.43	0.43	0.43	1.72
Stock price:					
High	53.81	49.20	51.90	55.84	55.84
Low	43.85	40.69	41.65	48.49	40.69

	Fiscal 2011 - Quarters Ended				
(in millions, except per share data)	Aug. 29	Nov. 28	Feb. 27	May 29	Total
Sales	$1,806.7	$1,726.2	$1,976.8	$1,990.4	$7,500.2
Earnings before income taxes	159.1	103.2	199.1	186.2	647.6
Earnings from continuing operations	113.3	75.8	151.7	138.0	478.7
Losses from discontinued operations, net of tax	(0.2)	(1.3)	(0.5)	(0.6)	(2.4)
Net earnings	113.1	74.5	151.2	137.4	476.3
Basic net earnings per share:					
Earnings from continuing operations	0.82	0.55	1.11	1.02	3.50
Losses from discontinued operations	—	(0.01)	—	—	(0.02)
Net earnings	0.82	0.54	1.11	1.02	3.48

Diluted net earnings per share:					
Earnings from continuing operations	0.80	0.54	1.08	1.00	3.41
Losses from discontinued operations	—	(0.01)	—	(0.01)	(0.02)
Net earnings	0.80	0.53	1.08	0.99	3.39
Dividends paid per share	0.32	0.32	0.32	0.32	1.28
Stock price:					
High	45.04	49.99	50.84	52.12	52.12
Low	37.08	41.03	45.07	45.51	37.08

Retirement Plans (Reconciliation Of The Plans' Funded Status) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Defined Benefit Plans		
Unfunded status at end of period	$ (70.9)	$ (28.4)
Postretirement Benefit Plan		
Unfunded status at end of period	$ (29.6)	$ (27.0)

Fair Value Measurements (Tables)	12 Months Ended May 27, 2012

[Fair Value Disclosures [Abstract]]

[Fair Values Of Financial Instruments Measured At Fair Value On Recurring Basis]

The following tables summarize the fair values of financial instruments measured at fair value on a recurring basis at May 27, 2012 and May 29, 2011:

Items Measured at Fair Value at May 27, 2012

(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	$ 14.5	$ —	$ 14.5	$ —
U.S. Treasury securities	(2)	13.3	13.3	—	—
Mortgage-backed securities	(1)	9.9	—	9.9	—
Derivatives:					
Commodities futures, swaps & options	(3)	(0.1)	—	(0.1)	—
Equity forwards	(4)	2.8	—	2.8	—
Interest rate locks & swaps	(5)	(41.7)	—	(41.7)	—
Foreign currency forwards	(6)	0.5	—	0.5	—
Total		$ (0.8)	$ 13.3	$ (14.1)	$ —

Items Measured at Fair Value at May 29, 2011

(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	$ 16.6	$ —	$ 16.6	$ —
U.S. Treasury securities	(2)	10.6	10.6	—	—
Mortgage-backed securities	(1)	4.9	—	4.9	—
Derivatives:					
Commodities futures, swaps & options	(3)	0.7	—	0.7	—
Equity forwards	(4)	0.9	—	0.9	—
Interest rate locks & swaps	(5)	(19.6)	—	(19.6)	—
Foreign currency forwards	(6)	0.6	—	0.6	—

Total	$ 14.7	$ 10.6	$ 4.1	$ —

(1) The fair value of these securities is based on the closing market prices of the investments when applicable, or, alternatively, valuations utilizing market data and other observable inputs, inclusive of the risk of nonperformance.

(2) The fair value of our U.S. Treasury securities is based on the closing market prices.

(3) The fair value of our commodities futures, swaps and options is based on closing market prices of the contracts, inclusive of the risk of nonperformance.

(4) The fair value of our equity forwards is based on the closing market value of Darden stock, inclusive of the risk of nonperformance.

(5) The fair value of our interest rate lock and swap agreements is based on current and expected market interest rates, inclusive of the risk of nonperformance.

(6) The fair value of our foreign currency forward contracts is based on the closing forward exchange market prices, inclusive of the risk of nonperformance.

Fair Values of Non-Financial Assets Measured at Fair Value on Non-Recurring Basis

The following table summarizes the fair values of non-financial assets measured at fair value on a non-recurring basis at May 27, 2012:

		Items Measured at Fair Value			
(in millions)		Fair Value of Assets	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-lived assets held for disposal	(1)	$ 3.2	$ —	$ —	$ 3.2
Long-lived assets held and used	(2)	0.7	—	—	0.7
Total		$ 3.9	$ —	$ —	$ 3.9

(1) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held for disposal with a carrying amount of $3.5 million were written down to their fair value of $3.2 million, based on a review of comparable assets, resulting in an impairment charge of $0.3 million, which was included in losses from discontinued operations.

(2) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2012, long-lived assets held and used with a carrying amount of $1.1 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $0.4 million, which was included in earnings from continuing operations.

The following table summarizes the fair values of non-financial assets measured at fair value on a non-recurring basis at May 29, 2011:

		Items Measured at Fair Value			
(in millions)		Fair Value of Assets	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-lived assets held for disposal	(1)	$ 4.4	$ —	$ —	$ 4.4

Long-lived assets held and used	(2)	0.7	—	—	0.7
Total		$ 5.1	$ —	$ —	$ 5.1

(1) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held for disposal with a carrying amount of $7.0 million were written down to their fair value of $4.4 million, based on a review of comparable assets, resulting in an impairment charge of $2.6 million, of which $1.9 million was included in earnings from continuing operations and $0.7 million was included in losses from discontinued operations.

(2) In accordance with the provisions of ASC Topic 360, Property, Plant and Equipment, during fiscal 2011, long-lived assets held and used with a carrying amount of $2.8 million were written down to their fair value of $0.7 million, based on a review of comparable assets, resulting in an impairment charge of $2.1 million, which was included in earnings from continuing operations.

Retirement Plans (Accumulated Benefit Obligations In Excess Of Plan Assets) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Compensation and Retirement Disclosure [Abstract]		
Accumulated benefit obligation for all pension plans	$ 265.0	$ 211.8
Pensions plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	265.0	211.8
Fair value of plan assets	203.5	187.4
Projected benefit obligations for all plans with projected benefit obligations in excess of plan assets	$ 274.4	$ 215.8

Consolidated Statements of Comprehensive Income Consolidated Statements of Comprehensive Income (Parenthetical) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Change in fair value of marketable securities, tax	$ 0.1	$ (0.1)	$ 0
Change in fair value of derivatives, tax	27.8	4.8	2.5
Net unamortized gain (loss) arising during period, including amortization of unrecognized net actuarial loss, tax	$ 24.8	$ (9.0)	$ 9.5

Leases (Analysis Of Rent Expense) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Total rent expense	$ 155.1	$ 142.0	$ 135.9
Restaurant Minimum Rent			
Total rent expense	130.9	120.6	111.7
Restaurant Percentage Rent			
Total rent expense	5.6	5.3	5.1
Restaurant Rent Averaging Expense			
Total rent expense	12.9	11.1	10.0
Transportation Equipment			
Total rent expense	3.5	3.2	3.3
Office Equipment			
Total rent expense	0.6	0.4	0.8
Office Space			
Total rent expense	1.0	0.9	4.5
Warehouse Space			
Total rent expense	$ 0.6	$ 0.5	$ 0.5

Consolidated Statements Of Cash Flows (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Cash flows - operating activities			
Net earnings	$ 475.5	$ 476.3	$ 404.5
(Losses) earnings from discontinued operations, net of tax	1.0	2.4	2.5
Adjustments to reconcile net earnings from continuing operations to cash flows:			
Depreciation and amortization	349.1	316.8	300.9
Asset impairment charges, net	0.5	4.7	6.2
Amortization of loan costs	6.7	2.8	3.3
Stock-based compensation expense	56.1	66.6	53.5
Change in current assets and liabilities	(191.4)	12.2	144.3
Contributions to pension and postretirement plan	(22.7)	(13.2)	(0.6)
Loss on disposal of land, buildings and equipment	7.1	6.9	0.3
Change in cash surrender value of trust-owned life insurance	4.1	(13.7)	(7.7)
Deferred income taxes	36.1	28.8	(10.2)
Change in deferred rent	18.5	17.1	15.4
Change in other liabilities	15.8	(15.4)	(14.4)
Income tax benefits from exercise of stock-based compensation credited to Goodwill	0.6	0.2	1.4
Other, net	5.2	2.2	4.0
Net cash provided by operating activities of continuing operations	762.2	894.7	903.4
Cash flows - investing activities			
Purchases of land, buildings and equipment	(639.7)	(547.7)	(432.1)
Proceeds from disposal of land, buildings and equipment	3.3	7.0	12.5
Purchases of marketable securities	(32.1)	(6.5)	(15.5)
Proceeds from sale of marketable securities	21.3	5.1	12.8
Cash used in business acquisitions, net of cash acquired	(58.5)	0	0
Increase in other assets	(15.9)	(10.6)	(6.4)
Net cash used in investing activities of continuing operations	(721.6)	(552.7)	(428.7)
Cash flows - financing activities			
Proceeds from issuance of common stock	70.2	63.0	66.3
Income tax benefits credited to equity	17.9	17.7	20.1
Dividends paid	(223.9)	(175.5)	(140.0)
Purchases of treasury stock	(375.1)	(385.5)	(85.1)
ESOP note receivable repayments	2.1	1.8	1.8
Proceeds from issuance of short-term debt	2,321.0	1,454.9	401.2
Repayments of short-term debt	(2,243.8)	(1,269.4)	(551.2)
Repayment of long-term debt	(2.1)	(226.8)	(1.8)
Principal payments on capital leases	(1.6)	(1.2)	(1.3)
Proceeds from issuance of long-term debt	400.0	0	0
Payment of debt issuance costs	(5.1)	0	0

Net cash used in financing activities of continuing operations	(40.4)	(521.0)	(290.0)
Cash flows - discontinued operations			
Net cash used in operating activities of discontinued operations	(0.5)	(2.1)	(1.4)
Net cash provided by investing activities of discontinued operations	0.3	2.8	2.6
Net cash provided by discontinued operations	(0.2)	0.7	1.2
(Decrease) increase in cash and cash equivalents	0	(178.3)	185.9
Cash and cash equivalents- beginning of year	70.5	248.8	62.9
Cash and cash equivalents - end of year	70.5	70.5	248.8
Cash flows from changes in current assets and liabilities			
Receivables, net	(6.1)	(5.9)	(15.8)
Inventories	(103.0)	(79.3)	26.2
Prepaid expenses and other current assets	(6.6)	(5.0)	(5.0)
Accounts payable	(10.2)	5.5	27.6
Accrued payroll	(13.3)	5.3	23.6
Prepaid/accrued income taxes	(16.3)	4.7	52.7
Other accrued taxes	(3.9)	2.3	1.8
Unearned revenues	31.1	27.3	26.9
Other current liabilities	63.1	(57.3)	(6.3)
Change in current assets and liabilities	$ (191.4)	$ 12.2	$ 144.3

Summary Of Significant Accounting Policies (Advertising Expenses) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	May 27, 2012	May 29, 2011	May 30, 2010
Accounting Policies [Abstract]			
Advertising expense	$ 357.2	$ 340.2	$ 311.9

Financial Instruments (Available-For-Sale Securities At Market Value) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012
Fair Value Disclosures [Abstract]	
Available-for-sale Securities, Cost	$ 37.2
Available-for-sale Securities, Gross Unrealized Gains	0.5
Available-for-sale Securities, Gross Unrealized Losses	0
Available-for-sale Securities, Market Value	$ 37.7

Retirement Plans (Funded Status And Amounts Recognized In Accumulated Other Comprehensive Income (Loss)) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Defined Benefit Plans		
Current liabilities	$ 0	$ 0.4
Non-current liabilities	70.9	28.0
Net amounts recognized	70.9	28.4
Prior service (cost) credit	0.2	0.3
Net actuarial loss	(87.4)	(50.5)
Net amounts recognized	(87.6)	(50.8)
Postretirement Benefit Plan		
Current liabilities	0	0.7
Non-current liabilities	29.6	26.3
Net amounts recognized	29.6	27.0
Prior service (cost) credit	(0.1)	(0.1)
Net actuarial loss	(1.9)	(1.3)
Net amounts recognized	$ (1.8)	$ (1.2)

Other Current Liabilities (Components Of Other Current Liabilities) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Liabilities, Current [Abstract]		
Non-qualified deferred compensation plan	$ 201.4	$ 200.1
Sales and other taxes	60.6	61.5
Insurance-related	35.2	33.6
Employee benefits	59.7	42.6
Derivative liabilities	45.3	23.2
Accrued interest	15.6	14.0
Miscellaneous	36.6	34.3
Total other current liabilities	$ 454.4	$ 409.3

Retirement Plans	12 Months Ended May 27, 2012

Compensation and Retirement Disclosure [Abstract]

Retirement Plans

RETIREMENT PLANS

Defined Benefit Plans and Postretirement Benefit Plan

Substantially all of our employees are eligible to participate in a retirement plan. We sponsor non-contributory defined benefit pension plans, which have been frozen, for a group of salaried employees in the United States, in which benefits are based on various formulas that include years of service and compensation factors; and for a group of hourly employees in the United States, in which a fixed level of benefits is provided. Pension plan assets are primarily invested in U.S., International, and private equities, as well as long duration bonds and real estate investments. Our policy is to fund, at a minimum, the amount necessary on an actuarial basis to provide for benefits in accordance with the requirements of the Employee Retirement Income Security Act of 1974, as amended and the Internal Revenue Code (IRC), as amended by the Pension Protection Act of 2006. We also sponsor a contributory postretirement benefit plan that provides health care benefits to our salaried retirees. Fundings related to the defined benefit pension plans and postretirement benefit plans, which are funded on a pay-as-you-go basis, were as follows:

(in millions)	Fiscal Year		
	2012	2011	2010
Defined benefit pension plans funding	$ 22.2	$ 12.9	$ 0.4
Postretirement benefit plan funding	0.5	0.3	0.6

We expect to contribute approximately $17.5 million to $19.5 million to our defined benefit pension plans and approximately $1.0 million to our postretirement benefit plan during fiscal 2013.

We are required to recognize the over or under-funded status of the plans as an asset or liability as measured by the difference between the fair value of the plan assets and the benefit obligation and any unrecognized prior service costs and actuarial gains and losses as a component of accumulated other comprehensive income (loss), net of tax.

The following provides a reconciliation of the changes in the plan benefit obligation, fair value of plan assets and the funded status of the plans as of May 27, 2012 and May 29, 2011:

(in millions)	Defined Benefit Plans		Postretirement Benefit Plan	
	2012	2011	2012	2011
Change in Benefit Obligation:				
Benefit obligation at beginning of period	$ 215.8	$ 200.2	$ 27.0	$ 38.9
Service cost	5.1	5.9	0.8	0.9
Interest cost	9.6	9.5	1.5	2.3
Plan amendments	—	—	—	—
Participant contributions	—	—	0.3	0.4
Benefits paid	(9.8)	(8.9)	(0.8)	(0.7)

Actuarial loss (gain)		53.7		9.1		0.8		(14.8)
Benefit obligation at end of period	$	274.4	$	215.8	$	29.6	$	27.0

Change in Plan Assets:								
Fair value at beginning of period	$	187.4	$	154.6	$	—	$	—
Actual return on plan assets		3.7		28.8		—		—
Employer contributions		22.2		12.9		0.5		0.3
Participant contributions		—		—		0.3		0.4
Benefits paid		(9.8)		(8.9)		(0.8)		(0.7)
Fair value at end of period	$	203.5	$	187.4	$	—	$	—

Reconciliation of the Plans' Funded Status:								
Unfunded status at end of period	$	(70.9)	$	(28.4)	$	(29.6)	$	(27.0)

The following is a detail of the balance sheet components of each of our plans and a reconciliation of the amounts included in accumulated other comprehensive income (loss):

(in millions)	Defined Benefit Plans				Postretirement Benefit Plan			
	May 27, 2012		May 29, 2011		May 27, 2012		May 29, 2011	
Components of the Consolidated Balance Sheets:								
Current liabilities	$	—	$	0.4	$	—	$	0.7
Non-current liabilities		70.9		28.0		29.6		26.3
Net amounts recognized	$	70.9	$	28.4	$	29.6	$	27.0
Amounts Recognized in Accumulated Other Comprehensive Income (Loss), net of tax:								
Prior service (cost) credit	$	(0.2)	$	(0.3)	$	0.1	$	0.1
Net actuarial loss		(87.4)		(50.5)		(1.9)		(1.3)
Net amounts recognized	$	(87.6)	$	(50.8)	$	(1.8)	$	(1.2)

The following is a summary of our accumulated and projected benefit obligations:

(in millions)		May 27, 2012		May 29, 2011
Accumulated benefit obligation for all pension plans	$	265.0	$	211.8
Pension plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligation		265.0		211.8
Fair value of plan assets		203.5		187.4
Projected benefit obligations for all plans with projected benefit obligations in excess of plan assets		274.4		215.8

The following table presents the weighted-average assumptions used to determine benefit obligations and net expense:

	Defined Benefit Plans		Postretirement Benefit Plan	
	2012	2011	2012	2011
Weighted-average assumptions used to determine benefit obligations at May 27 and May 29 (1)				
Discount rate	4.35%	5.37%	4.52%	5.46%
Rate of future compensation increases	4.22%	3.75%	N/A	N/A
Weighted-average assumptions used to determine net expense for fiscal years ended May 27 and May 29 (2)				
Discount rate	5.37%	5.89%	5.46%	5.98%
Expected long-term rate of return on plan assets	9.00%	9.00%	N/A	N/A
Rate of future compensation increases	3.75%	3.75%	N/A	N/A

(1) Determined as of the end of fiscal year.

(2) Determined as of the beginning of fiscal year.

We set the discount rate assumption annually for each of the plans at their valuation dates to reflect the yield of high-quality fixed-income debt instruments, with lives that approximate the maturity of the plan benefits. The expected long-term rate of return on plan assets and health care cost trend rates are based upon several factors, including our historical assumptions compared with actual results, an analysis of current market conditions, asset fund allocations and the views of leading financial advisers and economists.

For fiscal 2012, 2011 and 2010, we have used an expected long-term rate of return on plan assets for our defined benefit plan of 9.0 percent. In developing our expected rate of return assumption, we have evaluated the actual historical performance and long-term return projections of the plan assets, which give consideration to the asset mix and the anticipated timing of the pension plan outflows. We employ a total return investment approach whereby a mix of equity and fixed income investments are used to maximize the long-term return of plan assets for what we consider a prudent level of risk. Our historical 10-year, 15-year and 20-year rates of return on plan assets, calculated using the geometric method average of returns, are approximately 7.8 percent, 8.0 percent and 9.4 percent, respectively, as of May 27, 2012. Our Benefit Plans Committee sets the investment policy for the Defined Benefit Plans and oversees the investment allocation, which includes setting long-term strategic targets. Our overall investment strategy is to achieve appropriate diversification through a mix of equity investments, which may include U.S., International, and private equities, as well as long duration bonds and real estate investments. Our target asset fund allocation is 40 percent U.S. equities, 35 percent high-quality, long-duration fixed-income securities, 20 percent international equities, 5 percent real estate securities. The investment policy establishes a re-balancing band around the established targets within which the asset class weight is allowed to vary. Equity securities, international equities and fixed-income securities include investments in various industry sectors. Investments in real estate securities follow different strategies designed to maximize returns, allow for diversification and provide a hedge against inflation. Our current positioning is neutral on investment style between value and growth companies and large and small cap companies. We monitor our actual asset fund allocation to ensure that it approximates our target allocation and believe that our long-term asset fund allocation will continue to approximate our target allocation. Investments held in the U.S. commingled fund, an international commingled fund, U.S. government fixed income securities and an emerging markets commingled fund represented approximately 39.6 percent, 13.2 percent, 10.5 percent and 5.5 percent, respectively, of total plan assets and represents the only significant concentrations of risk related to a single entity, sector, country, commodity or investment fund. No other single sector concentration of assets exceeded 5.0 percent of total plan assets, which is consistent with the overall investment strategy to achieve appropriate diversification.

The discount rate and expected return on plan assets assumptions have a significant effect on amounts reported for defined benefit pension plans. A quarter percentage point change in the defined benefit plans' discount rate and the expected long-term rate of return on plan assets would increase or decrease earnings before income taxes by $0.7 million and $0.5 million, respectively.

The assumed health care cost trend rate increase in the per-capita charges for postretirement benefits was 7.7 percent for fiscal 2013. The rate gradually decreases to 5.0 percent through fiscal 2022 and remains at that level thereafter.

The assumed health care cost trend rate has a significant effect on amounts reported for retiree health care plans. A one percentage point increase or decrease in the assumed health care cost trend rate would affect the service and interest cost components of net periodic postretirement benefit cost by $0.5 million and $0.4 million, respectively, and would increase or decrease the accumulated postretirement benefit obligation by $6.5 million and $5.1 million, respectively.

Components of net periodic benefit cost included in continuing operations are as follows:

(in millions)	Defined Benefit Plans			Postretirement Benefit Plan		
	2012	2011	2010	2012	2011	2010
Service cost	$ 5.1	$ 5.9	$ 4.9	$ 0.8	$ 0.9	$ 0.6
Interest cost	9.6	9.5	10.0	1.5	2.3	1.9
Expected return on plan assets	(17.8)	(16.6)	(16.4)	—	—	—
Amortization of unrecognized prior service cost	0.1	0.1	0.1	(0.1)	—	—
Recognized net actuarial loss	8.2	4.5	0.3	—	1.3	0.6
Net pension and postretirement cost (benefit)	$ 5.2	$ 3.4	$ (1.1)	$ 2.2	$ 4.5	$ 3.1

The amortization of the net actuarial loss component of our fiscal 2013 net periodic benefit cost for the defined benefit plans and postretirement benefit plan is expected to be approximately $8.8 million and $0.0 million, respectively.

The fair values of the defined benefit pension plans assets at their measurement dates of May 27, 2012 and May 29, 2011, are as follows:

		Items Measured at Fair Value at May 27, 2012			
(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity:					
U.S. Commingled Funds	(1)	$ 80.5	$ —	$ 80.5	$ —
International Commingled Funds	(2)	26.8	—	26.8	—

Emerging Market Commingled Funds	(3)	11.3	—	11.3	—
Real Estate Commingled Funds	(4)	10.0	—	10.0	—
Fixed-Income:					
U.S. Treasuries	(5)	20.0	20.0	—	—
U.S. Corporate Securities	(5)	37.7	—	37.7	—
International Securities	(5)	2.7	—	2.7	—
Public Sector Utility Securities	(5)	10.4	—	10.4	—
Cash & Accruals		4.1	4.1	—	—
Total		$ 203.5	$ 24.1	$ 179.4	$ —

(1) U.S. commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(2) International commingled funds are comprised of investments in funds that purchase publicly traded non-U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(3) Emerging market commingled funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(4) Real estate commingled funds are comprised of investments in funds that purchase publicly traded common stock of real estate securities for purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments. There are no redemption restrictions associated with these funds.

(5) Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date.

		Items Measured at Fair Value at May 29, 2011			
(in millions)		Fair Value of Assets (Liabilities)	Quoted Prices in Active Market for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity:					
U.S. & International	(1)	$ 37.9	$ 37.9	$ —	$ —
U.S. Mutual & Commingled Funds	(2)	22.1	1.6	20.5	—
Developed Market Equity Funds	(3)	19.7	11.7	8.0	—

Emerging Market Equity Funds	(3)	6.9	—	6.9	—
Private Equity Partnerships	(4)	25.6	—	—	25.6
Private Equity Securities	(5)	—	—	—	—
Fixed-Income:					
Fixed-income Securities	(6)	43.2	38.3	4.9	—
Energy & Real Estate Public Sector	(7)	9.1	—	4.8	4.3
Real Asset Commingled Funds	(8)	4.0	—	4.0	—
Real Asset Private Funds	(9)	10.8	—	—	10.8
Cash & Accruals		8.1	8.1	—	—
Total		$ 187.4	$ 97.6	$ 49.1	$ 40.7

(1) U.S. equity securities and international equity securities are comprised of investments in common stock of U.S. and non-U.S. companies for total return purposes. These investments are valued by the trustee at closing prices from national exchanges on the valuation date.

(2) U.S. mutual and commingled funds are comprised of investments in funds that purchase publicly traded U.S. common stock for total return purposes. Investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(3) Emerging market equity funds and developed market securities are comprised of investments in funds that purchase publicly traded common stock of non-U.S. companies for total return purposes. Funds are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(4) Private equity partnerships are comprised of investments in limited partnerships that invest in private companies for total return purposes. The investments are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

(5) Private equity securities are comprised of investments in publicly traded common stock that were received as a distribution from a private equity partnership as well as equity investments in private companies for total return purposes. Stocks received from private equity distributions are valued by the trustee at closing prices from national exchanges on the valuation date. Investments in private companies are valued by management based upon information provided by the respective third-party investment manager who considers factors such as the cost of the investment, most recent round of financing, and expected future cash flows

(6) Fixed income securities are comprised of investments in government and corporate debt securities. These securities are valued by the trustee at closing prices from national exchanges or pricing vendors on the valuation date. Unlisted investments are valued at prices quoted by various national markets, fixed income pricing models and/or independent financial analysts.

(7) Energy and real estate securities are comprised of investments in publicly traded common stock of energy companies and real estate investment trusts for purposes of total return. These securities are valued by the trustee at closing prices from national exchanges on the valuation date. Unlisted investments are valued at prices quoted by various national markets and publications and/or independent financial analysts.

(8) Real asset commingled funds are comprised of investments in funds that purchase publicly traded common stock of energy companies or real estate investment trusts for

purposes of total return. These investments are valued at unit values provided by the investment managers which are based on the fair value of the underlying investments.

(9) Real asset private funds are comprised of interests in limited partnerships that invest in private companies in the energy industry and private real estate properties for purposes of total return. These interests are valued at fair value which is generally based on the net asset value or capital balance as reported by the partnerships subject to the review and approval of the investment managers and their consultants. As there is not a liquid market for some of these investments, realization of the estimated fair value of such investments is dependent upon transactions between willing sellers and buyers.

The following table presents the changes in Level 3 investments for the defined benefit pension plans at May 27, 2012:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
(in millions)	Private Equity Partnerships	Private Equity Securities	Energy & Real Estate Public Sector	Real Asset Private Funds	Total
Beginning balance at May 29, 2011	$ 25.6	$ —	$ 4.3	$ 10.8	$ 40.7
Actual return on plan assets:					
Relating to assets still held at the reporting date	—	—	—	—	—
Relating to assets sold during the period	0.3	—	—	—	0.3
Purchases, sales and settlements	(25.9)	—	(4.3)	(10.8)	(41.0)
Transfers in and/or out of Level 3	—	—	—	—	—
Ending balance at May 27, 2012	$ —	$ —	$ —	$ —	$ —

The following table presents the changes in Level 3 investments for the defined benefit pension plans at May 29, 2011:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
(in millions)	Private Equity Partnerships	Private Equity Securities	Energy & Real Estate Public Sector	Real Asset Private Funds	Total
Beginning balance at May 30, 2010	$ 22.9	$ 0.1	$ 4.2	$ 9.2	$ 36.4
Actual return on plan assets:					
Relating to assets still held at the reporting date	2.8	(0.1)	0.1	0.3	3.1
Relating to assets sold during the period	2.0	—	—	0.6	2.6
Purchases, sales, and settlements	(2.1)	—	—	0.7	(1.4)
Transfers in and/or out of Level 3	—	—	—	—	—

Ending balance at May 29, 2011	$	25.6	$	—	$	4.3	$	10.8	$	40.7

The following benefit payments are expected to be paid between fiscal 2013 and fiscal 2022:

(in millions)	Defined Benefit Plans		Postretirement Benefit Plan	
2013	$	10.0	$	0.7
2014		10.4		0.7
2015		10.9		0.8
2016		11.5		0.9
2017		12.4		0.9
2018-2022		74.6		6.0

Postemployment Severance Plan
We accrue for postemployment severance costs in our consolidated financial statements and recognize actuarial gains and losses related to our postemployment severance accrual as a component of accumulated other comprehensive income (loss). As of May 27, 2012 and May 29, 2011, $4.8 million and $2.8 million, respectively, of unrecognized actuarial losses related to our postemployment severance plan were included in accumulated other comprehensive income (loss) on a net of tax basis.

Defined Contribution Plan
We have a defined contribution (401(k)) plan covering most employees age 21 and older. We match contributions for participants with at least one year of service up to 6 percent of compensation, based on our performance. The match ranges from a minimum of $0.25 to $1.20 for each dollar contributed by the participant. The plan had net assets of $664.9 million at May 27, 2012 and $658.9 million at May 29, 2011. Expense recognized in fiscal 2012, 2011 and 2010 was $0.9 million, $0.7 million and $1.2 million, respectively. Employees classified as "highly compensated" under the IRC are not eligible to participate in this plan. Instead, highly compensated employees are eligible to participate in a separate non-qualified deferred compensation (FlexComp) plan. This plan allows eligible employees to defer the payment of part of their annual salary and all or part of their annual bonus and provides for awards that approximate the matching contributions and other amounts that participants would have received had they been eligible to participate in our defined contribution and defined benefit plans. Amounts payable to highly compensated employees under the FlexComp plan totaled $201.4 million and $200.1 million at May 27, 2012 and May 29, 2011, respectively. These amounts are included in other current liabilities.

The defined contribution plan includes an Employee Stock Ownership Plan (ESOP). This ESOP originally borrowed $50.0 million from third parties, with guarantees by us, and borrowed $25.0 million from us at a variable interest rate. The $50.0 million third party loan was refinanced in 1997 by a commercial bank loan to us and a corresponding loan from us to the ESOP. Compensation expense is recognized as contributions are accrued. Fluctuations in our stock price impact the amount of expense to be recognized. Contributions to the plan, plus the dividends accumulated on unallocated shares held by the ESOP, are used to pay principal, interest and expenses of the plan. As loan payments are made, common stock is allocated to ESOP participants. In each of the fiscal years 2012, 2011 and 2010, the ESOP incurred interest expense of $0.0 million, $0.1 million and $0.1 million, respectively, and used dividends received of $1.9 million, $1.4 million and $1.6 million, respectively, and contributions received from us of $0.5 million, $0.1 million and $0.2 million, respectively, to pay principal and interest on our debt.

ESOP shares are included in weighted-average common shares outstanding for purposes of calculating net earnings per share. At May 27, 2012, the ESOP's debt to us had a balance of $5.9

million with a variable rate of interest of 0.59 percent and is due to be repaid no later than December 2014. The number of our common shares held in the ESOP at May 27, 2012 approximated 4.9 million shares, representing 3.7 million allocated shares and 1.2 million suspense shares.

At the end of fiscal 2005, the ESOP borrowed $1.6 million from us at a variable interest rate and acquired an additional 0.05 million shares of our common stock, which were held in suspense within the ESOP at May 29, 2005. The loan, which had a variable interest rate of 0.59 percent at May 27, 2012, is due to be repaid no later than December 2018. The shares acquired under this loan are accounted for in accordance with FASB ASC Subtopic 718-40, Employee Stock Ownership Plans. Fluctuations in our stock price are recognized as adjustments to common stock and surplus when the shares are committed to be released. These ESOP shares are not considered outstanding until they are committed to be released and, therefore, have been excluded for purposes of calculating basic and diluted net earnings per share at May 27, 2012. The fair value of these shares at May 27, 2012 was $2.1 million.

Stock-Based Compensation (Summary Of Restricted Stock And RSU Activity) (Details) (Restricted Stock Units And RSU, USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended May 27, 2012
Restricted Stock Units And RSU	
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested [Roll Forward]	
Outstanding beginning of period (shares)	0.6
Shares granted (shares)	0.1
Shares vested (shares)	(0.4)
Outstanding end of period (shares)	0.3
Outstanding beginning of period, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 29.36
Shares granted, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 46.71
Shares vested, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 34.44
Outstanding end of period, Weighted-Average Grant Date Fair Value Per Share (dollars per share)	$ 39.63

Derivative Instruments And Hedging Activities (Notional Values Of Derivative Contracts Designated And Not Designated As Hedging Instruments) (Details) (USD $) In Millions, unless otherwise specified	May 27, 2012	May 29, 2011
Designated as Hedging Instrument | Natural Gas		
Derivative contracts designated as hedging instruments	$ 1.1	$ 3.8
Designated as Hedging Instrument | Other Commodities		
Derivative contracts designated as hedging instruments	7.6	0
Designated as Hedging Instrument | Foreign Currency		
Derivative contracts designated as hedging instruments	19.4	20.7
Designated as Hedging Instrument | Interest Rate Contract		
Derivative contracts designated as hedging instruments	0	150.0
Designated as Hedging Instrument | Interest Rate Swaps		
Derivative contracts designated as hedging instruments	550.0	350.0
Designated as Hedging Instrument | Equity Forwards		
Derivative contracts designated as hedging instruments	21.7	18.0
Not Designated As Hedging Instrument | Natural Gas		
Derivative contracts not designated as hedging instruments	0	7.7
Not Designated As Hedging Instrument | Other Commodities		
Derivative contracts not designated as hedging instruments	0	12.7
Not Designated As Hedging Instrument | Equity Forwards		
Derivative contracts not designated as hedging instruments	$ 50.0	$ 24.0

Other Current Liabilities (Tables)	12 Months Ended May 27, 2012
Liabilities, Current [Abstract]	
Components Of Other Current Liabilities	The components of other current liabilities are as follows:

(in millions)	May 27, 2012	May 29, 2011
Non-qualified deferred compensation plan	$ 201.4	$ 200.1
Sales and other taxes	60.6	61.5
Insurance-related	35.2	33.6
Employee benefits	59.7	42.6
Derivative liabilities	45.3	23.2
Accrued interest	15.6	14.0
Miscellaneous	36.6	34.3
Total other current liabilities	$ 454.4	$ 409.3

Derivative Instruments And Hedging Activities	12 Months Ended May 27, 2012
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Derivative Instruments And Hedging Activities	

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We use financial and commodities derivatives to manage interest rate, equity-based compensation and commodities pricing and foreign currency exchange rate risks inherent in our business operations. By using these instruments, we expose ourselves, from time to time, to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. We minimize this credit risk by entering into transactions with high quality counterparties. We currently do not have any provisions in our agreements with counterparties that would require either party to hold or post collateral in the event that the market value of the related derivative instrument exceeds a certain limit. As such, the maximum amount of loss due to counterparty credit risk we would incur at May 27, 2012, if counterparties to the derivative instruments failed completely to perform, would approximate the values of derivative instruments currently recognized as assets in our consolidated balance sheet. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates, commodity prices, or the market price of our common stock. We minimize this market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

The notional values of our derivative contracts designated as hedging instruments and derivative contracts not designated as hedging instruments are as follows:

(in millions)	May 27, 2012	May 29, 2011
Derivative contracts designated as hedging instruments:		
Natural gas	$ 1.1	$ 3.8
Other commodities	7.6	—
Foreign currency	19.4	20.7
Interest rate locks	—	150.0
Interest rate swaps	550.0	350.0
Equity forwards	21.7	18.0
Derivative contracts not designated as hedging instruments:		
Natural gas	$ —	$ 7.7
Other commodities	—	12.7
Equity forwards	50.0	24.0

We periodically enter into natural gas futures, swaps and option contracts (collectively “natural gas contracts") to reduce the risk of variability in cash flows associated with fluctuations in the price of natural gas during the fiscal year. For a certain portion of our natural gas purchases, changes in the price we pay for natural gas is highly correlated with changes in the market price of natural gas. For these natural gas purchases, we designate natural gas contracts as cash flow hedging instruments. For the remaining portion of our natural gas purchases, changes in the price we pay for natural gas are not highly correlated with changes in the market price of natural gas, generally due to the timing of when changes in the market prices are reflected in the price we pay. For these natural gas purchases, we utilize natural gas contracts as economic hedges. Our natural gas contracts currently extend through September 2012.

We periodically enter into other commodity futures and swaps (typically for soybean oil, milk, diesel fuel, gasoline and butter) to reduce the risk of fluctuations in the price we pay for these commodities, which are either used directly in our restaurants (i.e., class III milk contracts for cheese and soybean oil for salad dressing) or are components of the cost we pay for items used in our restaurants (i.e., diesel fuel contracts to mitigate risk related to diesel fuel surcharges charged by our distributors). Our other commodity futures and swap contracts currently extend through May 2013.

We periodically enter into foreign currency forward contracts to reduce the risk of fluctuations in exchange rates specifically related to forecasted transactions or payments made in a foreign currency either for commodities and items used directly in our restaurants or for forecasted payments of services. Our foreign currency forward contracts currently extend through May 2013.

We entered into treasury-lock derivative instruments with $300.0 million of notional value to hedge a portion of the risk of changes in the benchmark interest rate prior to the issuance of the New Senior Notes in the second quarter of fiscal 2012, as changes in the benchmark interest rate would cause variability in our forecasted interest payments. These derivative instruments were designated as cash flow hedges. These instruments were settled at the issuance of the New Senior Notes for a cumulative loss of $53.7 million. Of the cumulative loss, $52.6 million was recorded in accumulated other comprehensive income (loss) and will be reclassified into earnings as an adjustment to interest expense on the New Senior Notes or similar debt as incurred.

We entered into forward-starting interest rate swap agreements with $300.0 million of notional value to hedge a portion of the risk of changes in the benchmark interest rate associated with the expected issuance of long-term debt to refinance our $350.0 million 5.625 percent senior notes due October 2012, as changes in the benchmark interest rate will cause variability in our forecasted interest payments. These derivative instruments are designated as cash flow hedges.

We entered into interest rate swap agreements with $250.0 million of notional value to limit the risk of changes in fair value of a portion of the $350.0 million 5.625 percent senior notes due October 2012 and a portion of the $400.0 million 4.500 percent senior notes due October 2021 attributable to changes in the benchmark interest rate, between inception of the interest rate swap agreements and maturity of the related debt. The swap agreements effectively swap the fixed rate obligations for floating rate obligations, thereby mitigating changes in fair value of the related debt prior to maturity. The swap agreements were designated as fair value hedges of the related debt and met the requirements to be accounted for under the short-cut method, resulting in no ineffectiveness in the hedging relationship. During fiscal 2012, 2011 and 2010, $3.3 million, $3.6 million and $3.4 million, respectively, was recorded as a reduction to interest expense related to the net swap settlements.

We enter into equity forward contracts to hedge the risk of changes in future cash flows associated with the unvested, unrecognized Darden stock units. The equity forward contracts will be settled at the end of the vesting periods of their underlying Darden stock units, which range between four and five years. The contracts were initially designated as cash flow hedges to the extent the Darden stock units are unvested and, therefore, unrecognized as a liability in our financial statements. As of May 27, 2012, we were party to equity forward contracts that were indexed to 1.1 million shares of our common stock, at varying forward rates between $27.57 per share and $45.66 per share, extending through August 2016. The forward contracts can only be net settled in cash. As the Darden stock units vest, we will de-designate that portion of the equity forward contract that no longer qualifies for hedge accounting and changes in fair value associated with that portion of the equity forward contract will be recognized in current earnings. We periodically incur interest on the notional value of the contracts and receive dividends on the underlying shares. These amounts are recognized currently in earnings as they are incurred.

We entered into equity forward contracts to hedge the risk of changes in future cash flows associated with recognized, cash-settled performance stock units and employee-directed investments in Darden stock within the non-qualified deferred compensation plan. The equity forward contracts are indexed to 0.7 million shares of our common stock at forward rates between $23.41 and $50.19 per share, can only be net settled in cash and expire between fiscal 2013 and 2016. We did not elect hedge accounting with the expectation that changes in the fair value of the equity forward contracts would offset changes in the fair value of the performance stock units and Darden stock investments in the non-qualified deferred compensation plan within selling, general and administrative expenses in our consolidated statements of earnings.

The fair value of our derivative contracts designated as hedging instruments and derivative contracts that are not designated as hedging instruments are as follows:

(in millions)	Balance Sheet Location	Derivative Assets		Derivative Liabilities	
		May 27, 2012	May 29, 2011	May 27, 2012	May 29, 2011
Derivative contracts designated as hedging instruments					
Commodity contracts	(1)	$ 0.3	$ 0.1	$ (0.4)	$ —
Equity forwards	(1)	0.9	0.4	—	—
Interest rate related	(1)	3.2	3.6	(44.9)	(23.2)
Foreign currency forwards	(1)	0.5	0.6	—	—
		$ 4.9	$ 4.7	$ (45.3)	$ (23.2)
Derivative contracts not designated as hedging instruments					
Commodity contracts	(1)	$ —	$ 0.6	$ —	$ —
Equity forwards	(1)	1.9	0.5	—	—
		$ 1.9	$ 1.1	$ —	$ —

Total derivative contracts	$ 6.8	$ 5.8	$ (45.3)	$ (23.2)

(1) Derivative assets and liabilities are included in receivables, net, prepaid expenses and other current assets, and other current liabilities, as applicable, on our consolidated balance sheets.

The effects of derivative instruments in cash flow hedging relationships on the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)			Location of Gain (Loss) Reclassified from AOCI to Earnings	Amount of Gain (Loss) Reclassified from AOCI to Earnings (Effective Portion)			Location of Gain (Loss) Recognized in Earnings (Ineffective Portion)	(1) Amount of Gain (Loss) Recognized in Earnings (Ineffective Portion)		
	Fiscal Year				Fiscal Year				Fiscal Year		
	2012	2011	2010		2012	2011	2010		2012	2011	2010
Commodity	$ (2.2)	$ (0.2)	$ (2.1)	(2)	$(1.7)	$(0.9)	$(3.8)	(2)	$ —	$ —	$ —
Equity	(0.7)	2.6	3.9	(3)	—	—	—	(3)	0.6	0.2	0.3
Interest rate	(75.2)	(12.2)	(7.7)	Interest, net	(2.9)	0.7	0.5	Interest, net	(0.7)	(0.5)	—
Foreign currency	0.9	(0.1)	1.3	(4)	0.8	0.4	1.1	(4)	—	—	—
	$(77.2)	$ (9.9)	$ (4.6)		$(3.8)	$ 0.2	$(2.2)		$(0.1)	$(0.3)	$ 0.3

(1) Generally, all of our derivative instruments designated as cash flow hedges have some level of ineffectiveness, which is recognized currently in earnings. However, as these amounts are generally nominal and our consolidated financial statements are presented “in millions,” these amounts may appear as zero in this tabular presentation.

(2) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs and restaurant expenses, which are components of cost of sales.

(3) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is restaurant labor expenses, which is a component of cost of sales, and selling, general and administrative expenses.

(4) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is food and beverage costs, which is a component of cost of sales, and selling, general and administrative expenses.

The effects of derivative instruments in fair value hedging relationships on the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in Earnings on Derivatives			Location of Gain (Loss) Recognized in Earnings on Derivatives	Hedged Item in Fair Value Hedge Relationship	Amount of Gain (Loss) Recognized in Earnings on Related Hedged Item			Location of Gain (Loss) Recognized in Earnings on Related Hedged Item
	Fiscal Year					Fiscal Year			
	2012	2011	2010			2012	2011	2010	
Interest rate	$ (0.4)	$ 0.2	$ 3.4	Interest, net	Debt	$ 0.4	$ (0.2)	$ (3.4)	Interest, net

The effects of derivatives not designated as hedging instruments on the consolidated statements of earnings are as follows:

(in millions)	Location of Gain (Loss) Recognized in Earnings	Amount of Gain (Loss) Recognized in Earnings Fiscal Year 2012	2011	2010
Commodity contracts	Cost of sales (1)	$ (7.9)	$ 0.6	$ (0.2)

Equity forwards	Cost of sales (2)	2.3	3.3	2.2
Equity forwards	Selling, general and administrative	6.0	3.3	1.3
		$ 0.4	$ 7.2	$ 3.3

(1) Location of the gain (loss) recognized in earnings is food and beverage costs and restaurant expenses, which are components of cost of sales.

(2) Location of the gain (loss) recognized in earnings is restaurant labor expenses, which is a component of cost of sales.

Based on the fair value of our derivative instruments designated as cash flow hedges as of May 27, 2012, we expect to reclassify $7.4 million of net losses on derivative instruments from accumulated other comprehensive income (loss) to earnings during the next twelve months based on the timing of our forecasted commodity purchases and maturity of equity forward and interest rate related instruments. However, the amounts ultimately realized in earnings will be dependent on the fair value of the contracts on the settlement dates.

Retirement Plans (Postemployment Severance Plan And Defined Contribution Plan) (Narrative) (Details) (USD $) Share data in Millions, unless otherwise specified	12 Months Ended			
	May 27, 2012	May 29, 2011	May 30, 2010	May 29, 2005
Unrecognized actuarial losses on postemployment severance costs	$ 4,800,000	$ 2,800,000		
Percentage of employer contribution (percentage)	6.00%			
Defined benefit plan net assets	664,900,000	658,900,000		
Defined contribution plan, expense recognized	900,000	700,000	1,200,000	
Amounts payable to highly compensated employees under non-qualified deferred compensation plan	201,400,000	200,100,000		
ESOP borrowings from third parties	50,000,000			
ESOP borrowings from at variable interest rate	25,000,000			1,600,000
ESOP incurred interest expense	0	100,000	100,000	
Dividends received from employer	1,900,000	1,400,000	1,600,000	
Contributions received from employer	500,000	100,000	200,000	
ESOP's debt	5,900,000			
Common shares held in ESOP (shares)	4.9			
ESOP, allocated shares (shares)	3.7			
ESOP, suspense shares (shares)	1.2			
Additional shares acquired from common stock (shares)				0.05
ESOP shares, fair value	2,100,000			
Description of Defined Contribution Pension and Other Postretirement Plans	We have a defined contribution plan covering most employees age 21 and older. We match contributions for participants with at least one year of service up to 6 percent of compensation, based on our performance. The match ranges from a minimum of $0.25 to $1.20 for each dollar contributed by the participant. The plan			

	had net assets of $0.0 million at May 27, 2012 and $658.9 million at May 29, 2011. Expense recognized in fiscal 2012, 2011 and 2010 was $0.0 million, $0.7 million and $1.2 million, respectively. Employees classified as “highly compensated” under the IRC are not eligible to participate in this plan. Instead, highly compensated employees are eligible to participate in a separate non-qualified deferred compensation plan. This plan allows eligible employees to defer the payment of part of their annual salary and all or part of their annual bonus and provides for awards that approximate the matching contributions and other amounts that participants would have received had they been eligible to participate in our defined contribution and defined benefit plans. Amounts payable to highly compensated employees under the non-qualified deferred compensation plan totaled $0.0 million and $200.1 million at May 27, 2012 and May 29, 2011, respectively. These amounts are included in other current liabilities.
Employee Stock Ownership Plan	
Variable rate of interest (percentage)	0.59%
Maturity date of debt	Dec. 01, 2014
Minimum	
Employer contribution, per dollar	0.25
Maximum	
Employer contribution, per dollar	$ 1.20