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As filed with the Securities and Exchange Commission on May 20, 2013

Registration No. 333-188421

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
To
FORM S-1
REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

BLOOMIN' BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**5812**	**20-8023465**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

2202 North West Shore Boulevard, Suite 500, Tampa, Florida 33607
(813) 282-1225
(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Joseph J. Kadow
Executive Vice President and Chief Legal Officer
Bloomin' Brands, Inc.
2202 North West Shore Boulevard, Suite 500, Tampa, Florida 33607
(813) 282-1225
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

John M. Gherlein **Janet A. Spreen** **Baker & Hostetler LLP** **PNC Center** **1900 East 9th Street** **Cleveland, Ohio 44114** **Telephone: (216) 621-0200** **Facsimile: (216) 696-0740**	**Keith F. Higgins** **Marko S. Zatylny** **Ropes & Gray LLP** **Prudential Tower** **800 Boylston Street** **Boston, Massachusetts 02199-3600** **Telephone: (617) 951-7000** **Facsimile: (617) 951-7050**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462 under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated May 20, 2013

PROSPECTUS

17,000,000 Shares

Common Stock

The selling stockholders identified in this prospectus are selling 17,000,000 shares of Bloomin' Brands Inc.'s common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

Our common stock is listed on the Nasdaq Global Select Market under the symbol "BLMN." On May 17, 2013, the last sale price of our common stock as reported on the Nasdaq Global Select Market was $21.75 per share.

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 13 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount (1)	$	$
Proceeds, before expenses, to selling stockholders	$	$

(1) See "Underwriting" for additional compensation details.

The underwriters may also exercise their option to purchase up to an additional 2,550,000 shares from certain of the selling stockholders at the public offering price, on the same terms and conditions as set forth above, for 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2013.

BofA Merrill Lynch **Morgan Stanley** **J.P. Morgan**

Deutsche Bank Securities **Goldman, Sachs & Co.**

Jefferies

William Blair **Raymond James** **Wells Fargo Securities** **The Williams Capital Group, L.P.**

The date of this prospectus is , 2013.

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You should rely only on the information contained in this prospectus or in any free writing prospectus that we authorize be distributed to you. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. This document may only be used where it is legal to sell these securities. You should assume that the information contained in this prospectus is accurate only as of the date of this prospectus.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of the prospectus applicable to that jurisdiction.

MARKET AND OTHER INDUSTRY DATA

In this prospectus, we rely on and refer to information regarding the restaurant industry, sectors within the restaurant industry, such as full-service restaurants, and categories within the full-service sector that are generally defined by price point (e.g., casual or fine dining) and menu type (e.g., steak or Italian), based on information published by industry research firms Technomic, Inc. and Euromonitor International. Delineations of our competitors by price or menu categories may vary by data source.

Unless otherwise indicated in this prospectus:

- market data relating to the U.S. market positions of Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill or Fleming's Prime Steakhouse and Wine Bar was taken from Technomic, Inc.'s 2013 Top 500 Chain Restaurant Report and is based on 2012 calendar year sales; and
- market data relating to the market position of Outback Steakhouse restaurants in a particular foreign market was published by, or was derived by us from, Euromonitor International, and such data is as of December 31, 2011.

We believe this information to be true and accurate; however, this information cannot always be verified with complete certainty because of the limitations on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties.

TRADEMARKS, SERVICE MARKS AND COPYRIGHTS

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business, including our corporate names, logos and website names. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this prospectus are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent permissible under applicable law, our rights to our copyrights, trademarks, service marks and trade names. All brand names or other trademarks appearing in this prospectus are the property of their respective owners, and their use or display should not be construed to imply a relationship with, or an endorsement or a sponsorship of us by, these other parties.

PROSPECTUS SUMMARY

This summary highlights information appearing elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus, including the financial data and related notes and the section entitled "Risk Factors," before deciding whether to invest in our common stock. Unless otherwise indicated or the context otherwise requires, references in this prospectus to the "Company," "Bloomin' Brands," "we," "us" and "our" refer to Bloomin' Brands, Inc. and its consolidated subsidiaries.

Our Company

We are one of the largest casual dining restaurant companies in the world, with a portfolio of leading, differentiated restaurant concepts. We own and operate 1,275 restaurants and have 203 restaurants operating under franchise or joint venture arrangements across 48 states, Puerto Rico, Guam and 19 countries. We have five founder-inspired concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, Fleming's Prime Steakhouse and Wine Bar and Roy's.

In 2010, we launched a new strategic plan and operating model, strengthened our management team and adapted practices from the consumer products and retail industries to complement our restaurant acumen and enhance our brand management, analytics and innovation. This model keeps the customer at the center of our decision-making and focuses on continuous innovation and productivity to drive sustainable sales and profit growth. We have made these changes while preserving our entrepreneurial culture at the operating level. Our restaurant managing partners are a key element of this culture, each of whom shares in the cash flows of his or her restaurant after making a required initial cash investment.

Since 2010, we have continued to balance near-term growth in market share with investments to achieve sustainable growth. As a result of continued improvements in infrastructure and organizational effectiveness, in 2012 we grew average restaurant volumes and comparable restaurant sales at our existing domestic Company-owned restaurants for our Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse and Wine Bar concepts, which we refer to as our core concepts. In addition, we improved our operating margins at the restaurant level (calculated as Restaurant sales after deduction of main restaurant-level operating costs, which are comprised of Cost of sales, Labor and other related costs and Other restaurant operating expenses) by 6.1% in 2012 as compared to 2011. Across our restaurant system, we opened 37 restaurants (22 domestic and 15 international), and we increased Total revenues by 3.8% in 2012.

For the three months ended March 31, 2013 and the year ended December 31, 2012, we had $1.1 billion and $4.0 billion of Total revenues, $63.2 million and $50.0 million of Net income attributable to Bloomin' Brands, Inc. and $63.2 million and $114.0 million of Adjusted net income attributable to Bloomin' Brands, Inc., respectively. Adjusted net income attributable to Bloomin' Brands, Inc. is a non-GAAP measure. See note (5) of "Summary Consolidated Financial and Other Data" for information about our use of this measure and a reconciliation of the differences between this measure and Net income attributable to Bloomin' Brands, Inc.

Our concepts seek to provide a compelling customer experience combining great food, attentive service and lively and contemporary ambience at attractive prices. Our ingredients are carefully selected to offer a high degree of freshness and quality and maintain the authenticity of our recipes, while keeping costs in line with our

target pricing. We believe each of our concepts maintains a unique, founder-inspired brand identity and entrepreneurial culture, while leveraging our scale and enhanced operating model. Below is an overview of our concepts:

A casual dining steakhouse featuring high quality, freshly prepared food, attentive service and Australian décor. As of March 31, 2013, we owned and operated 663 restaurants and 106 restaurants were franchised across 48 states and Puerto Rico, and internationally we owned and operated 117 restaurants, franchised 48 restaurants and operated 41 restaurants through a joint venture across 19 countries and Guam. The average check per person at our domestic Outback Steakhouse restaurants, which varies for all of our concepts based on limited-time offers, special menu items and promotions, was approximately $20 in 2012.

An authentic Italian casual dining restaurant featuring high quality handcrafted dishes, an exhibition kitchen and a welcoming atmosphere. As of March 31, 2013, we owned and operated 234 restaurants and had one franchised restaurant across 32 states. The average check per person at Carrabba's Italian Grill was approximately $21 in 2012.

A polished casual seafood restaurant featuring market fresh grilled fish, high-end yet approachable service and a lively bar. Bonefish Grill's bar provides an energetic setting for drinks, dining and socializing with a bar menu featuring a large selection of specialty cocktails, wine and beer. As of March 31, 2013, we owned and operated 174 and franchised seven restaurants across 32 states. The average check per person at Bonefish Grill was approximately $23 in 2012.

A contemporary prime steakhouse for food and wine lovers seeking a stylish fine dining experience. Fleming's Prime Steakhouse and Wine Bar features a large selection of wines, including 100 quality wines available by the glass. As of March 31, 2013, we owned and operated 65 restaurants across 28 states. The average check per person at Fleming's Prime Steakhouse and Wine Bar was approximately $67 in 2012.

Roy's provides an upscale dining experience featuring Pacific Rim cuisine. As of March 31, 2013, we owned and operated 22 Roy's restaurants located across seven states. The average check per person at Roy's was approximately $58 in 2012.

Competitive Strengths

We believe the following competitive strengths, when combined with our strategic plan and operating model, provide a platform to deliver sustainable sales and profit growth:

Strong Market Position With Highly Recognizable Brands. We have market leadership positions in each of our core concepts domestically, as well as in our core international markets. Based on 2012 sales in the U.S., Outback Steakhouse ranked #1 in the full-service steak restaurant category, Carrabba's Italian Grill ranked #2 in the full-service Italian restaurant category, Bonefish Grill ranked #2 in the full-service seafood restaurant category and Fleming's Prime Steakhouse and Wine Bar is the fourth largest fine dining steakhouse brand. In 2011, Outback Steakhouse ranked #1 in market share in Brazil among full-service restaurants and in South Korea among western full-service restaurant concepts. We believe our market leadership positions and scale will allow us to continue to gain market share in the fragmented restaurant industry.

Compelling Customer Experience. We believe we offer a compelling customer experience with outstanding value by providing great food, attentive service and lively and contemporary ambience at attractive prices. We believe our customer experience and value perception, based on the following elements, drive strong customer loyalty:

- *Great Food.* We deliver consistently executed, freshly prepared meals using high quality ingredients. We source our ingredients from around the world, which we believe allows us to achieve a high degree of freshness and quality and maintain the authenticity of our recipes, while keeping costs in line with the target pricing for our concepts.

- *Attentive Service.* We offer customers prompt, friendly and efficient service, keep wait staff-to-table ratios high and staff each restaurant with managing partners to ensure consistent and attentive customer service.

- *Lively and Contemporary Ambience.* We believe each of our restaurant concepts offers a distinct, energetic atmosphere. We are committed to maintaining a contemporary look and feel at each of our concepts that is consistent with its individual brand positioning.

- *Attractive Prices*. We believe our menus and limited-time offers of menu specials provide a variety of lower priced options, which allow us to broaden customer appeal and drive traffic. We develop new menu items and specials taking into account commodity costs, increased prices of traditional menu items, target profit margins and customer spending preferences in order to offer price points that we believe deliver outstanding value to customers.

Diversified Portfolio With Global Presence. Our diversified portfolio of distinct concepts and global presence provide us with a broad growth platform to capture additional market share domestically and internationally. We are diversified by concept, category and geography as follows:

- *By Concept and Category*. We believe our concepts are differentiated relative to each other by category and to their respective key competitors. Our core concepts target three separate, large and highly fragmented menu categories of the full-service restaurant sector: steak, Italian and seafood. Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill target the casual dining price category, and Fleming's Prime Steakhouse and Wine Bar and Roy's target the fine dining category.

- *By Geography*. The system-wide sales of our international Outback Steakhouse restaurants represented 14% of our total system-wide sales for 2012. Our restaurants are located across 48 states, Puerto Rico, Guam and 19 countries, and a majority of our international restaurants are Company-owned or operated through a joint venture.

Business Model Focused on Continuous Innovation and Productivity. Our business model keeps the customer at the center of our decision-making and focuses on innovation and productivity to drive sustainable sales and profit growth.

- *Innovation.* We have established an enterprise-wide innovation process to enhance every dimension of the customer experience. Cross-functional innovation teams collaborate to manage a pipeline of new menu, service and marketing ideas.

- *Productivity.* Without compromising the customer experience, we continuously explore opportunities to increase productivity and reduce costs. Our cost-savings allow us to reinvest in innovation initiatives, reduce the impact of commodity inflation and increase margins. We have a dedicated team that coordinates all productivity initiatives and actively manages a pipeline of ideas from testing through implementation.

Experienced Executive and Field Management Teams. Our management team is led by our Chairman and Chief Executive Officer, Elizabeth A. Smith. The other members of our senior leadership team include executives from consumer and retail companies with experience in brand management, innovation and analytics. This complements our field operating and management teams, who have deep experience operating our restaurants and in the restaurant industry.

Our Growth Strategy

We are focused on the following three strategies for continuing to drive sustainable sales and profit growth:

Grow Comparable Restaurant Sales. We believe we have the following opportunities to continue to grow comparable restaurant sales:

- *Remodel and Relocate Our Restaurants.* In the near term, we are focused on continuing our remodel program at Outback Steakhouse and applying this knowledge as we implement a similar program to update our Carrabba's Italian Grill restaurants. For Outback Steakhouse, we plan to complete approximately 80 remodels in 2013 for a cumulative total of more than 485 remodels by the end of 2013. Going forward, we expect to remodel approximately 10% of our Outback Steakhouse locations annually. For Carrabba's Italian Grill, we recently finalized the new design format and expect to remodel between 50 and 60 locations in 2013. In addition, in April 2013, we accelerated our restaurant relocation plan primarily related to the Outback Steakhouse brand, based on meaningful sales increases at test locations that were relocated in 2012. This multi-year relocation plan will begin with approximately 10 to 20 restaurants in 2013, of which some will not be completed until 2014, and will result in additional expenses in the range of $4.0 million to $8.0 million in 2013.

- *Continue to Improve Promotional Marketing to Drive Traffic.* We plan to continue to improve our limited-time offers and multimedia marketing campaigns. By promoting continuously evolving menu items at attractive prices, we seek to drive traffic and maintain brand relevance without sacrificing margins.

- *Expand Share of Occasions and Increase Frequency.* We believe we have a strong market share of weekend dinner occasions and a significant opportunity to grow our share of other dining occasions across all concepts. As of March 31, 2013, we serve lunch on the weekend at most of our Outback Steakhouse and Carrabba's Italian Grill locations and on weekdays at selected Outback Steakhouse and Carrabba's Italian Grill locations. We have also launched Sunday brunch at most of our Bonefish Grill locations.

- *Continue Innovating New Menu Items and Categories.* Our research and development, or R&D, team will seek to continue to introduce innovative menu items that we believe match evolving consumer preferences and broaden appeal. In addition to continuous menu enhancements, we periodically evaluate our menus at each of our concepts. For example, we are working on significant menu updates at Bonefish Grill and at Carrabba's Italian Grill in connection with our revitalization plan.

Pursue New Domestic and International Development With Strong Unit Level Economics. We believe that a substantial development opportunity remains for our concepts in the U.S. and internationally. We expect to open between 45 and 55 system-wide locations in 2013 and increase the pace thereafter. We expect that the mix of new units will be weighted approximately 60% to domestic restaurants in 2013, but will shift to a higher weight of international units as we continue to implement our international expansion plans.

- *Pursue Domestic Development Focused on Bonefish Grill and Carrabba's Italian Grill.* We believe we have the potential to increase the units in our Bonefish Grill concept to over 300 in the next four

to six years. Bonefish Grill unit growth continues to be our top domestic development priority in 2013. We also see significant opportunities to expand Carrabba's Italian Grill.

- *Accelerate International Growth Focused on Outback Steakhouse.* We believe we are well-positioned to continue to expand internationally beyond our 206 restaurants located in 19 countries and Guam. In 2012, the system-wide sales of our international Outback Steakhouse restaurants represented 14% of our total system-wide sales. We believe international markets represent a significant growth opportunity. We will approach growth in a disciplined manner, focusing on our established markets of South Korea, Hong Kong and Brazil, while expanding in strategically selected emerging and high growth developed markets, particularly China, Mexico and South America. For example, we opened our first Company-owned restaurant in mainland China, an Outback Steakhouse in Shanghai, in December 2012.

Drive Margin Improvement. We believe that we have the opportunity to increase our margins through continued productivity and increased fixed-cost leverage as we grow comparable restaurant sales. We have developed a multi-year productivity plan that focuses on high value initiatives across four categories: labor, food cost, supply chain and restaurant facilities. We set a target for productivity and cost savings of $50.0 million annually for 2012 through 2014 and estimate that these initiatives allowed us to save approximately $59.0 million in the aggregate in 2012. Our ability to achieve the targets and our actual savings will depend on successful execution of identified initiatives, various economic factors, including commodity and labor costs, and other circumstances that impact our supply chain.

Our Challenges and Risk Factors

The restaurant industry continues to face many challenges due to the current economic environment. For example, the ongoing impacts of high unemployment, financial market volatility and unpredictability, the housing crisis, the so-called "sequester" and related governmental spending and budget matters, other national, regional and local regulatory and economic conditions, gasoline prices, reduced disposable consumer income and consumer confidence have had a negative effect on discretionary consumer spending. This has negatively affected customer traffic and comparable restaurant sales for us and throughout our industry thus far in 2013. We believe these factors and conditions, among other items, are creating a challenging sales environment in the casual dining sector for 2013. As these conditions persist, we will face increased pressure with respect to our pricing, traffic levels and commodity costs, which could negatively impact our business and results of operations.

We continue to have a significant amount of debt (approximately $1.5 billion as of March 31, 2013) and have pledged substantially all of our assets under certain of our loan arrangements. We believe that our leverage, as well as competition in our industry and economic conditions that impact customer spending and our costs, are among the challenges we face in continuing to implement our strategic plan.

Before you invest in our common stock, you should carefully consider all of the information in this prospectus, including matters set forth under the heading "Risk Factors." Risks relating to our business include the following, among others:

- we face significant competition for customers, real estate and employees that could affect our profit margins;
- general economic factors and changes in consumer preference may adversely affect our performance and growth plans;
- our plans depend on initiatives designed to increase sales, reduce costs and improve the efficiency and effectiveness of our operations, and failure to achieve or sustain these plans could affect our performance adversely;

- our failure to comply with governmental regulation, and the costs of compliance or non-compliance, could adversely affect our business;
- changes in consumer perception of food safety, damage to our reputation or infringement of our intellectual property could harm our business; and
- our substantial leverage could adversely affect our ability to raise additional capital to fund our operations.

Our History

Our predecessor, OSI Restaurant Partners, Inc., was incorporated in August 1987, and we opened our first Outback Steakhouse restaurant in 1988. We became a Delaware corporation in 1991 as part of a corporate reorganization completed in connection with our predecessor's initial public offering.

Bloomin' Brands, Inc., formerly known as Kangaroo Holdings, Inc., was incorporated in Delaware in October 2006 by an investor group comprised of funds advised by Bain Capital Partners, LLC and Catterton Management Company, LLC, who we collectively refer to as our "Sponsors," and Chris T. Sullivan, Robert D. Basham and J. Timothy Gannon, who we collectively refer to as our "Founders," and members of our management. On June 14, 2007, we acquired OSI Restaurant Partners, Inc. by means of a merger and related transactions, referred to in this prospectus as the "Merger." At the time of the Merger, OSI Restaurant Partners, Inc. was converted into a Delaware limited liability company named OSI Restaurant Partners, LLC, or "OSI." In connection with the Merger, we implemented a new ownership and financing arrangement for our owned restaurant properties, pursuant to which Private Restaurant Properties, LLC, or "PRP," our indirect wholly-owned subsidiary, acquired 343 restaurant properties then owned by OSI and leased them back to subsidiaries of OSI. In March 2012, we refinanced the commercial mortgage-backed securities loan that we entered into in 2007 in connection with the Merger with a new $500.0 million commercial mortgage-backed loan. Following the refinancing, OSI remains our primary operating entity and New Private Restaurant Properties, LLC, another indirect wholly-owned subsidiary of ours, continues to lease 261 of our owned restaurant properties to an OSI subsidiary.

In August and September 2012, we and certain of our stockholders sold a total of 18.4 million shares of our common stock in our initial public offering. Since that time, our shares of common stock have been listed on the Nasdaq Global Select Market under the symbol "BLMN."

Our Sponsors and Founders

Upon completion of this offering, an investor group consisting of investment funds advised by our Sponsors and two of our Founders, Robert D. Basham and Chris T. Sullivan, will continue to hold a controlling interest in, and have significant influence over, us and decisions made by stockholders, and they may have interests that differ from yours. This investor group is expected to collectively beneficially own an aggregate of 63.7% of our outstanding common stock (or 61.6% if the underwriters exercise their option to purchase additional shares from certain of the selling stockholders in full) upon completion of this offering, and will therefore continue to control a majority of the voting power of our outstanding common stock. See "Principal and Selling Stockholders" and "Risk Factors—Risks Related to this Offering and Our Common Stock." We are a party to a stockholders agreement (the "Stockholders Agreement"), pursuant to which our Sponsors have the right, subject to certain conditions, to nominate up to three representatives to our Board of Directors and committees of our Board of Directors so long as they collectively own more than 3% of our outstanding common stock. See "Related Party Transactions—Arrangements With Our Investors."

Certain of our Directors are affiliated with our Sponsors, which could result in conflicts of interest arising from the fiduciary duties owed to these various entities, business opportunities that may arise and the time and attention needed to fulfill these commitments. One of our Founders also serves as a Director and, due to his interests in certain transactions with us and our affiliates, he may also experience conflicts of interest. See "Related Party Transactions—Arrangements With Our Sponsors and Founders" and "Risk Factors—Risks Related to this Offering and Our Common Stock."

Bain Capital Partners, LLC

Bain Capital Partners, LLC (along with its associated investment funds, or any successor to its investment management business, "Bain Capital") is a global private investment firm that manages several pools of capital including private equity, venture capital, public equity, credit products and absolute return investments with approximately $70 billion in assets under management. Headquartered in Boston, Bain Capital has offices in New York, Palo Alto, Chicago, London, Melbourne, Munich, Hong Kong, Shanghai, Tokyo, and Mumbai.

Catterton Management Company, LLC

Catterton Management Company, LLC, or Catterton, is a leading private equity firm with a focus on providing equity capital in support of small to middle-market consumer companies. Presently, Catterton is actively managing more than $2.5 billion of equity capital focused on all sectors of the consumer industry.

Company Information

Our principal executive offices are located at 2202 North West Shore Boulevard, Suite 500, Tampa, Florida 33607, our telephone number at that address is (813) 282-1225 and our website address is www.bloominbrands.com. Our website and the information contained on or accessible through our website are not part of this prospectus.

The Offering

Common stock offered by the selling stockholders	17,000,000 shares
Option to purchase additional shares	Certain of the selling stockholders have granted the underwriters a 30-day option to purchase up to an additional 2,550,000 shares.
Use of proceeds	We will not receive any proceeds from the sale of common stock by the selling stockholders in this offering.
Dividend policy	We do not currently pay cash dividends on our common stock and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determinations relating to our dividend policies will be made at the discretion of our Board of Directors and will depend on various factors. See “Dividend Policy.”
Principal stockholders	Upon completion of this offering, an investor group consisting of investment funds advised by our Sponsors and two of our Founders will continue to beneficially own a controlling interest in us. As a result, we intend to continue to avail ourself of the controlled company exemption under the corporate governance rules of the Nasdaq Stock Market. See “Management—Overview of Our Board Structure.”
Risk factors	You should read carefully the “Risk Factors” section of this prospectus for a discussion of factors that you should consider before deciding to invest in shares of our common stock.
Nasdaq Global Select Market symbol	“BLMN”

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SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth our summary consolidated financial and other data as of the dates and for the periods indicated. The summary consolidated financial data as of December 31, 2012 and December 31, 2011 and for each of the three years in the period ended December 31, 2012 presented in this table have been derived from the audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated balance sheet data as of December 31, 2010 has been derived from our historical audited consolidated financial statements for that year, which are not included in this prospectus. The summary consolidated financial data as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 have been derived from the unaudited interim consolidated financial statements included in this prospectus. The summary consolidated balance sheet data as of March 31, 2012 has been derived from our historical unaudited interim consolidated financial statements that are not included in this prospectus. The total number of system-wide restaurants in the following table is unaudited for all periods presented. Historical results are not necessarily indicative of the results to be expected for future periods.

This summary consolidated financial and other data should be read in conjunction with the disclosures set forth under “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto appearing elsewhere in this prospectus.

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
				(unaudited)	(unaudited)
			(in thousands)		
Statements of Operations Data:					
Revenues					
Restaurant sales	$3,946,116	$3,803,252	$3,594,681	$ 1,082,356	$ 1,045,466
Other revenues	41,679	38,012	33,606	9,894	10,160
Total revenues	3,987,795	3,841,264	3,628,287	1,092,250	1,055,626
Costs and expenses					
Cost of sales	1,281,002	1,226,098	1,152,028	349,989	335,859
Labor and other related	1,117,624	1,094,117	1,034,393	299,867	293,501
Other restaurant operating	918,522	890,004	864,183	233,809	218,965
Depreciation and amortization	155,482	153,689	156,267	40,196	38,860
General and administrative (1)(2)	326,473	291,124	252,793	72,491	76,002
Recovery of note receivable from affiliated entity (3)	—	(33,150)	—	—	—
Provision for impaired assets and restaurant closings	13,005	14,039	5,204	1,896	4,435
Income from operations of unconsolidated affiliates	(5,450)	(8,109)	(5,492)	(2,858)	(2,404)
Total costs and expenses	3,806,658	3,627,812	3,459,376	995,390	965,218
Income from operations	181,137	213,452	168,911	96,860	90,408
Loss on extinguishment and modification of debt (4)	(20,957)	—	—	—	(2,851)
Other (expense) income, net	(128)	830	2,993	(217)	54
Interest expense, net (4)	(86,642)	(83,387)	(91,428)	(20,880)	(20,974)
Income before provision for income taxes	73,410	130,895	80,476	75,763	66,637
Provision for income taxes	12,106	21,716	21,300	10,707	12,805
Net income	61,304	109,179	59,176	65,056	53,832
Less: net income attributable to noncontrolling interests	11,333	9,174	6,208	1,833	3,833
Net income attributable to Bloomin’ Brands, Inc.	$ 49,971	$ 100,005	$ 52,968	$ 63,223	$ 49,999

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	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
				(unaudited)	(unaudited)
	(in thousands, except per share amounts)				
Basic earnings per share	$ 0.45	$ 0.94	$ 0.50	$ 0.52	$ 0.47
Diluted earnings per share	0.44	0.94	0.50	0.50	0.47
Weighted average shares outstanding					
Basic	111,999	106,224	105,968	121,238	106,332
Diluted	114,821	106,689	105,968	126,507	107,058
Pro forma diluted weighted average common shares outstanding (5)	123,505	120,886	120,165	126,507	121,255
Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 340,091	$ 322,450	$ 275,154	$ 18,100	$ 2,096
Investing activities	19,944	(113,142)	(71,721)	(38,394)	155,820
Financing activities	(586,219)	(89,300)	(167,315)	(21,226)	(306,404)
Other Financial and Operating Data:					
Number of system-wide restaurants at end of period	1,471	1,443	1,439	1,478	1,442
Comparable domestic restaurant sales (6)	3.7%	4.9%	2.7%	1.6%	5.2%
Capital expenditures	$ 178,720	$ 120,906	$ 60,476	$ 40,950	$ 34,019
Adjusted income from operations (5)	236,908	197,255	179,618	96,860	99,495
Adjusted net income attributable to Bloomin’ Brands, Inc. (5)	114,038	86,497	60,838	63,223	59,646
Adjusted diluted earnings per share (5)	0.99	0.81	0.57	0.50	0.56
Adjusted diluted earnings per pro forma share (5)	0.92	0.72	0.51	0.50	0.49
Balance Sheet Data:					
Cash and cash equivalents (7)	$ 261,690	$ 482,084	$ 365,536	$ 217,469	$ 335,059
Net working capital (deficit) (4)(8)	(203,566)	(248,145)	(120,135)	(146,838)	(29,981)
Total assets	3,016,553	3,353,936	3,243,411	2,954,393	3,037,222
Total debt, net (4)	1,494,440	2,109,290	2,171,524	1,464,861	1,825,153
Total stockholders’ equity (deficit) (9)	220,205	40,297	(55,911)	298,739	95,124

(1) Includes management fees and out-of-pocket and other reimbursable expenses paid to a management company owned by our Sponsors and Founders of $5.8 million, $9.4 million and $11.6 million for the years ended December 31, 2012, 2011 and 2010, respectively, and $2.3 million for the three months ended March 31, 2012 under a management agreement that terminated upon completion of our initial public offering. In connection with the termination, we paid an $8.0 million termination fee to the management company in the third quarter of 2012.

(2) The expense for the year ended December 31, 2012 includes approximately $18.1 million of accelerated Chief Executive Officer retention bonus and incentive bonus expense and $16.0 million of non-cash stock compensation expense for the vested portion of outstanding stock options recorded upon completion of our initial public offering and approximately $6.7 million of legal and other professional fees primarily from the amendment and restatement of a lease between OSI and PRP.

(3) During 2011, we recorded a recovery of a note receivable from T-Bird Nevada, LLC (together with its affiliates, “T-Bird”), a company affiliated with our California franchisees of Outback Steakhouse restaurants, in connection with a settlement agreement that satisfied all outstanding litigation with T-Bird.

(4) During the fourth quarter of 2012, OSI completed a refinancing of its outstanding senior secured credit facilities (the “2007 Credit Facilities”) and entered into a credit agreement (the “New Facilities”) with a syndicate of institutional lenders and financial institutions. The New Facilities provided for senior secured financing of up to $1.225 billion, consisting of a $1.0 billion term loan B and a $225.0 million revolving credit facility, including letter of credit and swing-line loan sub-facilities. The term loan B was issued with an original issue discount of $10.0 million. We recorded a $9.1 million loss related to the extinguishment and modification of the 2007 Credit Facilities during the fourth quarter of 2012. In April 2013, OSI completed a repricing of its existing senior secured term loan B facility by replacing it with a new senior secured term loan B facility (the “New Term Loan B”). The New Term Loan B has the same principal amount outstanding (as of the repricing date) of $975.0 million and maturity date, but a lower applicable interest rate than the existing senior secured term loan B facility. Expenses associated with the New Term Loan B of approximately $14.0 million to $17.0 million, including a prepayment penalty, will be recorded in the second quarter of 2013. During the third quarter of 2012, OSI paid an aggregate of $259.8 million to retire its senior notes due 2015, which included $248.1 million in aggregate outstanding principal, $6.5 million of prepayment premium and early tender incentive fees and $5.2 million of accrued interest. The senior notes were satisfied and discharged on August 13, 2012.

As a result of these transactions, we recorded a loss from the extinguishment of debt of $9.0 million in the third quarter of 2012. In March 2012, New Private Restaurant Properties, LLC and two of our other indirect wholly-owned subsidiaries (collectively, "New PRP") entered into a new commercial mortgage-backed securities loan (the "2012 CMBS Loan") with German American Capital Corporation and Bank of America, N.A. The 2012 CMBS Loan totaled $500.0 million at origination and was comprised of a first mortgage loan in the amount of $324.8 million, collateralized by 261 of our properties, and two mezzanine loans totaling $175.2 million. The proceeds from the 2012 CMBS Loan were used to repay PRP's existing commercial mortgage-backed securities loan (the "CMBS Loan"). As a result of refinancing the CMBS Loan, the net amount repaid along with scheduled maturities within one year, $281.3 million, was classified as current at December 31, 2011. During the first quarter of 2012, we recorded a $2.9 million loss on extinguishment of debt.

(5) In addition to the results provided in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"), we have provided non-GAAP measures that present operating results in 2012, 2011 and 2010 and for the three months ended March 31, 2013 and 2012 on an adjusted and/or pro forma basis. These are supplemental measures of performance that are not required by or presented in accordance with U.S. GAAP. They are not measurements of our operating or financial performance under U.S. GAAP and should not be considered as an alternative to Income from operations, Net income attributable to Bloomin' Brands, Inc., Diluted earnings per share or any other performance measures derived in accordance with U.S. GAAP.

We provide these adjusted operating results because we believe they are useful for investors to assess the operating performance of our business without the effect of certain charges. For the periods presented, these charges include transaction-related expenses primarily attributable to costs incurred in connection with the initial public offering, the refinancing of debt and other deal costs, management fees paid to the management company associated with our Sponsors and Founders, loss on the extinguishment and modification of debt, collection of a promissory note and other amounts in connection with the 2009 sale of one of our restaurant concepts and the tax effect of these items. Pro forma amounts give effect to the issuance of the shares in the initial public offering as if they were all outstanding on January 1, 2010. The use of these measures permits a comparative assessment of our operating performance relative to our performance based on U.S. GAAP results, while isolating the effects of certain items that vary from period to period without correlation to core operating performance or that vary widely among similar companies. However, our inclusion of these adjusted measures should not be construed as an inference that our future results will be unaffected by excluded or unusual items or that the items for which we have made adjustments are unusual or infrequent. In the future, we may incur expenses or generate income similar to the adjusted items. We further believe that the disclosure of these non-GAAP measures is useful to investors as they form the basis for how our management team and Board of Directors evaluate our performance including for achievement of objectives under our cash and equity compensation plans. By disclosing these non-GAAP measures, we believe that we provide investors a greater understanding of, and an enhanced level of transparency into, the means by which our management team operates our business.

The following table reconciles Adjusted income from operations, Adjusted net income attributable to Bloomin' Brands, Inc., Adjusted diluted earnings per share and Adjusted diluted earnings per pro forma share for the years ended December 31, 2012, 2011 and 2010 and the three months ended March 31, 2013 and 2012 to their respective most comparable GAAP measures:

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
			(in thousands)		
Income from operations	$181,137	$213,452	$168,911	$96,860	$90,408
Transaction-related expenses (a)	45,495	7,583	1,157	—	6,761
Management fees and expenses (b)	13,776	9,370	9,550	—	2,326
Other gains (c)	(3,500)	(33,150)	—	—	—
Adjusted income from operations	$236,908	$197,255	$179,618	$96,860	$99,495
Net income attributable to Bloomin' Brands, Inc.	$ 49,971	$100,005	$ 52,968	$63,223	$49,999
Transaction-related expenses (a)	45,495	7,583	1,157	—	6,761
Management fees and expenses (b)	13,776	9,370	9,550	—	2,326
Other gains (c)	(3,500)	(33,150)	—	—	—
Loss on extinguishment and modification of debt (d)	20,956	—	—	—	2,851
Total adjustments, before income taxes	76,727	(16,197)	10,707	—	11,938

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	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
			(in thousands)		
Income tax effect of adjustments (e)	(12,660)	2,689	(2,837)	—	(2,291)
Net adjustments	64,067	(13,508)	7,870	—	9,647
Adjusted net income attributable to Bloomin' Brands, Inc.	$114,038	$ 86,497	$ 60,838	$ 63,223	$ 59,646
Diluted earnings per share	$ 0.44	$ 0.94	$ 0.50	$ 0.50	$ 0.47
Adjusted diluted earnings per share	$ 0.99	$ 0.81	$ 0.57	$ 0.50	$ 0.56
Adjusted diluted earnings per pro forma share (f)	$ 0.92	$ 0.72	$ 0.51	$ 0.50	$ 0.49
Diluted weighted average shares outstanding	114,821	106,689	105,968	126,507	107,058
Pro forma initial public offering adjustment (f)	8,684	14,197	14,197	—	14,197
Pro forma diluted weighted average common shares outstanding (f)	123,505	120,886	120,165	126,507	121,255

(a) Transaction-related expenses primarily relate to costs incurred in association with the initial public offering, the refinancing of debt and other deal costs. Refer to note (2) above for additional detail regarding 2012 transaction-related expenses.

(b) Represents management fees and out-of-pocket and certain other reimbursable expenses paid to a management company owned by the investor group comprised of our Sponsors and our Founders under a management agreement with us. In accordance with the terms of an amendment, this agreement terminated immediately prior to the completion of our initial public offering, and a termination fee of $8.0 million was paid to the management company in the third quarter of 2012, in addition to a pro-rated periodic fee.

(c) During 2012, we recorded a gain associated with the collection of the promissory note and other amounts in connection with the 2009 sale of the Cheeseburger in Paradise concept. During 2011, we recorded a recovery of a note receivable from T-Bird in connection with a settlement agreement that satisfied all outstanding litigation with T-Bird.

(d) Loss on extinguishment and modification of debt is related to the refinancing of OSI's senior secured credit facilities in the fourth quarter of 2012, the CMBS refinancing completed in the first quarter of 2012 and the retirement of OSI's senior notes in the third quarter of 2012. Refer to note (4) above for additional detail regarding these refinancing transactions.

(e) Income tax effect of adjustments for the years ended December 31, 2012, 2011 and 2010 were calculated using our full-year effective tax rates of 16.5%, 16.6% and 26.5%, respectively. Income tax effect of adjustments for the three months ended March 31, 2012 were calculated using our projected full-year effective tax rate of 19.2%.

(f) Gives pro forma effect to the issuance of shares in our initial public offering as if they were all outstanding on January 1, 2010. Refer to note (9) below for additional detail regarding our initial public offering.

(6) Represents combined comparable restaurant sales of our core domestic Company-owned restaurants open 18 months or more.

(7) Excludes restricted cash.

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

(9) On August 13, 2012, we completed an initial public offering in which (i) we issued and sold an aggregate of 14,196,845 shares of common stock (including 1,196,845 shares sold pursuant to an underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $156.2 million and (ii) certain of our stockholders sold 4,196,845 shares of our common stock (including 1,196,845 shares pursuant to the underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $46.2 million. We received net proceeds in the offering of approximately $142.2 million after deducting underwriting discounts and commissions of approximately $9.4 million on our sale of shares and $4.6 million of offering related expenses payable by us. We did not receive any proceeds from the sale of shares of common stock by the selling stockholders. All of the net proceeds, together with cash on hand, were applied to the retirement of OSI's outstanding senior notes.

RISK FACTORS

An investment in our common stock involves various risks. You should carefully consider the following risks and all of the other information contained in this prospectus before investing in our common stock. The risks described below are those that we believe are the material risks that we face. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment in our common stock.

Risks Related to Our Business and Industry

We face significant competition for customers, real estate and employees and competitive pressure to adapt to changes in conditions driving customer traffic. Our inability to compete effectively may affect our traffic, sales and profit margins, which could adversely affect our business, financial condition and results of operations.

The restaurant industry is intensely competitive with a substantial number of restaurant operators that compete directly and indirectly with us in respect to price, service, location and food quality, and there are other well-established competitors with significant financial and other resources. There is also active competition for management personnel as well as attractive suitable real estate sites. Consumer tastes, nutritional and dietary trends, traffic patterns and the type, number and location of competing restaurants often affect the restaurant business, and our competitors may react more efficiently and effectively to those conditions. Further, we face growing competition from the supermarket industry, with the improvement of their "convenient meals" in the deli and prepared food sections, and from quick service and fast casual restaurants, as a result of higher-quality food and beverage offerings by those restaurants. If we are unable to continue to compete effectively, our traffic, sales and margins could decline and our business, financial condition and results of operations would be adversely affected.

Challenging economic conditions may have a negative effect on our business and financial results through lower consumer confidence and discretionary spending, availability and cost of credit, foreign currency exchange rates and other items.

Challenging economic conditions may negatively impact consumer confidence and discretionary spending and thus cause a decline in our cash flows from operations. For example, the ongoing impacts of high unemployment, financial market volatility and unpredictability, the housing crisis, the so-called "sequester" and related governmental spending and budget matters, other national, regional and local regulatory and economic conditions, gasoline prices, reduced disposable consumer income and consumer confidence have had a negative effect on discretionary consumer spending. This has negatively affected customer traffic and comparable restaurant sales for us and throughout our industry thus far in 2013. We believe these factors and conditions, among other items, are creating a challenging sales environment in the casual dining sector for 2013. If challenging economic conditions persist for an extended period of time or worsen, consumers might make long-lasting changes to their discretionary spending behavior, including dining out less frequently. The ability of the U.S. economy to continue to recover from these challenging economic conditions is likely to be affected by many national and international factors that are beyond our control, including current economic trends in Europe. Continued weakness in or a further worsening of the economy, generally or in a number of our markets, and our customers' reactions to these trends could result in increased pressure with respect to our pricing, traffic levels and commodity costs and to continue our innovation and productivity initiatives, which could negatively impact our business and results of operations. These factors could also cause us to, among other things, reduce the number and frequency of new restaurant openings, close restaurants or delay remodeling of our existing restaurant locations.

In addition, as noted in our other risk factors, our high degree of leverage could increase our vulnerability to general economic and industry conditions and require that a substantial portion of cash flow from operations be dedicated to the payment of principal and interest on our indebtedness. Further, the availability of

credit already arranged for under our revolving credit facilities and the cost and availability of future credit may be adversely impacted by economic challenges. Foreign currency exchange rates for the countries in which we operate may decline. In addition, we may experience interruptions in supplies and other services from our third-party vendors as a result of market conditions. These disruptions in the economy are beyond our control, and there is no guarantee that any government response will restore consumer confidence, stabilize the economy or increase the availability of credit.

Loss of key management personnel could hurt our business and inhibit our ability to operate and grow successfully.

Our success will continue to depend, to a significant extent, on our leadership team and other key management personnel. If we are unable to attract and retain sufficiently experienced and capable management personnel, our business and financial results may suffer. If members of our leadership team or other key management personnel leave, we may have difficulty replacing them, and our business may suffer. There can be no assurance that we will be able to successfully attract and retain our leadership team and other key management personnel that we need.

Risks associated with our expansion and relocation plans may have adverse effects on our ability to increase revenues.

As part of our business strategy, we intend to continue to expand our current portfolio of restaurants. Current development schedules call for the construction of between 45 and 55 new system-wide locations in 2013 and we expect to increase the pace thereafter. We also plan to accelerate our restaurant relocation plan, primarily related to our Outback Steakhouse brand, beginning with the relocation of approximately 10 to 20 restaurants in 2013. A variety of factors could cause the actual results and outcome of those expansion and relocation plans to differ from the anticipated results, including among other things:

- our ability to generate sufficient funds from operations or to obtain acceptable financing to support our development;
- the availability of attractive sites for new restaurants and the ability to acquire or lease appropriate real estate at those sites at acceptable prices;
- our ability to obtain all required governmental permits, including zoning approvals and liquor licenses, on a timely basis;
- the impact of moratoriums or approval processes of state, local or foreign governments, which could result in significant delays;
- our ability to obtain all necessary contractors and sub-contractors;
- union activities such as picketing and hand billing, which could delay construction;
- our ability to negotiate suitable lease terms;
- our ability to recruit and train skilled management and restaurant employees;
- our ability to receive the premises from the landlord’s developer without any delays;
- weather, natural disasters and disasters beyond our control resulting in construction delays; and
- consumer tastes in new geographic regions and acceptance of our restaurant concepts.

Some of our new restaurants may take several months to reach planned operating levels due to lack of market awareness, start-up costs and other factors typically associated with new restaurants. There is also the possibility that new restaurants may attract customers away from other restaurants we own, thereby reducing the revenues of those existing restaurants or that we may lose customers due to relocation.

Development rates for each concept may differ significantly. The development of each concept may not be as successful as our experience in the past. It is difficult to estimate the performance of newly opened or relocated restaurants. Earnings achieved to date by restaurants open for less than two years may not be indicative of future operating results. Should enough of these new restaurants not meet targeted performance, it could have a material adverse effect on our operating results.

We could face labor shortages that could slow our growth and adversely impact our ability to operate our restaurants.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including managing partners, restaurant managers, kitchen staff and servers, necessary to keep pace with our anticipated expansion schedule and meet the needs of our existing restaurants. A sufficient number of qualified individuals of the requisite caliber to fill these positions may be in short supply in some communities. Competition in these communities for qualified staff could require us to pay higher wages and provide greater benefits. Any inability to recruit and retain qualified individuals may also delay the planned openings of new restaurants and could adversely impact our existing restaurants. Any such inability to retain or recruit qualified employees, increased costs of attracting qualified employees or delays in restaurant openings could adversely affect our business and results of operations.

Our business is subject to seasonal fluctuations and past results are not indicative of future results.

Historically, customer spending patterns for our established restaurants are generally highest in the first quarter of the year and lowest in the third quarter of the year. Additionally, holidays may affect sales volumes seasonally in some of the markets in which we operate. Our quarterly results have been and will continue to be affected by the timing of new restaurant openings and their associated pre-opening costs, as well as restaurant closures and exit-related costs and impairments of goodwill, intangible assets and property, fixtures and equipment. As a result of these and other factors, our financial results for any quarter may not be indicative of the results that may be achieved for a full fiscal year.

Significant adverse weather conditions and other disasters could negatively impact our results of operations.

Adverse weather conditions and natural disasters, such as regional winter storms, floods, major hurricanes and earthquakes, severe thunderstorms and other disasters, such as oil spills, could negatively impact our results of operations. Temporary and prolonged restaurant closures may occur and customer traffic may decline due to the actual or perceived effects from these events.

We may be required to use cash to pay one of our franchisees in connection with a put right under a settlement agreement, which could have an adverse impact on our development plans and operating results.

In connection with the settlement of litigation with T-Bird, which included the franchisees of 56 Outback Steakhouse restaurants in California, we entered into an agreement with T-Bird pursuant to which T-Bird has the right, referred to as the “Put Right,” to require us to purchase for cash all of the ownership interests in the T-Bird entities (which include general and limited partnership interests in such entities) that own 56 restaurants. The Put Right is exercisable by T-Bird until August 13, 2013. If the Put Right is exercised, we will pay a purchase price equal to a multiple of the T-Bird entities’ adjusted EBITDA, net of liabilities, for the trailing 12 months as of the closing of the purchase from T-Bird. The multiple will be equal to 75% of the multiple of our adjusted EBITDA for the same trailing 12-month period as reflected in our stock price. We have a one-time right to reject the exercise of the Put Right if the transaction would be dilutive to our consolidated

earnings per share. In that event, the Put Right is extended until the first anniversary of our notice to the T-Bird entities of that rejection. We have agreed to waive all rights of first refusal in our franchise arrangements with the T-Bird entities in connection with a sale of all, and not less than all, of the assets, or at least 75% of the ownership, of the T-Bird entities. If the Put Right is exercised, we will have to use cash to pay the purchase price that could have been allocated to more profitable development initiatives or other business needs, and we will then own restaurants that may not fit our current expansion criteria. This could have an adverse impact on our operating results.

We have limited control with respect to the operations of our franchisees and joint venture partners, which could have a negative impact on our business.

Our franchisees and joint venture partners are obligated to operate their restaurants according to the specific guidelines we set forth. We provide training opportunities to these franchisees and joint venture partners to fully integrate them into our operating strategy. However, since we do not have control over these restaurants, we cannot give assurance that there will not be differences in product quality or that there will be adherence to all of our guidelines at these restaurants. The failure of these restaurants to operate effectively or in accordance with our guidelines could adversely affect our cash flows from those operations or have a negative impact on our reputation or our business.

Our failure to comply with government regulation, and the costs of compliance or non-compliance, could adversely affect our business.

We are subject to various federal, state, local and foreign laws affecting our business. Each of our restaurants is subject to licensing and regulation by a number of governmental authorities, which may include, among others, alcoholic beverage control, health and safety, nutritional menu labeling, health care, environmental and fire agencies in the state, municipality or country in which the restaurant is located. Difficulty in obtaining or failing to obtain the required licenses or approvals could delay or prevent the development of a new restaurant in a particular area. Additionally, difficulties or inabilities to retain or renew licenses, or increased compliance costs due to changed regulations, could adversely affect operations at existing restaurants.

Approximately 15% of our consolidated restaurant sales are attributable to the sale of alcoholic beverages. Alcoholic beverage control regulations require each of our restaurants to apply to a state authority and, in certain locations, county or municipal authorities for a license or permit to sell alcoholic beverages on the premises and to provide service for extended hours and on Sundays. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of daily operations of our restaurants, including minimum age of patrons and employees, hours of operation, advertising, training, wholesale purchasing, inventory control and handling and storage and dispensing of alcoholic beverages. The failure of a restaurant to obtain or retain liquor or food service licenses would adversely affect the restaurant's operations. Additionally, we are subject in certain states to "dram shop" statutes, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person.

Our restaurant operations are also subject to federal and state labor laws, including the Fair Labor Standards Act, governing such matters as minimum wages, overtime, tip credits and worker conditions. Our employees who receive tips as part of their compensation, such as servers, are generally paid at a minimum wage rate, after giving effect to applicable tip credits. We rely on our employees to accurately disclose the full amount of their tip income, and we base our FICA tax reporting on the disclosures provided to us by such tipped employees. Our other personnel, such as our kitchen staff, are typically paid in excess of minimum wage. As significant numbers of our food service and preparation personnel are paid at rates related to the applicable minimum wage, further increases in the minimum wage, including the recent proposal by President Obama to increase the federal minimum wage by $1.75 per hour and index future increases to inflation, or other changes in these laws could increase our labor costs. Our ability to respond to minimum wage increases by increasing menu prices will depend on the responses of our competitors and customers.

Further, we continue to assess our health care benefit costs. Due to the breadth and complexity of federal health care legislation and the staggered implementation of its provisions and corresponding regulations, it is difficult to predict the overall impact of the health care legislation on our business over the coming years. Although these laws do not mandate that employers offer health insurance to all employees who are eligible under the legislation, beginning in 2014 penalties will be assessed on large employers who do not offer health insurance that meets certain affordability or benefit requirements. Providing health insurance benefits to employees that are more extensive than the health insurance benefits we currently provide and to a potentially larger proportion of our employees, or the payment of penalties if the specified level of coverage is not provided at an affordable cost to employees, will increase our expenses. If we are unable to raise our prices or cut other costs to cover this expense, such increases in expenses could materially reduce our operating profit. Our distributors and suppliers also may be affected by higher minimum wage and benefit standards, which could result in higher costs for goods and services supplied to us.

The Patient Protection and Affordability Act of 2010 (the "PPACA") enacted in March 2010 requires chain restaurants with 20 or more locations in the United States to comply with federal nutritional disclosure requirements. The FDA has indicated that it intends to issue final regulations by the end of 2013 and begin enforcing the regulations shortly thereafter. A number of states, counties and cities have also enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to customers, or have enacted legislation restricting the use of certain types of ingredients in restaurants. Although the federal legislation is intended to preempt conflicting state or local laws on nutrition labeling, until we are required to comply with the federal law we will be subject to a patchwork of state and local laws and regulations regarding nutritional content disclosure requirements. Many of these requirements are inconsistent or are interpreted differently from one jurisdiction to another. The effect of such labeling requirements on consumer choices, if any, is unclear at this time. We may also become subject to other legislation or regulation seeking to tax or regulate high fat and high sodium foods, particularly in the United States, which could be costly to comply with.

There is also a potential for increased regulation of food in the United States under the recent changes in the Hazard Analysis & Critical Control Points ("HACCP") system requirements. HACCP refers to a management system in which food safety is addressed through the analysis and control of potential hazards from production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Many states have required restaurants to develop and implement HACCP Systems and the United States government continues to expand the sectors of the food industry that must adopt and implement HACCP programs. For example, the Food Safety Modernization Act (the "FSMA"), enacted in January 2011, granted the FDA new authority regarding the safety of the entire food system, including through increased inspections and mandatory food recalls. Although restaurants are specifically exempted from or not directly implicated by some of these new requirements, we anticipate that the new requirements may impact our industry. Additionally, our suppliers may initiate or otherwise be subject to food recalls that may impact the availability of certain products, result in adverse publicity or require us to take actions that could be costly for us or otherwise harm our business.

We are subject to the Americans with Disabilities Act, or the ADA, which, among other things, requires our restaurants to meet federally mandated requirements for the disabled. The ADA prohibits discrimination in employment and public accommodations on the basis of disability. Under the ADA, we could be required to expend funds to modify our restaurants to provide service to, or make reasonable accommodations for the employment of, disabled persons. In addition, our employment practices are subject to the requirements of the Immigration and Naturalization Service relating to citizenship and residency.

We are also subject to laws and regulations relating to information security, privacy, cashless payments, gift cards and consumer credit, protection and fraud, and any failure or perceived failure to comply with these laws and regulations could harm our reputation or lead to litigation, which could adversely affect our financial condition.

Changes in tax laws and unanticipated tax liabilities could adversely affect the taxes we pay and our profitability.

We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Our effective income tax rate in the future could be adversely affected by a number of factors, including: changes in the mix of earnings in countries with different statutory tax rates; changes in the valuation of deferred tax assets and liabilities; changes in tax laws; the outcome of income tax audits; and any repatriation of non-U.S. earnings for which we have not previously provided for U.S. taxes. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals. The results of a tax audit could have a material effect on our income tax provision, results of operations or cash flows in the period or periods for which that determination is made. In addition, our effective income tax rate and our results may be impacted by our ability to realize deferred tax benefits and by any release of our valuation allowances applied to our existing deferred tax assets.

We face a variety of risks associated with doing business in foreign markets that could have a negative impact on our financial performance.

We have a significant number of franchised, joint venture and Company-owned Outback Steakhouse restaurants outside the United States, and we intend to continue our efforts to grow internationally. Although we believe we have developed an appropriate support structure for international operations and growth, there is no assurance that international operations will be profitable or international growth will continue.

Our foreign operations are subject to all of the same risks as our domestic restaurants, as well as additional risks including, among others, international economic and political conditions and the possibility of instability and unrest, differing cultures and consumer preferences, diverse government regulations and tax systems, the ability to source high quality ingredients and other commodities in a cost-effective manner, uncertain or differing interpretations of rights and obligations in connection with international franchise agreements and the collection of ongoing royalties from international franchisees, the availability and cost of land and construction costs, and the availability of experienced management, appropriate franchisees and area operating partners.

Currency regulations and fluctuations in exchange rates could also affect our performance. We have direct investments in restaurants in South Korea, Hong Kong, China and Brazil, as well as international franchises in 15 other countries and Guam. As a result, we may experience losses from foreign currency translation, and such losses could adversely affect our overall sales and earnings.

We are subject to governmental regulation throughout the world, including 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. Any new regulatory or trade initiatives could impact our operations in certain countries. 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.

Increased commodity, energy and other costs could decrease our profit margins or cause us to limit or otherwise modify our menus, which could adversely affect our business.

The performance of our restaurants depends on our ability to anticipate and react to changes in the price and availability of food commodities, including among other things beef, chicken, seafood, butter, cheese and produce. Prices may be affected due to market changes, increased competition, the general risk of inflation, shortages or interruptions in supply due to weather, disease or other conditions beyond our control, or other reasons. Increased prices or shortages could affect the cost and quality of the items we buy or require us to raise prices or limit our menu options. For example, in 2012, commodity costs increased by approximately 3% and, as

a result, we increased our prices at each of our concepts in the range of 2.0% to 2.3%. These events, combined with other more general economic and demographic conditions, could impact our pricing and negatively affect our sales and profit margins.

The performance of our restaurants is also adversely affected by increases in the price of utilities, such as natural gas, whether as a result of inflation, shortages or interruptions in supply, or otherwise. We use derivative instruments to mitigate some of our overall exposure to material increases in natural gas prices. We do not apply hedge accounting to these instruments, and any changes in the fair value of the derivative instruments are marked-to-market through earnings in the period of change. To date, the effects of these derivative instruments have been immaterial to our financial statements for all periods presented.

Our business also incurs significant costs for insurance, labor, marketing, taxes, real estate, borrowing and litigation, all of which could increase due to inflation, changes in laws, competition or other events beyond our control.

Our ability to respond to increased costs by increasing menu prices or by implementing alternative processes or products will depend on our ability to anticipate and react to such increases and other more general economic and demographic conditions, as well as the responses of our competitors and customers. All of these things may be difficult to predict and beyond our control. In this manner, increased costs could adversely affect our performance.

Infringement of our intellectual property could diminish the value of our restaurant concepts and harm our business.

We regard our service marks, including "Outback Steakhouse," "Carrabba's Italian Grill," "Bonefish Grill," "Fleming's Prime Steakhouse and Wine Bar" and "Roy's" and our "Bloomin' Onion" trademark as having significant value and as being important factors in the marketing of our restaurants. We have also obtained trademarks for several of our other menu items and for various advertising slogans. In addition, the overall layout, appearance and designs of our restaurants are valuable assets. We believe that these and other intellectual property are valuable assets that are critical to our success. We rely on a combination of protections provided by contracts, copyrights, trademarks, 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 and have other registration applications pending in the United States and foreign jurisdictions. However, not all of the trademarks or service marks that we currently use have been registered in all of the countries in which we do business, and they may never be registered in all of these countries. There may not be adequate protection for certain intellectual property such as the overall appearance of our restaurants. We are aware of names and marks similar to our service marks being used by other persons in certain geographic areas in which we have restaurants. Although we believe such uses will not adversely affect us, further or currently unknown unauthorized uses or other misappropriation of our trademarks or service marks could diminish the value of our brands and restaurant concepts and may adversely affect our business. We may be unable to detect such unauthorized use of, or take appropriate steps to enforce, our intellectual property rights.

Effective intellectual property protection may not be available in every country in which we have or intend to open or franchise a restaurant. Failure to adequately protect our intellectual property rights could damage or even destroy our brands and impair our ability to compete effectively. Even where we have effectively secured statutory protection for intellectual property, our competitors may misappropriate our intellectual property and our employees, consultants and suppliers may breach their obligations not to reveal our confidential information, including trade secrets. Although we have taken appropriate measures to protect our intellectual property, there can be no assurance that these protections will be adequate or that our competitors will not independently develop products or concepts that are substantially similar to our restaurants and services. Despite our efforts, it may be possible for third-parties to reverse-engineer, otherwise obtain, copy, and use information that we regard as proprietary. Furthermore, defending or enforcing our trademark rights, branding practices and

other intellectual property, and seeking injunctions against and/or compensation for misappropriation of confidential information, could result in the expenditure of significant resources.

Restaurant companies, including ours, have been the target of class action lawsuits and other proceedings alleging, among other things, violations of federal and state workplace and employment laws. Proceedings of this nature are costly, divert management attention and, if successful, could result in our payment of substantial damages or settlement costs.

Our business is subject to the risk of litigation by employees, consumers, suppliers, franchisees, minority investors, stockholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action and regulatory actions, is difficult to assess or quantify. In recent years, we and other restaurant companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted from time to time alleging violations of various federal and state wage and hour laws regarding, among other things, employee meal deductions, the sharing of tips among certain employees, overtime eligibility of assistant managers and failure to pay for all hours worked. If we are required to pay substantial damages and expenses as a result of these or other types of lawsuits our business and results of operations would be adversely affected.

Occasionally, our customers file complaints or lawsuits against us alleging that we are responsible for some illness or injury they suffered at or after a visit to one of our restaurants, including actions seeking damages resulting from food borne illness and relating to notices with respect to chemicals contained in food products required under state law. We are also subject to a variety of other claims from third parties arising in the ordinary course of our business, including personal injury claims, contract claims and claims alleging violations of federal and state laws. In addition, our restaurants are subject to state “dram shop” or similar laws which generally allow a person to sue us if that person was injured by a legally intoxicated person who was wrongfully served alcoholic beverages at one of our restaurants. The restaurant industry has also been subject to a growing number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers. We may also be subject to lawsuits from our employees, the U.S. Equal Employment Opportunity Commission or others alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. For example, in December 2009, we entered into a Consent Decree in settlement of certain litigation brought by the U.S. Equal Employment Opportunity Commission alleging gender discrimination in promotions to management within the Outback Steakhouse organization, which required us to make a settlement payment of $19.0 million. In addition, during the four-year term of the Consent Decree, we are required to fulfill certain training, record-keeping and reporting requirements and maintain an open access system for restaurant employees to express interest in promotions within the Outback Steakhouse organization, and employ a human resources executive.

Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from our operations. In addition, they may generate negative publicity, which could reduce customer traffic and sales. Although we maintain what we believe to be adequate levels of insurance, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims or any adverse publicity resulting from claims could adversely affect our business and results of operations.

Our insurance policies may not provide adequate levels of coverage against all claims, and fluctuating insurance requirements and costs could negatively impact our profitability.

We are self-insured, or carry insurance programs with specific retention levels or deductibles, for a significant portion of our risks and associated liabilities with respect to workers’ compensation, general liability, liquor liability, employment practices liability, property, health benefits and other insurable risks. However, there

are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure. These losses, if they occur, could have a material and adverse effect on our business and results of operations. Additionally, health insurance costs in general have risen significantly over the past few years and are expected to continue to increase. These increases could have a negative impact on our profitability, and there can be no assurance that we will be able to successfully offset the effect of such increases with plan modifications and cost control measures, additional operating efficiencies or the pass-through of such increased costs to our customers or employees.

Conflict or terrorism could negatively affect our business.

We cannot predict the effects of actual or threatened armed conflicts or terrorist attacks, efforts to combat terrorism, military action against any foreign state or group located in a foreign state or heightened security requirements on local, regional, national, or international economies or consumer confidence. Such events could negatively affect our business, including by reducing customer traffic or the availability of commodities.

If our advertising and marketing programs are unsuccessful in maintaining or driving increased customer traffic or are ineffective in comparison to those of our competitors, our results of operations could be adversely affected.

We conduct ongoing promotion-based brand awareness advertising campaigns and customer loyalty programs. If these programs are not successful or conflict with evolving customer preferences, we may not increase or maintain our customer traffic and will incur expenses without the benefit of higher revenues. In addition, if our competitors increase their spending on marketing and advertising programs, or develop more effective campaigns, this could have a negative effect on our brand relevance, customer traffic and results of operations.

Unfavorable publicity could harm our business by reducing demand for our concepts or specific menu offerings.

Our business could be negatively affected by publicity resulting from complaints or litigation, either against us or other restaurant companies, alleging poor food quality, food-borne illness, personal injury, adverse health effects (including obesity) or other concerns. Regardless of the validity of any such allegations, unfavorable publicity relating to any number of restaurants or even a single restaurant could adversely affect public perception of the entire brand.

Additionally, unfavorable publicity towards a food product generally could negatively impact our business. For example, publicity regarding health concerns or outbreaks of disease in a food product, such as bovine spongiform encephalopathy (also known as “mad cow” disease), could reduce demand for our menu offerings. These factors could have a material adverse effect on our business.

Consumer reaction to public health issues, such as an outbreak of flu viruses or other diseases, could have an adverse effect on our business.

Our business could be harmed if the United States or other countries in which we operate experience an outbreak of flu viruses or other diseases. If a virus is transmitted by human contact, our employees or customers could become infected or could choose or be advised to avoid gathering in public places. This could adversely affect our restaurant traffic, our ability to adequately staff our restaurants, our ability to receive deliveries on a timely basis or our ability to perform functions at the corporate level. Our business could also be negatively affected if mandatory closures, voluntary closures or restrictions on operations are imposed in the jurisdictions in which we operate. 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 have a material adverse effect on our business.

Food safety and food-borne illness concerns throughout the supply chain may have an adverse effect on our business by reducing demand and increasing costs.

Food safety issues could be caused 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 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.

The food service industry is affected by consumer preferences and perceptions. Changes in these preferences and perceptions may lessen the demand for our products, which would reduce sales and harm our business.

Food service businesses are affected by changes in consumer tastes and demographic trends. For instance, if prevailing health or dietary preferences cause consumers to avoid steak and other products we offer in favor of foods that are perceived as more healthy, our business and operating results would be harmed.

We have a limited number of suppliers for our major products and rely on one custom distribution company for our national distribution program in the U.S. If our suppliers or custom distributor are unable to fulfill their obligations under their contracts or we are unable to develop or maintain relationships with these or new suppliers or distributors, if needed, we could encounter supply shortages and incur higher costs.

We have a limited number of suppliers for our major products, such as beef. In 2012, we purchased more than 75% of our beef raw materials from four beef suppliers who represent approximately 85% of the total beef marketplace in the U.S. Due to the nature of our industry, we expect to continue to purchase a substantial amount of our beef from a small number of suppliers. In addition, we use one distribution company to provide distribution services in the U.S. Although we have not experienced significant problems with our suppliers or distributor, if our suppliers or distributor are unable to fulfill their obligations under their contracts, we could encounter supply shortages and incur higher costs. In addition, if we are unable to maintain current purchasing terms or ensure service availability with our suppliers and distributor, we may lose customers and experience an increase in costs in seeking alternative supplier services. The failure to develop and maintain supplier and distributor relationships and any resulting disruptions to the provision of food and other supplies to our restaurant locations could adversely affect our operating results.

Shortages or interruptions in the supply or delivery of fresh food products could adversely affect our operating results.

We are dependent on frequent deliveries of fresh food products that meet our specifications. Shortages or interruptions in the supply of fresh food products caused by unanticipated demand, problems in production or distribution, inclement weather or other conditions could adversely affect the availability, quality and cost of ingredients, which would adversely affect our operating results.

We outsource certain accounting processes to a third-party vendor, which subjects us to many risks that could disrupt our business, increase our costs and negatively impact our internal control processes.

In early 2011, we began to outsource certain accounting processes to a third-party vendor. The third-party vendor may not be able to handle the volume of activity or perform the quality of service that we have currently achieved at a cost-effective rate, which could adversely affect our business. The decision to outsource was made based on cost savings initiatives; however, we may not achieve these savings because of unidentified

intangible costs and legal and regulatory matters, which could adversely affect our results of operations or financial condition. In addition, the performance of certain business processes in an outsourced capacity could negatively impact our internal control processes.

We rely heavily on information technology in our operations and any material failure, weakness, interruption or breach of security could prevent us from effectively operating our business.

We rely heavily on information systems across our operations and corporate functions, including point-of-sale processing in our restaurants, management of our supply chain, payment of obligations, collection of cash, data warehousing to support analytics, finance and accounting systems, labor optimization tools and other various processes and procedures. Our ability to efficiently and effectively manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, or a breach in security of these systems could result in delays in customer service and reduce efficiency in our operations. Remediation of such problems could result in significant unplanned capital investments.

We are also in the process of implementing a finance and accounting system. Large-scale system implementations are complex and time-consuming projects that are capital intensive and can span 12 months or longer. Certain business and financial processes will also require transformation in order to effectively leverage the system's benefits. Our business and results of operations may be adversely affected if we experience system usage problems and/or cost overruns during the implementation process, or if associated process changes do not give rise to the benefits that we expect. Additionally, if we do not effectively implement the system as planned or if the system does not operate as intended, it could adversely affect the effectiveness of our internal controls over financial reporting.

Security breaches of confidential customer information or personal employee information may adversely affect our business.

The majority of our restaurant sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information of their customers has been stolen. We also maintain certain personal information regarding our employees. We may in the future become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our customers' credit or debit card information or if customer or employee information is obtained by unauthorized persons or used inappropriately. Any such claim or proceeding, or any adverse publicity resulting from such an event, may have a material adverse effect on our business.

An impairment in the carrying value of our goodwill or other intangible assets could adversely affect our financial condition and results of operations.

We test goodwill for impairment in the second quarter of each fiscal year and whenever events or changes in circumstances indicate that impairment may have occurred. 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 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 results of operations. We compare the carrying value of a reporting unit, including goodwill, to the fair value of the reporting 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 and a second step is required to measure a goodwill impairment loss, if any. We are required to record a non-cash impairment charge if the testing performed indicates that goodwill has been impaired.

We evaluate our other intangible assets, primarily the Outback Steakhouse (domestic and international), Carrabba's Italian Grill, Bonefish Grill, Fleming's Prime Steakhouse and Wine Bar and Roy's trademarks or trade names, 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 for impairment in the second quarter of each fiscal year and whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We estimate the fair value of these indefinite-lived intangible assets based on an income valuation model using the relief from royalty method, which requires assumptions related to projected revenues from our annual long-range plan, assumed royalty rates that could be payable if we did not own the assets and a discount rate.

During the years ended December 31, 2012, 2011 and 2010, we did not record any goodwill or material intangible asset impairment charges. However, during the year ended December 31, 2009, we recorded goodwill and intangible asset impairment charges of $58.1 million and $43.7 million, respectively. We cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill or other intangible assets become impaired in the future, there could be an adverse effect on our financial condition and results of operations.

Changes to estimates related to our property, fixtures and equipment and definite-lived intangible assets or operating results that are lower than our current estimates at certain restaurant locations may cause us to incur impairment charges on certain long-lived assets, which may adversely affect our results of operations.

In accordance with accounting guidance as it relates to the impairment of long-lived assets, we make certain estimates and projections with regard to individual restaurant operations, as well as our overall performance, in connection with our impairment analyses for long-lived assets. When impairment triggers are deemed to exist for any location, the estimated undiscounted future cash flows are compared to its carrying value. If the carrying value exceeds the undiscounted cash flows, an impairment charge equal to the difference between the carrying value and the sum of the discounted cash flows is recorded. The projections of future cash flows used in these analyses require the use of judgment and a number of estimates and projections of future operating results. If actual results differ from our estimates, additional charges for asset impairments may be required in the future. If impairment charges are significant, our results of operations could be adversely affected.

The possibility of future misstatement exists due to inherent limitations in our control systems, which could adversely affect our business.

We cannot be certain that our internal control over financial reporting and disclosure controls and procedures will prevent all possible error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of error or fraud, if any, in our Company have been detected. These inherent

limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake, which could have an adverse impact on our business.

Our reported financial results may be adversely affected by changes in accounting principles applicable to us.

Generally accepted accounting principles in the U.S. are subject to interpretation by the Financial Accounting Standards Board, or FASB, the American Institute of Certified Public Accountants, the Securities and Exchange Commission ("SEC") and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change, such as standards relating to leasing. In addition, the SEC has announced a multi-year plan that could ultimately lead to the use of International Financial Reporting Standards by U.S. issuers in their SEC filings. Any such change could have a significant effect on our reported financial results.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to fund our operations, which could prevent us from meeting our obligations.

We have no direct operations and derive all of our cash flow from our subsidiaries. Because we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments or distributions to fund our operations. Our ability to obtain funds from our subsidiaries is limited by our debt agreements. Our inability to comply with these covenants and the deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us.

Risks Related to Our Indebtedness

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and expose us to interest rate risk in connection with our variable-rate debt.

We are highly leveraged. As of March 31, 2013, our total indebtedness was approximately $1.5 billion. As of March 31, 2013, we also had approximately $187.4 million in available unused borrowing capacity under our revolving credit facility (after giving effect to undrawn letters of credit of approximately $37.6 million).

Our high degree of leverage could have important consequences, including:

- making it more difficult for us to make payments on indebtedness;
- increasing our vulnerability to general economic, industry and competitive conditions;
- increasing our cost of borrowing;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates because certain of our borrowings under our senior secured credit facilities and commercial mortgage-backed securities loans are at variable rates of interest;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;

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- limiting our ability to obtain additional financing for working capital, capital expenditures, restaurant development, debt service requirements, acquisitions and general corporate or other purposes; and

- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who may not be as highly leveraged.

We may incur substantial additional indebtedness in the future, subject to the restrictions contained in our New Facilities and the 2012 CMBS Loan. If new indebtedness is added to our current debt levels, the related risks that we now face could increase.

At March 31, 2013, approximately $975.0 million of debt outstanding under our New Facilities and approximately $48.7 million of our 2012 CMBS Loan bear interest based on a floating rate index. An increase in these floating rates could cause a material increase in our interest expense.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

We are a holding company and conduct our operations through our subsidiaries, certain of which have incurred their own indebtedness. Our subsidiaries' debt agreements contain various covenants that limit our ability to obtain funds from our subsidiaries through dividends, loans or advances. In addition, certain of our debt agreements limit our and our subsidiaries' ability to, among other things, incur or guarantee additional indebtedness, pay dividends on, redeem or repurchase our capital stock, make certain acquisitions or investments, incur or permit to exist certain liens, enter into transactions with affiliates or sell our assets to, merge or consolidate with or into, another company. Our debt agreements require us to satisfy certain financial tests and ratios. Our ability to satisfy such tests and ratios may be affected by events outside of our control.

If we breach the covenants under our debt agreements, the lenders could elect to declare all amounts outstanding under the agreements to be immediately due and payable and terminate all commitments to extend further credit. If we are unable to repay those amounts, the lenders under the New Facilities and the 2012 CMBS Loan could proceed against the collateral granted to them to secure that indebtedness. We have pledged substantially all of our assets as collateral under our New Facilities and the 2012 CMBS Loan. If the lenders under the New Facilities and the 2012 CMBS Loan accelerate the repayment of borrowings, we cannot be certain that we will have sufficient assets to repay them.

We may not be able to generate sufficient cash to service all of our indebtedness and operating lease obligations, and we may be forced to take other actions to satisfy our obligations under our indebtedness and operating lease obligations, which may not be successful. If we fail to meet these obligations, we would be in default under our debt agreements and the lenders could elect to declare all amounts outstanding under them to be immediately due and payable and terminate all commitments to extend further credit.

Our ability to make scheduled payments on or to refinance our debt obligations and to satisfy our operating lease obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business and other factors beyond our control. We cannot be certain that we will maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, or to pay our operating lease obligations. If our cash flow and capital resources are insufficient to fund our debt service obligations and operating lease obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of sufficient operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations or take other actions to meet our debt service and other obligations. Our debt agreements restrict our ability to dispose of assets and how we may use

the proceeds from the disposition. We may not be able to consummate those dispositions or obtain the proceeds that we could otherwise realize from such dispositions and any such proceeds that are realized may not be adequate to meet any debt service obligations then due. The failure to meet our debt service obligations or the failure to remain in compliance with the financial covenants under our debt agreements would constitute an event of default under those agreements and the lenders could elect to declare all amounts outstanding under them to be immediately due and payable and terminate all commitments to extend further credit.

Risks Related to this Offering and Our Common Stock

We are a "controlled company" within the meaning of Nasdaq Stock Market ("Nasdaq") rules, and as a result, we qualify for, and rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

An investor group consisting of investment funds advised by our Sponsors and two of our Founders controls a majority of the voting power of our outstanding common stock and, upon completion of this offering, will continue to hold a controlling interest in us. As a result, we qualify as a "controlled company" within the meaning of the corporate governance rules of Nasdaq. "Controlled companies" under those rules are companies of which more than 50% of the voting power is held by an individual, a group or another company. Each member of the investor group has filed a Statement of Beneficial Ownership on Schedule 13G with the SEC relating to its respective holdings and the group's arrangements with respect to disposition of the shares. On this basis, we currently avail ourselves of the "controlled company" exception under the Nasdaq rules and elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our Board of Directors consist of independent Directors;
- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent Directors, or otherwise have Director nominees selected by vote of a majority of the independent directors;
- the requirement that we have a compensation committee that is composed entirely of independent Directors; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

We utilize these exemptions, as we do not currently have a majority of independent Directors and our compensation committee and nominating and corporate governance committee do not consist entirely of independent Directors. Accordingly, you do not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.

The investor group, however, is not subject to any contractual obligation to retain its controlling interest except that the members of the group have agreed, subject to certain exceptions, not to sell or otherwise dispose of any shares of our common stock or other capital stock or other securities exercisable or convertible therefor for a period of at least 90 days after the date of this prospectus without the prior written consent of the underwriters for this offering. Except for this brief period, there can be no assurance as to the period of time during which such investor group will maintain its ownership of our common stock following the offering.

Our stock price is subject to volatility and, as a result, you may not be able to resell your shares at or above the price you paid for them.

Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for your shares. Since our initial public offering in August 2012 through May 7,

2013, the price of our common stock, as reported by Nasdaq, has ranged from a low of $11.57 on August 8, 2012 to a high of $22.50 on May 7, 2013. The stock market in general has been highly volatile. As a result, the market price of our common stock is similarly volatile. You may experience a decrease, which could be substantial, in the value of your stock, including decreases unrelated to our operating performance or prospects, and you could lose part or all of your investment. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this prospectus and others such as:

- actual or anticipated fluctuations in our quarterly or annual operating results and the performance of our competitors;
- publication of research reports by securities analysts about us, our competitors or our industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- sales, or anticipated sales, of large blocks of our stock or of shares held by our Directors, executive officers, Sponsors or Founders;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- speculation in the press or investment community, whether or not correct, involving us, our suppliers or our competitors;
- changes in accounting principles;
- litigation and governmental investigations;
- terrorist acts, acts of war or periods of widespread civil unrest;
- a food borne illness outbreak;
- natural disasters and other calamities; and
- changes in general market and economic conditions.

As we operate in a single industry, we are especially vulnerable to these factors to the extent that they affect our industry or our products. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

There may be sales of a substantial amount of our common stock by our current stockholders, and these sales could cause the price of our common stock to fall.

Sales of substantial amounts of our common stock in the public market, or the perception that such sales will occur, could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future.

At May 6, 2013, there were 123,165,107 shares of our common stock issued and outstanding. Of these shares, the 18,393,690 shares sold in our initial public offering are eligible for immediate sale in the public market without restriction by persons other than our affiliates and the 17,000,000 shares to be sold in this offering (which includes 300,000 shares to be issued and sold upon exercise of options held by certain selling stockholders), plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will become eligible for immediate sale in the public market without restriction by persons other than our affiliates.

Upon the completion of this offering, it is expected that an aggregate of approximately 63.7% of our issued and outstanding shares will continue to be held by an investor group consisting of investment funds associated with our Sponsors and two of our Founders, assuming the underwriters do not exercise their option to purchase additional shares. Pursuant to a registration rights agreement that we are party to with our Sponsors and our Founders, beginning 90 days after the date of this prospectus, and after the expiration of the lock-up agreement related to this offering, subject to certain exceptions and automatic extensions in certain circumstances, our Sponsors and our Founders may require us to register additional shares for resale under federal securities laws. Registration of such shares would allow our Sponsors and/or Founders, as applicable, to immediately sell the shares into the public market and shares that are sold pursuant to any such registration statement would become eligible for sale without restriction by persons other than our affiliates.

We filed registration statements on Form S-8 under the Securities Act registering the issuance of shares of our common stock upon the exercise of 12,362,216 options that were outstanding under our 2007 Equity Incentive Plan (the "2007 Equity Plan") at the time of our initial public offering and up to 5,422,969 shares issuable under our 2012 Incentive Award Plan (the "2012 Equity Plan"). As a result such registration, any such shares issued to persons other than our affiliates will be freely tradable in the public market. However, our existing stockholders were subject to a lock-up agreement restricting sales of our common stock from the date of our initial public offering until February 3, 2013. Many of these holders are subject to our insider trading policy and some can engage in transactions in our common stock only during designated trading windows, which will impact the timing of any sales by any such holders.

Provisions in our certificate of incorporation and bylaws, our 2012 CMBS Loan documents and Delaware law may discourage, delay or prevent a change of control of our Company or changes in our management and, therefore, may depress the trading price of our stock.

Our certificate of incorporation and bylaws include certain provisions that could have the effect of discouraging, delaying or preventing a change of control of our Company or changes in our management, including, among other things:

- our Board of Directors is classified into three classes of Directors with only one class subject to election each year;
- restrictions on the ability of our stockholders to fill a vacancy on the Board of Directors;
- our ability to issue preferred stock with terms that the Board of Directors may determine, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the inability of our stockholders to call a special meeting of stockholders;
- our Directors may only be removed from the Board of Directors for cause by the affirmative vote of the holders of at least 75% of the voting power of outstanding shares of our capital stock entitled to vote generally in the election of Directors;
- the absence of cumulative voting in the election of Directors, which may limit the ability of minority stockholders to elect Directors; and

- advance notice requirements for stockholder proposals and nominations, which may discourage or deter a potential acquirer from soliciting proxies to elect a particular slate of Directors or otherwise attempting to obtain control of us.

In addition, the mortgage loan agreement for the 2012 CMBS Loan requires that our Sponsors, our Founders and our management stockholders or other permitted holders either own no less than 51% of our common stock or if they do not, that certain other conditions are satisfied. These provisions in our certificate of incorporation and bylaws and the 2012 CMBS Loan documents may discourage, delay or prevent a transaction involving a change in control of our Company that is in the best interests of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts.

Section 203 of the Delaware General Corporation Law may affect the ability of an “interested stockholder” to engage in certain business combinations, including mergers, consolidations or acquisitions of additional shares, for a period of three years following the time that the stockholder becomes an “interested stockholder.” An “interested stockholder” is defined to include persons owning directly or indirectly 15% or more of the outstanding voting stock of a corporation. We have elected in our certificate of incorporation not to be subject to Section 203 of the Delaware General Corporation Law. However, our certificate of incorporation contains provisions that have the same effect as Section 203, except that they provide that our Sponsors and their respective affiliates will not be deemed to be “interested stockholders,” regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

If securities analysts or industry analysts downgrade our stock, publish negative research or reports, or do not publish reports about our business, our stock price and trading volume could decline.

The trading market for our common stock may be influenced by the research and reports that industry or securities analysts publish about us, our business and our industry. If one or more analysts adversely change their recommendation regarding our stock or our competitors’ stock, our stock price would likely decline. If one or more analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our Sponsors and Founders have significant influence over us, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of key transactions, including a change of control.

We are currently controlled, and, upon completion of this offering, will continue to be controlled, by an investor group consisting of investment funds advised by our Sponsors and two of our Founders. At May 6, 2013, such group beneficially owned an aggregate of approximately 77.2% of our outstanding common stock. Upon completion of this offering, it is expected that such group will beneficially own approximately 63.7% of our outstanding common stock, assuming the underwriters do not exercise their option to purchase additional shares. For as long as such group continues to beneficially own shares of common stock representing more than 50% of the voting power of our common stock, it will be able to direct the election of all of the members of our Board of Directors and could exercise a controlling influence over our business and affairs, including any determinations with respect to mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional common stock or other equity securities, the repurchase or redemption of common stock and the payment of dividends. Similarly, the investor group will have the power to determine matters submitted to a vote of our stockholders without the consent of our other stockholders, will be able to prevent or approve a change in our control and could take other actions that might be favorable to the members of the group. Even if the investor group’s ownership falls below 50%, our Sponsors will continue to be able to strongly influence or effectively control our decisions. In addition, pursuant to our Stockholders Agreement, our Sponsors have the right, subject to certain conditions, to nominate representatives to our Board of Directors and committees of our Board of Directors so long as they collectively own more than 3% of our outstanding common stock. See “Related Party Transactions—Arrangements with Our Investors.”

Additionally, certain of our Directors are also officers or control persons of our Sponsors. Although these Directors owe a fiduciary duty to manage us in a manner beneficial to us and our stockholders, these individuals also owe fiduciary duties to these other entities and their stockholders, members and limited partners. Because our Sponsors have such interests in other companies and engage in other business activities, certain of our Directors may experience conflicts of interest in allocating their time and resources among our business and these other activities. One of our Founders also currently serve as our Directors and, due to his interests in certain transactions with us and our affiliates, he may also experience conflicts of interest. Furthermore, these individuals could make substantial profits as a result of investment opportunities allocated to entities other than us. As a result, these individuals could pursue transactions that may not be in our best interest, which could have a material adverse effect on our operations and your investment.

Because we have no plans to pay cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board of Directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur, including our New Facilities. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it. See “Dividend Policy.”

Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, existing stockholders may experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will," "should," "could" or "would" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the "Risk Factors" section of this filing, which include, but are not limited to, the following:

- the restaurant industry is a highly competitive industry with many well-established competitors;
- challenging economic conditions may affect our liquidity by adversely impacting numerous items that include, but are not limited to: consumer confidence and discretionary spending; the availability of credit presently arranged from our revolving credit facilities; the future cost and availability of credit; interest rates; foreign currency exchange rates; and the liquidity or operations of our third-party vendors and other service providers;
- our ability to expand is dependent upon various factors such as the availability of attractive sites for new or relocated restaurants; our ability to obtain appropriate real estate sites at acceptable prices; our ability to obtain all required governmental permits including zoning approvals and liquor licenses on a timely basis; the impact of government moratoriums or approval processes, which could result in significant delays; our ability to obtain all necessary contractors and subcontractors; union activities such as picketing and hand billing that could delay construction; our ability to generate or borrow funds; our ability to negotiate suitable lease terms; our ability to recruit and train skilled management and restaurant employees; and our ability to receive the premises from the landlord's developer without any delays;
- our results can be impacted by changes in consumer tastes and the level of consumer acceptance of our restaurant concepts (including consumer tolerance of our prices); local, regional, national and international economic and political conditions; the seasonality of our business; demographic trends; traffic patterns and our ability to effectively respond in a timely manner to changes in traffic patterns; changes in consumer dietary habits; employee availability; the cost of advertising and media; government actions and policies; inflation or deflation; unemployment rates; interest rates; exchange rates; and increases in various costs, including construction, real estate and health insurance costs;
- weather, natural disasters and other disasters could result in construction delays and also adversely affect the results of one or more restaurants for an indeterminate amount of time;
- our results can be negatively impacted by the effects of actual or threatened armed conflicts or terrorist attacks, efforts to combat terrorism, or other military action affecting countries in which we do business and by the effects of heightened security requirements on local, regional, national, or international economies or consumer confidence;

- our results can be impacted by tax and other legislation and regulation in the jurisdictions in which we operate and by accounting standards or pronouncements;
- our results can be impacted by unanticipated changes in our tax rates, exposure to additional income tax liabilities, a change in our ability to realize deferred tax benefits or the timing and amount of a reversal of recorded deferred tax benefit valuation allowances;
- minimum wage increases and mandated employee benefits could cause a significant increase in our labor costs;
- commodities, including but not limited to, such items as beef, chicken, shrimp, pork, seafood, dairy, produce, potatoes, onions and energy supplies, are subject to fluctuation in price and availability and price could increase or decrease more than we expect;
- our results can be affected by consumer reaction to public health issues;
- our results can be affected by consumer perception of food safety;
- we could face liabilities if we are unable to protect customer credit and debit card data or personal employee information; and
- our substantial leverage and significant restrictive covenants in our various credit facilities could adversely affect our ability to raise additional capital to fund our operations, limit our ability to make capital expenditures to invest in new or renovate restaurants, limit our ability to react to changes in the economy or our industry, and expose us to interest rate risk in connection with our variable-rate debt.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry developments may differ materially from statements made in or suggested by the forward-looking statements contained in this prospectus. In addition, even if our results of operations, financial condition and liquidity, and industry developments are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

In light of these risks and uncertainties, we caution you not to place undue reliance on these forward-looking statements. Any forward-looking statement that we make in this prospectus speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of common stock by the selling stockholders in this offering. See “Principal and Selling Stockholders.”

MARKET PRICE OF OUR COMMON STOCK

Our common stock has been listed on the Nasdaq Global Select Market under the symbol “BLMN” since August 8, 2012. Prior to that time, there was no public market for our common stock. The following table sets forth for the periods indicated the high and low sales prices per share of our common stock as reported on the Nasdaq Global Select Market:

	High	Low
2012:		
Third quarter (1)	$16.53	$11.57
Fourth quarter	$16.98	$13.01
2013:		
First quarter	$18.99	$15.86
Second quarter (through May 17, 2013)	22.50	17.41

(1) Represents the period from August 8, 2012, the date of our initial public offering, through September 30, 2012, the end of our third quarter.

A recent reported closing price for our common stock is set forth on the cover page of this prospectus. As of May 6, 2013, there were 56 holders of record of our common stock.

DIVIDEND POLICY

We did not declare or pay any dividends on our common stock during 2011, 2012 or the first quarter of 2013. Our Board of Directors does not intend to pay regular dividends on our common stock. However, we expect to reevaluate our dividend policy on a regular basis and may, subject to compliance with the covenants contained in the New Facilities, including the New Term Loan B, and other considerations, determine to pay dividends in the future.

Our ability to pay dividends is dependent on our ability to obtain funds from our subsidiaries. Payment of dividends by OSI to Bloomin’ Brands is restricted under the New Facilities, including the New Term Loan B, to dividends for the purpose of paying Bloomin’ Brands’ franchise and income taxes and ordinary course operating expenses; dividends for certain other limited purposes; and other dividends subject to an aggregate cap over the term of the agreement. For an explanation of these restrictions, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities and Other Indebtedness.”

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and our consolidated capitalization as of March 31, 2013. This table should be read in conjunction with "Selected Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of March 31, 2013 ($ in thousands)
Cash and cash equivalents (1)	$ 217,469
Total debt, net:	
Senior secured term loan B facility	$ 965,733
Senior secured revolving credit facility (2)	—
2012 CMBS Loan	487,654
Sale-leaseback, capital lease obligations and other notes payable	11,474
Total debt, net	1,464,861
Stockholders' equity:	
Preferred stock, $.01 par value; 25,000,000 shares authorized and no shares issued and outstanding	—
Common stock, $.01 par value; 475,000,000 shares authorized and 122,569,475 shares issued and outstanding	1,226
Additional paid-in capital	1,021,393
Accumulated deficit	(709,862)
Accumulated other comprehensive loss	(19,333)
Total Bloomin' Brands, Inc. stockholders' equity	293,424
Noncontrolling interests	5,315
Total stockholders' equity	298,739
Total capitalization	$ 1,763,600

(1) Excludes $19.0 million of restricted cash.

(2) There were no loans outstanding under the revolving credit facility at March 31, 2013; however, $37.6 million of the credit facility was not available for borrowing as a result of undrawn letters of credit. See Note 7 of our notes to unaudited interim consolidated financial statements for the three months ended March 31, 2013.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth our selected consolidated financial and other data as of the dates and for the periods indicated. The selected consolidated financial data as of December 31, 2012 and December 31, 2011 and for each of the three years in the period ended December 31, 2012 presented in this table have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated financial data as of December 31, 2010 and for the year ended December 31, 2009 have been derived from our audited consolidated financial statements for such year and period, which are not included in this prospectus. The selected consolidated financial data as of December 31, 2009 and December 31, 2008 and for the year ended December 31, 2008 have been derived from our unaudited consolidated financial statements for such years and periods, which are not included in this prospectus. The selected consolidated financial data as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 have been derived from the unaudited interim consolidated financial statements included in this prospectus. The selected consolidated balance sheet data as of March 31, 2012 has been derived from our historical unaudited interim consolidated financial statements that are not included in this prospectus. Historical results are not necessarily indicative of future results.

The selected consolidated financial and other data presented below should be read in conjunction with the disclosure set forth under "Risk Factors," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto appearing elsewhere in this prospectus.

	Years Ended December 31,					Three Months Ended March 31,	
	2012	2011	2010	2009	2008	2013	2012
					(unaudited)	(unaudited)	(unaudited)
				(in thousands)			
Statements of Operations and Comprehensive Income (Loss) Data:							
Revenues							
Restaurant sales	$3,946,116	$3,803,252	$3,594,681	$3,573,760	$3,937,894	$1,082,356	$1,045,466
Other revenues	41,679	38,012	33,606	27,896	23,262	9,894	10,160
Total revenues	3,987,795	3,841,264	3,628,287	3,601,656	3,961,156	1,092,250	1,055,626
Costs and expenses							
Cost of sales	1,281,002	1,226,098	1,152,028	1,184,074	1,389,365	349,989	335,859
Labor and other related	1,117,624	1,094,117	1,034,393	1,024,063	1,094,907	299,867	293,501
Other restaurant operating	918,522	890,004	864,183	849,696	938,374	233,809	218,965
Depreciation and amortization	155,482	153,689	156,267	186,074	205,492	40,196	38,860
General and administrative (1) (2)	326,473	291,124	252,793	252,298	264,021	72,491	76,002
(Recovery) allowance for note receivable from affiliated entity (3)	—	(33,150)	—	—	33,150	—	—
Loss on contingent debt guarantee	—	—	—	24,500	—	—	—
Goodwill impairment	—	—	—	58,149	726,486	—	—
Provision for impaired assets and restaurant closings (4)	13,005	14,039	5,204	134,285	117,699	1,896	4,435
Income from operations of unconsolidated affiliates	(5,450)	(8,109)	(5,492)	(2,196)	(2,343)	(2,858)	(2,404)
Total costs and expenses	$3,806,658	$3,627,812	$3,459,376	$3,710,943	$4,767,151	$ 995,390	$ 965,218

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	Years Ended December 31,					Three Months Ended March 31,	
	2012	2011	2010	2009	2008 (unaudited)	2013 (unaudited)	2012 (unaudited)
	(in thousands, except per share amounts)						
Income (loss) from operations	$ 181,137	$ 213,452	$ 168,911	$ (109,287)	$ (805,995)	$ 96,860	$ 90,408
(Loss) gain on extinguishment and modification of debt (5)	(20,957)	—	—	158,061	48,409	—	(2,851)
Other (expense) income, net	(128)	830	2,993	(199)	(11,122)	(217)	54
Interest expense, net (5)	(86,642)	(83,387)	(91,428)	(115,880)	(197,041)	(20,880)	(20,974)
Income (loss) before provision (benefit) for income taxes	73,410	130,895	80,476	(67,305)	(965,749)	75,763	66,637
Provision (benefit) for income taxes	12,106	21,716	21,300	(2,462)	(99,416)	10,707	12,805
Net income (loss)	61,304	109,179	59,176	(64,843)	(866,333)	65,056	53,832
Less: net income (loss) attributable to noncontrolling interests	11,333	9,174	6,208	(380)	(3,041)	1,833	3,833
Net income (loss) attributable to Bloomin' Brands, Inc.	$ 49,971	$ 100,005	$ 52,968	$ (64,463)	$ (863,292)	$ 63,223	$ 49,999
Net income (loss)	$ 61,304	$ 109,179	$ 59,176	$ (64,843)	$ (866,333)	$ 65,056	$ 53,832
Other comprehensive income (loss):							
Foreign currency translation adjustment	7,543	(2,711)	4,556	10,273	(33,380)	(4,532)	3,149
Comprehensive income (loss)	68,847	106,468	63,732	(54,570)	(899,713)	60,524	56,981
Less: comprehensive income (loss) attributable to noncontrolling interests	11,333	9,174	6,208	(380)	(3,041)	1,833	3,833
Comprehensive income (loss) attributable to Bloomin' Brands, Inc.	$ 57,514	$ 97,294	$ 57,524	$ (54,190)	$ (896,672)	$ 58,691	$ 53,148
Basic earnings (loss) per share	$ 0.45	$ 0.94	$ 0.50	$ (0.62)	$ (8.43)	$ 0.52	$ 0.47
Diluted earnings (loss) per share	$ 0.44	$ 0.94	$ 0.50	$ (0.62)	$ (8.43)	$ 0.50	$ 0.47
Weighted average shares outstanding:							
Basic	111,999	106,224	105,968	104,442	102,383	121,238	106,332
Diluted	114,821	106,689	105,968	104,442	102,383	126,507	107,058

	December 31,					March 31,	
	2012	2011	2010	2009 (unaudited)	2008 (unaudited)	2013 (unaudited)	2012 (unaudited)
				(in thousands)			
Balance Sheet Data:							
Cash and cash equivalents (6)	$ 261,690	$ 482,084	$ 365,536	$ 330,957	$ 311,118	$ 217,469	$ 335,059
Net working capital (deficit) (5) (7)	(203,566)	(248,145)	(120,135)	(187,648)	(171,095)	(146,838)	(29,981)
Total assets	3,016,553	3,353,936	3,243,411	3,340,708	3,695,696	2,954,393	3,037,222
Total debt, net (5)	1,494,440	2,109,290	2,171,524	2,302,233	2,562,889	1,464,861	1,825,153
Total stockholders' equity (deficit) (8)	220,205	40,297	(55,911)	(116,625)	(66,814)	298,739	95,124

(1) Includes management fees and out-of-pocket and other reimbursable expenses paid to a management company owned by our Sponsors and Founders of $5.8 million, $9.4 million, $11.6 million, $10.7 million and $9.9 million for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively, and $2.3 million for the three months ended March 31, 2012 under a management agreement that terminated upon completion of our initial public offering. In connection with the termination, we paid an $8.0 million termination fee to the management company in the third quarter of 2012.

(2) The expense for the year ended December 31, 2012 includes approximately $34.1 million of certain executive compensation costs and non-cash stock compensation charges recorded upon completion of our initial public offering and approximately $6.7 million of legal and other professional fees from the amendment and restatement of a lease between OSI and PRP.
(3) In November 2011, we received a settlement payment from T-Bird, a limited liability company affiliated with our California franchisees of Outback Steakhouse restaurants, in connection with a settlement agreement that satisfied all outstanding litigation with T-Bird. This litigation began in early 2009 and therefore, we had recorded an allowance for the note receivable for the year ended December 31, 2008.
(4) During 2009, our Provision for impaired assets and restaurant closings primarily included: (i) $46.0 million of impairment charges to reduce the carrying value of the assets of Cheeseburger in Paradise to their estimated fair market value due to our sale of the concept in the third quarter of 2009, (ii) $47.6 million of impairment charges and restaurant closing expense for certain of our other restaurants and (iii) $36.0 million of impairment charges for the domestic Outback Steakhouse and Carrabba's Italian Grill trade names. During 2008, our Provision for impaired assets and restaurant closings primarily included: (i) $49.0 million of impairment charges for the domestic and international Outback Steakhouse and Carrabba's Italian Grill trade names, (ii) $3.5 million of impairment charges for the Blue Coral Seafood and Spirits trademark and (iii) $63.9 million of impairment charges and restaurant closing expense for certain of our restaurants.
(5) During the fourth quarter of 2012, OSI completed a refinancing of the 2007 Credit Facilities and entered into the New Facilities with a syndicate of institutional lenders and financial institutions. The New Facilities provide for senior secured financing of up to $1.225 billion, consisting of a $1.0 billion term loan B and a $225.0 million revolving credit facility, including letter of credit and swing-line loan sub-facilities. The term loan B was issued with an original issue discount of $10.0 million. We recorded a $9.1 million loss related to the extinguishment and modification of the 2007 Credit Facilities during the fourth quarter of 2012. In April 2013, OSI completed a repricing of its existing senior secured term loan B facility by replacing it with with the New Term Loan B with the same principal amount outstanding (as of the repricing date) of $975.0 million and maturity date, but a lower applicable interest rate than the existing senior secured term loan B facility. Expenses associated with the New Term Loan B will be recorded in the second quarter of 2013. During the third quarter of 2012, OSI paid an aggregate of $259.8 million to retire its senior notes due 2015, which included $248.1 million in aggregate outstanding principal, $6.5 million of prepayment premium and early tender incentive fees and $5.2 million of accrued interest. The senior notes were satisfied and discharged on August 13, 2012. As a result of these transactions, we recorded a loss from the extinguishment of debt of $9.0 million in the third quarter of 2012. In March 2012, New PRP entered into the 2012 CMBS Loan with German American Capital Corporation and Bank of America, N.A. The 2012 CMBS Loan totaled $500.0 million at origination and was comprised of a first mortgage loan in the amount of $324.8 million, collateralized by 261 of our properties, and two mezzanine loans totaling $175.2 million. The proceeds from the 2012 CMBS Loan were used to repay the CMBS Loan. As a result of refinancing the CMBS Loan, the net amount repaid along with scheduled maturities within one year, $281.3 million, was classified as current at December 31, 2011. During the first quarter of 2012, we recorded a $2.9 million loss on extinguishment of debt. In March 2009 and November 2008, we repurchased $240.1 million and $61.8 million, respectively, of OSI's outstanding senior notes for $73.0 million and $11.7 million, respectively. These repurchases resulted in gains on extinguishment of debt, after the pro rata reduction of unamortized deferred financing fees and other related costs, of $158.1 million in 2009 and $48.4 million in 2008.
(6) Excludes restricted cash.
(7) We have, and in the future may continue to have, negative working capital balances (as is common for many restaurant companies). We operate successfully with negative working capital because cash collected on restaurant sales is typically received before payment is due on our current liabilities and our inventory turnover rates require relatively low investment in inventories. Additionally, ongoing cash flows from restaurant operations and gift card sales are used to service debt obligations and for capital expenditures.
(8) On August 13, 2012, we completed an initial public offering in which (i) the Company issued and sold an aggregate of 14,196,845 shares of common stock (including 1,196,845 shares sold pursuant to an underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $156.2 million and (ii) certain of our stockholders sold 4,196,845 shares of our common stock (including 1,196,845 shares pursuant to the underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $46.2 million. We received net proceeds in the offering of approximately $142.2 million after deducting underwriting discounts and commissions of approximately $9.4 million on our sale of shares and $4.6 million of offering related expenses payable by us. We did not receive any proceeds from the sale of shares of common stock by the selling stockholders. All of the net proceeds, together with cash on hand, were applied to the retirement of OSI's outstanding senior notes.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "Selected Consolidated Financial and Other Data" and the audited and unaudited historical consolidated financial statements and related notes. This discussion contains forward-looking statements about our markets, the demand for our products and services and our future results and involves numerous risks and uncertainties. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and generally contain words such as "believes," expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates" or similar expressions. Our forward-looking statements are subject to risks and uncertainties, which may cause actual results to differ materially from those projected or implied by the forward-looking statement. Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" for a discussion of factors that could cause our actual results to differ from those expressed or implied by forward-looking statements.

Overview

We are one of the largest casual dining restaurant companies in the world with a portfolio of leading, differentiated restaurant concepts. As of March 31, 2013, we owned and operated 1,275 restaurants and had 203 restaurants operating under a franchise or joint venture arrangement across 48 states, Puerto Rico, Guam and 19 countries. We have five founder-inspired concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, Fleming's Prime Steakhouse and Wine Bar and Roy's. Our concepts seek to provide a compelling customer experience combining great food, highly attentive service and lively and contemporary ambience at attractive prices. Our restaurants attract customers across a variety of occasions, including everyday dining, celebrations and business entertainment. Each of our concepts maintains a unique, founder-inspired brand identity and entrepreneurial culture, while leveraging our scale and enhanced operating model. We consider Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse and Wine Bar to be our core concepts.

The restaurant industry is a highly competitive and fragmented industry and is sensitive to changes in the economy, trends in lifestyles, seasonality (customer spending patterns at restaurants are generally highest in the first quarter of the year and lowest in the third quarter of the year) and fluctuating costs. Operating margins for restaurants can vary due to competitive pricing strategies, labor and fluctuations in prices of commodities, including beef, chicken, seafood, butter, cheese, produce and other necessities to operate a restaurant, such as natural gas or other energy supplies. Restaurant companies tend to be focused on increasing market share, comparable restaurant sales growth and new unit growth. Competitive pressure for market share, commodity inflation, foreign currency exchange rates and other market conditions have had and could continue to have an adverse impact on our business.

Our industry is characterized by high initial capital investment, coupled with high labor costs, and chain restaurants have been increasingly taking share from independent restaurants over the past several years. We believe that this trend will continue due to increasing barriers that may prevent independent restaurants and/or start-up chains from building scale operations, including menu labeling, burdensome labor regulations and health care reforms that apply once chains grow past a certain number of restaurants or number of employees. The combination of these factors underscores our initiative to drive increased sales at existing restaurants in order to raise margins and profits, because the incremental contribution to profits from every additional dollar of sales above the minimum costs required to open, staff and operate a restaurant is relatively high. Historically, we have not focused on growth in the number of restaurants just to generate additional sales. Our expansion and operating strategies have balanced investment and operating cost considerations in order to generate reasonable, sustainable margins and achieve acceptable returns on investment from our restaurant concepts.

In 2010, we launched a new strategic plan and operating model, added experienced executives to our management team and adapted practices from the consumer products and retail industries to complement our restaurant acumen and enhance our brand management, analytics and innovation. This new model keeps the customer at the center of our decision-making and focuses on continuous innovation and productivity to drive sustainable sales and profit growth. As a result of these initiatives, we are recommitted to new unit development after curtailing expansion from 2009 to 2011. We believe that a substantial development opportunity remains for our concepts in the U.S. and internationally.

Since 2010, we have continued to balance near-term growth in market share with investments to achieve sustainable growth. As a result of continued improvements in infrastructure and organizational effectiveness, in 2012 we grew average restaurant volumes and comparable restaurant sales at our existing domestic Company-owned restaurants for our core concepts. In addition, we improved our operating margins at the restaurant level by 6.1% in 2012 as compared to 2011. Operating margins at the restaurant level are calculated as restaurant sales after deduction of main restaurant-level operating costs (comprised of Cost of sales, Labor and other related and Other restaurant operating expenses). Across our restaurant system, we opened 37 restaurants (22 were domestic and 15 international), and we increased system-wide sales by 4.5% in 2012.

We believe that the combination of macro-economic and other factors put considerable pressure on sales in the casual dining industry thus far in 2013, and as a result, the first quarter of 2013 has reflected a slowdown in our comparable restaurant sales growth. For example, the ongoing impacts of high unemployment, the housing crisis, the so-called “sequester” and related governmental spending and budget matters, gasoline prices, reduced disposable consumer income and consumer confidence have had a negative effect on discretionary consumer spending. As these conditions persist, we will face increased pressure with respect to our pricing, traffic levels and commodity costs. We believe that in this environment, we will need to maintain our focus on value and innovation to continue to drive sales.

Key Performance Indicators

Key measures that we use in evaluating our restaurants and assessing our business include the following:

- *Average restaurant unit volumes*—average sales per restaurant to measure changes in customer traffic, pricing and development of the brand;
- *Comparable restaurant sales*—year-over-year comparison of sales volumes for domestic, Company-owned restaurants that are open 18 months or more in order to remove the impact of new restaurant openings in comparing the operations of existing restaurants;
- *System-wide sales*—total restaurant sales volume for all Company-owned, franchise and unconsolidated joint venture restaurants, regardless of ownership, to interpret the overall health of our brands;
- *Adjusted income from operations, Adjusted net income attributable to Bloomin’ Brands, Inc., Adjusted diluted earnings per share and Adjusted diluted earnings per pro forma share*—non-GAAP financial measures utilized to evaluate our operating performance (see “Non-GAAP Financial Measures” section below for further information); and
- *Customer satisfaction scores*—measurement of our customers’ experiences in a variety of key attributes.

Recent Business and Financial Highlights

Our recent business and financial results include:

- An increase in consolidated revenues of 3.5% to $1.1 billion in the three months ended March 31, 2013 as compared to the same period in 2012;
- 10 Company-owned restaurant openings primarily consisting of Bonefish Grill restaurants and 15 Company-owned restaurant renovations during the three months ended March 31, 2013; and
- In April 2013, a repricing of OSI's existing senior secured term loan B facility by replacing it with the New Term Loan B, which has the same principal amount outstanding (as of the repricing date) of $975.0 million and maturity date, but a lower applicable interest rate than the existing senior secured term loan B facility.

Our 2012 business and financial results include:

- An increase in consolidated revenues of 3.8% to $4.0 billion, driven primarily by 3.7% growth in combined comparable restaurant sales at existing domestic Company-owned core restaurants, in 2012 as compared to 2011;
- 37 system-wide restaurant openings across most brands (27 were Company-owned and ten were franchise and unconsolidated joint venture locations), and 150 Outback Steakhouse renovations in 2012;
- Productivity and cost management initiatives that we estimate allowed us to save approximately $59 million in the aggregate in 2012, while our costs increased due to rising commodity prices;
- Income from operations of $181.1 million in 2012 compared to $213.5 million in 2011, which was primarily due to increased expenses of $42.1 million associated with our initial public offering partially offset by an increase of 6.1% in operating margins at the restaurant level;
- A reorganization of our entire capital structure by refinancing PRP's CMBS Loan in the first quarter of 2012, completing our initial public offering and retiring OSI's senior notes in the third quarter of 2012 and refinancing OSI's 2007 Credit Facilities in the fourth quarter of 2012; and
- Acquiring the remaining interests in our Roy's joint venture and the remaining limited partnership interests in certain of our limited partnerships that either owned or had a contractual right to varying percentages of cash flows in 44 Bonefish Grill restaurants and 17 Carrabba's Italian Grill restaurants.

Growth Strategies

In 2013, our key growth strategies include:

- *Grow Comparable Restaurant Sales.* We plan to continue our efforts to remodel our Outback Steakhouse and Carrabba's Italian Grill restaurants, use limited-time offers and multimedia marketing campaigns to drive traffic, selectively expand the lunch daypart and introduce innovative menu items that match evolving consumer preferences. In addition, in April 2013, we accelerated our restaurant relocation plan primarily related to the Outback Steakhouse brand, based on meaningful sales increases experienced at test locations that were relocated in 2012. This multi-year relocation plan will begin with approximately 10 to 20 restaurants in 2013, of which some will not be completed until 2014, and will result in additional expenses in the range of $4.0 million to $8.0 million in 2013.

- *Pursue New Domestic and International Development With Strong Unit Level Economics.* We believe that a substantial development opportunity remains for our concepts in the U.S. and internationally. Since 2010, we have added significant resources in site selection, construction and design to support the opening of new restaurants. Our top domestic development priority is Bonefish Grill unit growth. Internationally, we are focusing on established markets in South Korea, Hong Kong and Brazil, with strategic expansion in selected emerging and high growth developed markets. We are focusing our new market growth in China, Mexico and South America. We expect to open between 45 and 55 system-wide locations in 2013 and increase the pace thereafter.

- *Drive Margin Improvement.* We believe we have the opportunity to increase our margins through leveraging increases in average unit volumes and cost reductions in labor, food cost, supply chain and restaurant facilities.

Ownership Structures

Our restaurants are predominantly Company-owned or controlled, including through joint ventures, and otherwise operated under franchise arrangements. We generate our revenues primarily from our Company-owned or controlled restaurants and secondarily through ongoing royalties from our franchised restaurants and sales of franchise rights.

Company-owned or controlled restaurants include restaurants owned directly by us, by limited partnerships in which we are the general partner and our managing partners and chef partners are limited partners and by joint ventures in which we are a member. Our legal ownership interests in these joint ventures and our legal ownership interests as general partner in these limited partnerships generally range from 50% to 90%. Our cash flows from these entities are limited to the relative portion of our ownership. The results of operations of Company-owned restaurants are included in our consolidated operating results. The portion of income or loss attributable to the other partners' interests is eliminated in Net income attributable to noncontrolling interests in our Consolidated Statements of Operations and Comprehensive Income.

In the future, we do not plan to utilize limited partnerships for domestic Company-owned restaurants. Instead, the restaurants will be wholly-owned by us and the area operating, managing and chef partners will receive their distributions of restaurant cash flow as employee compensation rather than partnership distributions.

We pay royalties on approximately 95% of our Carrabba's Italian Grill restaurants ranging from 1.0% to 1.5% of sales pursuant to agreements we entered into with the Carrabba's Italian Grill founders.

Historically, Company-owned restaurants also included restaurants owned by our Roy's joint venture, and our consolidated financial statements included the accounts and operations of our Roy's joint venture even though we had less than majority ownership. Effective October 1, 2012, we purchased the remaining interests in our Roy's joint venture from our joint venture partner, RY-8, for $27.4 million (see "—Liquidity and Capital Resources—Transactions").

Through a joint venture arrangement with PGS Participacoes Ltda., we hold a 50% ownership interest in PGS Consultoria e Serviços Ltda. (the "Brazilian Joint Venture"). The Brazilian Joint Venture was formed in 1998 for the purpose of operating Outback Steakhouse restaurants in Brazil. We account for the Brazilian Joint Venture under the equity method of accounting. We are responsible for 50% of the costs of new restaurants operated by the Brazilian Joint Venture and our joint venture partner is responsible for the other 50% and has operating control. Income and loss derived from the Brazilian Joint Venture is presented in Income from operations of unconsolidated affiliates in our Consolidated Statements of Operations and Comprehensive Income. Restaurants owned by the Brazilian Joint Venture are included in "Unconsolidated Joint Venture" restaurants.

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We derive no direct income from operations of franchised restaurants other than initial and developmental franchise fees and ongoing royalties, which are included in Other revenues in our Consolidated Statements of Operations and Comprehensive Income.

The table below presents the number of our restaurants in operation at the end of the periods indicated:

	December 31,			March 31,	
	2012	2011	2010	2013	2012
Number of restaurants (at end of the period):					
Outback Steakhouse					
Company-owned—domestic (1)	665	670	671	663	670
Company-owned—international (1)	115	110	119	117	110
Franchised—domestic	106	106	108	106	106
Franchised and joint venture—international	89	81	70	89	81
Total	975	967	968	975	967
Carrabba's Italian Grill					
Company-owned	234	231	232	234	230
Franchised	1	1	1	1	1
Total	235	232	233	235	231
Bonefish Grill					
Company-owned	167	151	145	174	151
Franchised	7	7	7	7	7
Total	174	158	152	181	158
Fleming's Prime Steakhouse and Wine Bar					
Company-owned	65	64	64	65	64
Roy's					
Company-owned	22	22	22	22	22
System-wide total	1,471	1,443	1,439	1,478	1,442

(1) One Company-owned restaurant in Puerto Rico that was previously included in Outback Steakhouse (international) is now included in Outback Steakhouse (domestic). Prior years have been revised to conform to the current year presentation.

We operate restaurants under brands that have similar economic characteristics, nature of products and services, class of customer and distribution methods, and as a result, we aggregate our operating segments into a single reporting segment.

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Results of Operations

The following table sets forth, for the periods indicated, percentages that items in our Consolidated Statements of Operations and Comprehensive Income bear to Total revenues or Restaurant sales, as indicated:

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
Revenues					
Restaurant sales	99.0%	99.0%	99.1%	99.1%	99.0%
Other revenues	1.0	1.0	0.9	0.9	1.0
Total revenues	100.0	100.0	100.0	100.0	100.0
Costs and expenses					
Cost of sales (1)	32.5	32.2	32.0	32.3	32.1
Labor and other related (1)	28.3	28.8	28.8	27.7	28.1
Other restaurant operating (1)	23.3	23.4	24.0	21.6	20.9
Depreciation and amortization	3.9	4.0	4.3	3.7	3.7
General and administrative (2)	8.2	7.6	7.0	6.6	7.2
Recovery of note receivable from affiliated entity	—	(0.9)	—	—	—
Provision for impaired assets and restaurant closings	0.3	0.4	0.1	0.2	0.4
Income from operations of unconsolidated affiliates	(0.1)	(0.2)	(0.2)	(0.3)	(0.2)
Total costs and expenses	95.5	94.4	95.3	91.1	91.4
Income from operations	4.5	5.6	4.7	8.9	8.6
Loss on extinguishment and modification of debt	(0.5)	—	—	—	(0.3)
Other (expense) income, net	(*)	*	0.1	(*)	*
Interest expense, net	(2.2)	(2.2)	(2.5)	(2.0)	(2.0)
Income before provision for income taxes	1.8	3.4	2.3	6.9	6.3
Provision for income taxes	0.3	0.6	0.6	0.9	1.2
Net income	1.5	2.8	1.7	6.0	5.1
Less: net income attributable to noncontrolling interests	0.3	0.2	0.2	0.2	0.4
Net income attributable to Bloomin' Brands, Inc.	1.2%	2.6%	1.5%	5.8%	4.7%
Net income	1.5%	2.8%	1.7%	6.0%	5.1%
Other comprehensive income:					
Foreign currency translation adjustment	0.2	(0.1)	0.1	(0.4)	0.3
Comprehensive income	1.7	2.7	1.8	5.6	5.4
Less: comprehensive income attributable to noncontrolling interests	0.3	0.2	0.2	0.2	0.4
Comprehensive income attributable to Bloomin' Brands, Inc.	1.4%	2.5%	1.6%	5.4%	5.0%

(1) As a percentage of Restaurant sales.

(2) General and administrative costs exclusive of $42.1 million of initial public offering related expenses would have been 7.1% of Total revenues for the year ended December 31, 2012 (see "—General and administrative expenses" discussion).

* Less than 1/10th of one percent of Total revenues.

Results of Operations—Three Months Ended March 31, 2013 and 2012

Revenues

Restaurant Sales

	Three Months Ended March 31,			
(dollars in millions):	2013	2012	$ Change	% Change
Restaurant sales	$1,082.4	$1,045.5	$ 36.9	3.5%

The increase in restaurant sales in the three months ended March 31, 2013 as compared to the same period in 2012 was primarily attributable to (i) additional revenues of approximately $24.7 million from the opening of 44 new restaurants not included in our comparable restaurant sales base and (ii) a $15.9 million increase in comparable restaurant sales at our existing restaurants (including a 1.6% combined comparable restaurant sales increase in the first quarter of 2013 at our core domestic concepts) which was primarily due to increases in customer traffic and general menu prices which were partially offset by mix in our product sales. The increases in customer traffic were primarily driven by selective daypart expansion across certain concepts, innovations in menu, service, promotions and operations across the portfolio and renovations at additional Outback Steakhouse locations partially offset by unfavorable winter weather conditions and the additional day in February 2012 due to Leap Year. The increase in restaurant sales in the three months ended March 31, 2013 as compared to the same period in 2012 was partially offset by a $3.7 million decrease from the closing of eight restaurants since March 31, 2012.

The following table includes additional information about changes in restaurant sales at domestic Company-owned restaurants for our core concepts:

	Three Months Ended March 31,	
	2013	2012
Average restaurant unit volumes (weekly):		
Outback Steakhouse (1)	$66,943	$64,452
Carrabba's Italian Grill	$62,134	$62,510
Bonefish Grill	$65,604	$64,869
Fleming's Prime Steakhouse and Wine Bar	$84,966	$80,511
Operating weeks:		
Outback Steakhouse (1)	8,542	8,706
Carrabba's Italian Grill	3,009	2,991
Bonefish Grill	2,192	1,957
Fleming's Prime Steakhouse and Wine Bar	836	832
Year over year percentage change:		
Menu price increases: (2)		
Outback Steakhouse	2.1%	2.0%
Carrabba's Italian Grill	1.4%	2.4%
Bonefish Grill	1.9%	2.7%
Fleming's Prime Steakhouse and Wine Bar	2.1%	2.4%
Comparable restaurant sales (stores open 18 months or more):		
Outback Steakhouse (1)	2.5%	5.2%
Carrabba's Italian Grill	(1.7)%	4.3%
Bonefish Grill	0.5%	6.2%
Fleming's Prime Steakhouse and Wine Bar	5.0%	5.4%
Combined (concepts above)	1.6%	5.2%

(1) One Company-owned restaurant in Puerto Rico that was previously included in Outback Steakhouse (international) is now included in Outback Steakhouse (domestic). This change affects the calculation of

average restaurant unit volumes, operating weeks and comparable restaurant sales. The prior period has been revised to conform to the current period presentation.

(2) The stated menu price changes exclude the impact of product mix shifts to new menu offerings.

Costs and Expenses

Cost of Sales

(dollars in millions):	Three Months Ended March 31, 2013	2012	Change
Cost of sales	$350.0	$335.9	
% of Restaurant sales	32.3%	32.1%	0.2%

Cost of sales, consisting of food and beverage costs, increased as a percentage of restaurant sales in the three months ended March 31, 2013 as compared to the same period in 2012. The increase as a percentage of restaurant sales was primarily 0.8% from increases in the cost of beef and 0.4% from changes in our liquor, beer and wine mix and product mix. The increase was partially offset by decreases as a percentage of restaurant sales of 0.4% from the impact of certain cost savings initiatives, 0.4% from menu price increases and 0.2% from decreases in seafood.

Labor and Other Related Expenses

(dollars in millions):	Three Months Ended March 31, 2013	2012	Change
Labor and other related	$299.9	$293.5	
% of Restaurant sales	27.7%	28.1%	(0.4)%

Labor and other related expenses include all direct and indirect labor costs incurred in operations, including distribution expense to managing partners, costs related to the Partner Equity Plan ("PEP") and Partner Ownership Account ("POA") deferred compensation plans (see "—Liquidity and Capital Resources—Deferred Compensation Plans"), and other incentive compensation expenses. Labor and other related expenses decreased as a percentage of restaurant sales in the three months ended March 31, 2013 as compared to the same period in 2012. The decrease as a percentage of restaurant sales was primarily attributable to the following: (i) 0.4% from changes in deferred compensation participant accounts, (ii) 0.3% from the impact of certain cost savings initiatives and (iii) 0.3% from higher average unit volumes at the majority of our restaurants. The decreases were partially offset by increases as a percentage of restaurant sales of 0.6% from higher kitchen and service labor costs and 0.2% from higher field management labor and bonus expenses.

Other Restaurant Operating Expenses

(dollars in millions):	Three Months Ended March 31, 2013	2012	Change
Other restaurant operating	$233.8	$219.0	
% of Restaurant sales	21.6%	20.9%	0.7%

Other restaurant operating expenses include certain unit-level operating costs such as operating supplies, rent, repairs and maintenance, advertising expenses, utilities, pre-opening costs and other occupancy costs. A substantial portion of these expenses is fixed or indirectly variable. The increase as a percentage of restaurant sales in the three months ended March 31, 2013 as compared to the same period in 2012 was primarily due to the following: (i) 0.4% of higher restaurant occupancy costs as a result of the sale-leaseback transaction entered into

in March 2012 (the "Sale-Leaseback Transaction") (see "—Liquidity and Capital Resources—Transactions"), (ii) 0.4% in higher advertising expense and (iii) 0.2% in higher restaurant pre-opening and repair and maintenance costs. The increases were offset by decreases as a percentage of restaurant sales primarily from 0.3% from higher average unit volumes at the majority of our restaurants and 0.2% from certain cost savings initiatives.

General and Administrative Expenses

	Three Months Ended March 31,		
(in millions):	2013	2012	Change
General and administrative	$ 72.5	$ 76.0	$ (3.5)

General and administrative costs decreased in the three months ended March 31, 2013 as compared to the same period in 2012 primarily due to the following: (i) $6.7 million of lower legal and other professional fees resulting from amendment and restatement of a lease between OSI and PRP in the first quarter of 2012, (ii) $2.3 million of lower management fees due to the termination of the management agreement in connection with our initial public offering, (iii) $2.2 million of net gain on the termination of split-dollar life insurance policies and (iv) $1.9 million of decreased general and administrative costs associated with field support, managers-in-training and field compensation and bonus expense. These decreases were partially offset by the following: (i) $3.9 million of increased expenses due to the timing of our annual managing partner conference, (ii) $3.7 million of higher stock-based compensation and (iii) $1.6 million net decrease in gains associated with the cash surrender value of life insurance investments.

Provision for Impaired Assets and Restaurant Closings

	Three Months Ended March 31,		
(in millions):	2013	2012	Change
Provision for impaired assets and restaurant closings	$ 1.9	$ 4.4	$ (2.5)

Restaurant impairment charges primarily resulted from the carrying value of a restaurant's assets exceeding its estimated fair market value, mainly due to declining future cash flows from lower projected sales at existing locations and locations identified for relocation or renovation (see "—Liquidity and Capital Resources—Fair Value Measurements" for additional information).

Income from Operations

	Three Months Ended March 31,		
(dollars in millions):	2013	2012	Change
Income from operations	$ 96.9	$ 90.4	
% of Total revenues	8.9%	8.6%	0.3%

During the three months ended March 31, 2013, income from operations increased as a percentage of total revenues as compared to the same period in 2012 primarily attributable to lower General and administrative expenses and charges for asset impairment and restaurant closings.

Loss on Extinguishment of Debt

During the first quarter of 2012, we recorded a $2.9 million loss related to the extinguishment of the CMBS Loan in connection with New PRP entering into the 2012 CMBS Loan. See "—Liquidity and Capital Resources—Credit Facilities and Other Indebtedness" for a further description.

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Provision for Income Taxes

	Three Months Ended March 31,		
	2013	2012	Change
Effective income tax rate	14.1%	19.2%	(5.1)%

The net decrease in the effective income tax rate in the three months ended March 31, 2013 as compared to the same period in the prior year was primarily due to a decrease in the projected foreign pretax book income and the foreign provision being a smaller percentage of projected consolidated pretax annual income.

The effective income tax rate for the three months ended March 31, 2013 was lower than the blended federal and state statutory rate of 38.6% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips, the foreign rate differential, a decrease in the valuation allowance and the elimination of noncontrolling interest together being such a large percentage of projected annual pretax income. The effective income tax rate for the three months ended March 31, 2012 was lower than the blended federal and state statutory rate of 38.7% due to the benefit of the tax credit for excess FICA tax on employee-reported tips and the elimination of noncontrolling interest together being such a large percentage of pretax income. This was partially offset by an increase in the valuation allowance.

Results of Operations—Years Ended December 31, 2012, 2011 and 2010

Revenues

Restaurant Sales

	Years Ended December 31,				Years Ended December 31,			
(dollars in millions):	2012	2011	$ Change	% Change	2011	2010	$ Change	% Change
Restaurant sales	$3,946.1	$3,803.3	$ 142.8	3.8%	3,803.3	3,594.7	$ 208.6	5.8%

The increase in restaurant sales in 2012 as compared to 2011 was primarily attributable to (i) a $123.2 million increase in comparable restaurant sales at our existing restaurants (including a 3.7% combined comparable restaurant sales increase in 2012 at our core domestic restaurants), which was primarily due to increases in customer traffic and general menu prices and (ii) a $50.6 million increase in sales from 36 restaurants not included in our comparable restaurant sales base. The increase in customer traffic was primarily a result of promotions throughout our concepts, innovations in our menu, service and operations, mild winter weather conditions, the additional day in February due to Leap Year, weekend lunch expansions in our Outback Steakhouse concept and renovations at additional Outback Steakhouse locations. The increase in restaurant sales in 2012 as compared to 2011 was partially offset by a $6.8 million decrease from the closing of seven restaurants during 2012 and a $24.2 million decrease from the sale (and franchise conversion) of nine of our Company-owned Outback Steakhouse restaurants in Japan in October 2011.

The increase in restaurant sales in 2011 as compared to 2010 was primarily attributable to (i) a $195.7 million increase in comparable restaurant sales at our existing restaurants (including a 4.9% combined comparable restaurant sales increase in 2011 at our core domestic restaurants) which was primarily due to increases in customer traffic and general menu prices and (ii) a $15.9 million increase in sales from 17 restaurants not included in our comparable restaurant sales base. The increase in customer traffic was primarily a result of promotions throughout our concepts, innovations in our menu, service and operations and renovations at Outback Steakhouse. The increase in restaurant sales in 2011 as compared to 2010 was partially offset by a $2.0 million decrease from the closing of three restaurants during 2011 and a $1.0 million decrease from the sale (and franchise conversion) of nine of our Company-owned Outback Steakhouse restaurants in Japan in October 2011.

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The following table includes additional information about changes in restaurant sales at domestic Company-owned restaurants for our core brands:

	Years Ended December 31,		
	2012	2011	2010
Average restaurant unit volumes (in thousands):			
Outback Steakhouse (1)	$ 3,165	$ 3,030	$ 2,907
Carrabba's Italian Grill	$ 2,999	$ 2,946	$ 2,816
Bonefish Grill	$ 3,162	$ 3,023	$ 2,781
Fleming's Prime Steakhouse and Wine Bar	$ 3,929	$ 3,730	$ 3,476
Operating weeks:			
Outback Steakhouse (1)	34,959	34,966	35,252
Carrabba's Italian Grill	12,078	12,077	12,097
Bonefish Grill	8,163	7,600	7,553
Fleming's Prime Steakhouse and Wine Bar	3,350	3,337	3,337
Year over year percentage change:			
Menu price increases (decreases): (2)			
Outback Steakhouse	2.2%	1.5%	(0.1)%
Carrabba's Italian Grill	2.3%	1.5%	0.4%
Bonefish Grill	2.2%	1.9%	0.2%
Fleming's Prime Steakhouse and Wine Bar	2.0%	3.0%	0.5%
Comparable restaurant sales (restaurants open 18 months or more):			
Outback Steakhouse (1)	4.4%	4.0%	1.5%
Carrabba's Italian Grill	1.7%	4.6%	2.9%
Bonefish Grill	3.2%	8.3%	6.5%
Fleming's Prime Steakhouse and Wine Bar	5.1%	7.4%	10.4%
Combined (concepts above)	3.7%	4.9%	2.7%

(1) One Company-owned restaurant in Puerto Rico that was previously included in Outback Steakhouse (international) in prior filings is now included in Outback Steakhouse (domestic). This change affects the calculation of average restaurant unit volumes, operating weeks and comparable restaurant sales. Prior years have been revised to conform to the current year presentation.

(2) The stated menu price changes exclude the impact of product mix shifts to new menu offerings.

Costs and Expenses

Cost of Sales

	Years Ended December 31,			Years Ended December 31,		
(dollars in millions):	2012	2011	Change	2011	2010	Change
Cost of sales	$1,281.0	$1,226.1		$1,226.1	$1,152.0	
% of Restaurant sales	32.5%	32.2%	0.3%	32.2%	32.0%	0.2%

Cost of sales, consisting of food and beverage costs, increased as a percentage of restaurant sales in 2012 as compared to 2011. The increase as a percentage of restaurant sales was primarily 1.1% from increases in beef, seafood and other commodity costs and 0.5% from changes in our liquor, beer and wine mix and product mix. The increase was partially offset by decreases as a percentage of restaurant sales of 0.8% from the impact of certain cost savings initiatives and 0.6% from menu price increases.

The increase as a percentage of restaurant sales in 2011 as compared to 2010 was primarily 1.4% from increases in seafood, dairy, beef and other commodity costs. The increase was partially offset by decreases as a percentage of restaurant sales of 0.9% from the impact of certain cost savings initiatives and 0.4% from menu price increases.

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Labor and Other Related Expenses

(dollars in millions):	Years Ended December 31, 2012	2011	Change	Years Ended December 31, 2011	2010	Change
Labor and other related	$1,117.6	$1,094.1		$1,094.1	$1,034.4	
% of Restaurant sales	28.3%	28.8%	(0.5)%	28.8%	28.8%	—%

Labor and other related expenses include all direct and indirect labor costs incurred in operations, including distribution expense to managing partners, costs related to the PEP and the POA (see "—Liquidity and Capital Resources—Deferred Compensation Plans"), and other incentive compensation expenses. Labor and other related expenses decreased as a percentage of restaurant sales in 2012 as compared to 2011. Items that contributed to a decrease as a percentage of restaurant sales primarily included 0.7% from higher average unit volumes at our restaurants and 0.4% from the impact of certain cost savings initiatives. These decreases were partially offset by increases as a percentage of restaurant sales of the following: (i) 0.5% from higher kitchen and service labor costs, (ii) 0.1% from higher field management labor and bonus expenses and (iii) 0.1% from an increase in health insurance costs.

Labor and other related expenses were flat as a percentage of restaurant sales in 2011 as compared with 2010. Items that contributed to an increase as a percentage of restaurant sales included the following: (i) 0.4% from higher kitchen and service labor costs, (ii) 0.3% from higher field management labor, bonus and distribution expenses, (iii) 0.2% from a settlement of an Internal Revenue Service assessment of employment taxes and (iv) 0.1% from an increase in health insurance costs. These increases were offset by decreases as a percentage of restaurant sales of 0.7% from higher average unit volumes at our restaurants and 0.3% from the impact of certain cost savings initiatives.

Other Restaurant Operating Expenses

(dollars in millions):	Years Ended December 31, 2012	2011	Change	Years Ended December 31, 2011	2010	Change
Other restaurant operating	$918.5	$890.0		$890.0	$864.2	
% of Restaurant sales	23.3%	23.4%	(0.1)%	23.4%	24.0%	(0.6)%

Other restaurant operating expenses include certain unit-level operating costs such as operating supplies, rent, repairs and maintenance, advertising expenses, utilities, pre-opening costs and other occupancy costs. A substantial portion of these expenses is fixed or indirectly variable. The decrease as a percentage of restaurant sales in 2012 as compared to 2011 was primarily 0.5% from higher average unit volumes at our restaurants and 0.3% from certain cost savings initiatives. The decrease was partially offset by increases as a percentage of restaurant sales primarily attributable to 0.3% of higher general liability insurance expense and 0.3% of higher restaurant occupancy costs as a result of the Sale-Leaseback Transaction.

The decrease as a percentage of restaurant sales in 2011 as compared with 2010 was primarily 0.7% from higher average unit volumes at our restaurants and 0.4% from certain cost savings initiatives. The decrease was partially offset by increases as a percentage of restaurant sales of 0.2% in operating supplies expense and 0.2% in advertising costs.

Depreciation and Amortization Expenses

(dollars in millions):	Years Ended December 31, 2012	2011	Change	Years Ended December 31, 2011	2010	Change
Depreciation and amortization	$155.5	$153.7		$153.7	$156.3	
% of Total revenues	3.9%	4.0%	(0.1)%	4.0%	4.3%	(0.3)%

Depreciation and amortization expense decreased as a percentage of total revenues in 2012 as compared to 2011. This decrease as a percentage of total revenues was primarily driven by higher average unit volumes at our restaurants.

The decrease as a percentage of total revenues in 2011 as compared to 2010 was primarily 0.2% from certain assets being fully depreciated as of June 2010 as a result of purchase accounting adjustments recorded in conjunction with the Merger and 0.2% from higher average unit volumes at our restaurants. The decrease was partially offset by an increase as a percentage of restaurant sales of 0.1% from depreciation expense on property, fixtures and equipment additions during 2011 primarily due to our Outback Steakhouse renovations.

General and Administrative Expenses

	Years Ended December 31,			Years Ended December 31,		
(in millions):	2012	2011	Change	2011	2010	Change
General and administrative	$326.5	$291.1	$ 35.4	$291.1	$252.8	$ 38.3

General and administrative costs increased in 2012 as compared to 2011 primarily due to $42.1 million of additional expenses associated with our initial public offering, including $18.1 million of accelerated Chief Executive Officer retention bonus and incentive bonus expense, $16.0 million of non-cash stock compensation expense for the vested portion of outstanding stock options and an $8.0 million management agreement termination fee. Exclusive of these initial public offering related expenses, General and administrative costs decreased $6.7 million in the year ended December 31, 2012 as compared to the same period in 2011 primarily due to the following: (i) $5.2 million net increase in the cash surrender value of life insurance investments, (ii) $4.3 million loss from the sale of nine of our Company-owned Outback Steakhouse restaurants in Japan in October 2011, (iii) $4.2 million decrease in legal and professional fees, (iv) $3.5 million lower management fees, exclusive of the termination fee, due to the termination of the management agreement in August 2012, (v) $3.5 million gain from the collection of proceeds from the 2009 sale of our Cheeseburger in Paradise concept and (vi) $3.2 million gain from the settlement of lawsuits. This decrease was partially offset by (i) $8.1 million of increased general and administrative costs associated with field support, managers-in-training and field compensation, bonus, distribution and buyout expense, (ii) $7.4 million of additional legal and other professional fees mainly resulting from amendment and restatement of a lease between OSI and PRP and (iii) $2.7 million of net additional corporate compensation, payroll taxes, benefits and bonus expenses primarily as a result of increasing our resources in consumer insights, research and development, productivity and human resources.

The increase in 2011 as compared to 2010 was primarily due to the following: (i) $12.1 million of additional corporate compensation, bonus and relocation expenses primarily as a result of increasing our resources in consumer insights, research and development, productivity and human resources, (ii) $8.2 million of increased general and administrative costs associated with field support, managers-in-training and field compensation, bonus, distribution and buyout expense, (iii) a $6.2 million net decline in the cash surrender value of life insurance investments, (iv) $7.4 million of additional legal and other professional fees, (v) a $4.3 million loss from the sale of nine of our Company-owned Outback Steakhouse restaurants in Japan in October 2011, (vi) $3.8 million of additional information technology expense, (vii) $1.7 million of increased corporate business travel and meeting-related expenses and (viii) $0.5 million of expenses incurred in 2011 in connection with the Sale-Leaseback Transaction. This increase was partially offset by $5.3 million of cost savings initiatives and a $2.0 million allowance for the PRG promissory note recorded in the first quarter of 2010.

Recovery of Note Receivable from Affiliated Entity

In November 2011, we received a settlement payment of $33.3 million from T-Bird in connection with a settlement agreement that satisfied all outstanding litigation with that franchisee.

Provision for Impaired Assets and Restaurant Closings

(in millions):	Years Ended December 31, 2012	2011	Change	Years Ended December 31, 2011	2010	Change
Provision for impaired assets and restaurant closings	$13.0	$14.0	$ (1.0)	$14.0	$5.2	$ 8.8

During the years ended December 31, 2012, 2011 and 2010, we recorded a provision for impaired assets and restaurant closings of $13.0 million, $14.0 million and $5.2 million, respectively, for certain of our restaurants, intangible assets and other assets (see "—Liquidity and Capital Resources—Fair Value Measurements").

Restaurant impairment charges primarily resulted from the carrying value of a restaurant's assets exceeding its estimated fair market value, primarily due to declining future cash flows from lower projected future sales at existing locations and locations identified for closure, relocation or renovation (see "—Critical Accounting Policies and Estimates—Impairment or Disposal of Long-Lived Assets").

Income from Operations

(dollars in millions):	Years Ended December 31, 2012	2011	Change	Years Ended December 31, 2011	2010	Change
Income from operations	$181.1	$213.5		$213.5	$168.9	
% of Total revenues	4.5%	5.6%	(1.1)%	5.6%	4.7%	0.9%

Income from operations decreased in 2012 as compared to 2011 primarily as a result of the increased expenses in General and administrative associated with our initial public offering partially offset by an increase of 6.1% in operating margins at the restaurant level.

Income from operations increased in 2011 as compared to 2010 primarily as a result of a 9.0% increase in operating margins, higher average unit volumes at our restaurants and certain other items as described above.

Loss on Extinguishment and Modification of Debt

During the first quarter of 2012, we recorded a $2.9 million loss related to the extinguishment of PRP's CMBS Loan in connection with the refinancing. During the third quarter of 2012, we recorded a loss from the extinguishment of OSI's senior notes of $9.0 million which included $2.4 million for the write-off of unamortized deferred financing fees that related to the extinguished senior notes. During the fourth quarter of 2012, we recorded a loss from the extinguishment and modification of OSI's 2007 Credit Facilities of $9.1 million which included $6.2 million for the write-off of unamortized deferred financing fees and $2.9 million of third-party financing costs related to the modified portion of the credit facilities. See "—Liquidity and Capital Resources—Credit Facilities and Other Indebtedness" for further discussion of the individual transactions resulting in a loss on the extinguishment and modification of OSI's and PRP's debt.

Interest Expense, Net

(in millions):	Years Ended December 31, 2012	2011	Change	Years Ended December 31, 2011	2010	Change
Interest expense, net	$86.6	$83.4	$ 3.2	$83.4	$91.4	$ (8.0)

The increase in net interest expense in 2012 as compared to 2011 was primarily due to higher interest rates from the refinancing of the 2012 CMBS Loan and the New Facilities resulting in increased interest expense of $9.8 million and $2.7 million, respectively. This increase was partially offset by an $8.8 million decline in interest expense for OSI's senior notes that were satisfied and discharged in August 2012.

The decrease in net interest expense in 2011 as compared to 2010 was primarily due to a $4.6 million decline in interest expense for OSI's senior secured credit facilities, largely as a result of a decline in the total outstanding balance of those facilities, and to $1.4 million of interest expense on our interest rate collar for OSI's senior secured credit facilities during 2010 that was not incurred in 2011 (since the collar matured in 2010).

Provision for Income Taxes

	Years Ended December 31,			Years Ended December 31,		
	2012	2011	Change	2011	2010	Change
Effective income tax rate	16.5%	16.6%	(0.1)%	16.6%	26.5%	(9.9)%

The effective income tax rate in 2012 was consistent with the prior year. The net decrease in the effective income tax rate in 2011 as compared to the previous year was primarily due to the increase in the domestic pretax book income as to which the deferred income tax assets are subject to a valuation allowance and the state and foreign income tax provision being a lower percentage of consolidated pretax income as compared to the prior year.

The effective income tax rate for the year ended December 31, 2012 was lower than the blended federal and state statutory rate of 38.6% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips, elimination of noncontrolling interests and foreign rate differential together being such a large percentage of pretax income, which was partially offset by the valuation allowance. The effective income tax rate for the year ended December 31, 2011 was lower than the blended federal and state statutory rate of 38.7% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips and loss on investments as a result of the sale of assets in Japan together being such a large percentage of pretax income. The effective income tax rate for the year ended December 31, 2010 was lower than the blended federal and state statutory rate of 38.9% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips, which was partially offset by the valuation allowance and income taxes in states that only have limited deductions in computing the state current income tax provision.

Non-GAAP Financial Measures

In addition to the results provided in accordance with U.S. GAAP, we provide non-GAAP measures which present operating results on an adjusted and/or pro forma basis. These are supplemental measures of performance that are not required by or presented in accordance with U.S. GAAP and include system-wide sales, Adjusted income from operations, Adjusted net income attributable to Bloomin' Brands, Inc., Adjusted diluted earnings per share and Adjusted diluted earnings per pro forma share. These non-GAAP measures are not measurements of our operating or financial performance under U.S. GAAP and should not be considered as an alternative to performance measures derived in accordance with U.S. GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP.

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System-Wide Sales

System-wide sales is a non-GAAP financial measure that includes sales of all restaurants operating under our brand names, whether we own them or not. System-wide sales is comprised of sales of Company-owned restaurants and sales of franchised and unconsolidated joint venture restaurants. The table below presents the first component of system-wide sales, which is sales of Company-owned restaurants:

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
Company-owned Restaurant Sales (in millions):					
Outback Steakhouse					
Domestic (1)	$2,115	$2,031	$1,964	$ 572	$ 561
International (1)	315	332	277	88	82
Total	2,430	2,363	2,241	660	643
Carrabba's Italian Grill	693	682	653	187	187
Bonefish Grill	494	441	403	143	127
Fleming's Prime Steakhouse and Wine Bar	252	239	223	71	67
Other	77	78	75	21	21
Total Company-owned restaurant sales	$3,946	$3,803	$3,595	$1,082	$ 1,045

(1) Company-owned restaurant sales for one location in Puerto Rico that were previously included in Outback Steakhouse (international) are now included in Outback Steakhouse (domestic). Prior years have been revised to conform to the current year presentation.

The following information presents the second component of system-wide sales, which is sales of franchised and unconsolidated joint venture restaurants. These are restaurants that are not consolidated and from which we only receive a franchise royalty or a portion of their total income. Management believes that franchise and unconsolidated joint venture sales information is useful in analyzing our revenues because franchisees and affiliates pay royalties and/or service fees that generally are based on a percentage of sales. Management also uses this information to make decisions about future plans for the development of additional restaurants and new concepts as well as evaluation of current operations.

The following do not represent our sales and are presented only as an indicator of changes in the restaurant system, which management believes is important information regarding the health of our restaurant concepts.

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
Franchise and Unconsolidated Joint Venture Sales (in millions) (1):					
Outback Steakhouse					
Domestic	$310	$300	$ 296	$ 83	$ 82
International	357	311	234	94	87
Total	667	611	530	177	169
Carrabba's Italian Grill	4	4	4	1	1
Bonefish Grill	18	18	16	5	5
Total franchise and unconsolidated joint venture sales (1)	$689	$633	$ 550	$ 183	$ 175
Income from franchise and unconsolidated joint ventures (2)	$ 41	$ 36	$ 31	$ 11	$ 11

(1) Franchise and unconsolidated joint venture sales are not included in revenues in the Consolidated Statements of Operations and Comprehensive Income.

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(2) Represents the franchise royalty and the portion of total income related to restaurant operations included in the Consolidated Statements of Operations and Comprehensive Income in Other revenues and Income from operations of unconsolidated affiliates, respectively.

Other Financial Measures

Adjusted income from operations, Adjusted net income attributable to Bloomin' Brands, Inc., Adjusted diluted earnings per share and Adjusted diluted earnings per pro forma share are non-GAAP measures calculated by eliminating from income from operations, net income and diluted earnings per share the impact of items we do not consider indicative of our ongoing operations. We provide these adjusted operating results because we believe they are useful for investors to assess the operating performance of our business without the effect of these adjustments. For the periods presented, the non-GAAP adjustments include transaction-related expenses primarily attributable to costs incurred in connection with our initial public offering, the refinancing of our long-term debt and other deal costs, management fees paid to the management company associated with our Sponsors and Founders, losses incurred on the extinguishment and modification of long-term debt, collection of a promissory note and other amounts associated with the 2009 sale of one of our restaurant concepts and the tax effect of these items. Pro forma amounts give effect to the issuance of the shares in our initial public offering as if they were all outstanding on January 1, 2010.

The use of these measures permits a comparative assessment of our operating performance relative to our performance based on U.S. GAAP results, while isolating the effects of certain items that vary from period to period without correlation to core operating performance or that vary widely among similar companies. However, our inclusion of these adjusted measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items or that the items for which we have made adjustments are unusual or infrequent. In the future, we may incur expenses or generate income similar to the adjusted items. We further believe that the disclosure of these non-GAAP measures is useful to investors as they form the basis for how our management team and Board of Directors evaluate our performance, including for achievement of objectives under our cash and equity compensation plans. By disclosing these non-GAAP measures, we believe that we create for investors a greater understanding of, and an enhanced level of transparency into, the means by which our management team operates our business.

The following table reconciles Adjusted income from operations, Adjusted net income attributable to Bloomin' Brands, Inc., Adjusted diluted earnings per share and Adjusted diluted earnings per pro forma share, for the years ended December 31, 2012, 2011 and 2010 and the three months ended March 31, 2013 and 2012 to their respective most comparable U.S. GAAP measures (in thousands, except per share amounts):

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
Income from operations	$181,137	$213,452	$168,911	$96,860	$90,408
Transaction-related expenses (1)	45,495	7,583	1,157	—	6,761
Management fees and expenses (2)	13,776	9,370	9,550	—	2,326
Other gains (3)	(3,500)	(33,150)	—	—	—
Adjusted income from operations	$236,908	$197,255	$179,618	$96,860	$99,495
Net income attributable to Bloomin' Brands, Inc.	$ 49,971	$100,005	$ 52,968	$63,223	$49,999
Transaction-related expenses (1)	45,495	7,583	1,157	—	6,761
Management fees and expenses (2)	13,776	9,370	9,550	—	2,326
Other gains (3)	(3,500)	(33,150)	—	—	—
Loss on extinguishment and modification of debt (4)	20,956	—	—	—	2,851
Total adjustments, before income taxes	76,727	(16,197)	10,707	—	11,938
Income tax effect of adjustments (5)	(12,660)	2,689	(2,837)	—	(2,291)
Net adjustments	64,067	(13,508)	7,870	—	9,647
Adjusted net income attributable to Bloomin' Brands, Inc.	$114,038	$ 86,497	$ 60,838	$63,223	$59,646

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
Diluted earnings per share	$ 0.44	$ 0.94	$ 0.50	$ 0.50	$ 0.47
Adjusted diluted earnings per share	$ 0.99	$ 0.81	$ 0.57	$ 0.50	$ 0.56
Adjusted diluted earnings per pro forma share	$ 0.92	$ 0.72	$ 0.51	$ 0.50	$ 0.49
Diluted weighted average shares outstanding	114,821	106,689	105,968	126,507	107,058
Pro forma IPO adjustment (6)	8,684	14,197	14,197	—	14,197
Pro forma diluted weighted average common shares outstanding (6)	123,505	120,886	120,165	126,507	121,255

(1) Transaction-related expenses primarily relate to costs incurred in association with our initial public offering, the refinancing of our long-term debt and other deal costs. The expenses related to the initial public offering primarily include $18.1 million of accelerated Chief Executive Officer retention bonus and incentive bonus and $16.0 million of non-cash stock compensation charges for the vested portion of outstanding stock options recorded upon completion of the initial public offering.

(2) Represents management fees, out-of-pocket expenses and certain other reimbursable expenses paid to a management company owned by our Sponsors and Founders under a management agreement with us. In accordance with the terms of an amendment, this agreement terminated immediately prior to the completion of our initial public offering, and a termination fee of $8.0 million was paid to the management company in 2012, in addition to a pro-rated periodic fee.

(3) During 2012, we recorded a gain associated with the collection of the promissory note and other amounts in connection with the 2009 sale of the Cheeseburger in Paradise concept. During 2011, we recorded a recovery of a note receivable from T-Bird in connection with a settlement agreement that satisfied all outstanding litigation with T-Bird.

(4) Loss on extinguishment and modification of debt is related to the refinancing of OSI's senior secured credit facilities, charges associated with PRP's CMBS Loan refinancing and the retirement of the senior notes.

(5) Income tax effect of adjustments for the years ended December 31, 2012, 2011 and 2010 were calculated using our full-year effective tax rate of 16.5%, 16.6% and 26.5%, respectively. Income tax effect of adjustments for the three months ended March 31, 2012 was calculated using our projected full-year effective tax rate of 19.2%.

(6) Gives pro forma effect to the issuance of shares in our initial public offering as if they were all outstanding on January 1, 2010. There is no effect of this adjustment to the three months ended March 31, 2013.

Liquidity and Capital Resources

We believe that expected cash flow from operations, available borrowing capacity and restricted cash balances are adequate to finance our growth strategies and to fund debt service requirements, operating lease obligations, capital expenditures, working capital obligations and other significant commitments for the next twelve months. However, our ability to continue to meet these requirements and obligations will depend on, among other things, our ability to achieve anticipated levels of revenue and cash flow and our ability to manage costs and working capital successfully.

Transactions

Effective March 14, 2012, we entered into a Sale-Leaseback Transaction with two third-party real estate institutional investors in which we sold 67 restaurant properties at fair market value for net proceeds of $192.9 million. We then simultaneously leased these properties back under nine master leases (collectively, the "REIT Master Leases"). The initial term of the REIT Master Leases are 20 years with four five-year renewal options. One renewal period is at a fixed rental amount and the last three renewal periods are generally based at then-current fair market values. The sale at fair market value and subsequent leaseback qualified for sale-

leaseback accounting treatment, and the REIT Master Leases are classified as operating leases. We deferred the recognition of the $42.9 million gain on the sale of certain of the properties over the initial term of the lease. In accordance with the applicable accounting guidance, the 67 restaurant properties are not classified as held for sale at December 31, 2011 since we leased the properties.

Effective March 27, 2012, New PRP entered into the 2012 CMBS Loan, which totaled $500.0 million at origination and was comprised of a first mortgage loan in the amount of $324.8 million, collateralized by 261 of our properties, and two mezzanine loans totaling $175.2 million. The loans have a maturity date of April 10, 2017, and a weighted average interest rate as of the closing of 6.1%. The proceeds from the 2012 CMBS Loan, together with the proceeds from the Sale-Leaseback Transaction and excess cash held in PRP, were used to repay PRP's existing CMBS Loan. As a result of refinancing the CMBS Loan (the "CMBS Refinancing"), the net amount repaid along with scheduled maturities within one year, $281.3 million, was classified as current at December 31, 2011. During the first quarter of 2012, we recorded a $2.9 million loss on extinguishment of debt (see "—Credit Facilities and Other Indebtedness").

On May 10, 2012, we entered into a first amendment to our management agreement with Kangaroo Management Company I, LLC (the "Management Company"), whose members are entities associated with Bain Capital, Catterton and our Founders. In accordance with the terms of this amendment, the management agreement terminated immediately prior to the completion of our initial public offering, and a termination fee of $8.0 million was paid to the Management Company in the third quarter of 2012, in addition to a pro-rated periodic fee.

On May 10, 2012, the retention bonus and the incentive bonus agreements with our Chief Executive Officer were amended. Under the terms of the amendments, the remaining payments under each agreement were accelerated to a single lump sum payment of $22.4 million as a result of the completion of our initial public offering, which was paid in the third quarter of 2012. We recorded $18.1 million for the accelerated bonus expense in General and administrative expenses in our Consolidated Statement of Operations and Comprehensive Income for the year ended December 31, 2012.

On August 13, 2012, we completed an initial public offering of our common stock. On September 11, 2012, the underwriters in our initial public offering completed the exercise of their option to purchase up to 2,400,000 additional shares of common stock from us and certain of the selling stockholders. In the offering, (i) we issued and sold an aggregate of 14,196,845 shares of common stock (including 1,196,845 shares sold pursuant to the underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $156.2 million and (ii) certain of our stockholders sold 4,196,845 shares of our common stock (including 1,196,845 shares pursuant to the underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $46.2 million. We did not receive any proceeds from the sale of shares of common stock by the selling stockholders.

We received net proceeds in the offering of approximately $142.2 million after deducting underwriting discounts and commissions of approximately $9.4 million and offering related expenses of $4.6 million. All of the net proceeds, together with cash on hand, were applied to the retirement of OSI's 10% senior notes due 2015.

Upon completion of the offering, our certificate of incorporation was amended and restated to provide for authorized capital stock of 475,000,000 shares of common stock, par value $0.01 per share, and 25,000,000 shares of undesignated preferred stock.

Upon completion of our initial public offering, we recorded approximately $16.0 million of aggregate non-cash compensation expense with respect to (i) certain stock options held by our Chief Executive Officer that become exercisable (to the extent then vested) if following the offering, the volume-weighted average trading price of our common stock is equal to or greater than specified performance targets over a six-month period and (ii) the time vested portion of outstanding stock options containing a management call option due to the automatic

termination of the call option upon completion of the offering. Additionally, at the time of the initial public offering, we expected to record an additional $19.6 million in stock-based compensation expense through 2017 (of which $2.7 million was incurred in 2012) related to the portion of these same stock options that will continue to vest following the offering. These amounts are only for the stock options described in (i) and (ii) above and are in addition to stock-based compensation expense we will recognize related to other outstanding equity awards and other equity awards that may be granted in the future. See "—Critical Accounting Policies and Estimates—Stock-Based Compensation" for additional information on the management call option.

During the third quarter of 2012, OSI retired the aggregate outstanding principal amount of its 10% senior notes through a combination of a tender offer and early redemption call. The senior notes retirement was funded using a portion of the net proceeds from our initial public offering together with cash on hand. OSI paid an aggregate of $259.8 million to retire the senior notes, which included $248.1 million in aggregate outstanding principal, $6.5 million of prepayment premium and early tender incentive fees and $5.2 million of accrued interest. The senior notes were satisfied and discharged on August 13, 2012. As a result of these transactions, we recorded a loss from the extinguishment of debt of $9.0 million in the third quarter of 2012 in Loss on extinguishment and modification of debt in our Consolidated Statement of Operations and Comprehensive Income. This loss included $2.4 million for the write-off of unamortized deferred financing fees that related to the extinguished senior notes.

Effective October 1, 2012, we purchased the remaining interests in our Roy's joint venture from RY-8 for $27.4 million. This purchase price consisted of the assumption of RY-8's $24.5 million line of credit guaranteed by OSI that had been recorded in Guaranteed debt in our Consolidated Balance Sheet at December 31, 2011, forgiveness of $1.8 million in loans due from RY-8 to OSI and a $1.1 million cash payment. This transaction resulted in a $0.7 million reduction in Additional paid-in capital in our Consolidated Balance Sheet at December 31, 2012. In December 2012, we paid the $24.5 million outstanding balance on the line of credit assumed from RY-8 and the line of credit was terminated.

On October 26, 2012, OSI completed a refinancing of its 2007 Credit Facilities and entered into a Credit Agreement with a syndicate of institutional lenders and financial institutions. The New Facilities provided for senior secured financing of up to $1.225 billion, consisting of a $1.0 billion term loan B and a $225.0 million revolving credit facility, including letter of credit and swing-line loan sub-facilities, maturing seven and five years after the closing date of the New Facilities, respectively. In the fourth quarter of 2012, we capitalized $11.0 million of third-party financing fees incurred to complete the transaction. These deferred financing costs are included in Other assets, net in our Consolidated Balance Sheet. In addition, we recorded a $9.1 million loss related to the extinguishment and modification of the 2007 Credit Facilities in Loss on extinguishment and modification of debt in our Consolidated Statement of Operations and Comprehensive Income during the fourth quarter of 2012. In the first quarter of 2013, OSI prepaid $25.0 million of outstanding principal under the term loan B. In April 2013, OSI completed a repricing of its existing senior secured term loan B facility by replacing it with the New Term Loan B, which has the same outstanding principal amount (as of the repricing date) of $975.0 million, maturity date of October 26, 2019, amortization schedule and financial covenants, but a lower applicable interest rate than the existing senior secured term loan B facility (see "—Credit Facilities and Other Indebtedness").

During the third and fourth quarters of 2012, we purchased the remaining partnership interests in certain of our limited partnerships that either owned or had a contractual right to varying percentages of cash flows in 44 Bonefish Grill restaurants and 17 Carrabba's Italian Grill restaurants for an aggregate purchase price of $39.5 million. The purchase price for each of the transactions was paid in cash by December 31, 2012. These transactions resulted in a $39.0 million reduction in Additional paid-in capital in our Consolidated Balance Sheet at December 31, 2012.

In connection with the settlement of litigation with T-Bird Nevada, LLC and its affiliates (collectively, "T-Bird"), which included the franchisees of 56 Outback Steakhouse restaurants in California, T-Bird has a right

(referred to as the "Put Right"), which would require us to purchase for cash all of the ownership interests in the T-Bird entities that own Outback Steakhouse restaurants and certain rights under the development agreement with T-Bird. The Put Right is non-transferable, other than under limited circumstances set forth in the settlement agreement. The Put Right is exercisable by T-Bird until August 13, 2013. If the Put Right is exercised, we will pay a purchase price equal to a multiple of the T-Bird entities' adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) for the trailing 12 months, net of liabilities of the T-Bird entities. The multiple is equal to 75% of the multiple of our adjusted EBITDA reflected in our stock price. We have a one-time right to reject the exercise of the Put Right if the transaction would be dilutive to our consolidated earnings per share. In such event, the Put Right is extended until the first anniversary of our notice to the T-Bird entities of such rejection. If exercised, the closing of the Put Right will be the last business day of the third full calendar month immediately following the month in which notification of the exercise of the Put Right (the "Put Notice") is given. If the weighted average closing price of our common stock during the month immediately prior to the month the closing date is to occur is more than 20% less than the closing price on the date the Put Notice is delivered, the T-Bird entities will have a one-time right to delay the closing for two months. If the closing date is delayed, the T-Bird entities multiple will be calculated based on the weighted average closing price of our common stock during the calendar month immediately prior to the month of the newly scheduled closing date. The closing of the Put Right is subject to certain conditions, including the negotiation of a transaction agreement reasonably acceptable to the parties, the absence of dissenters' rights being exercised by the equity owners above a specified level, non-revocation by the T-Bird entities of the exercise of the Put Right and compliance with our debt agreements.

Summary of Cash Flows

We require capital primarily for principal and interest payments on debt, prepayment requirements under OSI's term loan B facility (see "—Credit Facilities and Other Indebtedness"), obligations related to our deferred compensation plans, the development of new restaurants, remodeling older restaurants, investments in technology, and acquisitions of franchisees and joint venture partners.

The following table presents a summary of our cash flows provided by (used in) operating, investing and financing activities for the periods indicated (in thousands):

	Years Ended December 31,			Three Months Ended March 31,	
	2012	2011	2010	2013	2012
Net cash provided by operating activities	$ 340,091	$ 322,450	$ 275,154	$ 18,100	$ 2,096
Net cash provided by (used in) investing activities	19,944	(113,142)	(71,721)	(38,394)	155,820
Net cash used in financing activities	(586,219)	(89,300)	(167,315)	(21,226)	(306,404)
Effect of exchange rate changes on cash and cash equivalents	5,790	(3,460)	(1,539)	(2,701)	1,463
Net (decrease) increase in cash and cash equivalents	$(220,394)	$ 116,548	$ 34,579	$(44,221)	$(147,025)

Operating Activities

Net cash provided by operating activities increased in the three months ended March 31, 2013 as compared to the same period in 2012 primarily as a result of the following: (i) timing of accounts payable and certain accrual payments, (ii) utilization of inventory on hand and (iii) a decrease in cash paid for income taxes. The increase in net cash provided by operating activities was partially offset by the following: (i) a decrease in cash due to timing of collections of holiday gift card sales from third-party vendors, (ii) an increase in cash paid for interest on our outstanding debt obligations and (iii) $2.2 million of cash paid to terminate certain split-dollar life insurance policies.

Net cash provided by operating activities increased in 2012 as compared to 2011 primarily as a result of the following: (i) timing of third-party gift card receipts, (ii) an increase in cash generated from restaurant operations due to comparable restaurant sales increases and (iii) certain food, labor and other cost savings initiatives. The increase in net cash provided by operating activities was partially offset by a bonus payment to our Chief Executive Officer of $18.1 million and a management agreement termination fee of $8.0 million, both made in connection with our initial public offering, as well as timing related increases in payments associated with our trade payables and accrued expenses.

Net cash provided by operating activities increased in 2011 as compared to 2010 primarily as a result of the following: (i) an increase in cash generated from restaurant operations due to comparable restaurant sales increases, (ii) certain food, labor and other cost savings initiatives, (iii) an acceleration of certain accounts payable and other related payments prior to the end of 2010 and (iv) a decrease in cash paid for interest, which was $72.1 million for the year ended December 31, 2011 compared to $96.7 million in 2010. The increase in net cash provided by operating activities was partially offset by an increase in other current assets primarily due to an increase in third-party gift card receivables and an increase in cash paid for income taxes, net of refunds, which was $27.7 million for the year ended December 31, 2011 compared to $10.8 million in 2010.

Investing Activities

Net cash used in investing activities during the three months ended March 31, 2013 consisted primarily of capital expenditures of $41.0 million partially offset by proceeds from the disposal of property, fixtures and equipment of $1.8 million and the $1.1 million net difference in restricted cash. Net cash provided by investing activities during the three months ended March 31, 2012 consisted primarily of proceeds from the Sale-Leaseback Transaction of $192.9 million partially offset by capital expenditures of $34.0 million and the $4.3 million net difference between restricted cash received and restricted cash used.

Net cash provided by investing activities during the year ended December 31, 2012 consisted primarily of the following: (i) proceeds from the Sale-Leaseback Transaction of $192.9 million, (ii) the $4.2 million net difference in restricted cash, (iii) proceeds from the sale of property, fixtures and equipment of $4.0 million and (iv) $3.5 million of proceeds from the collection of the promissory note and other amounts due in connection with the 2009 sale of the Cheeseburger in Paradise concept. These increases were partially offset by capital expenditures of $178.7 million and purchases of Company-owned life insurance of $6.5 million. Net cash used in investing activities during the year ended December 31, 2011 consisted primarily of capital expenditures of $120.9 million and a royalty termination fee of $8.5 million. This was partially offset by $10.1 million of proceeds from the sale of nine of our Company-owned Outback Steakhouse restaurants in Japan. Net cash used in investing activities during the year ended December 31, 2010 consisted primarily of the following: (i) capital expenditures of $60.5 million, (ii) the $11.3 million net difference between restricted cash received and restricted cash used and (iii) deconsolidated PRG cash of $4.4 million. This was partially offset by the $4.0 million net difference between the proceeds from the sale and purchases of Company-owned life insurance.

We estimate that our capital expenditures will total between approximately $220.0 million and $250.0 million in 2013. The amount of actual capital expenditures may be affected by general economic, financial, competitive, legislative and regulatory factors, among other things, including restrictions imposed by our borrowing arrangements. We expect to continue to review the level of capital expenditures throughout 2013.

Financing Activities

Net cash used in financing activities during the three months ended March 31, 2013 was primarily attributable to the following: (i) repayments of long-term debt of $30.6 million, (ii) repayments of partner deposits and accrued partner obligations of $4.2 million and (iii) distributions to noncontrolling interests of $2.4 million. This was partially offset by the receipt of proceeds from the exercise of stock options of $10.6 million and repayments of notes receivable due from stockholders of $5.3 million. Net cash used in financing activities

during the three months ended March 31, 2012 was primarily attributable to the following: (i) extinguishment of PRP's CMBS Loan of $777.6 million, (ii) repayments of partner deposits and accrued partner obligations of $9.2 million, (iii) repayments of long-term debt of $6.6 million, (iv) deferral of $5.4 million of financing fees associated with the refinancing of PRP's CMBS Loan and (v) distributions to noncontrolling interests of $4.2 million. This was partially offset by the proceeds received from the 2012 CMBS Loan of $495.2 million.

Net cash used in financing activities during the year ended December 31, 2012 was primarily attributable to the following: (i) the extinguishment and modification of the OSI 2007 Credit Facilities and extinguishment of the PRP CMBS Loan and OSI's senior notes for an aggregate $2.0 billion, (ii) the repayment of borrowings on OSI's revolving credit facilities of $144.0 million, (iii) the repayment of long-term debt of $46.9 million, (iv) the purchase of outstanding limited partnership interests in certain restaurants of $40.6 million, (v) the repayments of partner deposits and other contributions of $25.4 million, (vi) the financing fees incurred for PRP's CMBS Refinancing and the refinancing of OSI's 2007 Credit Facilities of $19.0 million and (vii) the net distributions to noncontrolling interests of $14.0 million. This was partially offset by proceeds on the issuance of long-term debt for OSI and New PRP and borrowings on OSI's revolving credit facilities of $1.6 billion and proceeds from the issuance of common stock of $142.2 million.

Net cash used in financing activities during the year ended December 31, 2011 was primarily attributable to the following: (i) repayments of borrowings on long-term debt and OSI's revolving credit facilities of $103.3 million, (ii) the net difference between repayments and receipts of partner deposits and other contributions of $36.0 million and (iii) distributions to noncontrolling interests of $13.5 million. This was partially offset by the collection of the note receivable from T-Bird of $33.3 million and proceeds from borrowings on OSI's revolving credit facilities of $33.0 million. Net cash used in financing activities during the year ended December 31, 2010 was primarily attributable to the following: (i) repayments of borrowings on long-term debt and OSI's revolving credit facilities of $196.8 million, (ii) the net difference between repayment and receipt of partner deposit and accrued buyout contributions of $18.0 million and (iii) distributions to noncontrolling interests of $11.6 million. This was partially offset by proceeds from borrowings on OSI's revolving credit facilities of $61.0 million.

Financial Condition as of March 31, 2013

Current assets decreased to $427.7 million at March 31, 2013 as compared with $487.8 million at December 31, 2012. This decrease was primarily due to a $44.2 million decrease in Cash and cash equivalents (see "—Summary of Cash Flows") and a $10.3 million decrease in Inventories primarily due to the utilization of inventory on hand and timing of deliveries at the end of the period. Current liabilities decreased to $574.6 million at March 31, 2013 as compared with $691.4 million at December 31, 2012 primarily due to the following: (i) a $97.4 million decrease in Unearned revenue as a result of the seasonal pattern of gift card and promotional sales and redemptions, (ii) a $9.8 million decrease in the Current portion of long-term debt mainly due to the voluntary prepayments on the term loan B made in the first quarter of 2013 extending future principal payments in excess of 12 months, and (iii) a $18.6 million decrease in Accrued and other current liabilities primarily from a decrease in accrued payroll and other compensation for 2012 related compensation paid in March 2013. These decreases were partially offset by an increase of $9.2 million in Accounts payable due to the timing of payments.

Working capital (deficit) totaled ($146.8) million and ($203.6) million at March 31, 2013 and December 31, 2012, respectively, and included Unearned revenue from unredeemed gift cards of $232.1 million and $329.5 million at March 31, 2013 and December 31, 2012, respectively. We have, and in the future may continue to have, negative working capital balances (as is common for many restaurant companies). We operate successfully with negative working capital because cash collected on restaurant sales is typically received before payment is due on our current liabilities and our inventory turnover rates require relatively low investment in inventories. Additionally, ongoing cash flows from restaurant operations and gift card sales are used to service debt obligations and for capital expenditures.

Financial Condition as of December 31, 2012

Current assets decreased to $487.8 million at December 31, 2012 as compared with $708.3 million at December 31, 2011 primarily due to a decrease in Cash and cash equivalents of $220.4 million (see "—Summary of Cash Flows").

Current liabilities decreased to $691.4 million at December 31, 2012 as compared with $956.4 million at December 31, 2011 primarily due to a decrease in the Current portion of long-term debt of $309.9 million as a result of the PRP's CMBS Refinancing in March 2012 and OSI's refinancing of the 2007 Credit Facilities in October 2012. This decrease was partially offset by an increase in Unearned revenue of $29.9 million as a result of the increase in third-party gift card and promotional sales and the net increase in Accounts payable and Accrued and other current liabilities of $15.2 million primarily related to the timing of payments at year-end.

Working capital (deficit) totaled ($203.6) million and ($248.1) million at December 31, 2012 and 2011, respectively, and included Unearned revenue from unredeemed gift cards of $329.5 million and $299.6 million at December 31, 2012 and 2011, respectively.

Credit Facilities and Other Indebtedness

We are a holding company and conduct our operations through our subsidiaries, certain of which have incurred their own indebtedness as described below.

On October 26, 2012, OSI completed a refinancing of its 2007 Credit Facilities and entered into a Credit Agreement with a syndicate of institutional lenders and financial institutions. The New Facilities provide for senior secured financing of up to $1.225 billion, consisting of a $1.0 billion term loan B and a $225.0 million revolving credit facility, including letter of credit and swing-line loan sub-facilities, maturing seven and five years after the closing date of the New Facilities, respectively. The term loan B was issued with an original issue discount of $10.0 million. In the fourth quarter of 2012, we incurred $13.9 million of third-party financing costs to complete this transaction of which $11.0 million has been capitalized. These deferred financing costs are primarily included in Other assets, net in our Consolidated Balance Sheet. The remaining $2.9 million of third-party financing costs were expensed as they related to debt held by lenders that participated in both the original and refinanced debt and therefore, the debt was treated as modified rather than extinguished. An additional $6.2 million of loss was recorded for the write-off of deferred financing fees associated with the 2007 Credit Facilities treated as extinguished. We recorded the total $9.1 million loss related to the extinguishment and modification of the 2007 Credit Facilities in Loss on extinguishment and modification of debt in our Consolidated Statement of Operations and Comprehensive Income during the fourth quarter of 2012.

The new senior secured term loan B matures October 26, 2019. The borrowings under this facility bear interest at rates ranging from 225 to 250 basis points over the Base Rate or 325 to 350 basis points over the Eurocurrency Rate as defined in the Credit Agreement. The Base Rate option is the highest of (i) the prime rate of Deutsche Bank Trust Company Americas, (ii) the federal funds effective rate plus 0.5 of 1.0% or (iii) the Eurocurrency Rate with a one-month interest period plus 1.0% ("Base Rate") (3.25% at March 31, 2013 and December 31, 2012). The Eurocurrency Rate option is the 30, 60, 90 or 180-day Eurocurrency Rate ("Eurocurrency Rate") (ranging from 0.20% to 0.44% at March 31, 2013 and 0.21% to 0.51% at December 31, 2012). The Eurocurrency Rate may have a nine- or twelve-month interest period if agreed upon by the applicable lenders. With respect to the new senior secured term loan B, the Base Rate is subject to an interest rate floor of 2.25%, and the Eurocurrency Rate is subject to an interest rate floor of 1.25%.

OSI is required to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of its "annual excess cash flow" (with step-downs to 25% and 0% based upon its consolidated first lien net leverage ratio), as defined in the Credit Agreement, beginning with the fiscal year ending December 31, 2013 and subject to certain exceptions;

- 100% of the net proceeds of certain assets sales and insurance and condemnation events, subject to reinvestment rights and certain other exceptions; and
- 100% of the net proceeds of any debt incurred, excluding permitted debt issuances.

The New Facilities require scheduled quarterly payments on the term loan B equal to 0.25% of the original principal amount of the term loans for the first six years and three quarters commencing with the quarter ending March 31, 2013. These payments are reduced by the application of any prepayments, and any remaining balance will be paid at maturity. The outstanding balance on the term loan B was $975.0 million and $1.0 billion at March 31, 2013 and December 31, 2012, respectively. At March 31, 2013, none of the outstanding balance on the term loan B was classified as current due to voluntary prepayments of $25.0 million made by OSI during the first quarter of 2013 and the results of its projected covenant calculations, which indicate the additional term loan prepayments, as described above, will not be required. The amount of outstanding term loans required to be prepaid in accordance with OSI's debt covenants may vary based on year-end results. At December 31, 2012, $10.0 million of the outstanding balance on the term loan B was classified as current due to OSI's required quarterly payments.

The revolving credit facility matures October 26, 2017 and provides for swing-line loans and letters of credit of up to $225.0 million for working capital and general corporate purposes. The revolving credit facility bears interest at rates ranging from 200 to 250 basis points over the Base Rate or 300 to 350 basis points over the Eurocurrency Rate. There were no loans outstanding under the revolving credit facility at March 31, 2013 and December 31, 2012. However, $37.6 million and $41.2 million, respectively of the credit facility was committed for the issuance of letters of credit and not available for borrowing. Total outstanding letters of credit issued under OSI's new revolving credit facility may not exceed $100.0 million. Fees for the letters of credit are 3.63% and the commitment fees for unused revolving credit commitments are 0.50%.

The New Facilities require OSI to comply with certain covenants, including, in the case of the revolving credit facility, a covenant to maintain a specified quarterly Total Net Leverage Ratio ("TNLR") test. The TNLR is the ratio of Consolidated Total Debt to Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization and certain other adjustments as defined in the Credit Agreement) and may not exceed a level set at 6.00 to 1.00 for the last day of any fiscal quarter in 2012 or 2013, with step-downs over a four-year period to a maximum level of 5.00 to 1.00 in 2017. The other negative covenants limit, but provide exceptions for, OSI's ability and the ability of its restricted subsidiaries to take various actions relating to indebtedness, significant payments, mergers and similar transactions. The Credit Agreement also contains customary representations and warranties, affirmative covenants and events of default. At March 31, 2013 and December 31, 2012, OSI was in compliance with its debt covenants under the New Facilities.

The New Facilities are guaranteed by each of OSI's current and future domestic 100% owned restricted subsidiaries in the Outback Steakhouse and Carrabba's Italian Grill concepts and certain other subsidiaries (the "Guarantors") and by OSI HoldCo, Inc., OSI's direct owner and our indirect, wholly-owned subsidiary ("OSI HoldCo").

OSI's obligations are secured by substantially all of its assets and assets of the Guarantors and OSI HoldCo, in each case, now owned or later acquired, including a pledge of all of OSI's capital stock, the capital stock of substantially all of OSI's domestic subsidiaries and 65% of the capital stock of foreign subsidiaries that are directly owned by OSI, OSI HoldCo, or a Guarantor. OSI is also required to provide additional guarantees of the New Facilities in the future from other domestic wholly-owned restricted subsidiaries if the Consolidated EBITDA attributable to OSI's non-guarantor domestic wholly-owned restricted subsidiaries as a group exceeds 10% of the Consolidated EBITDA of OSI and its restricted subsidiaries. If this occurs, guarantees would be required from additional domestic wholly-owned restricted subsidiaries in such number that would be sufficient to lower the aggregate Consolidated EBITDA of the non-guarantor domestic wholly-owned restricted subsidiaries as a group to an amount not in excess of 10% of the Consolidated EBITDA of OSI and its restricted subsidiaries.

On April 10, 2013, OSI completed a repricing of its senior secured term loan B facility pursuant to the First Amendment to Credit Agreement, Guaranty and Security Agreement, among OSI, OSI HoldCo, Inc., the subsidiary guarantors named therein, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, and a syndicate of institutional lenders and financial institutions.

The Amended Credit Agreement replaces OSI's existing senior secured term loan B facility with the New Term Loan B. The New Term Loan B has the same principal amount outstanding (as of the repricing date) of $975.0 million, maturity date of October 26, 2019, amortization schedule and financial covenants but a lower applicable interest rate than the existing senior secured term loan B facility. Voluntary prepayments made on the principal amount outstanding since the inception of the Credit Agreement will continue to be treated as prepayments for purposes of determining amortization payment and mandatory prepayment requirements under the New Term Loan B.

The Amended Credit Agreement decreased the interest rate applicable to the New Term Loan B to 150 basis points over the Base Rate or 250 basis points over the Eurocurrency Rate and reduced the interest rate floors applicable to the New Term Loan B to 2.00% for the Base Rate and 1.00% for the Eurocurrency Rate. Prepayments or amendments of the New Term Loan B that constitute a "repricing transaction" (as defined in the Amended Credit Agreement) will be subject to a premium of 1.00% of the New Term Loan B if prepaid or amended on or prior to October 10, 2013. Prepayments and repricings made after October 10, 2013 will not be subject to premium or penalty.

Pursuant to the terms of the Credit Agreement, we were required to pay a prepayment penalty of approximately $10.0 million at closing in connection with the repricing transaction. Additional professional fees will also be recorded in the second quarter of 2013 as well as an adjustment of the deferred financing fees and unamortized debt discount based on completion of our analysis of debt extinguishment or modification treatment for the repricing. We anticipate the costs incurred in connection with the repricing, including the prepayment penalty, will range from $14.0 million to $17.0 million. As a result of the repricing, we expect to reduce annual cash interest expense by approximately $12.0 million (approximately $9.0 million in 2013), assuming a constant principal balance and interest rate environment.

Prior to the New Facilities, OSI was party to the 2007 Credit Facilities with a syndicate of institutional lenders and financial institutions, which were entered into on June 14, 2007. These senior secured credit facilities provided for senior secured financing of up to $1.6 billion, consisting of a $1.3 billion term loan facility, a $150.0 million working capital revolving credit facility, including letter of credit and swing-line loan sub-facilities, and a $100.0 million pre-funded revolving credit facility that provided financing for capital expenditures only.

At each rate adjustment, OSI had the option to select an Original Base Rate plus 125 basis points or an Original Eurocurrency Rate plus 225 basis points for the borrowings under this facility. The base rate option was the higher of the prime rate of Deutsche Bank AG New York Branch and the federal funds effective rate plus 0.5 of 1% ("Original Base Rate") (3.25% at December 31, 2011). The eurocurrency rate option was the 30, 60, 90 or 180-day eurocurrency rate ("Original Eurocurrency Rate") (ranging from 0.38% to 0.88% at December 31, 2011). The Original Eurocurrency Rate may have had a nine- or twelve-month interest period if agreed upon by the applicable lenders. With either the Original Base Rate or the Original Eurocurrency Rate, the interest rate would have been reduced by 25 basis points if the associated Moody's Applicable Corporate Rating then most recently published was B1 or higher (the rating was Caa1 at December 31, 2011).

OSI was required to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of its "annual excess cash flow" (with step-downs to 25% and 0% based upon its rent-adjusted leverage ratio), as defined in the credit agreement and subject to certain exceptions;

- 100% of its “annual minimum free cash flow,” as defined in the credit agreement, not to exceed $75.0 million for each fiscal year, if its rent-adjusted leverage ratio exceeded a certain minimum threshold;
- 100% of the net proceeds of certain assets sales and insurance and condemnation events, subject to reinvestment rights and certain other exceptions; and
- 100% of the net proceeds of any debt incurred, excluding permitted debt issuances.

Additionally, OSI was required, on an annual basis, to first, repay outstanding loans under the pre-funded revolving credit facility and second, fund a capital expenditure account to the extent amounts on deposit were less than $100.0 million, in both cases with 100% of its “annual true cash flow,” as defined in the credit agreement. In accordance with these requirements, in April 2012, OSI repaid its pre-funded revolving credit facility outstanding loan balance of $33.0 million and funded $37.6 million to its capital expenditure account using its “annual true cash flow.”

OSI’s 2007 Credit Facilities required scheduled quarterly payments on the term loans equal to 0.25% of the original principal amount of the term loans for the first six years and three quarters following June 14, 2007. These payments were reduced by the application of any prepayments. The outstanding balance on the term loans was $1.0 billion at December 31, 2011. We classified $13.1 million of OSI’s term loans as current at December 31, 2011 due to OSI’s required quarterly payments and the results of its covenant calculations, which indicated the additional term loan prepayments, as described above, were not required. In October 2011, we sold our nine Company-owned Outback Steakhouse restaurants in Japan to a subsidiary of S Foods, Inc. and used the net cash proceeds from this sale to pay down $7.5 million of OSI’s outstanding term loans in accordance with the terms of the OSI credit agreement amended in January 2010.

Proceeds of loans and letters of credit under OSI’s $150.0 million working capital revolving credit facility provided financing for working capital and general corporate purposes and, subject to a rent-adjusted leverage condition, for capital expenditures for new restaurant growth. This revolving credit facility bore interest at rates ranging from 100 to 150 basis points over the Original Base Rate or 200 to 250 basis points over the Original Eurocurrency Rate. There were no loans outstanding under the revolving credit facility at December 31, 2011, however, $67.6 million of the credit facility was committed for the issuance of letters of credit and not available for borrowing. OSI’s total outstanding letters of credit issued under its working capital revolving credit facility was not permitted to exceed $75.0 million. Fees for the letters of credit ranged from 2.00% to 2.25% and the commitment fees for unused working capital revolving credit commitments ranged from 0.38% to 0.50%.

Proceeds of loans under OSI’s $100.0 million pre-funded revolving credit facility were available to provide financing for capital expenditures, if the capital expenditure account described above had a zero balance. As of December 31, 2011, OSI had $33.0 million outstanding on its pre-funded revolving credit facility. This borrowing was recorded in Current portion of long-term debt in our Consolidated Balance Sheet, as OSI was required to repay any outstanding borrowings in April following each fiscal year using its “annual true cash flow,” as defined in the credit agreement. At each rate adjustment, OSI had the option to select the Original Base Rate plus 125 basis points or an Original Eurocurrency Rate plus 225 basis points for the borrowings under this facility. In either case, the interest rate was reduced by 25 basis points if the associated Moody’s Applicable Corporate Rating then most recently published is B1 or higher. Fees for the unused portion of the pre-funded revolving credit facility were 2.43%.

At December 31, 2011, OSI was in compliance with its debt covenants under the 2007 Credit Facilities.

Effective March 27, 2012, New PRP entered into the 2012 CMBS Loan with German American Capital Corporation and Bank of America, N.A. The 2012 CMBS Loan totaled $500.0 million at origination and was comprised of a first mortgage loan in the amount of $324.8 million, collateralized by 261 of our properties, and

two mezzanine loans totaling $175.2 million. The loans have a maturity date of April 10, 2017. The first mortgage loan has five fixed rate components and a floating rate component. The fixed rate components bear interest at rates ranging from 2.37% to 6.81% per annum. The floating rate component bears interest at a rate per annum equal to the 30-day London Interbank Offered Rate (“LIBOR”) (with a floor of 1%) plus 2.37%. The first mezzanine loan bears interest at a rate of 9.00% per annum, and the second mezzanine loan bears interest at a rate of 11.25% per annum. The proceeds from the 2012 CMBS Loan, together with the proceeds from the Sale-Leaseback Transaction (see “—Transactions”) and excess cash held in PRP, were used to repay PRP’s existing CMBS Loan. As a result of the CMBS Refinancing, the net amount repaid along with scheduled maturities within one year, $281.3 million, was classified as current at December 31, 2011. During the first quarter of 2012, we recorded a $2.9 million loss related to the extinguishment in Loss on extinguishment and modification of debt in our Consolidated Statement of Operations and Comprehensive Income. We deferred $7.6 million of financing costs incurred to complete this transaction of which $2.2 million had been capitalized as of December 31, 2011 and the remainder was capitalized in the first quarter of 2012. These deferred financing costs are included in Other assets, net in our Consolidated Balance Sheets. At March 31, 2013 and December 31, 2012, the outstanding balance, excluding the debt discount, on the 2012 CMBS Loan was $491.5 million and $493.9 million, respectively.

In connection with the 2012 CMBS Loan, New PRP entered into an interest rate cap (the “Rate Cap”) as a method to limit the volatility of the floating rate component of the first mortgage loan. Under the Rate Cap, if the 30-day LIBOR market rate exceeds 7.00% per annum, the counterparty must pay to New PRP such excess on the notional amount of the floating rate component. If necessary, we would record mark-to-market changes in the fair value of this derivative instrument in earnings in the period of change. The Rate Cap has a term of approximately two years from the closing of the 2012 CMBS Loan. Upon the expiration or termination of the Rate Cap or the downgrade of the credit ratings of the counterparty under the Rate Cap’s specified thresholds, New PRP is required to replace the Rate Cap with a replacement interest rate cap in a notional amount equal to the outstanding principal balance (if any) of the floating rate component.

Prior to the 2012 CMBS Loan, PRP had first mortgage and mezzanine notes (together, the CMBS Loan) totaling $790.0 million, which were entered into on June 14, 2007. As part of the CMBS Loan, German American Capital Corporation and Bank of America, N.A. et al (the “Lenders”) had a security interest in the acquired real estate and related improvements, and direct and indirect equity interests of certain of our subsidiaries. The CMBS Loan comprised a note payable and four mezzanine notes. All notes bore interest at the one-month LIBOR which was 0.28% at December 31, 2011, plus an applicable spread which ranged from 0.51% to 4.25%. Interest-only payments were made on the ninth calendar day of each month and interest accrued beginning on the fifteenth calendar day of the preceding month. At December 31, 2011, the outstanding balance on PRP’s CMBS Loan was $775.3 million. We used an interest rate cap with a notional amount of $775.7 million as a method to limit the volatility of PRP’s variable-rate CMBS Loan. During the first quarter of 2012, this interest rate cap was terminated.

On June 14, 2007, OSI issued senior notes in an original aggregate principal amount of $550.0 million under an indenture among OSI, as issuer, OSI Co-Issuer, Inc., as co-issuer (“Co-Issuer”), a third-party trustee and the Guarantors. The senior notes were scheduled to mature on June 15, 2015. Interest was payable semiannually in arrears, at 10% per annum, in cash on each June 15 and December 15. Interest payments to the holders of record of the senior notes occurred on the immediately preceding June 1 and December 1. Interest was computed on the basis of a 360-day year consisting of twelve 30-day months. The principal balance of senior notes outstanding at December 31, 2011 was $248.1 million.

During the third quarter of 2012, OSI retired the aggregate outstanding principal amount of its 10% senior notes through a combination of a tender offer and early redemption call. The senior notes retirement was funded using a portion of the net proceeds from our initial public offering together with cash on hand. OSI paid an aggregate of $259.8 million to retire the senior notes, which included $248.1 million in aggregate outstanding principal, $6.5 million of prepayment premium and early tender incentive fees and $5.2 million of accrued

interest. The senior notes were satisfied and discharged on August 13, 2012. As a result of these transactions, we recorded a loss from the extinguishment of debt of $9.0 million in the third quarter of 2012 in Loss on extinguishment and modification of debt in our Consolidated Statement of Operations and Comprehensive Income. This loss included $2.4 million for the write-off of unamortized deferred financing fees that related to the extinguished senior notes.

As of March 31, 2013, December 31, 2012 and 2011, OSI had approximately $7.2 million, $9.8 million and $9.1 million, respectively, of notes payable at interest rates ranging from 0.62% to 7.00%, 0.63% to 7.00% and from 0.76% to 7.00%, respectively. These notes have been primarily issued for buyouts of managing and area operating partner interests in the cash flows of their restaurants and generally are payable over a period of two through five years.

Debt Guarantees

Effective October 1, 2012, we purchased the remaining interests in our Roy's joint venture from RY-8 for $27.4 million. This purchase price consisted of the assumption of RY-8's $24.5 million line of credit by OSI that had been recorded in Guaranteed debt in our Consolidated Balance Sheet at December 31, 2011, forgiveness of $1.8 million in loans due from RY-8 to OSI and a $1.1 million cash payment. In December 2012, we paid the $24.5 million outstanding balance on the line of credit assumed from RY-8.

Prior to this acquisition, OSI was the guarantor of an uncollateralized line of credit that permitted borrowing of up to $24.5 million for RY-8 in the development of Roy's restaurants. The line of credit was set to expire on April 15, 2013. According to the terms of the line of credit agreement, RY-8 had the ability to borrow, repay, re-borrow or prepay advances at any time before the termination date of the agreement. On the termination date of the agreement, the entire outstanding principal amount of the loan then outstanding and any accrued interest would have been due. At December 31, 2011, the outstanding balance on the line of credit was $24.5 million.

RY-8's obligations under the line of credit were unconditionally guaranteed by OSI and Roy's Holdings, Inc. If an event of default had occurred, as defined in the agreement, the total outstanding balance, including any accrued interest, would have been immediately due from the guarantors. At December 31, 2011, $24.5 million of OSI's $150.0 million working capital revolving credit facility was committed for the issuance of a letter of credit for this guarantee.

Goodwill and Indefinite-Lived Intangible Assets

During the second quarter of 2012, we performed our annual assessment for impairment of goodwill and other indefinite-lived intangible assets. Our review of the recoverability of goodwill was based primarily upon an analysis of the discounted cash flows of the related reporting units as compared to the carrying values. We also used the relief from royalty method to determine the fair value of our indefinite-lived intangible assets. We did not record any goodwill or indefinite-lived intangible asset impairment charges as a result of this assessment and determined that none of our reporting units are at risk for material goodwill impairment.

Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date (exit price) and is a market-based measurement, not an entity-specific measurement. To measure fair value, we incorporate assumptions that market participants would use in pricing the asset or liability, and utilize market data to the maximum extent possible. Measurement of fair value incorporates nonperformance risk (i.e., the risk that an obligation will not be fulfilled). In measuring fair value, we reflect the impact of our own credit risk on our liabilities, as well as any collateral. We also consider the credit standing of our counterparties in measuring the fair value of our assets.

In connection with the 2012 CMBS Loan, we entered into a Rate Cap with a notional amount of $48.7 million as a method to limit the volatility of the floating rate component of the first mortgage loan. Additionally, we used an interest rate cap with a notional amount of $775.7 million as a method to limit the volatility of PRP's variable-rate CMBS Loan, which was terminated in June 2012 (see "—Credit Facilities and Other Indebtedness"). The interest rate caps had a nominal fair market value at March 31, 2013 and December 31, 2012, respectively.

In September 2007, we entered into an interest rate collar with a notional amount of $1.0 billion as a method to limit the variability of OSI's 2007 Credit Facilities. The collar consisted of a LIBOR cap of 5.75% and a LIBOR floor of 2.99%. The collar's first variable-rate set date was December 31, 2007, and the option pairs expired at the end of each calendar quarter beginning March 31, 2008 and ending September 30, 2010, which was the maturity date of the collar. The quarterly expiration dates corresponded to the scheduled amortization payments of OSI's term loan then in effect. We expensed $19.9 million of interest for the year ended December 31, 2010 as a result of the quarterly expiration of the collar's option pairs. We recorded mark-to-market changes in the fair value of the derivative instrument in earnings in the period of change. We included $18.5 million of net interest income for the year ended December 31, 2010, in Interest expense, net in our Consolidated Statement of Operations and Comprehensive Income for the mark-to-market effects of this derivative instrument.

We invested $37.7 million of our excess cash in money market funds classified as Cash and cash equivalents or restricted cash on our Consolidated Balance Sheet at December 31, 2011, at a net value of 1:1 for each dollar invested. The fair value of the investment in the money market funds is determined by using quoted prices for identical assets in an active market. As a result, we have determined that the inputs used to value this investment fall within Level 1 of the fair value hierarchy. The amount of excess cash invested in money market funds at March 31, 2013 and December 31, 2012 was immaterial to our consolidated financial statements.

We recorded $1.1 million and $3.9 million of impairment charges as a result of the fair value measurement on a nonrecurring basis of its long-lived assets held and used during the three months ended March 31, 2013 and 2012, respectively, primarily related to certain specifically identified restaurant locations that have, or are scheduled to be, relocated, closed or are under-performing. The impaired long-lived assets had $4.4 million and $0.9 million of remaining fair value at March 31, 2013 and 2012, respectively. Restaurant closure and related expenses of $0.8 million and $0.5 million were recognized for the three months ended March 31, 2013 and 2012, respectively. Impairment losses for long-lived assets held and used and restaurant closure and related expenses were recognized in Provision for impaired assets and restaurant closings in the Consolidated Statement of Operations and Comprehensive Income.

We recorded $10.6 million, $11.6 million and $2.2 million of impairment charges as a result of the fair value measurement on a nonrecurring basis of its long-lived assets held and used during the years ended December 31, 2012, 2011 and 2010, respectively, primarily related to certain specifically identified restaurant locations that have, or are scheduled to be, closed, relocated or renovated or are under-performing. The impaired long-lived assets had $6.2 million and $30.8 million of remaining fair value at December 31, 2012 and 2011, respectively. Restaurant closure and related expenses of $2.4 million, $2.4 million and $3.0 million were recognized for the years ended December 31, 2012, 2011 and 2010, respectively. Impairment losses for long-lived assets held and used and restaurant closure and related expenses were recognized in Provision for impaired assets and restaurant closings in the Consolidated Statement of Operations and Comprehensive Income.

We primarily used quoted prices from brokers (Level 1), third-party market appraisals (Level 2) and discounted cash flow models (Level 3) to estimate the fair value of the long-lived assets. Discount rate and growth rate assumptions are derived from current economic conditions, expectations of management and projected trends of current operating results.

The following table presents quantitative information related to the unobservable inputs used in our Level 3 fair value measurements for the impairment loss incurred in the year ended December 31, 2012 and the three months ended March 31, 2013 and 2012:

Unobservable Input	Year Ended December 31, 2012	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Weighted-average cost of capital (1)	9.5% - 11.2%	9.5%	11.2%
Long-term growth rates	3.0%	2.0%	3.0%
Annual revenue growth rates (2)	(8.7)% - 4.3%	2.4% - 3.0%	(8.7)% - 3.0%

(1) Weighted average of the costs of capital unobservable input range for the year ended December 31, 2012 was 10.8%.
(2) Weighted average of the annual revenue growth rate unobservable input range for the year end December 31, 2012 and the three months ended March 31, 2013 and 2012 was 2.6%, 2.6% and 2.4%, respectively.

Sales declines at our restaurants, unplanned increases in health insurance, commodity or labor costs, deterioration in overall economic conditions and challenges in the restaurant industry may result in future impairment charges. It is possible that changes in circumstances or changes in our judgments, assumptions and estimates could result in a future impairment charge of a portion or all of our goodwill, other intangible assets or long-lived assets held and used.

Deferred Compensation Plans

Managing and Chef Partners

Historically, the managing partner of each Company-owned domestic restaurant and the chef partner of each Fleming's Prime Steakhouse and Wine Bar and Roy's restaurant were required, as a condition of employment, to sign a five-year employment agreement and to purchase a non-transferable ownership interest in a partnership ("Management Partnership") that provided management and supervisory services to his or her restaurant. The purchase price for a managing partner's ownership interest was fixed at $25,000, and the purchase price for a chef partner's ownership interest ranged from $10,000 to $15,000. Managing and chef partners had the right to receive monthly distributions from the Management Partnership based on a percentage of their restaurant's monthly cash flows for the duration of the agreement, which varied by concept from 6% to 10% for managing partners and 2% to 5% for chef partners. Further, managing and chef partners were eligible to participate in the PEP, a deferred compensation program, upon completion of their five-year employment agreement. Amounts credited to partners' PEP accounts are fully vested at all times and participants have no discretion with respect to the form of benefit payments under the PEP.

In April 2011, we modified our managing and chef partner compensation structure to provide greater incentives for sales and profit growth. Under the revised program, managing and chef partners continue to sign five-year employment agreements and receive monthly distributions of the same percentage of their restaurant's cash flow as under the prior program. However, under the revised program, in lieu of participation in the PEP, managing partners and chef partners are eligible to receive deferred compensation payments under the POA. The POA places greater emphasis on year-over-year growth in cash flow than the PEP. Managing and chef partners receive a greater value under the POA than they would have received under the PEP if certain levels of year-over-year cash flow growth are achieved and a lesser value than under the PEP if these levels are not achieved.

The POA requires managing and chef partners to make an initial deposit of up to $10,000 into their "Partner Investment Account," and we make a bookkeeping contribution to each partner's "Company Contributions Account" no later than the end of February of each year following the completion of each year (or

partial year where applicable) under the partner's employment agreement. The value of each of our contributions is equal to a percentage of the partner's restaurant's cash flow plus, if the restaurant has been open at least 18 calendar months, a percentage of the year-over-year increase in the restaurant's cash flow.

In addition to the POA, our managing and chef partners are also eligible for an annual bonus known as the President's Club, paid in addition to the monthly distributions of cash flow, designed to reward increases in a restaurant's annual sales above the concept sales plan with a required flow-through percentage of the incremental sales to cash flow as defined in the plan. Managing and chef partners whose restaurants achieve certain annual sales targets above the concept's sales plan (and the required flow-through percentage) receive a bonus equal to a percentage of the incremental sales, such percentage determined by the sales target achieved.

Amounts credited to each partner's account under the POA may be allocated by the partner among benchmark funds offered under the POA, and the account balances of the partner will increase or decrease based on the performance of the benchmark funds. Upon termination of employment, all remaining balances in the Company Contributions Account in the POA are forfeited unless the partner has been with us for twenty years or more. Unless previously forfeited under the terms of the POA, 50% of the partner's total account balances generally will be distributed in the March following the completion of the initial five-year contract term with subsequent distributions varying based on the length of continued employment as a partner. The deferred compensation obligations under the POA are our unsecured obligations.

All managing and chef partners who execute new employment agreements after May 1, 2011 are required to participate in the revised partner program, including the POA. Managing and chef partners with an employment agreement scheduled to expire December 1, 2011 or later had the opportunity (from April 27, 2011 through July 27, 2011) to amend their employment agreements to convert their existing partner program to participation in the new partner program, including the POA, effective June 1, 2011. As of March 31, 2013 and December 31, 2012 and 2011, our POA liability was $16.8 million, $15.3 million and $8.0 million, respectively, which primarily was recorded in Partner deposits and accrued partner obligations in our Consolidated Balance Sheets.

Upon the closing of the Merger, certain stock options that had been granted to managing and chef partners under a pre-merger managing partner stock plan upon completion of a previous employment contract were converted into the right to receive cash in the form of a "Supplemental PEP" contribution.

As of March 31, 2013, our total vested liability with respect to obligations primarily under the PEP and Supplemental PEP was approximately $127.6 million, of which $18.6 million and $109.0 million was included in Accrued and other current liabilities and Other long-term liabilities, net, respectively, in our Consolidated Balance Sheet. As of December 31, 2012, our total vested liability with respect to obligations primarily under the PEP and Supplemental PEP was approximately $122.6 million, of which $17.8 million and $104.8 million was included in Accrued and other current liabilities and Other long-term liabilities, net, respectively, in our Consolidated Balance Sheet. As of December 31, 2011, our total vested liability with respect to obligations primarily under the PEP and Supplemental PEP was approximately $107.8 million, of which $11.8 million and $96.0 million was included in Accrued and other current liabilities and Other long-term liabilities, net, respectively, in our Consolidated Balance Sheet. Partners may allocate the contributions into benchmark investment funds, and these amounts due to participants will fluctuate according to the performance of their allocated investments and may differ materially from the initial contribution and current obligation.

As of March 31, 2013 and December 31, 2012 and 2011, we had approximately $69.2 million, $67.8 million and $56.9 million, respectively, in various corporate-owned life insurance policies and at December 31, 2011, another $0.3 million of restricted cash, both of which are held within an irrevocable grantor or "rabbi" trust account for settlement of our obligations primarily under the PEP, Supplemental PEP and POA. We are the sole owner of any assets within the rabbi trust and participants are considered our general creditors with respect to assets within the rabbi trust.

As of March 31, 2013 and December 31, 2012 and 2011, there were $73.8 million, $65.1 million and $55.6 million, respectively, of unfunded obligations primarily related to the PEP, Supplemental PEP and POA, excluding amounts not yet contributed to the partners' investment funds, which may require the use of cash resources in the future.

We require the use of capital to fund the PEP and the POA as each managing and chef partner earns a contribution, and currently estimate funding requirements ranging from $17.0 million to $19.0 million for PEP and from $6.0 million to $8.0 million for POA in each of the next two years through March 31, 2015. Actual funding of the current PEP and POA obligations and future funding requirements may vary significantly depending on timing of partner contracts, forfeiture rates and numbers of partner participants and may differ materially from estimates.

Area Operating Partners

Historically, an area operating partner was required, as a condition of employment and within 30 days of the opening of his or her first restaurant, to make an initial investment of $50,000 in the Management Partnership that provides supervisory services to the restaurants that the area operating partner oversees. This interest gave the area operating partner the right to distributions from the Management Partnership based on a percentage of his or her restaurants' monthly cash flows for the duration of the agreement, typically ranging from 4% to 9%. We have the option to purchase an area operating partner's interest in the Management Partnership after the restaurant has been open for a five-year period on the terms specified in the agreement.

For restaurants opened on or between January 1, 2007 and December 31, 2011, the area operating partner's percentage of cash distributions and buyout percentage is calculated based on the associated restaurant's return on investment compared to our targeted return on investment and ranges from 3.0% to 12.0% depending on the concept. This percentage is determined after the first five full calendar quarters from the date of the associated restaurant's opening and is adjusted each quarter thereafter based on a trailing 12-month restaurant return on investment. The buyout percentage is the area operating partner's average distribution percentage for the 24 months immediately preceding the buyout. Buyouts are paid in cash within 90 days or paid over a two-year period.

In 2011, we also began a version of the President's Club annual bonus described above under "—Managing and Chef Partners" for area operating partners to provide additional rewards for achieving sales targets with a required flow-through of the incremental sales to cash flow as defined in the plan.

In April 2012, we revised our area operating partner program for restaurants opened on or after January 1, 2012. For these restaurants, an area operating partner is required, as a condition of employment, to make a deposit of $10,000 within thirty days of the opening of each new restaurant that he or she oversees, up to a maximum deposit of $50,000 (taking into account investments under prior programs). This deposit gives the area operating partner the right to monthly payments based on a percentage of his or her restaurants' monthly cash flows for the time period that the area operating parter oversees the restaurant, typically ranging from 4.0% to 4.5%. After the restaurant has been open for a five-year period, the area operating partner will receive a bonus equal to a multiple of the area operating partner's average monthly payments for the 24 months immediately preceding the bonus date. The bonus will be paid within 90 days or over a two-year period, depending on the bonus amount.

Highly Compensated Employees

We provide a deferred compensation plan for our highly compensated employees who are not eligible to participate in the OSI Restaurant Partners, LLC Salaried Employees 401(k) Plan and Trust. The deferred compensation plan allows these employees to contribute from 5% to 90% of their base salary and up to 100% of their cash bonus on a pretax basis to an investment account consisting of various investment fund options. We

do not currently intend to provide any matching or profit-sharing contributions, and participants are fully vested in their deferrals and their related returns. Participants are considered unsecured general creditors in the event of our bankruptcy or insolvency.

Income Taxes

Deferred income 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 basis. Deferred income 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 income tax assets and liabilities of a change in the tax rate is recognized in income in the period that includes the enactment date of the rate change. We recorded a valuation allowance to reduce our deferred income tax assets to the amount that is more likely than not to be realized. We have considered future taxable income and ongoing feasible tax planning strategies in assessing the need for the valuation allowance.

Should we determine that we would be able to realize our remaining deferred income tax assets in the foreseeable future, a release of all, or part, of the related valuation allowance could cause an immediate material increase to income in the period such determination is made. Significant management judgment is required in determining the period in which the reversal of a valuation allowance should occur. We consider all available evidence, both positive and negative, such as historical levels of income and future forecasts of taxable income among other items in determining whether a full or partial release of a valuation allowance is required. In addition, our assessments sometimes require us to schedule future taxable income in accordance with the applicable tax accounting guidance to assess the appropriateness of a valuation allowance which further requires the exercise of significant management judgment. Such release of the valuation allowance could occur within the next nine to 12 months upon resolution of the aforementioned uncertainties.

Any release of valuation allowance will be recorded as a tax benefit increasing net income or as an adjustment to paid-in capital. We expect that a significant portion of the release of the valuation allowance will be recorded as an income tax benefit at the time of release, significantly increasing our reported net income. Because we expect our recorded tax rate to increase in subsequent periods following a significant release of the valuation allowance, our net income will be negatively affected in periods following the release.

As of March 31, 2013 and December 31, 2012, we had $217.5 million and $261.7 million, respectively, in cash and cash equivalents (excluding restricted cash of $19.0 million and $20.1 million, respectively), of which approximately $92.7 million and $92.9 million, respectively, was held by foreign affiliates, a portion of which would be subject to additional taxes if repatriated to the United States. Based on cash and working capital projections within domestic tax jurisdictions, we believe we will generate sufficient cash flows from our United States operations to meet our future debt repayment requirements, anticipated working capital needs and planned capital expenditures, as well as all of our other business needs in the United States.

A provision for income taxes has not been recorded for any United States or additional foreign taxes on undistributed earnings related to our foreign affiliates as these earnings were and are expected to continue to be permanently reinvested. If we identify an exception to our general reinvestment policy of undistributed earnings, additional taxes will be posted. It is not practical to determine the amount of unrecognized deferred income tax liabilities on the undistributed earnings. The international jurisdictions in which we operate do not have any known restrictions that would prohibit the repatriation of cash and cash equivalents.

We are currently under examination by the IRS for the years ended December 31, 2009 through 2011. At this time, we do not believe that the outcome of any examination will have a material impact on our results of operations or financial position.

Dividends

We did not declare or pay any dividends on our common stock during 2011, 2012 or the first quarter of 2013. Our Board of Directors does not intend to pay regular dividends on our common stock. However, we expect to reevaluate our dividend policy on a regular basis and may, subject to compliance with the covenants contained in OSI's senior secured credit facilities and other considerations, determine to pay dividends in the future.

Our ability to pay dividends is dependent on our ability to obtain funds from our subsidiaries. Payment of dividends by OSI to Bloomin' Brands is restricted under OSI's senior secured credit facilities to dividends for the purpose of paying Bloomin' Brands' franchise and income taxes and ordinary course operating expenses; dividends for certain other limited purposes; and other dividends subject to an aggregate cap over the term of the agreement.

Other Material Commitments

Our contractual obligations, debt obligations and commitments as of December 31, 2012 are summarized in the table below (in thousands):

	Payments Due By Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Contractual Obligations					
Long-term debt (including current portion)	$1,508,230	$ 25,604	$ 45,241	$485,010	$ 952,375
Interest (1)	449,501	79,948	157,169	131,598	80,786
Operating leases (2)	873,615	128,855	213,328	140,966	390,466
Purchase obligations (3)	320,291	279,876	37,168	3,247	—
Partner deposits and accrued partner obligations (4)	100,533	14,771	37,716	15,932	32,114
Other long-term liabilities (5)	166,230	—	68,956	40,628	56,646
Other current liabilities (6)	38,044	38,044	—	—	—
Total contractual obligations	$3,456,444	$567,098	$559,578	$817,381	$1,512,387

(1) Includes interest estimated on OSI's New Facilities and New PRP's 2012 CMBS Loan with gross outstanding balances of $1.0 billion and $493.9 million, respectively, at December 31, 2012. Projected future interest payments for OSI's New Facilities and the variable-rate tranche of New PRP's 2012 CMBS Loan are based on interest rates in effect at December 31, 2012 and assumes only scheduled principal payments. Interest obligations also include letter of credit and commitment fees for the used and unused portions of OSI's revolving credit facility and interest related to OSI's capital lease obligations. Interest on OSI's notes payable issued for the return of capital to managing and area operating partners and the buyouts of area operating partner interests has been excluded from the table. In addition, interest expense associated with deferred financing fees was excluded from the table as the expense is non-cash in nature. As a result of the repricing of our senior secured term loan B facility in April 2013, we expect to reduce annual cash interest expense by approximately $12.0 million (approximately $9.0 million in 2013), assuming a constant principal balance and interest rate environment.

(2) Total minimum lease payments have not been reduced by minimum sublease rentals of $2.4 million due in future periods under non-cancelable subleases.

(3) We have minimum purchase commitments with various vendors through November 2017. Outstanding minimum purchase commitments consist primarily of beef, pork, cooking oil, butter and other food and beverage products, as well as, commitments for advertising, marketing, technology, insurance, and sports sponsorships.

(4) Timing of payments of partner deposits and accrued partner obligations are estimates only and may vary significantly in amounts and timing of settlement based on employee turnover, return of deposits to us in accordance with employee agreements and changes to buyout values of employee partners.

(5) Other long-term liabilities include but are not limited to: long-term portion of amounts owed to managing and chef partners for various deferred compensation programs, long-term insurance accruals and long-term split-dollar arrangements on life insurance policies. The long-term portion of the liability for unrecognized tax benefits and the related accrued interest and penalties was $1.0 million and $0.5 million, respectively, at December 31, 2012. These amounts were excluded from the table since it is not possible to estimate when these future payments will occur. In addition, net unfavorable leases, the long-term portion of deferred gain on the Sale-Leaseback Transaction and other miscellaneous items of approximately $96.6 million at December 31, 2012 were excluded from the table as payments are not associated with these liabilities.

(6) Other current liabilities include the current portion of amounts owed to managing and chef partners for various compensation programs, the current portion of insurance accruals, the current portion of the liability for unrecognized tax benefits and the accrued interest and penalties related to uncertain tax positions.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these accompanying consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities during the reporting period. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We consider an accounting estimate to be critical if it requires assumptions to be made and changes in these assumptions could have a material impact on our consolidated financial condition or results of operations.

Property, Fixtures and Equipment

Property, fixtures and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Improvements to leased properties are depreciated over the shorter of their useful life or the lease term, which includes renewal periods that are reasonably assured. The useful lives of the assets are based upon our expectations for the period of time that the asset will be used to generate revenues. We periodically review the assets for changes in circumstances, which may impact their useful lives.

Buildings and building improvements	20 to 30 years
Furniture and fixtures	5 to 7 years
Equipment	2 to 7 years
Leasehold improvements	5 to 20 years
Capitalized software	3 to 5 years

We capitalize direct and indirect internal costs clearly associated with the acquisition, development, design and construction of Company-owned restaurant locations as these costs will provide us a future benefit. Internal costs of $2.3 million and $2.4 million were capitalized during the three months ended March 31, 2013 and year ended December 31, 2012, respectively. Internal costs incurred for the years ended December 31, 2011 and 2010 were not material to our consolidated financial statements.

Our accounting policies regarding property, fixtures and equipment include certain management judgments and projections regarding the estimated useful lives of these assets, the residual values to which the assets are depreciated or amortized, the determination of expected lease terms and the determination of what

constitutes increasing the value and useful life of existing assets. These estimates, judgments and projections may produce materially different amounts of depreciation and amortization expense than would be reported if different assumptions were used.

Operating Leases

Rent expense for our operating leases, which generally have escalating rentals over the term of the lease and may include potential rent holidays, is recorded on a straight-line basis over the initial lease term and those renewal periods that are reasonably assured. The initial lease term includes the "build-out" period of our leases, which is typically before rent payments are due under the terms of the lease. The difference between rent expense and rent paid is recorded as deferred rent and is included in the Consolidated Balance Sheets. Payments received from landlords as incentives for leasehold improvements are recorded as deferred rent and are amortized on a straight-line basis over the term of the lease as a reduction of rent expense. Lease termination fees, if any, and future obligated lease payments for closed locations are recorded as an expense in the period they are incurred. Assets and liabilities resulting from the Merger relating to favorable and unfavorable lease amounts are amortized on a straight-line basis to rent expense over the remaining lease term.

Impairment or Disposal of Long-Lived Assets

We assess the potential impairment of definite lived intangibles, including trademarks, franchise agreements and net favorable leases, and other long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In evaluating long-lived restaurant assets for impairment, we consider a number of factors relevant to the assets' current market value and future ability to generate cash flows.

If these factors indicate that we should review the carrying value of the restaurant's long-lived assets, we perform a two-step impairment analysis. Each of our restaurants is evaluated individually for impairment since that is the lowest level at which identifiable cash flows can be measured independently from cash flows of other asset groups. If the total future undiscounted cash flows expected to be generated by the assets are less than the carrying amount, as prescribed by step one testing, recoverability is measured in step two by comparing fair value of the asset to its carrying amount. Should the carrying amount exceed the asset's estimated fair value, an impairment loss is charged to earnings. Restaurant fair value is determined based on estimates of discounted future cash flows; and impairment charges primarily occur as a result of the carrying value of a restaurant's assets exceeding its estimated fair market value, primarily due to anticipated closures or declining future cash flows from lower projected future sales at existing locations.

We incurred total long-lived asset impairment charges and restaurant closing expense of $1.9 million and $4.4 million for the three months ended March 31, 2013 and 2012, respectively, and $13.0 million, $14.0 million and $5.2 million for the years ended December 31, 2012, 2011 and 2010, respectively (see "—Results of Operations—Costs and Expenses—Provision for Impaired Assets and Restaurant Closings"). All impairment charges are recorded in Provision for impaired assets and restaurant closings in our Consolidated Statements of Operations and Comprehensive Income.

Our judgments and estimates related to the expected useful lives of long-lived assets are affected by factors such as changes in economic conditions, operating performance and expected use. As we assess the ongoing expected cash flows and carrying amounts of our long-lived assets, these factors could cause us to realize a material impairment charge.

Restaurant sites and certain other assets to be sold are included in assets held for sale when certain criteria are met, including the requirement that the likelihood of selling the assets within one year is probable. For assets that meet the held for sale criteria, we separately evaluate whether the assets also meet the requirements to be reported as discontinued operations. If we no longer had any significant continuing involvement with respect

to the operations of the assets and cash flows were discontinued, we would classify the assets and related results of operations as discontinued. Assets whose sale is not probable within one year remain in property, fixtures and equipment until their sale is probable within one year. We had $0.7 million, $2.4 million and $1.3 million of assets held for sale as of March 31, 2013, December 31, 2012 and 2011, respectively, recorded in Other current assets, net.

Generally, restaurant closure costs are expensed as incurred. When it is probable that we will cease using the property rights under a non-cancelable operating lease, we record a liability for the net present value of any remaining lease obligations net of estimated sublease income that can reasonably be obtained for the property. The associated expense is recorded in Provision for impaired assets and restaurant closings. Any subsequent adjustments to the liability from changes in estimates are recorded in the period incurred.

Goodwill and Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist only of goodwill and our trade names. Goodwill represents the residual after allocation of the purchase price to the individual fair values and carryover basis of assets acquired. On an annual basis (during the second quarter of the fiscal year) or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, we review the recoverability of goodwill and indefinite-lived intangible assets. The impairment test for goodwill involves comparing the fair value of the reporting units to their carrying amounts. If the carrying amount of a reporting unit exceeds its fair value, a second step is required to measure a goodwill impairment loss, if any. This step revalues all assets and liabilities of the reporting unit to their current fair values and then compares the implied fair value of the reporting unit’s goodwill to the carrying amount of that goodwill. If the carrying amount of the reporting unit’s goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess. The impairment test for trade names involves comparing the fair value of the trade name, as determined through a relief from royalty method, to its carrying value.

We test both our goodwill and our trade names for impairment primarily by utilizing discounted cash flow models to estimate their fair values. These cash flow models involve several assumptions. Changes in our assumptions could materially impact our fair value estimates. Assumptions critical to our fair value estimates are: (i) weighted-average cost of capital rates used to derive the present value factors used in determining the fair value of the reporting units and trade names; (ii) projected annual revenue growth rates used in the reporting unit and trade name models; and (iii) projected long-term growth rates used in the derivation of terminal year values. Other assumptions include estimates of projected capital expenditures and working capital requirements. These and other assumptions are impacted by economic conditions and expectations of management and will change in the future based on period-specific facts and circumstances.

We performed our annual impairment test in the second quarter of 2012 and determined at that time that none of our five reporting units with remaining goodwill were at risk for material goodwill impairment since the fair value of each reporting unit was substantially in excess of its carrying amount. We did not record any goodwill or indefinite-lived intangible asset impairment charges during the years ended December 31, 2012, 2011 and 2010.

Sales declines at our restaurants, unplanned increases in health insurance, commodity or labor costs, deterioration in overall economic conditions and challenges in the restaurant industry may result in future impairment charges. It is possible that changes in circumstances or changes in our judgments, assumptions and estimates could result in an impairment charge of a portion or all of our goodwill or other intangible assets.

Revenue Recognition

We record food and beverage revenues upon sale. Initial and developmental franchise fees are recognized as income once we have substantially performed all of our material obligations under the franchise

agreement, which is generally upon the opening of the franchised restaurant. Continuing royalties, which are a percentage of net sales of the franchisee, are recognized as income when earned. Franchise-related revenues are included in Other revenues in our Consolidated Statements of Operations and Comprehensive Income.

We defer revenue for gift cards, which do not have expiration dates, until redemption by the customer. We also recognize gift card "breakage" revenue for gift cards when the likelihood of redemption by the customer is remote, which we determined are those gift cards issued on or before three years prior to the balance sheet date. We recorded breakage revenue of $13.3 million, $11.1 million and $11.0 million for the years ended December 31, 2012, 2011 and 2010, respectively. Breakage revenue is recorded as a component of Restaurant sales in our Consolidated Statements of Operations and Comprehensive Income.

Gift cards sold at a discount are recorded as revenue upon redemption of the associated gift cards at an amount net of the related discount. Gift card sales commissions paid to third-party providers are initially capitalized and subsequently recognized as Other restaurant operating expenses in our Consolidated Statements of Operations and Comprehensive Income upon redemption of the associated gift card. Deferred expenses are $10.9 million and $9.7 million as of December 31, 2012 and 2011, respectively, and are reflected in Other current assets, net in our Consolidated Balance Sheets. Gift card sales that are accompanied by a bonus gift card to be used by the customer at a future visit result in a separate deferral of a portion of the original gift card sale. Revenue is recorded when the bonus card is redeemed at a value based on the estimated fair market value of the bonus card.

We collect and remit sales, food and beverage, alcoholic beverage and hospitality taxes on transactions with customers and report such amounts under the net method in our Consolidated Statements of Operations and Comprehensive Income. Accordingly, these taxes are not included in gross revenue.

Insurance Reserves

We self-insure or maintain a deductible for a significant portion of expected losses under our workers' compensation, general liability/liquor liability, health, property and management liability insurance programs. We purchase insurance for individual claims that exceed the amounts listed in the following table:

	2013	2012
Workers' compensation	$ 1,000,000	$ 1,500,000
General liability / Liquor liability	1,500,000 / 2,500,000	1,500,000 / 1,500,000
Health (1)	400,000	400,000
Property coverage (2)	500,000 / 2,500,000	500,000 / 2,500,000
Employment practices liability	2,000,000	2,000,000
Directors' and officers' liability (3)	1,000,000	1,000,000
Fiduciary liability	25,000	25,000

(1) We are self-insured for all covered health benefits claims, limited to $0.4 million per covered individual per year. In 2013, we will be responsible for the first $0.6 million of payable losses under the plan as an additional deductible, and in 2012, we are responsible for the first $0.3 million of payable losses under the plan as an additional aggregating specific deductible to apply after the individual specific deductible was met.

(2) We have a $0.5 million deductible per occurrence for those properties that collateralize New PRP's 2012 CMBS Loan and a $2.5 million deductible per occurrence for all other locations. The deductibles for named storms and earthquakes are 5.0% of the total insurable value at the time of the loss per unit of insurance at each location involved in the loss, subject to a minimum of $0.5 million for those properties that collateralize New PRP's 2012 CMBS Loan and $2.5 million for all other locations. Property limits are $60.0 million each occurrence, and we do not quota share in any loss above either deductible level.

(3) Retention increase in 2012 from $0.3 million was effective with our initial public offering on August 8, 2012.

We record a liability for all unresolved claims and for an estimate of incurred but not reported claims at the anticipated cost to us. In establishing our reserves, we consider certain actuarial assumptions and judgments regarding economic conditions, the frequency and severity of claims and claim development history and settlement practices. Unanticipated changes in these factors or future adjustments to these estimates may produce materially different amounts of expense that would be reported under these programs. Reserves recorded for workers' compensation and general liability/liquor liability claims are discounted using the average of the one-year and five-year risk free rate of monetary assets that have comparable maturities. When recovery for an insurance policy is considered probable, a receivable is recorded.

Employee Partner Payments and Buyouts

The managing partner of each Company-owned domestic restaurant and the chef partner of each Fleming's Prime Steakhouse and Wine Bar and Roy's Company-owned domestic restaurant, as well as area operating partners, generally receive distributions or payments for providing management and supervisory services to their restaurants based on a percentage of their associated restaurants' monthly cash flows. The expense associated with the monthly payments for managing and chef partners is included in Labor and other related expenses, and the expense associated with the monthly payments for area operating partners is included in General and administrative expenses in our Consolidated Statements of Operations and Comprehensive Income.

We estimate future area operating partner bonuses and purchases of area operating partners' interests, as well as deferred compensation obligations to managing and chef partners, using current and historical information on restaurant performance and record the partner obligations in Partner deposits and accrued partner obligations in our Consolidated Balance Sheets. In the period we pay an area operating partner bonus or purchase the area operating partner's interests, an adjustment is recorded to recognize any remaining expense associated with the bonus or purchase and reduce the related accrued buyout liability. Deferred compensation expenses for managing and chef partners are included in Labor and other related expenses and bonus and buyout expenses for area operating partners are included in General and administrative expenses in our Consolidated Statements of Operations and Comprehensive Income.

Stock-Based Compensation

Upon completion of our initial public offering, we adopted the 2012 Equity Plan, and no further awards will be made under our 2007 Equity Plan. The 2012 Equity Plan permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based awards to our management and other key employees. We account for our stock-based employee compensation using a fair value-based method of accounting.

Under the 2007 Equity Plan, stock options generally vest and become exercisable in 20% increments over a period of five years contingent on continued employee service. Shares acquired upon the exercise of stock options under the 2007 Equity Plan were generally subject to a stockholder's agreement that contained a management call option that allowed us to repurchase all shares purchased through exercise of stock options upon termination of employment at any time prior to the earlier of an initial public offering or a change of control. As a result of certain transfer restrictions and the management call option, we did not record compensation expense for stock options that contained the call option since employees were not able to realize monetary benefit from the options or any shares acquired upon the exercise of the options unless the employee was employed at the time of an initial public offering or change of control. The management call option automatically terminated upon completion of the initial public offering. Under the 2012 Equity Plan, stock options generally vest and become exercisable in 25% increments over a period of four years on the grant anniversary date contingent on continued employee service. Stock options have an exercisable life of no more than ten years from the date of grant.

We use the Black-Scholes option pricing model to estimate the weighted-average grant date fair value of stock options granted. Expected volatilities are based on historical volatilities of the stock of comparable companies. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Results may vary depending on the assumptions applied within the model.

Restricted stock shares vest on the grant anniversary date at a rate of 33.3% per year for those issued to directors and 25% per year for all other issuances. Restricted stock vesting is dependent upon continued service with forfeiture of all unvested restricted stock shares upon termination, unless in the case of death or disability, in which case all restricted stock shares are immediately vested. Restricted stock awards are issued and measured at market value on the date of grant.

The benefits of tax deductions in excess of recognized compensation cost, if any, are reported as a financing cash flow.

We recorded compensation expense of $4.0 million and $20.1 million for the three months ended March 31, 2013 and the year ended December 31, 2012, respectively, for stock options. As of March 31, 2013 and December 31, 2012, there was $28.0 million and $22.6 million, respectively, of total unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted-average period of approximately 2.7 years and 2.8 years, respectively.

Compensation expense related to restricted stock awards for the three months ended March 31, 2013 and the year ended December 31, 2012 was $0.4 million and $1.4 million, respectively, and unrecognized pretax compensation expense related to restricted stock awards was approximately $9.9 million and $3.7 million at March 31, 2013 and December 31, 2012, respectively, and will be recognized over a weighted-average period of approximately 3.4 years.

Income Taxes

In determining net income for financial statement purposes, we make certain estimates and judgments in the calculation of tax expense and the resulting tax liabilities as well as in the recoverability of deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense.

Deferred income 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 basis. Deferred income 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 income tax assets and liabilities of a change in the tax rate is recognized in income in the period that includes the enactment date of the rate change. We recorded a valuation allowance to reduce our deferred income tax assets to the amount that is more likely than not to be realized. We have considered future taxable income and ongoing feasible tax planning strategies in assessing the need for the valuation allowance.

Judgments made regarding future taxable income may change due to changes in market conditions, changes in tax laws or other factors. If the assumptions and estimates change in the future, the valuation allowance established may be increased or decreased, resulting in a respective increase or decrease in income tax expense.

We use an estimate of our annual effective tax rate at each interim period based on the facts and circumstances available at that time while the actual effective tax rate is calculated at year-end.

As our net income increases, we expect our effective income tax rate to increase due to the benefit of U.S. income tax credits becoming a smaller percentage of net income and the fact that the substantial majority of our earnings are generated in the U.S., where we have higher statutory rates. At December 31, 2012, we had a valuation allowance against deferred income tax assets recorded of $72.5 million, of which $67.7 million was for U.S. deferred income tax assets. We have reviewed and will continue to review our conclusions about the appropriate amount of our deferred income tax asset valuation allowance in light of circumstances existing in future periods. To the extent we continue to generate pretax income in the U.S. in fiscal 2013 at a sufficient level, then, absent other factors indicating a contrary conclusion, we will consider a potential reversal of the U.S. related valuation allowance within the next nine to 12 months. Should we reverse the valuation allowance, a discrete tax benefit ranging from $40.0 million to $50.0 million related to the valuation allowance recorded at December 31, 2012 could be realized. Any release of valuation allowance will be recorded as a tax benefit increasing net income or as an adjustment to paid-in capital. Such reversal will impact our quarterly and annual effective income tax rates and could result in an overall income tax benefit in the period of release. We expect to continue to generate significant U.S. income tax credits, which combined with the mix of U.S. and foreign earnings in periods subsequent to the reversal will result in an effective income tax rate that is lower than the blended federal and state statutory rate.

Recently Issued Financial Accounting Standards

In March 2013, the FASB issued ASU No. 2013-05, "Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force)" ("ASU No. 2013-05"). Under ASU No. 2013-05, an entity would recognize cumulative translation adjustments in earnings when it ceases to have a controlling financial interest in a subsidiary or group of assets within a consolidated foreign entity and the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets resided. However, when an entity sells either a part or all of its investment in a consolidated foreign entity, an entity would recognize cumulative translation adjustments in earnings only if the parent no longer has a controlling financial interest in the foreign entity as a result of the sale. In the case of sales of an equity method investment that is a foreign entity, a pro rata portion of cumulative translation adjustments attributable to the equity method investment would be recognized in earnings upon sale of the equity method investment. In addition, cumulative translation adjustments would be recognized in earnings upon a business combination achieved in stages such as a step acquisition. ASU No. 2013-05 is effective for public companies for fiscal years beginning on or after December 15, 2013 and interim periods within those fiscal years, with early adoption permitted. We will adopt ASU No. 2013-05 effective January 1, 2014 with prospective application to the derecognition of any foreign entity subsidiaries, groups of assets or investments in foreign entities completed on or after January 1, 2014. The impact of ASU No. 2013-05 on our financial position, results of operations and cash flows is dependent on future transactions resulting in derecognition of our foreign assets, subsidiaries or investments in foreign entities completed on or after adoption.

Impact of Inflation

In the last three years, we have not operated in a period of high general inflation; however, we have experienced material increases in specific commodity costs. Our restaurant operations are subject to federal and state minimum wage laws governing such matters as working conditions, overtime and tip credits. Significant numbers of our food service and preparation personnel are paid at rates related to the federal and/or state minimum wage and, accordingly, increases in the minimum wage have increased our labor costs in the last three years. To the extent permitted by competition and the economy, we have mitigated increased costs by increasing menu prices and may continue to do so if deemed necessary in future years.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk from changes in interest rates on debt, changes in foreign currency exchange rates and changes in commodity prices.

Interest Rate Risk

At March 31, 2013, December 31, 2012 and 2011, our total debt, excluding consolidated guaranteed debt, was approximately $1.5 billion, $1.5 billion and $2.1 billion, respectively. For fixed-rate debt, interest rate changes affect the fair value of debt. However, for variable-rate debt, interest rate changes generally impact our earnings and cash flows, assuming other factors are held constant. Our current exposure to interest rate fluctuations includes OSI's borrowings under its New Facilities and the floating rate component of the first mortgage loan in New PRP's 2012 CMBS Loan that bear interest at floating rates based on the Eurocurrency Rate or the Base Rate and the one-month LIBOR, respectively, plus an applicable borrowing margin. We manage our interest rate risk by offsetting some of our variable-rate debt with fixed-rate debt, through normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments.

We use an interest rate cap to limit the volatility of the floating rate component of the first mortgage loan in New PRP's 2012 CMBS Loan. From September 2007 to September 2010, we used an interest rate collar as part of our interest rate risk management strategy to manage our exposure to interest rate movements related to OSI's 2007 Credit Facilities. Given the interest rate environment, we did not enter into another derivative financial instrument upon the maturity of this interest rate collar on September 30, 2010. We do not enter into financial instruments for trading or speculative purposes.

At March 31, 2013 and December 31, 2012, we had $442.8 million and $445.2 million, respectively, of fixed-rate debt outstanding, excluding the debt discount, on New PRP's 2012 CMBS Loan, and at December 31, 2011, we had $248.1 million of fixed-rate debt outstanding through OSI's senior notes. At March 31, 2013, December 31, 2012 and 2011, we had $1.0 billion, $1.0 billion and $1.8 billion, respectively, of aggregate variable-rate debt outstanding on OSI's senior secured credit facilities, New PRP's 2012 CMBS Loan and PRP's CMBS Loan. At March 31, 2013 and December 31, 2012, we also had $187.4 million and $183.8 million, respectively, in available unused borrowing capacity under OSI's revolving credit facility (after giving effect to undrawn letters of credit of approximately $37.6 million and $41.2 million, respectively). At December 31, 2011, we had $82.4 million in available unused borrowing capacity under OSI's working capital revolving credit facility (after giving effect to undrawn letters of credit of approximately $67.6 million) and $67.0 million in available unused borrowing capacity under OSI's pre-funded revolving credit facility that provided financing for capital expenditures only. Based on $1.0 billion of outstanding variable-rate debt at March 31, 2013, an increase of one percentage point on April 1, 2013, would cause an increase to cash interest expense of approximately $10.2 million per year.

If a one percentage point increase in interest rates were to occur over the next four quarters, such an increase would result in the following additional interest expense, assuming the current borrowing level remains constant:

	Principal Outstanding at March 31,	Additional Interest Expense			
Variable-Rate Debt	2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Senior secured term loan B facility, interest rate of 4.75% at March 31, 2013 (1)	$ 975,000,000	$ 2,437,500	$ 2,437,500	$ 2,437,500	$ 2,437,500
Floating rate component of mortgage loan, interest rate of 3.99% at March 31, 2013 (2)	48,697,000	121,743	121,743	121,743	121,743
Total	$ 1,023,697,000	$ 2,559,243	$ 2,559,243	$ 2,559,243	$ 2,559,243

(1) Represents an obligation of OSI. As a result of the repricing of our senior secured term loan B facility in April 2013, we expect to reduce annual cash interest expense by approximately $12.0 million (approximately $9.0 million in 2013), assuming a constant principal balance and interest rate environment.

(2) Represents an obligation of New PRP.

A change in interest rates generally does not have an impact upon our future earnings and cash flow for fixed-rate debt instruments. As fixed-rate debt matures, however, and if additional debt is acquired to fund the debt repayment, future earnings and cash flow may be affected by changes in interest rates. This effect would be realized in the periods subsequent to the periods when the debt matures.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange risk for our restaurants operating in foreign countries. If foreign currency exchange rates depreciate in certain of the countries in which we operate, we may experience declines in our international operating results but such exposure would not be material to the consolidated financial statements. We currently do not use financial instruments to hedge foreign currency exchange rate changes. Our foreign currency exchange risk has not changed materially from January 1, 2012 to March 31, 2013.

Commodity Pricing Risk

Many of the ingredients used in the products sold in our restaurants are commodities that are subject to unpredictable price volatility. Although we attempt to minimize the effect of price volatility by negotiating fixed price contracts for the supply of key ingredients, there are no established fixed price markets for certain commodities such as produce and wild fish, and we are subject to prevailing market conditions when purchasing those types of commodities. Other commodities are purchased based upon negotiated price ranges established with vendors with reference to the fluctuating market prices. The related agreements may contain contractual features that limit the price paid by establishing certain price floors and caps. Extreme changes in commodity prices or long-term changes could affect our financial results adversely. We expect that in most cases increased commodity prices could be passed through to our consumers through increases in menu prices. However, if there is a time lag between the increasing commodity prices and our ability to increase menu prices, or if we believe the commodity price increase to be short in duration and we choose not to pass on the cost increases, our short-term financial results could be negatively affected. Additionally, from time to time, competitive circumstances could limit menu price flexibility, and in those cases margins would be negatively impacted by increased commodity prices.

Our restaurants are dependent upon energy to operate and are impacted by changes in energy prices, including natural gas. We utilize derivative instruments to mitigate some of our overall exposure to material increases in natural gas prices. We record mark-to-market changes in the fair value of derivative instruments in earnings in the period of change. The effects of these derivative instruments were immaterial to our financial statements for all periods presented.

In addition to the market risks identified above and to the risks discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” we are subject to business risk as our U.S. beef supply is highly dependent upon a limited number of vendors. In 2012, we purchased more than 75% of our beef raw materials from four beef suppliers who represent approximately 85% of the total beef marketplace in the U.S. Due to the nature of our industry, we expect to continue to purchase a substantial amount of our beef from a small number of suppliers. If these vendors were unable to fulfill their obligations under their contracts, we could encounter supply shortages and incur higher costs to secure adequate supplies.

This market risk discussion contains forward-looking statements. Actual results may differ materially from the discussion based upon general market conditions and changes in domestic and global financial markets.

BUSINESS

Our Company

We are one of the largest casual dining restaurant companies in the world, with a portfolio of leading, differentiated restaurant concepts. We own and operate 1,275 restaurants and have 203 restaurants operating under franchise or joint venture arrangements across 48 states, Puerto Rico, Guam and 19 countries. We have five founder-inspired concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, Fleming's Prime Steakhouse and Wine Bar and Roy's. Each of our concepts maintains its unique, founder-inspired brand identity and entrepreneurial culture to provide a compelling customer experience combining great food, highly-attentive service and lively ambience at attractive prices. Our restaurants attract customers across a variety of occasions, including everyday dining, celebrations and business entertainment.

In 2010, we launched a new strategic plan and operating model, strengthened our management team and adapted practices from the consumer products and retail industries to complement our restaurant acumen and enhance our brand management, analytics and innovation. This model keeps the customer at the center of our decision-making and focuses on continuous innovation and productivity to drive sustainable sales and profit growth. We have made these changes while preserving our entrepreneurial culture at the operating level. Our restaurant managing partners are a key element of this culture, each of whom shares in the cash flows of his or her restaurant after making a required initial cash investment.

Our History

Our predecessor was incorporated in August 1987, and we opened our first Outback Steakhouse restaurant in 1988. We became a Delaware corporation in 1991 as part of a corporate reorganization completed in connection with our predecessor's initial public offering. Between 1993 and 2002, we acquired or developed our other restaurant concepts, and in 1996, we began expanding the Outback Steakhouse concept internationally. In June 2007, we were acquired by investment funds advised by our Sponsors, our Founders, and members of our management. In August 2012, we completed an initial public offering of our common stock, however, and investor group consisting of funds advised by our Sponsors and two of our Founders continues to beneficially own a controlling interest in our common stock and, upon completion of this offering, will continue to beneficially own a controlling interest in our common stock.

Our Restaurant Concepts

As of March 31, 2013, the 1,478 full-service restaurants in our restaurant system consisted of the following, identified by concept and ownership structure:

	Outback Steakhouse (domestic)	Outback Steakhouse (international)	Carrabba's Italian Grill	Bonefish Grill	Fleming's Prime Steakhouse and Wine Bar	Roy's	Total
Company-owned (1)	663	117	234	174	65	22	1,275
Development joint venture	—	41	—	—	—	—	41
Franchise	106	48	1	7	—	—	162
Total	769	206	235	181	65	22	1,478

(1) One Company-owned restaurant in Puerto Rico that was previously included in Outback Steakhouse (international) is now included in Outback Steakhouse (domestic).

Our core concepts are Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse and Wine Bar. Our Roy's concept operated as a 50/50 joint venture until October 1, 2012, when we acquired the remaining joint venture interests.

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Our restaurant concepts range in price point and degree of formality from casual (Outback Steakhouse and Carrabba's Italian Grill) to polished casual (Bonefish Grill) and fine dining (Fleming's Prime Steakhouse and Wine Bar and Roy's). Polished casual seeks to deliver the design elements, food quality and knowledgeable service suggestive of fine dining restaurants, except that the atmosphere is more relaxed and the prices are lower than fine dining. We source ingredients from around the world, which we believe allows us to achieve a high degree of freshness and quality and maintain the authenticity of our recipes, while keeping costs in line with the target pricing for our concepts.

Outback Steakhouse—Domestic

Outback Steakhouse is a casual dining steakhouse featuring high quality, freshly prepared food, attentive service and Australian décor. As of March 31, 2013, we owned and operated 663 restaurants and 106 restaurants were franchised across 48 states and Puerto Rico.

The Outback Steakhouse menu offers several cuts of uniquely seasoned and seared or wood-fire grilled steaks, chops, chicken, seafood, pasta, salads and seasonal specials. We use fresh and authentic ingredients, such as USDA Choice steaks and imported Danish blue cheese, and make items such as our sauces, soups, salad dressings, and chocolate sauce from scratch. The menu also includes several specialty appetizers, including our signature "Bloomin' Onion®," and desserts, together with full bar service featuring Australian wine and beer. Alcoholic beverages account for approximately 11% of domestic Outback Steakhouse's restaurant sales. The average check per person, which varies for all of our concepts based on limited-time offers, special menu items and promotions, was approximately $20 during 2012.

The décor includes a contemporary, casual atmosphere with blond woods, large booths and tables and Australian artwork. Outback Steakhouse restaurants serve dinner every day of the week and most locations are open for lunch on Saturday and Sunday. Some locations are also open for lunch Monday through Friday.

Carrabba's Italian Grill

Carrabba's Italian Grill is an authentic Italian casual dining restaurant featuring high quality handcrafted dishes, an exhibition kitchen and a welcoming atmosphere. As of March 31, 2013, we owned and operated 234 restaurants and franchised one restaurant across 32 states.

The Carrabba's Italian Grill menu includes a variety of Italian pasta, chicken and seafood dishes and wood-fired pizza. Our use of a wood-fired grill, combined with our signature grill seasoning, produces Italian dishes with flavors we believe are unique to the category. Our ingredients are sourced from around the world, such as our Prince Edward Island mussels, our extra virgin olive oil imported from Catalonia, Spain, and our pasta imported from a small town outside Pompeii, to meet our quality specifications. We grate our fresh romano and parmesan cheese daily and prepare items such as soups, sauces, lasagna, mozzarella sticks, salad dressings and desserts, including the roasted cinnamon rum pecans that top our John Cole dessert, from scratch. The menu also includes specialty appetizers, desserts and coffees, together with full bar service featuring Italian wines and specialty drinks. Alcoholic beverages account for approximately 16% of Carrabba's Italian Grill's restaurant sales. The average check per person was approximately $21 during 2012.

The décor includes dark woods, large booths and tables and Italian memorabilia featuring Carrabba family photos and authentic Italian pottery. Our traditional Italian exhibition kitchen allows customers to watch hand-made dishes being prepared. Carrabba's Italian Grill restaurants serve dinner every day of the week and the majority are open for lunch on Saturday and Sunday. Select locations are also open for lunch Monday through Friday.

Bonefish Grill

Bonefish Grill is a polished casual seafood restaurant featuring market fresh grilled fish, high-end yet approachable service and a lively bar. Servers wear chef coats to underscore their knowledge and professionalism, and guide guests through a comfortable rather than stuffy dining experience. As of March 31, 2013, we owned and operated 174 and franchised seven restaurants across 32 states.

The Bonefish Grill menu is anchored by fresh fish, hand-cut and topped with freshly prepared sauces and seasonal seafood specials. These selections are based on the types of seafood then available to the restaurant to ensure a fresh and flavorful meal. In addition, Bonefish Grill offers beef, pork and chicken entrees, several specialty appetizers, including our signature "Bang Bang Shrimp®," and desserts. Bonefish Grill's bar provides an energetic setting for drinks, dining and socializing, with large tables, music from emerging artists and a bar menu featuring a large variety of hand crafted cocktails, a specialty martini list, wine and regional beer selections. Alcoholic beverages account for approximately 24% of Bonefish Grill's restaurant sales. The average check per person was approximately $23 in 2012.

The décor is warm and inviting, with hardwood floors, large booths and tables and distinctive artwork inspired by regional coastal settings. Bonefish Grill restaurants typically serve dinner only, but began serving Sunday brunch in 2012 at most locations.

Fleming's Prime Steakhouse and Wine Bar

Fleming's Prime Steakhouse and Wine Bar is an upscale, contemporary prime steakhouse for food and wine lovers seeking a stylish, lively and memorable dining experience. As of March 31, 2013, we owned and operated 65 Fleming's Prime Steakhouse and Wine Bar restaurants across 28 states.

The Fleming's Prime Steakhouse and Wine Bar menu features prime cuts of beef, fresh seafood, and pork, veal and chicken entrees accompanied by an extensive assortment of freshly prepared salads and side dishes available a la carte, plus several specialty appetizers and desserts. Fleming's Prime Steakhouse and Wine Bar steak selection features USDA Prime corn-fed beef, aged up to four weeks for flavor and texture, and a selection of sizes and cuts, all seared and broiled at 1,600 degrees to seal in the beef's natural juices and flavors. Among national high-end steak concepts, Fleming's Prime Steakhouse and Wine Bar offers the largest selection of wines by the glass, with 100 quality wines available, as well as specialty cocktails. Alcoholic beverages account for approximately 30% of Fleming's Prime Steakhouse and Wine Bar's restaurant sales. The average check per person was approximately $67 in 2012.

The décor features an open dining room built around an exhibition kitchen and expansive bar, with lighter woods and colors with rich cherry wood accents and high ceilings. Private dining rooms are available for private gatherings or corporate functions. Fleming's Prime Steakhouse and Wine Bar restaurants serve dinner only.

Roy's

Roy's provides an upscale dining experience featuring Pacific Rim cuisine. As of March 31, 2013, we owned and operated 22 Roy's restaurants located across seven states. We did not have an economic interest in nine Roy's as of March 31, 2013, including six in Hawaii and one each in the continental United States, Japan and Guam.

The Roy's menu offers Chef Roy Yamaguchi's "Hawaiian Fusion" cuisine, a blend of bold Asian spices, European sauces and local ingredients, and features a variety of fish and seafood, beef, short ribs, pork, lamb and chicken. The menu also includes several specialty appetizers and desserts. In addition to full bar service, Roy's offers a large selection of highly rated wines. Alcoholic beverages account for approximately 27% of Roy's restaurant sales. The average check per person was approximately $58 during 2012.

The décor features large dining rooms, a lounge area, an outdoor dining patio in certain locations and Roy's signature exhibition kitchen. Private dining rooms are available for private gatherings or corporate functions. The majority of Roy's restaurants serve dinner only.

Outback Steakhouse—International

Outback Steakhouse International is our business unit for developing and operating Outback Steakhouse restaurants outside of the U.S. In 2011, we enhanced our international organizational structure by recruiting internal and external talent from market-leading companies with the experience we believe is needed to drive international growth. We have integrated this team into our corporate headquarters to leverage enterprise-wide capabilities, including marketing, finance, consumer research and analytics, real estate development, information technology, legal, supply chain management and productivity in order to support both Company-owned and franchised locations. In addition, our Company-owned and joint venture operations in South Korea, Hong Kong, China and Brazil have cross-functional, local management staff in place to grow and support restaurants in those locations.

Our other concepts currently do not operate outside of the U.S. As of March 31, 2013, we owned and operated 117 international Outback Steakhouse restaurants, 41 were owned and operated through a joint venture and 48 were operated under franchise arrangements across 19 countries and Guam as follows:

Country/Territory	Ownership Type	Total
South Korea	Company-owned	108
Hong Kong	Company-owned	8
China (Mainland)	Company-owned	1
Brazil	Joint venture	41
Japan	Franchise	10
Australia	Franchise	6
Mexico	Franchise	5
Taiwan	Franchise	5
Canada	Franchise	4
Indonesia	Franchise	3
Philippines	Franchise	3
Saudi Arabia	Franchise	3
United Arab Emirates	Franchise	2
Costa Rica	Franchise	1
Dominican Republic	Franchise	1
Egypt	Franchise	1
Guam	Franchise	1
Malaysia	Franchise	1
Singapore	Franchise	1
Thailand	Franchise	1
Total		**206**

International Outback Steakhouse restaurants have substantially the same core menu items as domestic Outback Steakhouse locations, although certain side items and other menu items are local in nature. The prices that we charge in individual locations are reflective of local demographics and related local costs involved in procuring product. Most of our international locations serve lunch and dinner.

We utilize a global core menu policy to ensure consistency and quality in our menu offerings. We allow local tailoring of the menu to address the preference of local customers in a market. Prior to the addition of an item to the core menu, we conduct customer research and it is reviewed and approved by our R&D team. In

South Korea, for example, we serve “lunch box sets,” offering affordable options to busy customers seeking a quick lunch at Outback Steakhouse. Similarly, in Brazil, we offer “set pricing” lunch options that provide various price point options for our lunchtime diners.

Our international Outback Steakhouse locations are similar in the look and feel of our domestic locations, although there is more diversity in certain restaurant locations, layouts and sizes.

Financial information about geographic areas is included in this prospectus in Note 2 of our Notes to consolidated financial statements for the year ended December 31, 2012. For the risks associated with our international operations, see “Risk Factors.”

Restaurant Design and Development

Site Design

We generally construct freestanding buildings on leased properties, although our leased sites are also located in strip shopping centers. Construction of a new restaurant takes approximately 90 to 180 days from the date the location is leased or under contract and fully permitted. In the future, we intend to either convert existing third-party leased retail space or construct new restaurants through leases in the majority of circumstances. We typically design the interior of our restaurants in-house, utilizing outside architects when necessary.

A typical Outback Steakhouse is approximately 6,200 square feet and features a dining room and a full-service liquor bar. The dining area of a typical Outback Steakhouse consists of 45 to 48 tables and seats approximately 220 people. The bar area consists of approximately ten tables and has seating capacity for approximately 54 people. Appetizers and complete dinners are served in the bar area.

Outback Steakhouse international restaurants range in size from 3,500 to 10,000 square feet and may be basement, ground level or upper floor locations.

A typical Carrabba’s Italian Grill is approximately 6,500 square feet and features a dining room, pasta bar seating that overlooks the exhibition kitchen and a full-service liquor bar. The dining area of a typical Carrabba’s Italian Grill consists of 40 to 45 tables and seats approximately 230 people. The liquor bar area typically includes six tables and seating capacity for approximately 60 people, and the pasta bar has seating capacity for approximately ten people. Appetizers and complete dinners are served in both the pasta bar and liquor bar areas.

A typical Bonefish Grill is approximately 5,500 square feet and features a dining room and full-service liquor bar. The dining area of a typical Bonefish Grill consists of approximately 38 tables and seats approximately 145 people. The bar area is generally in the front of the restaurant and offers community-style seating with approximately ten tables and bar seating with a capacity for approximately 72 people. Appetizers and complete dinners are served in the bar area.

A typical Fleming’s Prime Steakhouse and Wine Bar is approximately 7,100 square feet and features a dining room, a private dining area, an exhibition kitchen and full-service liquor bar. The main dining area of a typical Fleming’s Prime Steakhouse and Wine Bar consists of approximately 35 tables and seats approximately 170 people, while the private dining area seats approximately 30 additional people. The bar area includes approximately six tables and bar seating with a capacity for approximately 35 people. Appetizers and complete dinners are served in the bar area.

A typical Roy’s is approximately 7,100 square feet and features a dining room, a private dining area, an exhibition kitchen and full-service liquor bar. The main dining area of a typical Roy’s consists of approximately 41 tables and seats approximately 155 people, while the private dining area seats an additional 50 people. The bar area includes tables and bar seating with a capacity for approximately 35 people. Appetizers and complete dinners are served in the bar area.

Remodel, Renovation and Relocation Plans

We are committed to the strategy of continuing to maintain relevance with our décor by implementing an ongoing renovation program across all of our concepts.

In 2009, we began a remodeling program at Outback Steakhouse to refresh our restaurants and modernize the look and feel of the dining experience. The Outback Steakhouse décor now features larger, more comfortable waiting areas, a brighter more upscale bar and a natural, contemporary dining area. We have remodeled 421 restaurants since the beginning of the remodeling program through March 31, 2013, including 150 in 2012 and 15 in the first quarter of 2013. We plan to complete approximately 80 remodels in 2013 for a cumulative total of more than 485 remodels by the end of 2013. Going forward, we expect to remodel approximately 10% of our locations annually. Our average remodel cost per restaurant was approximately $225,000 in 2012.

Carrabba's Italian Grill is currently implementing a similar renovation program, which includes the creation of a more contemporary Italian-themed décor that maintains its welcoming atmosphere and matches the high quality of our food. We recently finalized the new design format and expect to remodel between 50 and 60 locations in 2013.

In addition, in April 2013, we accelerated our restaurant relocation plan primarily related to the Outback Steakhouse brand. This multi-year relocation plan will begin with approximately 10 to 20 restaurants in 2013, of which some will not be completed until 2014, and would result in additional expenses in the range of $4.0 million to $8.0 million in 2013.

Site Selection Process

We consider the location of a restaurant to be critical to its long-term success and as such, we devote significant effort to the investigation and evaluation of potential sites. We have a central team serving all of our concepts comprised of real estate development, property/lease management and design and construction personnel. We have significantly increased the resources dedicated to this team since 2009, enabling the acceleration of remodels, unit additions and relocations. Our site selection team utilizes a combination of existing field operations managers, internal development personnel and outside real estate brokers to identify and qualify potential sites. We have developed a robust analytical infrastructure, aided by site selection software customized to assist our site selection team in implementing our new restaurant growth plan. By leveraging expanded data regarding potential sites, developing success criteria and using predictive models, we are improving site selection.

We follow a phased approach to new site selection and approval, with all proposed sites reviewed and approved by the appropriate concept president, Chief Development Officer, Chief Resource Officer, Chief Financial Officer and Chief Executive Officer.

Restaurant Development

We are recommitted to new unit development after curtailing expansion from 2009 to 2011. We believe that a substantial development opportunity remains for our concepts in the U.S. and internationally. During 2012, we opened 37 new system-wide locations: 17 Bonefish Grill restaurants, four Carrabba's Italian Grill restaurants, one Fleming's Prime Steakhouse and Wine Bar restaurant and 15 international Outback Steakhouse restaurants comprised of five Company-owned, seven unconsolidated joint venture and three franchise locations. During the first quarter of 2013, we opened 10 new Company-owned locations: seven Bonefish Grill restaurants, one domestic Outback Steakhouse restaurant and two international Outback Steakhouse restaurants in Korea. We expect to open between 45 and 55 system-wide locations in 2013 and increase the pace thereafter. We expect that the mix of new units will be weighted approximately 60% to domestic opportunities in 2013, but will shift to a higher weight of international units as we continue to implement our international expansion plans.

Domestic Development

We believe we are well-equipped to accelerate new unit development with a disciplined approach focusing on achieving unit returns at target levels across each of our concepts. In 2013, we plan to open approximately 30 locations. Bonefish Grill unit growth will continue to be our top domestic development priority in 2013, with 20 or more new restaurants planned. We believe we have the potential to increase the units in our Bonefish Grill concept to over 300 in the next four to six years. Currently, the majority of Bonefish Grill restaurants are located in the southern and eastern U.S., with significant geographic expansion potential in the top 100 U.S. markets. We also see significant opportunities to expand Carrabba's Italian Grill from an existing base of 235 units as of March 31, 2013. Currently, the majority of Carrabba's Italian Grill restaurants are also located in the southern and eastern U.S., with significant geographic expansion potential in the top 100 U.S. markets. We recently finalized an updated restaurant design for Carrabba's Italian Grill, which we plan to implement in new units in 2013. Following 2013, we plan to accelerate new unit development. In addition, we believe that Fleming's Prime Steakhouse and Wine Bar has existing geography fill-in and market expansion opportunities based on its current location mix.

International Development

We believe we are well-positioned to continue to expand internationally and plan to approach such growth in a disciplined, prioritized manner, leveraging established markets in South Korea, Hong Kong and Brazil while expanding in strategically selected new emerging and high growth developed markets, focusing on China, Mexico and South America. The system-wide sales of our international Outback Steakhouse restaurants represented approximately 14% of our total system-wide sales in 2012. We believe the international business represents a significant growth opportunity. We will continue to leverage our market position by offering our top-ranked Outback Steakhouse concept in a format adapted to local cultural preferences. For example, we believe that we can leverage existing infrastructure and expertise in the Asia-Pacific region and Latin America to grow in those areas and accelerate entry into nearby countries.

Our Company-owned operations in Hong Kong and Korea, where we have 116 restaurants, provide operational expertise in running multi-unit operations, but also cultural insights and available talent to deploy into new Asian markets. In addition, our Outback Steakhouse International leadership team has significant experience in opening retail outlets in China that we can further leverage into our expansion efforts. As a result, during 2012, we opened our first Outback Steakhouse in Shanghai, China.

We will utilize the ownership structure and market entry strategy that best fits the need for a particular market, including Company-owned units, joint ventures and franchises. In markets where there is potential for a significant number of restaurants, we expect to focus on Company-owned and joint venture arrangements rather than franchises.

Research & Development / Innovation

In 2010, we added a Company-wide head of R&D to our senior management team and increased the size of that team. We believe we have also strengthened our innovation capability by establishing a focused, collaborative process and enhancing our R&D capabilities, and expanded the scope of innovation to focus on new product development, product efficiency and core menu quality. As a result, we believe we are now better able to continuously evolve our product offerings based on consumer trends and feedback and improve productivity. We have a 12-month pipeline of new consumer-driven menu and promotional items and are able to introduce items faster than we have in the past.

Our cross-functional innovation processes leverage practices of the consumer products industry to continuously research and enhance every dimension of the customer experience. Our innovation teams collaborate across R&D, supply chain, operations, marketing, finance and market intelligence. Our goal is

continuous innovation of our new menu, service and marketing initiatives to improve brand relevance, productivity and competitiveness based on evolving consumer trends and direct customer feedback on our products. For example, as the direct result of market and consumer research, we have added over 85 new menu items across our concepts since 2010, including many items under 600 calories, which have broadened the appeal of our menus. By incorporating analytics, customer testing and in-store guest and operator feedback, we are able to refine and reduce the potential risks associated with these introductions or changes. For new menu items and significant product changes, we have a meaningful testing process that includes internal testing, testing at one restaurant and testing at a group of restaurants before the roll-out is staged system-wide. Throughout this process, our customers provide direct feedback on the product as well as pricing.

We also utilize our cross-functional processes to develop limited-time offers with compelling price points and attractive margins. This requires more occasion-based testing and research to validate that the special offer was valued by customers based on the occasion. For example, Outback Steakhouse offered a four-course meal promotion (the Outback 4) in 2012 and 2013, which included a soup, salad, entree and dessert for $15.00 that was not only very popular with our customers, but also met our profitability and food quality objectives.

Strategy and Market Intelligence

Our strategy and market intelligence ("SMI") function was created in 2010 to identify opportunities for profitable growth based on market and consumer intelligence, and to help improve returns on the investments we make in capital and operations, through the targeted application of analytics. Our customer feedback and testing process enables rapid assessment of how new ideas and productivity initiatives perform with customers, allowing us to make improvements before they are launched nationally. Our marketing mix models guide reallocation of our marketing investments to more efficient and effective programs and have prompted increased marketing investments in Bonefish Grill and Carrabba's Italian Grill.

Our customer research techniques provide a greater perspective into customer behavior. We deploy a variety of qualitative approaches ranging from basic focus groups to techniques designed to capture deeper consumer insights based on emotional responses. On the quantitative side, we develop, execute and analyze consumer research related to menu items, restaurant design, consumer communication, brand positioning and casual dining segment health.

Information Systems

Beginning in 2010, we added significant resources that focused on building our competencies in human resources, information technology and real estate, design and construction, including the completion of standardized Point of Sale ("POS") systems across our core concepts, the implementation of a Human Resources Information System ("HRIS"), uniform and comprehensive training programs, expanded data warehousing capability, and increased resources and tools to accelerate renovations and new unit site selection.

In late 2010, we hired a new Chief Information Officer and developed a multi-year information technology strategy to further transform information technology into a growth enabling function by focusing on building infrastructure, increasing technical staff, creating a technology platform to support sales growth and enabling productivity improvements.

Restaurant level financial and accounting controls are handled through the POS system and network in each restaurant that communicates with our corporate headquarters. The POS system is also used to authorize and transmit credit card sales transactions and to manage the business and control costs, such as labor. Our Company-owned restaurants are connected through data centers and a portal to provide our corporate employees and regional partners with access to business information and tools that allow them to collaborate, communicate, train and share information between restaurants and the corporate office. During 2012, we upgraded our wireless access points in all of our restaurants. This provided enhanced capability to pilot and roll out new mobile

technology devices within our restaurants to enhance our operational capability. During 2013, we expect to enhance our corporate office and restaurant information system infrastructure, such as labor optimization tools, for continued improvements to our operational capability.

Advertising and Marketing

Our marketing strategy is designed to drive comparable restaurant sales growth by increasing the frequency of and occasions for visits by our current customers as well as attracting new customers.

To maintain customer interest and relevance, each concept leverages limited-time offers featuring seasonal specials, ingredients and flavors that are consistent with the concept's offerings, but provide something new to discover on the menu. We have increased the frequency of these promotions so that Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill generally have five to seven promotion periods each year. The nature of the message regarding these promotions has also changed to encourage prompt action, rather than just promote brand awareness, resulting in more immediate increases in traffic. For example, for the past few years, Outback Steakhouse has leveraged a "Back By Popular Demand" steak and lobster entree for $14.99. This offer reinforces the high quality food at affordable prices available at Outback Steakhouse. We promoted the limited time offer through extensive television, social media, public relations local marketing outreach and in-restaurant materials.

We promote our Outback Steakhouse and Carrabba's Italian Grill restaurants through national and spot television and/or radio media and our Bonefish Grill restaurants through radio advertising. We advertise on television selectively when we have a sufficient number of restaurants in a market to make the media purchase efficient (generally three to 10 restaurants in a market, depending on the media cost in that market). Each of our concepts has an active public relations program and relies on word-of-mouth customer experience, site visibility, marketing in local venues, direct mail, on-line/digital advertising and billboards. We also create point-of-sale materials to communicate and promote key brand initiatives to our guests while they are dining in our restaurants. We have local marketing personnel who customize these programs to optimize them for their target market.

We also use the openings of new restaurants as an opportunity to employ a comprehensive marketing strategy. We reach out to various media outlets as well as the local community to obtain appearances on radio and television, establish relationships with local charities and gain coverage in local newspapers and magazines. The managing partner in each restaurant is the visible face of the concept and, with local involvement, reinforces our role as a concerned, active member of the community.

We have increased our use of e-marketing tools, which enable us to reach a significant number of people in a timely and targeted fashion at a fraction of the cost of traditional media. We believe that our customers are frequent Internet users and will explore e-applications to make dining decisions or to share dining experiences. We have set up pages and advertise on various social media and other websites.

These methods of advertising promote and maintain brand image and generate consumer awareness of new menu offerings, such as new items added to appeal to value-conscious consumers. We also strive to increase sales through excellence in execution. Our marketing strategy of enticing customers to visit frequently and also recommending our restaurants to others complements our goal of providing a compelling dining experience. Additionally, we engage in a variety of promotional activities, such as contributing goods, time and money to charitable, civic and cultural programs, in order to give back to the communities we serve and increase public awareness of our restaurants.

Restaurant Operations

We believe the success of our restaurants depends on our service-oriented employees and consistent execution of our menu items in a well-managed restaurant.

Management and Employees

The management staff of a typical Outback Steakhouse, Carrabba's Italian Grill or Bonefish Grill consists of one managing partner, one assistant manager and one kitchen manager. The management staff of a typical Fleming's Prime Steakhouse and Wine Bar or Roy's consists of one managing partner, a chef partner and two assistant managers. Each restaurant also employs approximately 50 to 95 hourly employees, many of whom work part-time. The managing partner of each restaurant has primary responsibility for the day-to-day operation of his or her restaurant and is required to abide by Company-established operating standards. Area operating partners are responsible for overseeing the operations of typically six to 14 restaurants and managing partners in a specific region.

Area Operating, Managing and Chef Partner Programs

We have established a compensation structure for our area operating, managing and chef partners that we believe encourages high quality restaurant operations, fosters long-term employee commitment and generally results in profitable restaurants.

Historically, the managing partner of each Company-owned domestic restaurant and the chef partner of each Fleming's Prime Steakhouse and Wine Bar and Roy's restaurant were required, as a condition of employment, to sign a five-year employment agreement and to purchase a non-transferable ownership interest in a Management Partnership that provided management and supervisory services to his or her restaurant. The purchase price for a managing partner's ownership interest was fixed at $25,000, and the purchase price for a chef partner's ownership interest ranged from $10,000 to $15,000. Managing and chef partners had the right to receive monthly distributions from the Management Partnership based on a percentage of their restaurant's monthly cash flows for the duration of the agreement, which varied by concept from 6% to 10% for managing partners and 2% to 5% for chef partners. Further, managing and chef partners were eligible to participate in the Partner Equity Plan ("PEP"), a deferred compensation program, upon completion of their five-year employment agreement.

In April 2011, we modified our managing and chef partner compensation structure to provide greater incentives for sales and profit growth. Under the revised program, managing and chef partners continue to sign five-year employment agreements and receive monthly distributions of the same percentage of their restaurant's cash flow as under the prior program. However, under the revised program, in lieu of participation in the PEP, managing partners and chef partners are eligible to receive deferred compensation payments under our Partner Ownership Account Plan (the "POA"). The POA places greater emphasis on year-over-year growth in cash flow than the PEP. Managing and chef partners receive a greater value under the POA than they would have received under the PEP if certain levels of year-over-year cash flow growth are achieved and a lesser value than under the PEP if these levels are not achieved.

The POA requires managing and chef partners to make an initial deposit of up to $10,000 into their Partner Investment Account, and we make a bookkeeping contribution to each partner's Company Contributions Account no later than the end of February of each year following the completion of each year (or partial year where applicable) under the partner's employment agreement. The value of each of our contributions is equal to a percentage of the partner's restaurant's cash flow plus, if the restaurant has been open at least 18 calendar months, a percentage of the year-over-year increase in the restaurant's cash flow.

In addition to the POA, our managing and chef partners are also eligible for an annual bonus known as the President's Club, paid in addition to the monthly distributions of cash flow, designed to reward increases in a restaurant's annual sales above the concept sales plan with a required flow-through percentage of the incremental sales to cash flow as defined in the plan. Managing and chef partners whose restaurants achieve certain annual sales targets above the concept's sales plan (and the required flow-through percentage) receive a bonus equal to a percentage of the incremental sales, such percentage determined by the sales target achieved.

All managing and chef partners who execute new employment agreements after May 1, 2011 are required to participate in the revised partner program, including the POA (see "Liquidity and Capital Resources—Deferred Compensation Plans" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations").

Many Outback Steakhouse international restaurant managing partners enter into employment agreements and purchase participation interests in the cash distributions from the restaurants they manage. The amount and terms vary by country. This interest gives the managing partner the right to receive a percentage of his or her restaurant's annual cash flows for the duration of the agreement. Additionally, each new unaffiliated franchisee is required to provide the same opportunity to the managing partner of each new restaurant opened by that franchisee.

Historically, an area operating partner was required, as a condition of employment and within 30 days of the opening of his or her first restaurant, to make an initial investment of $50,000 in a Management Partnership that provides supervisory services to the restaurants that the area operating partner oversees. This interest gave the area operating partner the right to distributions from the Management Partnership based on a percentage of his or her restaurants' monthly cash flows for the duration of the agreement, typically ranging from 4% to 9%. We have the option to purchase an area operating partner's interest in the Management Partnership after the restaurant has been open for a five-year period on the terms specified in the agreement. For restaurants opened between January 1, 2007 and December 31, 2011, the area operating partner's percentage of cash distributions and buyout percentage is calculated based on the associated restaurant's return on investment compared to our targeted return on investment and ranges from 3.0% to 12.0% depending on the concept.

In 2011, we also began a version of the President's Club annual bonus described above for area operating partners to provide additional rewards for achieving sales targets with a required flow-through of the incremental sales to cash flow as defined in the plan.

In April 2012, we revised our area operating partner program for restaurants opened on or after January 1, 2012. For these restaurants, an area operating partner is required, as a condition of employment, to make a deposit of $10,000 within 30 days of the opening of each new restaurant that he or she oversees, up to a maximum deposit of $50,000 (taking into account investments under prior programs). This deposit gives the area operating partner the right to monthly payments based on a percentage of his or her restaurants' monthly cash flows for the time period that the area operating parter oversees the restaurant, typically ranging from 4.0% to 4.5%. After the restaurant has been open for a five-year period, the area operating partner will receive a bonus equal to a multiple of the area operating partner's average monthly payments for the 24 months immediately preceding the bonus date. The bonus will be paid within 90 days or over a two-year period, depending on the bonus amount.

We have also improved our field operations performance evaluation and development processes since 2009. All field managing partners and area managers receive feedback on performance with consistent metrics linked to quarterly restaurant, area and concept business objectives.

By offering these types of compensation arrangements and by providing the area operating, managing and chef partners a significant interest in the success of their restaurants, we believe we are able to attract and retain experienced and highly motivated area operating, managing and chef partners.

Supervision and Training

We require our area operating partners and restaurant managing partners to have significant experience in the full-service restaurant industry. As part of our management development programs, we engage in succession planning at a total Company and concept level to identify promotable personnel, with focused training programs to prepare managers for the next level of responsibility. Our current core concept presidents have been

with us for an average of 15 years and have an average of 29 years of industry experience. Our regional field management team has an average of 12 years of experience working with us at the managing partner level or above.

All operating partners and managing partners are required to complete a comprehensive training program that emphasizes our operating strategy, procedures and standards. Our senior management meets quarterly with our area operating partners to discuss business-related issues and to share ideas. In addition, members of senior management visit restaurants regularly to ensure that our concept, strategy and standards of quality are being adhered to in all aspects of restaurant operations.

The restaurant managing and area operating partners, together with our Presidents, Regional Vice Presidents, Senior Vice Presidents of Training and Directors of Training, are responsible for selecting and training the employees for each new restaurant. The training period for new non-management employees lasts approximately one week and is characterized by on-the-job supervision by an experienced employee. Ongoing employee training remains the responsibility of the restaurant manager. Written tests and observation in the work place are used to evaluate each employee's performance. Special emphasis is placed on the consistency and quality of food preparation and service, which is monitored through monthly meetings between kitchen managers and management.

Service

We seek to deliver superior service to each customer at every opportunity. We offer customers prompt, friendly and efficient service, keep wait staff-to-table ratios high and staff each restaurant with experienced management teams to ensure consistent and attentive customer service. Members of our wait staff demonstrate an attention to detail, culinary expertise and focus on execution and complete training programs specific to the concept's menu (including the specific flavors of each dish), culture and brand positioning. They are trained to be responsive to the needs of our customers as they assist guests in selecting menu items complementing individual preferences.

In order to better assess and improve our performance, in 2009 we began using Service Management Group ("SMG") to conduct an ongoing satisfaction measurement program that utilizes a random invitation to participate in a web-based survey printed on 25% of our customer checks per week and provides us with benchmarking information from other restaurants. The program measures satisfaction across a wide range of experience elements, from the pace of the experience to the temperature of the food. Results are compiled and reported through a central web site at the national, regional and individual restaurant level. As of March 31, 2013, 31 casual dining restaurant concepts, including Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill, and 11 fine dining concepts, including Fleming's Prime Steakhouse and Wine Bar, participate in the SMG survey web methodology and contribute to the SMG average comparison measures for casual and fine dining, respectively, that we utilize in assessing our performance. The minimum sample size for our SMG customer surveys is 100 customers per restaurant per month.

Food Preparation and Quality Control

We focus on using high quality ingredients in our menu items, including the grade of our beef and freshness of our seafood and vegetables, while keeping costs in line with target pricing for our concepts. Food safety is a critical priority, and we dedicate resources to ensuring that our customers enjoy safe, quality food products. We have taken various steps to mitigate food quality and safety risks and have central teams focused on this goal together with our supply chain, food safety/quality assurance and R&D teams.

We have an R&D facility located in Tampa, Florida that serves as a test kitchen and vendor product qualification site. Our supply chain organization manages internal auditors for vendor evaluations along with external third parties to inspect vendor adherence to quality, food safety and product specification on a risk based

schedule. Vendors that do not comply with quality, food safety and other specifications are not utilized until they have corrective actions in place and are re-certified for compliance. Additionally, a daily “line check” is performed by the restaurant managing partner and their key team members to inspect food prepared for that day, as well as the freshness of liquor, beverages, condiments and other perishables used for all menu items.

We also employ two outside advisory councils comprised of external subject matter experts to advise our senior management on industry trends and on quality, safety and animal considerations pertinent to our industry, such as well-being strategies and procedures.

Sourcing and Supply

We take a centralized approach to purchasing and supply chain management, with our corporate team serving all concepts domestically and internationally. In addition, we have dedicated supply chain management personnel at the local level in our larger international operations in Asia and South America. The supply chain management organization is responsible for all food and operating supply purchases as well as a large percentage of field and home office services. In addition, we have logistics teams dedicated to optimizing freight costs. The supply chain management organization’s mission is to utilize a combination of centralized domestic and locally-based supply to capture the efficiencies and economies of scale that come from making strategic buys, while maintaining (or improving) quality.

We work to address the end-to-end costs (from the source to the fork) associated with the products and goods we purchase. We utilize a “total cost of ownership” (“TCO”) approach, which focuses on both the initial purchase price, coupled with the cost structure underlying the procurement and order fulfillment process. The TCO approach includes monitoring commodity markets and trends and seeking to execute product purchases at the most advantageous times. We develop commodity sourcing strategies for all major commodity categories based on the dynamics of each category. Those strategies include both spot purchases and long-term contracts of generally one year or less where we believe long-term contract prices are more attractive than anticipated spot prices. In addition, we limit exposure to potential risk by requiring our vendor partners to meet or exceed our quality assurance standards.

We have a national distribution program in place that includes food, beverage, and packaging goods. This program is with a custom distribution company that uses a limited number of warehouses that provide only products approved for our system.

Proteins represent about 50% of our commodity purchasing composition, with beef representing slightly over half of total purchased proteins. In 2012, we purchased more than 75% of our beef raw materials from four beef suppliers who represent approximately 85% of the total beef marketplace in the U.S. Due to the nature of our industry, we expect to continue to purchase a substantial amount of our beef from a small number of suppliers. Other major commodity categories purchased include produce, dairy, bread and pasta and energy sources to operate our restaurants, such as natural gas.

Restaurant Ownership Structures

Our restaurants are predominately Company-owned or controlled, including through joint ventures, and otherwise operated under franchise arrangements. We generate our revenues primarily from our Company-owned or controlled restaurants and secondarily through ongoing royalties from our franchised restaurants and sales of franchise rights.

Company-Owned Restaurants

Company-owned or controlled restaurants include restaurants owned directly by us, by limited liability companies in which we are a member and by limited partnerships in which we are the general partner. Our legal ownership interests in these limited liability companies and, as general partner, in these limited partnerships

generally range, in each case, from 54.5% to 100%. Our cash flows from these entities are limited to the relative portion of our ownership. The results of operations of Company-owned restaurants are included in our consolidated operating results. The portion of income or loss attributable to the other partners' interests is eliminated in Net income attributable to noncontrolling interests in our Consolidated Statements of Operations and Comprehensive Income.

In the future, we do not plan to utilize limited partnerships for domestic Company-owned restaurants. Instead, the restaurants will be wholly-owned by us and the area operating, managing and chef partners will receive their distributions of restaurant cash flow as employee compensation rather than partnership distributions.

We pay royalties on approximately 95% of our Carrabba's Italian Grill restaurants ranging from 1.0% to 1.5% of sales pursuant to agreements we entered into with the Carrabba's Italian Grill founders.

Historically, Company-owned restaurants also included restaurants owned by our Roy's joint venture, and our consolidated financial statements included the accounts and operations of our Roy's joint venture even though we had less than majority ownership due to our status as primary beneficiary of the joint venture and ability to control its significant activities. Effective October 1, 2012, we purchased the remaining interests in our Roy's joint venture from our joint venture partner, RY-8, Inc. ("RY-8"), for $27.4 million (see "Liquidity and Capital Resources—Transactions" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations").

Through the Brazilian Joint Venture, we hold a 50% ownership interest in PGS Consultoria e Serviços Ltda. The Brazilian Joint Venture was formed in 1998 for the purpose of operating Outback Steakhouse restaurants in Brazil. We account for the Brazilian Joint Venture under the equity method of accounting. We are responsible for 50% of the costs of restaurants operated by the Brazilian Joint Venture, and our joint venture partner is responsible for the other 50% and has operating control. Income and loss derived from the Brazilian Joint Venture is presented in the line item "Income from operations of unconsolidated affiliates" in our Consolidated Statements of Operations and Comprehensive Income. We do not consider restaurants owned by the Brazilian Joint Venture as "Company-owned" restaurants.

In connection with the settlement of litigation with T-Bird Nevada, LLC and its affiliates (collectively, "T-Bird"), which included the franchisees of 56 Outback Steakhouse restaurants in California, T-Bird has a right (referred to as the "Put Right"), which would require us to purchase for cash all of the ownership interests in the T-Bird entities that own Outback Steakhouse restaurants and certain rights under the development agreement with T-Bird. The Put Right is non-transferable, other than under limited circumstances set forth in the settlement agreement. The Put Right is exercisable by T-Bird until August 13, 2013. If the Put Right is exercised, we will pay a purchase price equal to a multiple of the T-Bird entities' adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) for the trailing 12 months, net of liabilities of the T-Bird entities. The multiple is equal to 75% of the multiple of our adjusted EBITDA reflected in our stock price. We have a one-time right to reject the exercise of the Put Right if the transaction would be dilutive to our consolidated earnings per share. In such event, the Put Right is extended until the first anniversary of our notice to the T-Bird entities of such rejection. If exercised, the closing of the Put Right will be the last business day of the third full calendar month immediately following the month in which notification of the exercise of the Put Right (the "Put Notice") is given. If the weighted average closing price of our common stock during the month immediately prior to the month the closing date is to occur is more than 20% less than the closing price on the date the Put Notice is delivered, the T-Bird entities will have a one-time right to delay the closing for two months. If the closing date is delayed, the T-Bird entities multiple will be calculated based on the weighted average closing price of our common stock during the calendar month immediately prior to the month of the newly scheduled closing date. The closing of the Put Right is subject to certain conditions, including the negotiation of a transaction agreement reasonably acceptable to the parties, the absence of dissenters' rights being exercised by the equity owners above a specified level, non-revocation by the T-Bird entities of the exercise of the Put Right and compliance with our debt agreements.

Unaffiliated Franchise Program

Our unaffiliated franchise arrangements grant third parties a license to establish and operate a restaurant using one of our concepts, our systems and our trademarks in a given area. The unaffiliated franchisee pays us for the concept ideas, strategy, marketing, operating system, training, purchasing power and brand recognition.

Franchised restaurants must be operated in compliance with their respective concept's methods, standards and specifications, including regarding menu items, ingredients, materials, supplies, services, fixtures, furnishings, decor and signs, although the franchisee has full discretion to determine menu prices. In addition, all franchisees are required to purchase all food, ingredients, supplies and materials from approved suppliers. Our regional vice presidents semi-annually inspect franchised restaurants to confirm compliance with our requirements.

At March 31, 2013, there were 106 domestic franchised Outback Steakhouse restaurants and 48 international (including Guam) franchised Outback Steakhouse restaurants. Each domestic franchisee paid an initial franchise fee of $40,000 for each restaurant and is required to pay a continuing monthly royalty of 3.0% of gross restaurant sales and a monthly marketing administration fee of 0.5% of gross restaurant sales. Initial fees and royalties for international franchisees vary by market. Generally, each international franchisee paid an initial franchise fee of $40,000 to $200,000 for each restaurant and is expected to pay a continuing monthly royalty of 2.0% to 4.0% of gross restaurant sales. Certain international franchisees enter into an international development agreement that requires them to pay a development fee in exchange for the right and obligation to develop and operate up to five restaurants within a defined development territory pursuant to separate franchise agreements. Domestic franchisees are required to expend an annually adjusted percentage of gross restaurant sales, up to a maximum of 3.5%, for national advertising on a monthly basis (3.0% in 2012 and increased to 3.2% in 2013).

At March 31, 2013, there was one domestic franchised Carrabba's Italian Grill. The franchisee paid an initial franchise fee of $40,000 and pays a continuing monthly royalty of 5.75% of gross restaurant sales.

At March 31, 2013, there were seven domestic franchised Bonefish Grills. Four of these franchisees paid an initial franchise fee of $50,000 for each restaurant and pay a continuing monthly royalty of 4.0% of gross restaurant sales. Three of these franchisees pay royalties up to 4.0%, depending on sales volumes. Under the terms of the franchise agreement, the franchisees are required to expend, on a monthly basis, a minimum of 1.5% of gross restaurant sales on local advertising and pay a monthly marketing administration fee of 0.5% of gross restaurant sales.

There were no unaffiliated franchises of any of our other restaurant concepts at March 31, 2013.

Under the development agreement granted to one of the T-Bird entities, for the period ending in 2031, the T-Bird entities have the exclusive right through 2031 to develop and operate Outback Steakhouse restaurants as a franchisee in the State of California. We have agreed to waive all rights of first refusal in our franchise arrangements with the T-Bird entities in connection with a sale of all, and not less than all, of the assets, or at least 75% of the ownership of the T-Bird entities.

Competition

The restaurant industry is highly competitive with a substantial number of restaurant operators that compete directly and indirectly with us in respect to price, service, location and food quality, and there are other well-established competitors with significant financial and other resources. There is also active competition for management personnel, attractive suitable real estate sites, supplies and restaurant employees. Further, we face growing competition from the supermarket industry, with improved selections of prepared meals, and from quick service and fast casual restaurants, as a result of higher-quality food and beverage offerings. We expect intense competition to continue in all of these areas.

Industry and internal research conducted suggests that consumers consider casual dining restaurants within a given trade area when making dining decisions. As a result, an individual restaurant's competitors will vary based on its trade area and will include both independent and chain restaurants. At an aggregate level, all major casual dining restaurants would be considered competitors of our concepts.

We believe our principal strategies, which include but are not limited to, the use of high quality ingredients that are in line with our target pricing, the variety of our menu and concepts, the quality and consistency of our food and service, the use of various promotions and the selection of appropriate locations for our restaurants, allow us to effectively and efficiently compete in the restaurant industry.

Government Regulation

We are subject to various federal, state, local and international laws affecting our business. Each of our restaurants is subject to licensing and regulation by a number of governmental authorities, which may include, among others, alcoholic beverage control, health and safety, nutritional menu labeling, health care, environmental and fire agencies in the state, municipality or country in which the restaurant is located. Difficulty in obtaining or failing to obtain the required licenses or approvals could delay or prevent the development of a new restaurant in a particular area. Additionally, difficulties or inabilities to retain or renew licenses, or increased compliance costs due to changed regulations, could adversely affect operations at existing restaurants.

Approximately 15% of our consolidated restaurant sales are attributable to the sale of alcoholic beverages. Alcoholic beverage control regulations require each of our restaurants to apply to a state authority and, in certain locations, county or municipal authorities for a license or permit to sell alcoholic beverages on the premises and to provide service for extended hours and on Sundays. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of daily operations of our restaurants, including minimum age of patrons and employees, hours of operation, advertising, training, wholesale purchasing, inventory control and handling and storage and dispensing of alcoholic beverages. The failure of a restaurant to obtain or retain liquor or food service licenses would adversely affect the restaurant's operations. Additionally, we are subject in certain states to "dram shop" statutes, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person.

Our restaurant operations are also subject to federal and state labor laws, including the Fair Labor Standards Act, governing such matters as minimum wages, overtime, tip credits and worker conditions. Our employees who receive tips as part of their compensation, such as servers, are paid at a minimum wage rate, after giving effect to applicable tip credits. We rely on our employees to accurately disclose the full amount of their tip income, and we base our FICA tax reporting on the disclosures provided to us by such tipped employees. Our other personnel, such as our kitchen staff, are typically paid in excess of minimum wage. As significant numbers of our food service and preparation personnel are paid at rates related to the applicable minimum wage, further increases in the minimum wage or other changes in these laws could increase our labor costs. Our ability to respond to minimum wage increases by increasing menu prices will depend on the responses of our competitors and customers.

Further, we continue to assess our health care benefit costs. Due to the breadth and complexity of federal health care legislation and the staggered implementation of its provisions and corresponding regulations, it is difficult to predict the overall impact of the health care legislation on our business over the coming years. Although these laws do not mandate that employers offer health insurance to all employees who are eligible under the legislation, beginning in 2014 penalties will be assessed on large employers who do not offer health insurance that meets certain affordability or benefit requirements. Providing health insurance benefits to employees that are more extensive than the health insurance benefits we currently provide and to a potentially larger proportion of our employees, or the payment of penalties if the specified level of coverage is not provided at an affordable cost to employees, could have a material adverse effect on our results of operations and financial

position. In addition, these laws require employers to comply with a significant number of new reporting and notice requirements from the Departments of Treasury, Labor and Health and Human Services, and we will have to develop systems and processes to track the requisite information and to comply with the reporting and notice requirements. Our distributors and suppliers also may be affected by higher minimum wage and benefit standards, which could result in higher costs for goods and services supplied to us.

We may also be subject to lawsuits from our employees, the U.S. Equal Employment Opportunity Commission or others alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. A number of lawsuits have resulted in the payment of substantial damages by the defendants. For example, in December 2009, we entered into a Consent Decree in settlement of litigation brought by the U.S. Equal Employment Opportunity Commission alleging gender discrimination in promotions to management in the Outback Steakhouse organization, which required us to make a settlement payment of $19.0 million. In addition, during the four-year term of the Consent Decree, we are required to fulfill certain training, record-keeping and reporting requirements and maintain an open access system for restaurant employees to express interest in promotions within the Outback Steakhouse organization, and employ a human resources executive.

The Patient Protection and Affordability Act of 2010 (the “PPACA”) enacted in March 2010 requires chain restaurants with 20 or more locations in the United States to comply with federal nutritional disclosure requirements. The FDA has indicated that it intends to issue final regulations by the end of 2013 and begin enforcing the regulations shortly thereafter. A number of states, counties and cities have also enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to customers, or have enacted legislation restricting the use of certain types of ingredients in restaurants. Although the federal legislation is intended to preempt conflicting state or local laws on nutrition labeling, until we are required to comply with the federal law we will be subject to a patchwork of state and local laws and regulations regarding nutritional content disclosure requirements. Many of these requirements are inconsistent or are interpreted differently from one jurisdiction to another. While our ability to adapt to consumer preferences is a strength of our concepts, the effect of such labeling requirements on consumer choices, if any, is unclear at this time.

There is potential for increased regulation of food in the United States under the recent changes in Hazard Analysis & Critical Control Points (“HACCP”) system requirements. HACCP refers to a management system in which food safety is addressed through the analysis and control of potential hazards from production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Many states have required restaurants to develop and implement HACCP Systems and the United States government continues to expand the sectors of the food industry that must adopt and implement HACCP programs. For example, the Food Safety Modernization Act (the “FSMA”), signed into law in January 2011, granted the FDA new authority regarding the safety of the entire food system, including through increased inspections and mandatory food recalls. Although restaurants are specifically exempted from or not directly implicated by some of these new requirements, we anticipate that the new requirements may impact our industry. Additionally, our suppliers may initiate or otherwise be subject to food recalls that may impact the availability of certain products, result in adverse publicity or require us to take actions that could be costly for us or otherwise harm our business.

We are subject to the Americans with Disabilities Act, or the ADA, which, among other things, requires our restaurants to meet federally mandated requirements for the disabled. The ADA prohibits discrimination in employment and public accommodations on the basis of disability. Under the ADA, we could be required to expend funds to modify our restaurants to provide service to, or make reasonable accommodations for the employment of, disabled persons. In addition, our employment practices are subject to the requirements of the Immigration and Naturalization Service relating to citizenship and residency. Government regulations could affect and change the items we procure for resale. We may also become subject to legislation or regulation seeking to tax and/or regulate high-fat and high-sodium foods, particularly in the United States, which could be costly to comply with. Our results can be impacted by tax legislation and regulation in the jurisdictions in which we operate and by accounting standards or pronouncements.

We are also subject to laws and regulations relating to information security, privacy, cashless payments, gift cards and consumer credit, protection and fraud, and any failure or perceived failure to comply with these laws and regulations could harm our reputation or lead to litigation, which could adversely affect our financial condition.

See “Risk Factors” for a discussion of risks relating to federal, state, local and international regulation of our business.

Employees

As of March 31, 2013, we employed approximately 91,000 persons, of which 870 are corporate personnel, approximately 5,100 are restaurant management personnel and the remainder are hourly restaurant personnel. Of the 870 corporate employees, approximately 190 are in management and 680 are administrative or office employees. None of our employees is covered by a collective bargaining agreement.

Properties

As of March 31, 2013, we had 1,478 system-wide restaurants located across the following states, territories or countries:

Company-Owned							
Alabama	22	Kansas	9	New Jersey	41	Utah	6
Arizona	31	Kentucky	17	New Mexico	5	Vermont	1
Arkansas	11	Louisiana	21	New York	44	Virginia	60
California	21	Maryland	42	North Carolina	64	West Virginia	8
Colorado	28	Massachusetts	20	Ohio	48	Wisconsin	11
Connecticut	13	Michigan	35	Oklahoma	11	Wyoming	2
Delaware	2	Minnesota	9	Pennsylvania	44		
Florida	216	Mississippi	2	Puerto Rico	1	China (Mainland)	1
Georgia	51	Missouri	16	Rhode Island	4	Hong Kong	8
Hawaii	7	Montana	1	South Carolina	37	South Korea	108
Illinois	27	Nebraska	7	South Dakota	2		
Indiana	22	Nevada	16	Tennessee	37		
Iowa	8	New Hampshire	2	Texas	76		

Franchise and Development Joint Venture							
Alabama	1	Oregon	8	Dominican Republic	1	Singapore	1
Alaska	1	South Carolina	1	Egypt	1	Taiwan	5
California	63	Tennessee	3	Guam	1	Thailand	1
Florida	3	Washington	18	Indonesia	3	United Arab Emirates	2
Idaho	6			Japan	10		
Mississippi	6	Australia	6	Malaysia	1		
Montana	2	Brazil	41	Mexico	5		
North Carolina	1	Canada	4	Philippines	3		
Ohio	1	Costa Rica	1	Saudia Arabia	3		

As of March 31, 2013, we owned approximately 20% of our restaurant sites. The remaining 80% of our restaurant sites were leased by our subsidiaries from third parties.

In the future, we intend to either convert existing third-party leased retail space or construct new restaurants through leases in the majority of circumstances. Initial lease expirations for our leased properties typically range from five to ten years, with the majority of the leases providing for an option to renew for two or

more additional terms. All of our leases provide for a minimum annual rent, and many leases call for additional rent based on sales volume at the particular location over specified minimum levels. Generally, the leases are net leases that require us to pay our share of the costs of insurance, taxes and common area operating costs.

As of March 31, 2013, we leased approximately 168,000 square feet of office space in Tampa, Florida for our corporate headquarters and R&D facilities under leases expiring on January 31, 2025.

Trademarks

We regard our “Outback Steakhouse,” “Carrabba’s Italian Grill,” “Bonefish Grill,” “Fleming’s Prime Steakhouse and Wine Bar” and “Roy’s” service marks and our “Bloomin’ Onion” trademark as having significant value and as being important factors in the marketing of our restaurants. We have also obtained trademarks for several of our other menu items and for various advertising slogans. We are aware of names and marks similar to the service marks of ours used by other persons in certain geographic areas in which we have restaurants. However, we believe such uses will not adversely affect us. Our policy is to pursue registration of our marks whenever possible and to oppose vigorously any infringement of our marks.

We license the use of our registered trademarks to franchisees and third parties through franchise arrangements and licenses. The franchise and license arrangements restrict franchisees’ and licensees’ activities with respect to the use of our trademarks, and impose quality control standards in connection with goods and services offered in connection with the trademarks.

Seasonality and Quarterly Results

Our business is subject to seasonal fluctuations. Historically, customer spending patterns for our established restaurants are generally highest in the first quarter of the year and lowest in the third quarter of the year. Additionally, holidays, severe winter weather, hurricanes, thunderstorms and similar conditions may affect sales volumes seasonally in some of our markets. Quarterly results have been and will continue to be significantly affected by general economic conditions, the timing of new restaurant openings and their associated pre-opening costs, restaurant closures and exit-related costs and impairments of goodwill and property, fixtures and equipment. As a result of these and other factors, our financial results for any given quarter may not be indicative of the results that may be achieved for a full fiscal year.

Legal Proceedings

We are subject to legal proceedings, claims and liabilities, such as liquor liability, sexual harassment and slip and fall cases, which arise in the ordinary course of business and are generally covered by insurance if they exceed specified retention or deductible amounts. In the opinion of management, the amount of ultimate liability with respect to those actions will not have a material adverse impact on our financial position or results of operations and cash flows. We accrue for loss contingencies that are probable and reasonably estimable. Legal costs are reported in General and administrative expense in the Consolidated Statements of Operations and Comprehensive Income. We generally do not accrue for legal costs expected to be incurred with a loss contingency until those services are provided.

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MANAGEMENT

Below is a list of the names, ages as of May 1, 2013, positions, and a brief description of the business experience, of the individuals who serve as our executive officers and Directors as of the date of this prospectus.

Name	Age	Position
Elizabeth A. Smith	49	Chairman of the Board of Directors and Chief Executive Officer
David J. Deno	55	Executive Vice President and Chief Financial Officer
David P. Berg (1)	51	Executive Vice President and President of Outback Steakhouse International
Stephen K. Judge	45	Executive Vice President and President of Bonefish Grill
Joseph J. Kadow	56	Executive Vice President and Chief Legal Officer
David A. Pace	54	Executive Vice President and Chief Resources Officer
Steven T. Shlemon	53	Executive Vice President and President of Carrabba's Italian Grill
Jeffrey S. Smith	50	Executive Vice President and President of Outback Steakhouse
Andrew B. Balson	46	Director
J. Michael Chu	55	Director
Mindy Grossman	55	Director
David Humphrey	36	Director
John J. Mahoney	61	Director
Mark E. Nunnelly	54	Director
Chris T. Sullivan	65	Director

(1) On May 6, 2013, Mr. Berg resigned from his employment with us, effective May 17, 2013, to pursue another opportunity.

Elizabeth A. Smith was appointed Chairman of our Board of Directors effective January 4, 2012 and has served as our Chief Executive Officer and a Director since November 2009. From September 2007 to October 2009, Ms. Smith was President of Avon Products, Inc., a global beauty products company, and was responsible for its worldwide product-to-market processes, infrastructure and systems, including Global Brand Marketing, Global Sales, Global Supply Chain and Global Information Technology. In January 2005, Ms. Smith joined Avon Products, Inc. as President, Global Brand, and was given the additional role of leading Avon North America in August 2005. From September 1990 to November 2004, Ms. Smith worked in various capacities at Kraft Foods Inc. and from November 2004 to December 2008, served as a director of Carter's, Inc. Ms. Smith is a member of the board of directors of Staples, Inc. The Board of Directors believes Ms. Smith's qualifications to serve as Chairman include her role as Chief Executive Officer, her extensive experience with global companies and retail sales, her expertise in corporate strategy development and her knowledge of marketing, sales, supply chain and information technology systems.

David J. Deno has served as our Executive Vice President and Chief Financial Officer since May 2012. Prior to May 2012, Mr. Deno served as Chief Financial Officer of the international division of Best Buy Co. since December 2009. Prior to joining Best Buy Co., Mr. Deno was a consultant with Obelysk Capital from February 2009 to December 2009. Prior to joining Obelysk Capital, Mr. Deno was a Managing Director of CCMP Capital Advisors, LLC ("CCMP"), a private equity firm from August 2006 to February 2009. While with CCMP, Mr. Deno was the President and then CEO of Quiznos, LLC, an operator of quick service restaurants. Prior to this, he had a 15 year career with YUM! Brands where he served as Chief Financial Officer and later as Chief Operating Officer.

David P. Berg has been the President of Outback Steakhouse International since September 2011 and our Executive Vice President since January 1, 2012. On May 6, 2013, Mr. Berg resigned from his employment with us, effective May 17, 2013, to pursue another opportunity. Prior to joining the Company, Mr. Berg was Executive Vice President and Chief Operating Officer of GNC Holdings, Inc., a global specialty retailer of vitamins, supplements and nutritional products that operates in 48 countries, from June 2010 to September 2011

and served as Executive Vice President—International from September 2009 to June 2010. Mr. Berg was the Executive Vice President and Chief Operating Officer—Best Buy International for Best Buy Co., Inc. from 2008 to 2009 and served as a Vice President and Senior Vice President of Best Buy from 2002 to 2008. Mr. Berg is a member of the board of directors of Imation Corp.

Stephen K. Judge joined Bloomin' Brands as Executive Vice President and President of Bonefish Grill in January 2013. Prior to joining the Company, he was President of Seasons 52, which is a restaurant concept owned by Darden Restaurants, Inc., from March 2007 to December 2012. Prior to Seasons 52, Mr. Judge held Food & Beverage and Operations leadership positions at the MGM Grand, one of the world's largest hotels, Rosewood Hotels and Resorts, and the Princess and Premier Cruise Lines.

Joseph J. Kadow has been our Executive Vice President and Chief Legal Officer since April 2005 and served as our Senior Vice President and General Counsel from April 1994 to April 2005. Mr. Kadow has also served as Secretary since April 1994.

David A. Pace has served as our Chief Resources Officer and Executive Vice President since August 2010. Mr. Pace served as a consultant for Egon Zehnder International from 2009 to 2010. From 2002 to 2008, Mr. Pace served as Executive Vice President of Partner Resources for Starbucks Coffee Company. Mr. Pace has also held various positions with other companies prior to his position with Starbucks Coffee Company, including PepsiCo, Inc. and YUM! Brands.

Steven T. Shlemon has been the President of Carrabba's Italian Grill since April 2000 and our Executive Vice President since January 1, 2012.

Jeffrey S. Smith has served as President of Outback Steakhouse since April 2007 and our Executive Vice President since January 1, 2012. Mr. Smith served as a Vice President of Bonefish Grill from May 2004 to April 2007 and as Regional Vice President—Operations of Outback Steakhouse from January 2002 to May 2004.

Andrew B. Balson has served as a Director since June 2007 and is a Managing Director of Bain Capital. Mr. Balson serves on the boards of directors of Domino's Pizza, Inc., Bright Horizons Family Solutions LLC and FleetCor Technologies, Inc., as well as a number of private companies. Mr. Balson previously served on the board of directors of Dunkin' Brands Group, Inc. from March 2006 until June 2012 and on the board of directors of Burger King Holdings, Inc. from 2002 until June 2008. The Board of Directors believes Mr. Balson's qualifications to serve as a member of our Board include his extensive experience with global companies, his industry and financial expertise and his years of experience providing strategic advisory services to complex organizations, including restaurant companies.

J. Michael Chu has served as a Director since June 2007 and is a Managing Partner of Catterton Partners, a leading consumer-focused private equity firm he co-founded in 1989. Mr. Chu serves on the boards of directors of Restoration Hardware Holdings, Inc. and Cheddar's Casual Cafe, Inc. as well as other private companies. The Board of Directors believes Mr. Chu's qualifications to serve as a member include his extensive experience in managing consumer businesses in both the U.S. and internationally and his years of providing strategic advisory services.

Mindy Grossman has served as a Director since September 2012. Ms. Grossman is currently the Chief Executive Officer of HSN, Inc. ("HSN"), a multi-channel retailer, offering retail experiences through various platforms, including television, online, mobile, catalogs, and retail and outlet stores, a position she has held since August 2008. Previously, she served as Chief Executive Officer of IAC Retailing, a business segment of HSN's former parent company, InterActiveCorp, a media and Internet company focused in the areas of search, applications, online dating, local and media from 2006 to 2008 and Global Vice President of Nike, Inc.'s apparel business from 2000 to 2006. Ms. Grossman also serves on the board of directors of HSN. The Board of Directors

believes Ms. Grossman's qualifications to serve as a member include her extensive experience leading, developing and launching consumer facing businesses and expertise in strategy, marketing, merchandising and business development, as well as her experience as the chief executive officer of a public company.

David Humphrey has served as a Director since September 2012 and is a Managing Director of Bain Capital, a global private investment firm. Prior to joining Bain Capital in 2001, Mr. Humphrey was an investment banker with Lehman Brothers Inc.'s mergers & acquisitions group. Mr. Humphrey serves on the boards of directors of Genpact Limited and Bright Horizons Family Solutions LLC. The Board of Directors believes Mr. Humphrey's qualifications to serve as a member include his expertise in providing strategic advisory services and substantial knowledge of the capital markets from his experience as an investment banker that aid the Board of Directors in evaluating our capital and liquidity needs.

John J. Mahoney has served as a Director since May 2012. He previously served as Vice Chairman of Staples, Inc., a large office products and supply company, a position he held from January 2006 to his retirement in July 2012. Mr. Mahoney also served as Chief Financial Officer of Staples, Inc. from September 1996 to January 2012. He also served as Executive Vice President, Chief Administrative Officer and Chief Financial Officer of Staples, Inc. from October 1997 to January 2006, and as Executive Vice President and Chief Financial Officer of Staples, Inc. from September 1996, when he first joined Staples, Inc., to October 1997. Before joining Staples, Inc., Mr. Mahoney was a partner with the accounting firm of Ernst & Young LLP where he worked for 20 years, including service in the firm's National Office Accounting and Auditing group. Mr. Mahoney also serves on the board of directors of Chico's FAS, Inc. Mr. Mahoney previously served on the board of directors of Zipcar, Inc. from October 2010 until March 2013. The Board of Directors believes Mr. Mahoney's qualifications to serve as a member include his experience as a financial executive and certified public accountant, with expertise in the retail industry, including accounting, controls, financial reporting, tax, finance, risk management and financial management.

Mark E. Nunnelly has served as a Director since June 2007 and is a Managing Director of Bain Capital. Prior to joining Bain Capital in 1989, Mr. Nunnelly was a Vice President of Bain & Company, with experience in the domestic, Asian and European strategy practices. Previously, Mr. Nunnelly worked at Procter & Gamble in product management. Mr. Nunnelly serves on the boards of directors of Dunkin' Brands Group, Inc. and Genpact Limited. Mr. Nunnelly previously served on the boards of directors of Domino's Pizza, Inc. from 1998 until May 2011 and Warner Music Group from 2004 to July 2011. The Board of Directors believes Mr. Nunnelly's qualifications to serve as a member include his industry experience, his extensive experience with managing capital intensive industry operations and his strong skills in international operations and strategic planning.

Chris T. Sullivan is one of our Founders and has served as a Director since 1991. Mr. Sullivan was the Chairman of our Board of Directors from 1991 until June 2007 and was our Chief Executive Officer from 1991 until March 2005. Mr. Sullivan founded OSI in 1988 and developed Outback Steakhouse restaurants prior to its initial public offering in 1991. Mr. Sullivan serves on the board of directors of Lightyear Network Solutions, Inc., a provider of telecommunications services to businesses and residential consumers. The Board of Directors believes Mr. Sullivan's qualifications to serve as a member include his four decades of experience in the restaurant industry and his historical perspective of our business and strategic challenges, including his leadership as a Director and executive officer for over 20 years.

Overview of Our Board Structure

Following our initial public offering, an investor group consisting of funds advised by our Sponsors and two of our Founders continues to beneficially own more than 50% of our common stock. As a result, we are considered a "controlled company" under the Nasdaq rules. "Controlled companies" under those rules are companies of which more than 50% of the voting power is held by an individual, a group or another company. Each member of the investor group has filed a Statement of Beneficial Ownership on Schedule 13G with the SEC relating to its respective holdings and the group's arrangeme

nts with respect to disposition of the shares. On this basis, we currently avail ourselves of the "controlled company" exception under the Nasdaq rules and we are not subject to the Nasdaq listing requirements that would otherwise require us to have: (a) a Board of Directors comprised of a majority of independent Directors; (b) compensation of our executive officers determined by a majority of the independent Directors or a compensation committee composed solely of independent Directors; and (c) Director nominees selected, or recommended for the Board of Director's selection, either by a majority of the independent Directors or a nominating committee composed solely of independent Directors. The Board of Directors has established a Compensation Committee and a Nominating and Corporate Governance Committee in addition to an Audit Committee. Chris T. Sullivan, one of our Founders, Andrew Balson, David Humphrey and Mark Nunnelly, each of whom is associated with Bain Capital, and J. Michael Chu, who is associated with Catterton, serve as six of the eight members of our Board of Directors. Robert D. Basham served as a Director until his term ended at our annual meeting on April 24, 2013 as he declined to stand for re-election. The Board of Directors reduced the size of the Board to eight Directors effective upon the end of Mr. Basham's term.

Under the Stockholders Agreement that we entered into with our Sponsors and two of our Founders at the time of the initial public offering, each of the Sponsors has a contractual right, subject to certain conditions, to nominate representatives to the Board of Directors and its committees. As long as the Sponsors collectively own (directly or indirectly) more than 15% of our outstanding common stock, Bain Capital will have the right to designate two nominees and Catterton will have the right to designate one nominee for election to the Board of Directors. Bain Capital also has certain contractual rights to have one of its nominees serve on each committee of the Board of Directors, other than the Audit Committee, as long as the Sponsors collectively own (directly or indirectly) at least 35% of our outstanding common stock. In addition, as long as the Sponsors collectively own (directly or indirectly) more than 40% of our outstanding common stock, the Board of Directors must not, and we are required to take all necessary action to ensure that the Board of Directors does not, exceed nine Directors, unless Bain Capital requests that the size of the Board of Directors be increased up to the maximum permitted under our organizational documents and appoints Directors to fill the vacancies. If a vacancy is created by the death, disability, retirement, resignation or removal of a Bain Capital or Catterton designee to the Board of Directors, we agreed to take all action necessary to cause the vacancy to be filled by a person designated by Bain Capital or Catterton, as the case may be. As of May 6, 2013, the Sponsors and two of our Founders collectively held approximately 77.2% of our outstanding common stock and, upon completion of this offering, are expected to hold approximately 63.7% of our outstanding common stock, assuming the underwriters do not exercise their option to purchase additional shares. See "Related Party Transactions—Arrangements With Our Sponsors and Founders" for additional information about the Stockholders Agreement and our relationships with our Sponsors and Founders.

Independent Directors

As a controlled company, our Board of Directors is not required to consist of a majority of directors who meet the definition of independent under Nasdaq listing requirements, but the Audit Committee is currently required to consist of a majority of directors meeting the Nasdaq standards for independent audit committee members. The Audit Committee is required to consist solely of independent directors by August 2013, the first anniversary of the initial public offering.

Our Corporate Governance Guidelines provide that after we cease to be a controlled company and following any phase-in period permitted under the Nasdaq rules, our Board of Directors will consist of a majority of independent directors. The Nominating and Corporate Governance Committee evaluates any relationships of each director and nominee with Bloomin' Brands and makes a recommendation to our Board of Directors as to whether to make an affirmative determination that such director or nominee is independent. Under our Corporate Governance Guidelines, an "independent" director is one who meets the qualification requirements for being independent under applicable laws and the corporate governance listing standards of Nasdaq. Upon recommendation of the Nominating and Corporate Governance Committee, our Board of Directors has affirmatively determined that Ms. Grossman and Mr. Mahoney, each of whom serve on our Audit Committee,

are independent under the criteria established by Nasdaq for director independence and for audit committee membership. The Board of Directors considered and deemed to be immaterial the fact that Bloomin' Brands purchases office supplies from Staples, Inc., where Mr. Mahoney served as vice chairman of the board until July 2012 and served as its chief financial officer until January 2012.

Board Committees

We have three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each of these committees has a written charter approved by the Board of Directors. A copy of each charter can be found by clicking on "Corporate Governance" in the Investors section of our website, www.bloominbrands.com.

The members of the committees, as of the date of this prospectus, are identified in the following table.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Andrew B. Balson		Chair	X
J. Michael Chu		X	Chair
Mindy Grossman	X		
David Humphrey	X		
John J. Mahoney	Chair		
Mark E. Nunnelly			X
Chris T. Sullivan		X	

Audit Committee

The purpose of the Audit Committee is set forth in the Audit Committee charter and is primarily to assist the Board of Directors in overseeing:

- the integrity of our financial statements, our financial reporting process and our systems of internal accounting and financial controls;
- our compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence;
- the evaluation of enterprise risk issues; and
- the performance of our internal audit function and independent auditor.

Our Board of Directors has determined, upon the recommendation of the Nominating and Corporate Governance Committee, that Ms. Grossman and Mr. Mahoney are independent directors under applicable Nasdaq rules, which currently require that at least a majority of our Audit Committee members be independent. Beginning in August 2013, our Audit Committee will be required to consist of at least three directors, each of whom must be independent. Mr. Humphrey was not determined to satisfy Nasdaq's independence requirements for Audit Committee members due to his association with Bain Capital. See "Related Party Transactions—Arrangements With Our Sponsors and Founders" for a description the relationships and transactions involving us and Bain Capital. Ms. Grossman and Mr. Mahoney were determined by our Board of Directors to be "audit committee financial experts" within the meaning of Item 407 of Regulation S-K. All of the members meet the requirements for audit committee members under applicable Nasdaq rules regarding the ability to read and understand financial statements.

Compensation Committee

The purpose of the Compensation Committee is set forth in the Compensation Committee charter and is primarily to:

- oversee our executive compensation policies and practices;
- discharge the responsibilities of our Board of Directors relating to executive compensation by determining and approving the compensation of our Chief Executive Officer and our other executive officers and reviewing and approving any compensation and employee benefit plans, policies and programs, and exercising discretion in the administration of such programs; and
- produce, approve and recommend to our Board of Directors for its approval reports on compensation matters required to be included in our annual proxy statement or annual report, in accordance with applicable rules and regulations.

For additional description of the Compensation Committee's processes and procedure for consideration and determination of executive officer compensation, see "Compensation Discussion and Analysis."

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee is set forth in the Nominating and Corporate Governance Committee charter and is primarily to:

- identify individuals qualified to become members of our Board of Directors, and to recommend to our Board of Directors the director nominees for each annual meeting of stockholders or to otherwise fill vacancies on the Board of Directors;
- review and recommend to our Board of Directors committee structure, membership and operations;
- recommend to our Board of Directors the persons to serve on each committee and a chairman for such committee;
- develop and recommend to our Board of Directors a set of corporate governance guidelines applicable to us; and
- lead our Board of Directors in its annual review of its performance.

Board Leadership Structure

The Board of Directors does not have a formal policy on whether the roles of Chief Executive Officer and Chairman of the Board of Directors should be separate. However, Ms. Smith currently serves as both Chief Executive Officer and Chairman of the Board of Directors. The Board of Directors has considered its leadership structure and believes at this time that the Company and its stockholders are best served by having one person serve both positions. Combining the roles fosters accountability, effective decision-making and alignment between interests of the Board of Directors and management. Ms. Smith also is able to use the in-depth focus and perspective gained in her executive function to assist our Board of Directors in addressing both internal and external issues affecting us. The Board of Directors expects to periodically review its leadership structure to ensure that it continues to meet our needs.

Board's Role in Risk Oversight

It is management's responsibility to manage risk and bring to the Board of Director's attention risks that are material to us. The Board of Directors administers its risk oversight role directly and through its committee structure and the committees' regular reports to the Board of Directors, by reviewing strategic, financial and execution risks and exposures associated with the annual plan and multi-year plans, major litigation and other matters that may present material risk to our operations, plans, prospects or reputation, acquisitions and divestitures and senior management succession planning. The Audit Committee reviews risks associated with financial and accounting matters, including financial reporting, accounting, disclosure, internal controls over financial reporting, ethics and compliance programs, compliance with orders and data security. The Compensation Committee reviews risks related to executive compensation and the design of compensation programs, plans and arrangements.

Code of Business Conduct and Ethics

We have adopted a written Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. A copy of the Code of Business Conduct and Ethics, and any amendments or waivers to it, can be found by clicking on "Corporate Governance" in the Investors section of our website, www.bloominbrands.com.

COMPENSATION DISCUSSION AND ANAYSIS

Introduction

This Compensation Discussion and Analysis discusses the objectives and design of our executive compensation program. It includes a description of the compensation provided in 2012 to our executive officers who are named in the Summary Compensation Table below. Our "named executive officers" for 2012 were:

- Elizabeth A. Smith, Chairman of the Board of Directors and Chief Executive Officer
- David J. Deno, Executive Vice President and Chief Financial Officer
- Dirk A. Montgomery, Former Executive Vice President and Chief Value Chain Officer (1)
- Steven T. Shlemon, Executive Vice President and President of Carrabba's Italian Grill
- Jody L. Bilney, Former Executive Vice President and Chief Brand Officer (2)
- Jeffrey S. Smith, Executive Vice President and President of Outback Steakhouse

(1) Mr. Montgomery is a named executive officer for 2012 because he was our Chief Financial Officer until May 2012. He resigned from his employment with us in January 2013.
(2) Ms. Bilney resigned from her employment with us in March 2013.

Overview of Compensation Philosophy and 2012 Performance

The Compensation Committee's primary objective is to establish an executive compensation program that will enable us to:

- attract and retain qualified executives in today's highly competitive market;
- motivate and reward executives whose knowledge, skills and performance are critical to the success of the business;
- provide a competitive compensation package that aligns management and stockholder interests by tying a significant portion of an executive's cash compensation and long-term compensation to the achievement of annual performance goals; and
- ensure fairness among management by recognizing the contributions each executive makes to the success of Bloomin' Brands.

We continued our strong financial performance during 2012 and completed many significant transactions that reduced our debt and strengthened our balance sheet, and we believe that our named executive officers were instrumental in helping us achieve these results. Highlights for 2012 included the following:

- an increase in consolidated revenues of 3.8% to $4.0 billion, driven primarily by 3.7% growth in combined comparable restaurant sales at existing domestic Company-owned core restaurants, in 2012 as compared to 2011;
- 37 system-wide restaurant openings across most brands (27 were Company-owned and ten were franchise and joint venture locations), and 150 Outback Steakhouse renovations in 2012;
- productivity and cost management initiatives that we estimate allowed us to save approximately $59 million in the aggregate in 2012, while our costs increased due to rising commodity prices;

- income from operations of $181.1 million in 2012 compared to $213.5 million in 2011, which was primarily due to increased expenses of $42.1 million associated with our initial public offering partially offset by an increase of 6.1% in operating margins at the restaurant level;
- a reorganization of our entire capital structure by refinancing our commercial mortgage-backed debt securities in the first quarter of 2012, completing our initial public offering and retiring our senior notes in the third quarter of 2012 and refinancing our term loan and revolving credit facilities in the fourth quarter of 2012; and
- the acquisition of the remaining interests in our Roy's joint venture and the remaining limited partnership interests in certain of our limited partnerships that either owned or had a contractual right to varying percentages of cash flows in 44 Bonefish Grill restaurants and 17 Carrabba's Italian Grill restaurants.

This strong financial performance led to significant payments to our named executive officers under our annual cash incentive plan as described under "—Compensation Elements—Performance-Based Cash Incentives" below.

Compensation Setting Process

Our Compensation Committee oversees our executive compensation program and, together with the full Board of Directors in some cases, approves the type and amount of compensation paid to our named executive officers, approves employment agreements with our executive officers and administers our equity compensation plan. Ms. Smith, as Chief Executive Officer, provides recommendations to the Compensation Committee for its consideration with respect to the compensation of other executive officers. The Compensation Committee also has overall responsibility for establishing, implementing and monitoring the executive compensation program for our corporate level executives other than our named executive officers. Salary and target bonus amounts, as well as equity awards for other corporate level executives, are recommended by management to the Compensation Committee (or the Board of Directors, in the case of equity awards for named executive officers and other executive officers subject to Section 16(a) reporting requirements) for its consideration and approval. Prior to 2012, decisions regarding executive compensation were made by the Board of Directors and Compensation Committee of our wholly-owned subsidiary, OSI. In preparation for the initial public offering, the Board of Directors of Bloomin' Brands established a Compensation Committee, which had the same members as, and took over the responsibilities of, OSI's Compensation Committee.

Each of our named executive officers has an employment agreement with us. Ms. Smith's employment agreement was amended and restated in September 2012, in light of her contributions to the Company since she joined us in 2009, to extend its term until August 13, 2017, with one-year automatic renewals thereafter and to provide for the changes to her compensation discussed in more detail below. Each employment agreement establishes, among other things, the executive's minimum base salary and minimum target bonus, measured as a percentage of base salary. The employment agreement that we entered into with Mr. Deno in May 2012 upon joining the Company guaranteed his bonus at the target amount. Each year, the Compensation Committee reviews with management whether any changes to base salary or bonus targets of our named executive officers are appropriate. The changes made for 2012 are described below.

The Compensation Committee begins its annual process for deciding how to compensate our executive officers by considering the competitive market data provided by its independent compensation consultant and our human resources staff. In 2012, the Compensation Committee engaged Radford, an Aon Hewitt Company, to provide advice and recommendations on competitive market practices and various elements of compensation provided to our executive officers. Radford was engaged by management from the third quarter of 2011 through 2012 to provide competitive market data and recommendations in connection with our analysis of cash and equity compensation practices for executive officers in anticipation of the initial public offering. The

comparative market data used by the Compensation Committee includes a combination of published survey data, proprietary Aon survey data and data from a peer group of companies.

The Compensation Committee, with assistance from Radford, identified criteria to select the following list of companies in the restaurant, hotel and retail industries that have annual revenues and numbers of employees roughly comparable to us, which comprised Bloomin' Brands' peer group for setting 2012 compensation:

Abercrombie & Fitch Co.
American Eagle Outfitters, Inc.
Bed Bath & Beyond Inc.
Big Lots, Inc.
Bob Evans Farms, Inc.
Brinker International, Inc.
Cracker Barrel Old Country Store, Inc.
Darden Restaurants, Inc.
Dollar Tree, Inc.
Family Dollar Stores, Inc.
Foot Locker, Inc.
GameStop Corp.
Hyatt Hotels Corporation
Las Vegas Sands Corp.
Limited Brands, Inc.
MGM Resorts International
PetSmart, Inc.
Ross Stores, Inc.
Royal Caribbean Cruises Ltd.
Ruby Tuesday, Inc.
Starbucks Corporation
Starwoods Hotels & Resorts Worldwide, Inc.
Texas Roadhouse, Inc.
The Cheesecake Factory Incorporated
The Wendy's Company
V.F. Corporation
YUM! Brands, Inc.

To determine competitive market compensation, the peer group data and survey data were combined (unless there was insufficient comparable peer group data for the executive officer's position, in which case only survey data was used) to establish market consensus information against which the Compensation Committee assessed base salary, target bonus, target total cash, long-term incentive value and total target direct compensation. The Compensation Committee also considers the recommendations of our Chief Executive Officer with respect to salary adjustments, annual cash incentive bonus targets and awards and equity incentive awards for our other executive officers. Following the initial public offering, our Board of Directors generally has been responsible for approving, upon the recommendation or approval of the Compensation Committee, equity awards to our executive officers in order to qualify these awards as exempt awards under Rule 16b-3 under the Exchange Act. Compensation amounts were set relative to the market percentiles and based on the other factors discussed in more detail below.

Compensation Elements

The principal components of compensation for our named executive officers consist of the following:

- base salary;
- performance-based cash incentives;
- long-term stock incentives, generally in the form of stock options;
- other benefits and perquisites;
- change in control and termination benefits; and
- for our Chief Executive Officer, retention-based cash incentives.

Mix of Total Compensation

A significant percentage of cash compensation and total compensation for our named executive officers is allocated to performance-based compensation. Performance-based cash incentives are targeted to approach or exceed base salaries so that a meaningful percentage of annual cash compensation is dependent on our performance. Long-term stock incentives in the form of stock options and, to a lesser extent, restricted stock supplement cash compensation and provide value to our executives when Bloomin' Brands' equity value increases. Prior to the initial public offering, our executives were granted stock options that could not be exercised until a liquidity event, such as a change in control or initial public offering, occurred. These options became exercisable, to the extent vested, at the time of the initial public offering. Some of our named executive officers hold restricted stock that was granted to them at the time of the Merger or in the case of Mr. Shlemon, in 2012. Since the Merger, the Compensation Committee has not used restricted stock as a form of compensation for our named executive officers other than in the case of Mr. Shlemon, but the Compensation Committee expects to use a mix of options, restricted stock and other performance-based equity awards in the future. In evaluating annual compensation of our named executive officers and other members of management, the Compensation Committee considers previous equity grants.

Base Salary

Base salaries are established pursuant to employment agreements with each of our named executive officers and generally reflect demonstrated experience, skills and competencies. Base salary levels of our named executive officers may be increased as part of the annual performance review process, upon an executive officer's promotion or other change in job responsibilities or if necessary to address internal or external equity issues as recommended by management.

In the fourth quarter of 2011, the compensation consultant was asked to provide comparative market data and recommendations in connection with our analysis of our cash and equity compensation practices for executive officers. As a result of its analysis of this data, in December 2011, the Compensation Committee made market-based adjustments to the base salaries for Ms. Smith and Ms. Bilney to reflect competitive positioning of base salaries for comparable positions within the applicable market data and the scope of the individual's experience, responsibilities and performance. Ms. Smith's base salary had been reduced from $1,000,000 to $925,000; however, in September 2012, Ms. Smith's employment agreement was amended to increase her base salary at $975,000 to reflect her increased responsibilities following the initial public offering.

Base salaries of the named executive officers and the change, if any, from 2011, are listed in the table below.

Named Executive Officer	2012 Base Salary	Change From 2011
Elizabeth A. Smith	$ 975,000	$ (25,000)
David J. Deno (1)	600,000	N/A
Dirk A. Montgomery	472,000	—
Steven T. Shlemon	500,000	—
Jody L. Bilney	450,000	50,000
Jeffrey S. Smith	500,000	—

(1) Mr. Deno was hired as our Executive Vice President and Chief Financial Officer effective May 7, 2012.

Performance-Based Cash Incentives and Other Cash Bonuses

Cash incentives are awarded to all of our executive officers under performance-based cash incentive plans. The design of the bonus plans, which follows a structure that is generally consistent from year to year, reflects the Compensation Committee's belief that a significant portion of annual compensation for each named

executive officer should be based on the financial performance of the Company. These awards are payable based on the achievement of annual financial objectives set within the existing plan structure, which are intended to provide incentives and rewards for achievement of the Company's annual financial goals for corporate executive officers and a combination of Company goals and concept goals for our executive officers who have operating responsibility at one of our concepts. Annual performance-based cash incentive targets, measured as a percentage of base salary, are set forth in each named executive officer's employment agreement, but may be adjusted by the Compensation Committee.

As part of its review and analysis of comparative market data in the fourth quarter of 2011, the Compensation Committee made market-based adjustments to performance-based cash incentive targets to reflect competitive positioning around the 50th to 75th percentile of total cash compensation for comparable positions within the applicable market data and the scope of the individual's experience, responsibilities and performance.

The following table presents the 2012 annual performance-based cash incentive target for each named executive officer, as a percentage of his or her base salary and the change, if any, from 2011.

Named Executive Officer	2012 Annual Performance-Based Cash Incentive Target, as a Percentage of Base Salary	Change From 2011
Elizabeth A. Smith	100%	15%
David J. Deno (1)	85%	N/A
Dirk A. Montgomery	85%	(65)%
Steven T. Shlemon	85%	(15)%
Jody L. Bilney	85%	(15)%
Jeffrey S. Smith	85%	(15)%

(1) In 2012, Mr. Deno was entitled to receive 100% of this target as a guaranteed payment.

For 2012, the annual performance-based cash incentive plan (the "2012 Corporate Bonus Plan") for our named executive officers, other than for Mr. Shlemon and Mr. Smith, was based on two equally weighted measures: OSI's adjusted EBITDA (as defined below) for 2012 (the "OSI Adjusted EBITDA Bonus") and 2012 comparable sales performance targets (the "Comparable Sales Bonus"). Under each of these measures, each named executive officer could earn up to 75% of such executive's annual cash incentive target, with the aggregate maximum payout for each under the 2012 Corporate Bonus Plan capped at 150% of the executive's annual cash incentive target. In addition, each executive officer was assigned an individual performance rating for the year and the Compensation Committee had the discretion to decrease the payout amount for performance that did not meet expectations.

For purposes of the 2012 Corporate Bonus Plan, "OSI Adjusted EBITDA" was calculated by adjusting OSI's earnings before interest, taxes, depreciation and amortization ("EBITDA") to exclude certain management fees, the impact of restaurant closings, gains and losses on disposed assets and certain other gains and losses. OSI Adjusted EBITDA and comparable sales performance payment levels were established by the Compensation Committee at the beginning of the year based on consideration of Company initiatives as well as industry and general economic conditions and trends, among other considerations. The OSI Adjusted EBITDA Bonus was payable on a nonlinear, sliding scale of OSI Adjusted EBITDA ranging from $297.3 million (representing payout at 25% of target) to a maximum payout at OSI Adjusted EBITDA of $367.3 million (representing payout at 75% of target), with OSI Adjusted EBITDA of $341.9 million representing payout at 50% of target. The Comparable Sales Bonus was based on our 2012 comparable sales performance relative to our 2012 comparable sales targets. The Comparable Sales Bonus was payable on a nonlinear, sliding scale of comparable sales ranging from 1.0% (representing payment at 25% of target) to a maximum payout at 5.0% (representing payout at 75% of target), with 3.7% representing payment at 50% of target. For 2012, OSI Adjusted EBITDA was $342.6 million and our

Company-wide comparable sales performance was 3.4%. Accordingly, the total payouts to our named executive officers under the 2012 Corporate Bonus Plan, as reported in the Summary Compensation Table, were 99% of their bonus targets (other than for Mr. Deno who received 100% of his target as a guaranteed payment).

For 2012, the annual performance-based cash incentive plan for Mr. Shlemon, Executive Vice President and President of Carrabba's Italian Grill (the "2012 Carrabba's Bonus Plan"), was based 50% on the 2012 Corporate Bonus Plan, as described above, and 50% on a bonus plan structured much like the 2012 Corporate Bonus Plan, but based on the results of Carrabba's Italian Grill ("Carrabba's"). Under each of these measures, Mr. Shlemon could earn up to 75% of his annual cash incentive target, with the aggregate maximum payout capped at 150% of his annual cash incentive target. The Carrabba's component was based on two equally weighted measures of Carrabba's performance: 2012 Adjusted EBITDA for Carrabba's ("Carrabba's Adjusted EBITDA"), which was calculated in a manner similar to OSI Adjusted EBITDA, and comparable sales performance for Carrabba's relative to 2012 comparable sales targets (the "Carrabba's Comparable Sales"). The bonus based on Carrabba's Adjusted EBITDA was payable on a sliding scale of Carrabba's Adjusted EBITDA ranging from $59.3 million (representing payout at 12.5% of target) to a maximum payout at Carrabba's Adjusted EBITDA of $73.5 million (representing payout at 37.5% of target), with Carrabba's Adjusted EBITDA of $68 million representing payout at target. The bonus based on Carrabba's Comparable Sales was payable on a sliding scale of Carrabba's Comparable Sales ranging from 0.7% (representing payout at 12.5% of target) to a maximum payout at 4.7% (representing payout at 37.5% of target), with 3.4% representing payment at 25% of target. The actual payment to Mr. Shlemon for 2012 was set by the Compensation Committee at $423,938, which was slightly below the 105% of his target bonus payable based on the results of the 2012 Corporate Bonus Plan, Carrabba's Adjusted EBITDA of $73.2 million and Carrabba's Comparable Sales of 1.7%.

For 2012, the annual performance-based cash incentive plan for Mr. Smith, Executive Vice President and President of Outback (the "2012 Outback Bonus Plan"), was based 50% on the 2012 Corporate Bonus Plan, as described above, and 50% on a bonus plan structured much like the 2012 Corporate Bonus Plan, but based on the results of Outback Steakhouse ("Outback"). Under each of these measures, Mr. Smith could earn up to 75% of his annual cash incentive target, with the aggregate maximum payout capped at 150% of his annual cash incentive target. The Outback component was based on two equally weighted measures of Outback's performance: 2012 Adjusted EBITDA for Outback ("Outback Adjusted EBITDA"), which was calculated in a manner similar to OSI Adjusted EBITDA, and comparable sales performance for Outback relative to 2012 comparable sales targets (the "Outback Comparable Sales"). The bonus based on Outback Adjusted EBITDA was payable on a sliding scale of Outback Adjusted EBITDA ranging from $175.5 million (representing payout at 12.5% of target) to a maximum payout at Outback Adjusted EBITDA of $217.4 million (representing payout at 37.5% of target), with Outback Adjusted EBITDA of $201.1 million representing payout at target. The bonus based on Outback Comparable Sales was payable on a sliding scale of Outback Comparable Sales ranging from 0.7% (representing payout at 12.5% of target) to a maximum payout at 4.7% (representing payout at 37.5% of target), with 3.4% representing payment at 25% of target. The actual payment to Mr. Smith for 2012 was $480,250, which was 113% of his target bonus based on the results of the 2012 Corporate Bonus Plan, Outback Adjusted EBITDA of $204.8 million and Outback Comparable Sales of 4.4%.

In addition to her participation in the 2012 Corporate Bonus Plan, Ms. Smith's 2012 cash bonus compensation included two separate bonus arrangements: the Retention Bonus and the Incentive Bonus. The Retention Bonus provided for an aggregate bonus opportunity of $12.0 million, which was payable to Ms. Smith over a four-year period that began in 2010 in installments of $1.8 million, $3.0 million and two installments of $3.6 million, generally subject to her remaining continuously employed through the applicable payment date, or, if sooner to occur, within 60 days of the completion of an initial public offering. The Retention Bonus was structured with larger payments scheduled for the later payment dates in order to provide a greater incentive to Ms. Smith to remain employed through the full term of her employment agreement. The Incentive Bonus provided for an aggregate bonus opportunity of up to $15.2 million. The Incentive Bonus was generally only to be paid to Ms. Smith if we (a) completed an initial public offering or (b) experienced a change in control and, in each case, if certain performance targets were met relating to the value of our common stock at the time of the

Qualifying Liquidity Event and, in the case of an initial public offering, a subsequent period of six months (each, a "Qualifying Liquidity Event"). In light of Ms. Smith's efforts in preparing the Company for the initial public offering, the Retention Bonus and the Incentive Bonus were amended by the Board of Directors in May 2012 to provide that if we completed an initial public offering (as defined in the bonus agreements) during 2012 and Ms. Smith was employed as Chief Executive Officer at the time of completion of the initial public offering, then all of the remaining payments under the Retention Bonus and the Incentive Bonus would be paid to her in a lump sum within sixty (60) days of the completion of the initial public offering. We completed the initial public offering in August 2012 and, as a result, a lump sum of $22,425,000 was paid to Ms. Smith at that time.

In recognition of their individual performance and contributions to the initial public offering process and other financing transactions in 2012, our Chief Executive Officer recommended to the Compensation Committee and the Compensation Committee approved the payment of cash bonuses to Mr. Deno, Ms. Bilney and Mr. Smith of $41,000, $20,000 and $51,000 respectively. In May 2012, Mr. Deno received a signing bonus of $425,000, which under the terms of his employment agreement must be repaid to us if he resigns or is terminated for cause prior to November 9, 2013. Ms. Bilney received a cash payment of $217,450 in 2012 for the vesting of a portion of the restricted stock that was granted to her at the time of her employment and then converted at the time of the Merger into the right to receive cash on a deferred basis.

Performance-based cash incentives earned by the named executive officers are reflected in the "Executive Compensation—Summary Compensation Table" under the heading "Non-Equity Incentive Plan Compensation." Threshold, target and maximum payments for the 2012 bonus plans are reflected in "Executive Compensation—Grants of Plan-Based Awards for Fiscal 2012." The payments with respect to Ms. Smith's Retention Bonus and Incentive Bonus are reflected in "Executive Compensation—Summary Compensation Table" under the heading "Bonus."

Long-Term Stock Incentives

Long-term stock incentives are designed to align a significant portion of total compensation with our long-term goal of increasing the value of the Company. At the time of the Merger, the long-term stock incentive component of the compensation package consisted of restricted stock and stock options issued under our 2007 Equity Plan. Since that time, we adopted the 2012 Equity Plan and long-term stock incentive awards have consisted primarily of stock options granted to newly hired or promoted executive officers, and beginning in 2013, our annual awards consist of stock options and performance-based share units. Mr. Shlemon also received a restricted stock grant in 2012. These equity awards are designed to reward longer-term performance, facilitate equity ownership, deter recruitment of our key personnel by competitors and others and further align the interests of our executives with those of our stockholders. Equity awards have generally been limited to our executive officers and other key employees and managers who are in a position to contribute substantially to our growth and success.

Shares acquired upon the exercise of stock options under the 2007 Equity Plan were generally subject to a stockholder's agreement that contained a management call option that allowed us to repurchase all shares purchased through exercise of stock options upon termination of employment at any time prior to the earlier of an initial public offering or a change in control. Additionally, the holder of shares acquired upon the exercise of stock options was prohibited from transferring the shares to any person, subject to narrow exceptions, and should a permitted transfer have occurred, the transferred shares remained subject to the management call option. As a result of the transfer restrictions and call option, we did not record compensation expense for stock options subject to the management call option until completion of the initial public offering, since employees could not realize monetary benefit from the options or any shares acquired upon the exercise of the options unless the employee was employed at the time of an initial public offering or a change in control. Upon completion of the initial public offering, the management call option terminated and we began to record compensation expense with respect to these awards.

In November 2009, Ms. Smith received a stock option grant that vests in equal installments over five years and contained a modified form of the management call option for one quarter of the option shares. In accordance with accounting guidance for share-based compensation, this form of the management call option did not preclude us from recording compensation expense during the service period. Compensation expense was not recorded for the remaining three quarters of the option shares since they could not be exercised and, therefore, were not considered vested from an accounting standpoint, until the occurrence of a Qualifying Liquidity Event, as defined in Ms. Smith's stock option agreement. The initial public offering met the thresholds for a Qualifying Liquidity Event and, in order for vested options to be exercised, a threshold stock price ranging from $5.00 to $10.00 depending on the tranche of the option must be maintained for a six-month period following the initial public offering prior to such exercise, which had been achieved as of February 3, 2013. Upon completion of the initial public offering, the vesting of such options was considered probable from an accounting standpoint and we began to record compensation expense with respect to this portion of the award.

On July 1, 2011, Ms. Smith was granted an option to purchase 550,000 shares of our common stock under the 2007 Equity Plan in accordance with the terms of her employment agreement. This option has an exercise price of $10.03 per share and was subject to the modified form of the management call option that applied to one quarter of her 2009 grant. In accordance with accounting for share-based compensation, this modified form of the call option did not preclude us from recording compensation expense during the service period. These options will vest and compensation expense will be recorded in equal amounts over a five-year period on each anniversary of the grant date, contingent upon her continued employment with us.

Under the terms of her amended employment agreement, Ms. Smith will be eligible for additional equity award grants beginning in 2014 as determined at the discretion of the Compensation Committee or the Board of Directors.

Mr. Deno was granted an option to purchase 400,000 shares of our common stock under the 2007 Equity Plan in connection with his hiring in May 2012. This option has an exercise price of $14.58 per share and the shares subject to the option will vest in equal amounts over a five-year period on each anniversary of his employment start date, contingent upon his continued employment with us, and any unvested portion will be forfeited upon termination of his employment. This option was subject to the management call option described above until such call option terminated at the time of the initial public offering.

In April 2012, Mr. Shlemon was granted 50,000 shares of restricted stock under the 2007 Equity Plan as a result of his additional contributions to the Company during the year. The shares will vest in equal amounts over a four-year period on each anniversary of the grant date, contingent upon continued employment with us, and any unvested portion will be forfeited upon termination of employment.

See "Executive Compensation—Grants of Plan-Based Awards for Fiscal 2012" for additional information regarding 2012 equity awards to the named executive officers.

Other Benefits and Perquisites

Under their employment agreements, the named executive officers are each entitled to receive certain perquisites and personal benefits. We believe these benefits are reasonable and consistent with our overall compensation program and better enable us to attract and retain qualified employees for key positions. Such benefits include automobile allowances, life insurance, medical insurance, annual physical examinations, vacation, personal use of corporate aircraft for our Chief Executive Officer, and reimbursement for income taxes on certain taxable benefits. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to the named executive officers.

On February 28, 2013, we terminated the split-dollar agreement we had entered into in 2008 with our former Executive Vice President and Chief Value Chain Officer, Dirk A. Montgomery. The split-dollar agreement required us to maintain an endorsement split-dollar life insurance policy with a death benefit of

approximately $5.0 million for Mr. Montgomery. We were the beneficiary of the policy to the extent of premiums paid or the cash value, whichever was greater, with the remaining death benefit to be paid to a personal beneficiary designated by Mr. Montgomery. Mr. Montgomery's right to the policy had fully vested on January 1, 2013. We paid Mr. Montgomery $150,000 in exchange for full termination of the split-dollar agreement. As a result of the termination agreement, we became the sole and exclusive owner of the policy and elected to cancel it.

Effective October 1, 2007, we implemented a deferred compensation plan for our highly compensated employees who are not eligible to participate in the OSI Restaurant Partners, LLC Salaried Employees 401(k) Plan and Trust. The deferred compensation plan allows highly compensated employees to contribute from 5% to 90% of their base salary and from 5% to 100% of their cash bonus on a pretax basis to an investment account consisting of various investment fund options. The plan permits us to make a discretionary contribution to the plan on behalf of an eligible employee from time to time; however, we have not made any discretionary contribution to date. In the event of the employee's termination of employment other than by reason of disability or death, the employee is entitled to receive the full balance in the account in a single lump sum unless the employee has completed either five years of participation or ten years of service as of the date of termination of employment, in which case, the account will be paid as elected by the employee in equal annual installments over a specified period of two to 15 years. If the employee dies or becomes disabled before any deferred amounts are paid out under the plan, we will pay to the employee (or the employee's beneficiary if applicable) the full balance in the account in a single lump sum. If the employee's employment terminates due to death or disability after he or she begins receiving payments, the remaining installment payments will be paid in installment payments as such payments come due.

The amounts attributable to perquisites and other personal benefits provided to the named executive officers are reflected in the "Executive Compensation—Summary Compensation Table" under the heading "All Other Compensation."

Change in Control and Termination Benefits

Each of the named executive officers (other than Mr. Montgomery and Ms. Bilney) is party to an employment agreement and other arrangements with us that may entitle him or her to payments or benefits upon a termination of employment and/or a change in control. For a summary of these agreements and arrangements, see "Executive Compensation—Potential Payments Upon Termination or Change in Control—Summary of Employment Agreements and Other Compensatory Arrangements."

In anticipation of the initial public offering, the Board of Directors adopted an Executive Severance and Change in Control Plan that would have enabled the Compensation Committee to designate participants that would be entitled to receive certain severance payments and other benefits if they are terminated by us other than for cause or terminate their employment for good reason. In December 2012, the Compensation Committee recommended, and the Board of Directors approved, the termination of the Executive Severance and Change in Control Plan and the adoption of an Executive Change in Control Plan (the "Change in Control Plan").

The Change in Control Plan entitles executive officers and other key employees to certain severance payments and benefits in the event of a qualifying termination of employment upon or within the 24 months following certain change in control events. The payments and benefits will be reduced by the amount of any severance or similar payments or benefits under an employment agreement or other arrangement with us and are subject to the employee's compliance with non-competition and other restrictive covenants and the other terms and conditions of the Change in Control Plan. These benefits are described in more detail under "Potential Payments Upon Termination or Change in Control" below.

Compensation Changes for 2013

In December 2012, the Compensation Committee established the peer group to be used as part of its review of competitive market data for setting executive officer compensation for 2013. With assistance from

Radford, the Compensation Committee refined the list of companies used in the 2012 peer group to include companies that were more closely aligned to Bloomin' Brands' revenue, EBITDA and market capitalization following the initial public offering and to take into account the guidance from stockholder advisory firms regarding what they view as the appropriate components and size for a comparison group. The 2013 peer group is as follows:

Bob Evans Farms, Inc.
Brinker International, Inc.
Burger King Wordwide, Inc.
Chipotle Mexican Grill, Inc.
Cracker Barrel Old Country Store, Inc.
Darden Restaurants, Inc.
DineEquity, Inc.
Foot Locker, Inc.
Hyatt Hotels Corporation
Jack in the Box Inc.
Las Vegas Sands Corp.
Limited Brands, Inc.
MGM Resorts International
Panera Bread Company
PetSmart, Inc.
Ross Stores, Inc.
Royal Caribbean Cruises Ltd.
Ruby Tuesday, Inc.
Starbucks Corporation
Starwoods Hotels & Resorts Worldwide, Inc.
Texas Roadhouse, Inc.
The Cheesecake Factory Incorporated
The Wendy's Company
YUM! Brands, Inc.

In December 2012, the Compensation Committee also adopted an Equity Award Policy to formalize the general timing, process and delegation authority for grants of equity-based incentive awards. Under the policy, annual grants will generally be made to executive officers and other key employees following the review and evaluation of each executive officer's performance and the public announcement of our results for the prior fiscal year and will have an exercise price equal to the fair market value on the date of grant. Additional grants ("off-cycle awards") may be made in connection with new hires or promotions during the year by the Board of Directors, Compensation Committee, the Equity Award Committee of the Board of Directors (currently consisting of Ms. Smith) or, solely in the case of options for employees at the vice president level or below, the Chief Executive Officer. Any off-cycle options will have a grant date and exercise price of the first trading day of the calendar month following the off-cycle event.

In February 2013, the Board of Directors approved, based on the recommendation of the Compensation Committee, grants of stock options and performance-based share units to our current executive officers other than Mr. Judge, who only received stock options, and Ms. Smith. The performance-based share unit awards establish (a) service dates on which the award recipient must continue to be employed by or otherwise providing service to us and (b) adjusted net income targets to be achieved by us over a performance period to determine the vesting of the shares subject to the award. Based on the level of adjusted net income attributed to Bloomin' Brands achieved during 2013 and if the award recipient provided continuous service to us until the applicable service date (each anniversary of the grant date over a four-year period), a corresponding number of shares will vest (which number may range from zero to 200% of the target number of performance-based share units subject to the award). In April 2013, the Board of Directors approved additional grants of restricted stock and performance-based share units to Mr. Smith, with a performance criteria based on adjusted earnings before interest and taxes for our Outback Steakhouse concept. The use of performance-based share unit awards is intended to further align the interests of executive officers with our stockholders in increasing the value of Bloomin' Brands.

Our annual performance-based cash incentive plan for 2013 (the "2013 Bonus Plan") will continue to be structured in a substantially similar manner as the 2012 and prior year programs, except that the performance metrics will be the percentage of Company-wide or concept total revenue growth and adjusted net income attributed to Bloomin' Brands or concept earnings before interest and taxes. In addition, the maximum bonus amount will increase from 150% to 200% of target to align with the percentages used by the mid-point of the peer group that the Compensation Committee established for 2013 benchmarking. Executives' payout under the 2013 Bonus Plan will continue to be subject to reduction (but not increase) based on individual performance as determined by the Compensation Committee.

Tax and Accounting Implications

In making decisions about executive compensation, the Compensation Committee took into account certain tax and accounting considerations, including Sections 409A and 280G of the Internal Revenue Code. As neither OSI's nor our equity securities were publicly held prior to August 2012, Section 162(m) of the Internal Revenue Code did not apply to us. Additionally, we account for stock-based payments in accordance with the requirements of Accounting Standards Codification No. 718, "Compensation—Stock Compensation." We expect that our Compensation Committee may seek to qualify the variable compensation paid to our named executive officers for an exemption from the deductibility limitations of Section 162(m) when such limitations are applicable. However, our Compensation Committee may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent or otherwise in our best interests.

Our Compensation Committee regularly considers the accounting implications of significant compensation decisions, especially in connection with decisions that relate to our equity incentive award plans and programs. As accounting standards change, we may revise certain programs to appropriately align accounting expenses of our equity awards with our overall executive compensation philosophy and objectives.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Messrs. Balson, Chu and Sullivan. Mr. Balson is a Managing Director of Bain Capital. Mr. Chu is Managing Partner and Co-Founder of Catterton. Mr. Sullivan is one of our Founders, our former Chief Executive Officer, one of our stockholders and our Director. An investor group, which includes Bain Capital, Catterton and Mr. Sullivan, collectively held approximately 77.2% of our outstanding common stock as of May 6, 2013.

Management Agreement

Upon completion of the Merger, we entered into a management agreement with the Management Company, whose members are our Founders and entities associated with our Sponsors. In accordance with the management agreement, the Management Company was to provide management services to us until the tenth anniversary of the completion of the Merger, with one-year extensions thereafter until terminated. The management agreement provided that it would terminate automatically immediately prior to our completion of an initial public offering. Under the terms of the agreement, the Management Company received an aggregate annual management fee equal to $9.1 million and reimbursement for out-of-pocket and other reimbursable expenses incurred by it, its members, or their respective affiliates in connection with the provision of services pursuant to the agreement. The management agreement also included customary exculpation and indemnification provisions in favor of the Management Company, Bain Capital and Catterton and their respective affiliates.

In May 2012, we amended the management agreement to provide that if the management agreement was terminated due to our completion of an initial public offering in 2012, the Management Company would receive, within 60 days of completion of the initial public offering, but in all events on or before December 31, 2012, a termination fee of $8.0 million. This termination fee was payable in addition to the pro-rated periodic fee as provided in the management agreement. The management agreement terminated in connection with our initial public offering in August 2012 and we paid management fees to the Management Company, including the termination fee, out-of-pocket and other reimbursable expenses, of approximately $13.8 million for the year ended December 31, 2012.

Stockholders Agreements

In connection with the Merger, we entered into a stockholders agreement with our Sponsors, Founders and certain other stockholders. In connection with the completion of the initial public offering, all of the provisions of the stockholders agreement terminated in accordance with the terms of the stockholders agreement.

On August 7, 2012, we entered into the Stockholders Agreement with our Sponsors and two of our Founders that became effective upon consummation of the initial public offering. This Stockholders Agreement grants our Sponsors the right, subject to certain conditions, to nominate representatives to our Board of Directors and committees of our Board of Directors. As long as the Sponsors collectively own (directly or indirectly) more than 15% of our outstanding common stock, Bain Capital has the right to designate two nominees and Catterton has the right to designate one nominee for election to our Board of Directors of the Company. However, if Catterton's ownership level falls below 1% of our outstanding common stock, Catterton will no longer have a right to designate a nominee and Bain Capital will have the right to designate three nominees for election to our Board of Directors. If at any time the Sponsors own more than 3% and less than 15% of our outstanding common stock, Bain Capital will have the right to designate two nominees for election to our Board of Directors. However, if at the time of the nomination, Catterton's ownership percentage of our outstanding common stock is greater than Bain Capital's ownership percentage, each of Bain Capital and Catterton will have the right to designate one nominee for election to our Board of Directors. Bain Capital also has certain contractual rights to have one of its nominees serve on each committee of our Board of Directors, other than the Audit Committee, as long as the Sponsors collectively own (directly or indirectly) at least 35% of our outstanding common stock. In addition, as long as the Sponsors collectively own (directly or indirectly) more than 40% of our outstanding common stock, our Board of Directors must not, and we are required to take all necessary action to ensure that our Board of Directors does not, exceed nine directors, unless Bain Capital requests that the size of the board of directors be increased up to the maximum permitted under our organizational documents and appoints directors to fill the vacancies.

Registration Rights Agreement

In connection with the Merger, we entered into a registration rights agreement with our Sponsors, Founders and certain other stockholders. The registration rights agreement provided the Sponsors and Founders with certain demand registration rights in respect of the shares of our common stock held by them. The Sponsors, Founders and certain other stockholders exercised their rights under the agreement and sold common stock in our initial public offering.

In connection with the initial public offering, on August 7, 2012, we entered into an amended and restated registration rights agreement to remove provisions that apply to an initial public offering, to facilitate charitable giving in connection with securities offerings and to make other clarifying changes. In addition, in the event that we register additional shares of common stock for sale to the public, we are required to give notice of such registration to the Sponsors, two of our Founders and certain other stockholders of our intention to effect such a registration, and, subject to certain limitations, such stockholders have piggyback registration rights providing them with the right to require us to include in such registration the shares of common stock held by them (excluding any shares that may be disposed of under Rule 144 without a volume limitation). We are required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, associated with any registration of shares by the Sponsors, two of our Founders or other holders described above. The registration rights agreement also contains certain restrictions on the sale of shares by the Sponsors and two of our Founders. The registration rights agreement includes customary indemnification provisions in favor of any person who is or might be deemed a controlling person within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, who the Company refer to as controlling persons, and related parties against liabilities under the Securities Act incurred in connection with the registration of any of our debt or equity securities. These provisions provide indemnification against certain liabilities arising under the Securities Act and certain liabilities resulting from violations of other applicable laws in connection with any filing or other disclosure made by us under the securities laws relating to any such registration. We have agreed to reimburse such persons for any legal or other expenses incurred in connection with investigating or defending any such liability, action or proceeding, except that we are not required to indemnify any such person or reimburse related legal or other expenses if such loss or expense arises out of or is based on any untrue statement or omission made in reliance upon and in conformity with written information provided by such person.

Restaurant Leases

In 2012, MVP LRS, LLC ("MVP"), an entity owned primarily by our Founders (one of whom is also our Director) paid us a total of approximately $0.6 million in lease payments for two restaurants in its Lee Roy Selmon's concept, which was purchased from us in 2008. We also guarantee lease payments by MVP under two leases.

Compensation-Related Risk

As part of its oversight and administration of our compensation programs, the Compensation Committee considered the impact of our compensation policies and programs for our executive officers, to determine whether they present a significant risk to the Company or encourage excessive risk taking by our executive officers. Based on its review, the Compensation Committee concluded that our compensation programs do not encourage excessive risk taking and are not reasonably likely to have a material adverse effect on us.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table summarizes compensation earned by our named executive officers for 2012.

Named Executive Officer	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	All Other Compensation (4)	Total
Elizabeth A. Smith	2012	$ 941,552	$22,425,000	$ —	$ —	$ 932,137	$ 151,544	$24,450,233
Chief Executive Officer	2011	1,000,000	3,000,000	—	3,041,066	1,197,650	308,523	8,547,239
and Chairman of the Board	2010	1,000,000	1,800,000	—	—	1,275,000	793,998	4,868,998
David J. Deno (5)	2012	380,769	466,000	—	2,824,000	510,000	4,175	4,184,944
Executive Vice President								
and Chief Financial Officer								
Dirk A. Montgomery (6)	2012	472,000	—	—	—	397,188	32,364	901,552
Former Executive Vice	2011	472,000	—	—	—	997,572	3,552	1,473,124
President and Chief Value	2010	472,000	—	—	122,546(7)	1,062,000	3,349	1,659,895
Chain Officer								
Steven T. Shlemon	2012	500,000	—	729,000	—	423,938	5,352	1,658,290
Executive Vice President	2011	500,000	—	—	—	579,275	4,800	1,084,075
and President of Carrabba's	2010	500,000	—	—	203,349(7)	637,500	4,800	1,345,649
Jody L. Bilney (8)	2012	449,039	237,450	—	—	377,866	4,752	1,069,107
Former Executive Vice President	2011	400,000	217,451	—	1,094,064	563,600	4,200	2,279,315
and Chief Brand Officer	2010	400,000	214,203	—	32,023(7)	600,000	4,200	1,250,426
Jeffrey S. Smith	2012	500,000	51,000	—	—	480,250	5,352	1,036,602
Executive Vice President	2011	500,000	—	—	—	548,800	4,800	1,053,600
and President of Outback	2010	500,000	—	—	239,375(7)	563,043	4,800	1,307,218

(1) Bonus amounts were paid as follows: (i) for Ms. Smith, the 2012 bonus reflects full payment of her Incentive Bonus and the remaining portion of her Retention Bonus, which was triggered by the completion of the initial public offering, and the 2011 and 2010 bonus amounts were scheduled payments under her Retention Bonus for such years, (ii) for Mr. Deno, the 2012 bonus includes a signing bonus of $425,000 per the terms of his employment agreement, (iii) for Mr. Deno, Ms. Bilney and Mr. Smith, the 2012 bonus includes a discretionary bonus of $41,000, $20,000 and $51,000, respectively, awarded in recognition of the named executive officer's individual performance and contributions to the significant transactions we completed during the year and (iv) for Ms. Bilney, the bonus amounts for each year include cash paid for the vesting of a portion of her restricted stock that was granted at the time of her employment and then converted at the time of the Merger into the right to receive cash on a deferred basis.

(2) The restricted stock awards were valued based on the estimated fair market value on the grant date, which was $14.58 on April 13, 2012. The amounts for the option awards represent the aggregate grant date fair value of stock option awards computed in accordance with FASB ASC Topic 718. The stock option awards were valued at fair value on the grant date using the Black-Scholes option pricing model. See Note 4 of our Notes to consolidated financial statements for the year ended December 31, 2012 for the assumptions made to value the stock option awards.

(3) Non-equity incentive plan compensation represents amounts earned under the performance-based cash incentive plans established for such years. The amounts earned were based on the achievement of specified, pre-determined levels of Company-wide or concept Adjusted EBITDA, and in 2012, comparable sales increases over the prior year, relative to a percentage of the named executive officer's bonus potential. Pursuant to his employment agreement, Mr. Deno received a guaranteed payment of his performance-based

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cash incentive award at the target amount. See "Compensation Discussion and Analysis—Performance-Based Cash Incentives" for a description of the plans for 2012.

(4) The table below sets forth the 2012 components of "All Other Compensation."

All Other Compensation

Named Executive Officer	Life Insurance (a)	Auto	Relocation	Airplane (b)	Reimburseable Other Expenses (c)	Total
Elizabeth A. Smith	$ 360	$ —	$ —	$ 80,077	$ 71,107	$151,544
David J. Deno	675	—	3,500	—	—	4,175
Dirk A. Montgomery	32,364	—	—	—	—	32,364
Steven T. Shlemon	552	4,800	—	—	—	5,352
Jody L. Bilney	552	4,200	—	—	—	4,752
Jeffrey S. Smith	552	4,800	—	—	—	5,352

(a) The amount in this column for Mr. Montgomery reflects premiums paid by us for an endorsement split-dollar life insurance policy with a death benefit of approximately $5.0 million for Mr. Montgomery, which was purchased in 2006. We were the beneficiary of the policy to the extent of premiums paid or the cash value, whichever is greater, with the balance to be paid to a personal beneficiary designated by the executive. We terminated the agreement obligating us to maintain the policy on February 28, 2013 after Mr. Montgomery's departure from the Company in January 2013. Amounts for the other named executive officers reflect the cost of group term life insurance provided to our executive officers.

(b) The amount in this column reflects the aggregate incremental cost to us of personal use of our aircraft based on an hourly charge, determined to include the cost of fuel and other variable costs associated with the particular flights. Since our aircraft is primarily for business travel, we do not include the fixed costs that do not change based on usage, including the cost of the aircraft and the cost of maintenance not related to specific trips. The amount for Ms. Smith includes the reimbursement of a "gross-up" for the payment of taxes of $45,930, which was less than the reimbursement cap at 50 hours for this tax gross-up.

(c) The amount in this column was paid for legal fees associated with the amendment and restatement of Ms. Smith's employment agreement and includes a "gross-up" for the payment of taxes on such fees of $9,177.

(5) Mr. Deno joined Bloomin' Brands in May 2012.

(6) Mr. Montgomery was our Executive Vice President and Chief Financial Officer until May 2012, when he became our Executive Vice President and Chief Value Chain Officer. Mr. Montgomery resigned from Bloomin' Brands in January 2013.

(7) Represents the aggregate exchange date incremental fair value of restricted stock and stock option awards computed in accordance with accounting guidance for share-based compensation. The stock option awards were valued at fair value on the exchange date using the Black-Scholes option pricing model. See Note (2) to the "Outstanding Equity Awards at Fiscal Year-End" table for a description of the option exchange program.

(8) Ms. Bilney was our Executive Vice President and Chief Brand Officer until she resigned from Bloomin' Brands in March 2013.

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Outstanding Equity Awards at 2012 Year-End

The following table summarizes outstanding stock options and unvested restricted stock awards for each named executive officer as of December 31, 2012. The holder of restricted stock has the right to vote and receive dividends with respect to the shares, but may not transfer or otherwise dispose of the unvested shares. The unvested portion of each restricted stock award is subject to forfeiture if the holder's employment terminates prior to vesting.

	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options (#)		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price Per Share (2)	Option Expiration Date	Shares of Restricted Stock Awards That Have Not Vested	
Named Executive Officer	Exercisable	Unexercisable (1)				Number of Shares (#)(1)	Market Value (3)
Elizabeth A. Smith							
Stock Options - Grant A - Tranche A (4)(5)	652,500	435,000	—	$ 6.50	11/16/2019	—	$ —
Stock Options - Grant A - Tranche B, C, D (4)(6)	—	—	3,262,500	6.50	11/16/2019	—	—
Stock Options - Grant B	110,000	440,000	—	10.03	7/1/2021	—	—
David J. Deno	—	400,000	—	14.58	5/7/2022	—	—
Dirk A. Montgomery	130,108	22,963	—	6.50	6/14/2017	—	—
Steven T. Shlemon	215,900	38,100	—	6.50	10/25/2017	50,000	782,000
Jody L. Bilney							
Stock Options - Grant A	23,000	12,000	—	6.50	2/11/2018	—	—
Stock Options - Grant B	40,160	160,640	—	10.03	12/9/2021	—	—
Jeffrey S. Smith	254,150	44,850	—	6.50	10/25/2017	—	—

(1) Stock option grants vest and become nominally exercisable in 20% increments over a period of five years contingent on continued employment. Restricted stock awards vest as to 25% of the shares on each anniversary of the grant date, contingent on continued employment. See "Potential Payments upon Termination or Change in Control" for additional information regarding accelerated vesting on certain terminations of employment.

(2) In March 2010, we offered all then active executive officers, other than Ms. Smith (since her stock options already had an exercise price of $6.50 per share), and all of our other employees the opportunity to exchange outstanding stock options with an exercise price of $10.00 per share for the same number of replacement stock options with an exercise price of $6.50 per share. Under the exchange program, the vested portion of the eligible stock options as of the grant date of the replacement stock options were exchanged for stock options that were fully vested. The unvested portion of the exchanged stock options were exchanged for unvested replacement stock options that vest and become exercisable over a period of time that is equal to the remaining vesting period of the exchanged stock options, plus one year, subject to the participant's continued employment through the new vesting date. All eligible stock options were exchanged pursuant to the exchange program. The original stock options were canceled, and the issuance of the replacement stock options occurred on April 6, 2010.

(3) Market value is calculated by multiplying $15.64, which was the closing price per share of our common stock on the Nasdaq Global Select Market on December 31, 2012, by the number of shares subject to the award.

(4) On November 16, 2009, we granted Ms. Smith an option to purchase an aggregate of 4,350,000 shares of our common stock under the 2007 Equity Plan in four tranches (A-D) of 1,087,500 options each. The stock options have a term of ten years and an exercise price of $6.50, which represents an amount equal to or greater than the fair market value of a share of our common stock on the date the option was granted. The options vest in five equal annual installments, with accelerated vesting upon a termination of employment

without cause or for good reason, each as defined in Ms. Smith's employment agreement (50% in the event of a termination of employment other than after a qualifying change in control and 100% in the event of a termination of employment following a qualifying change in control). In accordance with the accounting guidance for share-based compensation, 3,262,500 of the options (tranches B, C and D) were not considered probable of occurrence on the grant date since a Qualifying Liquidity Event (defined below) was not probable at the time of grant. As such, there was no associated fair value on the grant date. However, we recorded expense at the time of the initial public offering and continue to record expense over the remaining vesting period. The stock options, to the extent vested, will remain outstanding for a period ranging from 90 days to three years in the case of a termination of Ms. Smith's employment, depending on the type of stock option and the nature of the termination, except that all stock options, whether or not then vested, will be forfeited upon a termination for cause.

(5) Tranche A stock options vest and become exercisable in equal installments on each of November 16, 2010, 2011, 2012, 2013 and 2014, generally subject to Ms. Smith remaining continuously employed on each vesting date.

(6) Tranches B, C and D stock options vest in equal installments on each of November 16, 2010, 2011, 2012, 2013 and 2014, generally subject to Ms. Smith remaining continuously employed through each vesting date, and will only become exercisable (to the extent then vested) if (a) an initial public offering was completed in 2012 or we experience a change in control (each, a "Qualifying Liquidity Event"), (b) if certain performance targets are met ranging from $5.00 per share to $10.00 per share, depending on the particular tranche, relating to the value of our common stock at the time of the Qualifying Liquidity Event and (c) the case of an initial public offering, the volume-weighted average trading price of our common stock, as defined in the agreement, is equal to or greater than the specified performance targets over a rolling six-month period. The initial public offering met the thresholds for a Qualifying Liquidity Event and, in order for vested options to be exercised, a threshold stock price ranging from $5.00 to $10.00 depending on the tranche of the option must be maintained for a six-month period prior to such exercise, which had been achieved as of February 3, 2013.

Option Exercises and Restricted Stock Vested for Fiscal 2012

The following table summarizes the exercise of stock options and vesting of restricted stock held by the named executive officers during fiscal 2012.

	Option Awards		Restricted Stock Awards	
Named Executive Officer	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
Elizabeth A. Smith	—	$ —	—	$ —
David J. Deno	—	—	—	—
Dirk A. Montgomery	—	—	82,300	1,091,298
Steven T. Shlemon	—	—	—	—
Jody L. Bilney (2)	5,000	19,200	20,575	272,825
Jeffrey S. Smith	—	—	—	—

(1) Value realized on vesting of restricted stock awards is calculated by multiplying the estimated fair market value of our common stock on June 14, 2012 ($13.26 per share) by the number of shares vesting.

(2) Ms. Bilney exercised options and sold 5,000 shares in the initial public offering.

Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans

We have a Deferred Compensation Plan for our highly compensated employees who are not eligible to participate in the OSI Restaurant Partners, LLC Salaried Employees 401(k) Plan and Trust, as described in "Compensation Discussion and Analysis—Compensation Elements—Other Benefits and Perquisites." We do not sponsor any defined benefit pension plans.

The following table summarizes contributions during 2012 to our Deferred Compensation Plan by the only named executive officer who participated along with aggregate gains for the year and the aggregate balance as of December 31, 2012. We did not make any contributions to the Deferred Compensation Plan during 2012. Named executive officers are fully vested in all contributions to the plan. The amounts listed as executive contributions are included as "Salary" in the "Summary Compensation Table." Aggregate earnings of the Deferred Compensation Plan are not included in the "Summary Compensation Table."

Named Executive Officer	Executive Contributions in 2012	Aggregate Earnings in 2012	Aggregate Withdrawals/ Distributions in 2012	Aggregate Balance at December 31, 2012
Dirk A. Montgomery (1)	$ 47,200	$31,637	$ —	$ 462,868

(1) All amounts due to Mr. Montgomery under the Deferred Compensation Plan will be paid in January 2014 as a result of his resignation in January 2013.

Grants of Plan-Based Awards for 2012

The following table summarizes the performance-based cash incentive awards and long-term stock incentive awards made during 2012.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)						
Named Executive Officer	Grant Date	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares (#)	All Other Option Awards Number of Securities Underlying Options (#)	Exercise Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock & Option Awards ($)
Elizabeth A. Smith								
Annual Bonus Plan		470,776	941,552	1,412,328	—	—	—	—
David J. Deno								
Annual Bonus Plan		255,000	510,000	765,000	—	—	—	—
Stock Options	5/7/2012	—	—	—	—	400,000(2)	14.58	2,824,000
Dirk A. Montgomery								
Annual Bonus Plan		200,600	401,200	601,800	—	—	—	—
Steven T. Shlemon								
Annual Bonus Plan		212,500	425,000	637,500	—	—	—	—
Restricted Stock	4/13/2012	—	—	—	50,000(3)	—	—	729,000
Jody L. Bilney								
Annual Bonus Plan		190,841	381,683	572,524	—	—	—	—
Jeffrey S. Smith								
Annual Bonus Plan		212,500	425,000	637,500	—	—	—	—

(1) Amounts represent performance-based cash incentive awards under the 2012 Corporate Bonus Plan for Ms. Smith, Ms. Bilney and Messrs. Deno and Montgomery, under the 2012 Carrabba's Bonus Plan for Mr. Shlemon and under the 2012 Outback Bonus Plan for Mr. Smith. See "Compensation Discussion & Analysis—Performance-Based Cash Incentives."

(2) This option was granted to Mr. Deno under the 2007 Equity Plan and was subject to the management call option and transfer restrictions until completion of the initial public offering. The option vests as to 20% of the shares on each anniversary of his employment start date, contingent upon his continued employment with us. He forfeits any portion of an option that is unvested upon his termination date.

(3) This award was granted to Mr. Shlemon under the 2007 Equity Plan. The shares vests as to 25% of the shares on each anniversary of the grant date, contingent upon his continued employment with us. He forfeits any shares that are unvested upon his termination date.

Potential Payments Upon Termination or Change in Control

Each of the named executive officers is party to an employment agreement and other arrangements with us, which are summarized below, that may entitle him or her to payments or benefits upon a termination of employment and/or a change in control. See the table included under "—Executive Benefits and Payments Upon Separation" below for the amount of compensation payable under these agreements and arrangements to the individuals serving as named executive officers as of the end of 2012.

Change in Control Plan

In December 2012, the Compensation Committee recommended, and the Board of Directors approved, the Change in Control Plan, which entitles executive officers and other key employees to certain severance payments and benefits in the event of a qualifying termination of employment upon or within the 24 months following certain change in control events. A qualifying termination is a termination by us for any reason other than cause, or by the employee for good reason, in each case as defined in the Change in Control Plan.

Under the Change in Control Plan, in the event of a qualifying termination within the 24 months following a change in control, the named executive officers are each entitled to receive the following benefits:

- a severance payment, payable in a lump sum 60 days after the termination, equal to (a) with respect to Ms. Smith, two times the sum of her base salary and her target annual cash bonus and (b) with respect to the other named executive officers, one and one-half times the sum of base salary and target annual cash bonus;
- accelerated vesting of all outstanding equity awards;
- continued eligibility to participate in group health benefits for 18 months following the termination;
- outplacement services for six months following the termination; and
- certain other accrued benefits.

The severance payments and other benefits described above will be reduced by the amount of any similar payments and benefits under any employment agreement or other arrangement with us and are subject to the employee's compliance with non-competition and other restrictive covenants and the other terms and conditions of the Change in Control Plan.

Rights and Potential Payments Upon Termination or Change in Control: Ms. Smith

Effective November 2009, we entered into an employment agreement with Ms. Smith in connection with the commencement of her employment with us. Her employment agreement was amended and restated in September 2012 to extend its term to August 13, 2017, subject to earlier termination under certain circumstances described below. The term of her employment is automatically renewed for successive renewal terms of one year unless either party elects not to renew by giving written notice to the other party not less than 60 days prior to the start of any renewal term.

Ms. Smith's employment may be terminated as follows:

- upon her death or Disability (as such term is defined in the agreement);
- by us for Cause. For purposes of her employment agreement, "Cause" is defined to include: her (i) willful failure to perform, or gross negligence in the performance of, her duties and

responsibilities to us or our affiliates (other than any such failure from incapacity due to physical or mental illness), subject to notice and cure periods, (ii) indictment or conviction of or plea of guilty or nolo contendere to a felony or other crime involving moral turpitude, (iii) engaging in illegal misconduct or gross misconduct that is intentionally harmful to us or our affiliates or (iv) any material and knowing violation by her of any covenant or restriction contained in her employment agreement or any other agreement entered into with us or our affiliates;

- by us other than for Cause;
- by Ms. Smith for Good Reason. For purposes of her employment agreement, "Good Reason" is defined to include: (i) a material diminution in the nature or scope of the executive's duties, authority or responsibilities, including, without limitation, loss of membership on our or certain of our subsidiaries' board of directors (with certain listed exceptions), (ii) a reduction of her annual base salary or annual target cash bonus, (iii) requiring her to be based at a location in excess of 50 miles from the location of our principal executive offices in Tampa, Florida as of the effective date of her employment agreement, or (iv) a material breach by us of our obligations under her employment agreement; or
- by Ms. Smith other than for Good Reason.

Under Ms. Smith's employment agreement, she will be entitled to receive severance benefits if her employment is terminated by us other than for Cause or if she terminates employment for Good Reason. If her employment is terminated under these circumstances, she will be entitled to receive severance benefits as follows:

- earned but unpaid base salary as of the date of termination, any annual bonus earned in the fiscal year preceding that in which termination occurs that remains unpaid, and unreimbursed expenses, including certain tax gross-up payments through the date of termination; and
- severance equal to two times the sum of her base salary at the rate in effect on the date of termination plus her target annual cash bonus for the year of termination, payable in 24 equal monthly installments from the effective date of such termination.

In the event Ms. Smith's employment is terminated due to her death or Disability, she will receive any earned but unpaid amounts described above as of the date of her employment termination. She will also be entitled to receive a pro rata annual target bonus calculated based on the number of days during the year that she was employed.

A change in control of the Company does not trigger any severance payments to her under the employment agreement. However, in the event of a qualifying termination within the 24 months following a change in control, Ms. Smith would be entitled to receive the benefits described above under "—Change in Control Plan."

Rights and Potential Payments Upon Termination or Change in Control: Mr. Deno

Mr. Deno entered into an employment agreement with us effective May 7, 2012 for an original term of five years, commencing on May 7, 2012 and expiring on the fifth anniversary thereof. The term of his employment agreement is automatically renewed for successive renewal terms of one year unless either party elects not to renew by giving written notice to the other party not less than 60 days prior to the start of any renewal term.

Mr. Deno's employment may be terminated as follows:

- upon his death or Disability (as such term is defined in the agreement);
- by us for Cause. For purposes of his agreement, "Cause" is defined to include: (i) his failure to perform the duties required of him in a manner satisfactory to us, in our sole discretion; (ii) any dishonesty in his dealing with us or our affiliates, the commission of fraud by him, negligence in the performance of his duties, insubordination, willful misconduct, or his indictment, charge or conviction (or plea of guilty or nolo contendere) of any felony or any other crime involving dishonesty or moral turpitude; (iii) any violation of any covenant or restriction contained in specified sections of his employment agreement; or (iv) any violation of any of our or our affiliates' material published policies;
- at our election, including in the event of a determination by us to cease business operations; or
- by Mr. Deno for Good Reason. For purposes of his employment agreement, "Good Reason" is defined to include: (i) the assignment to him of any duties inconsistent with his position (including status, offices, titles, and reporting requirements), authority, duties or responsibilities as Executive Vice President and Chief Financial Officer, any diminution in his position, authority, duties or responsibilities (excluding isolated, insubstantial and inadvertent action not taken in bad faith), (ii) a reduction of his base salary or benefits, as in effect on the date of his employment agreement, unless a similar reduction is made in salary and benefits of all of our other executive officers, or (iii) requiring him to be based at a location in excess of 50 miles from the location of our principal executive offices in Tampa, Florida as of the effective date of his employment agreement.

For all purposes of his agreement, termination for Cause shall be deemed to have occurred on the date of the executive's resignation when, because of existing facts and circumstances, subsequent termination for Cause can be reasonably foreseen.

Mr. Deno's employment agreement provides that he will receive severance benefits in the event of a termination of employment by us without Cause or by him with Good Reason. Under these circumstances, he will be entitled to receive an amount equal to the sum of the base salary then in effect payable bi-weekly for one year.

A change in control does not trigger any severance payments to Mr. Deno under his employment agreement. However, in the event of a qualifying termination within the 24 months following a change in control, Mr. Deno would be entitled to receive the benefits described above under "—Change in Control Plan."

Rights and Potential Payments Upon Termination or Change in Control: Mr. Shlemon

Mr. Shlemon entered into an employment agreement with Carrabba's Italian Grill, LLC ("Carrabba's"), our wholly-owned subsidiary, effective April 27, 2000, which was amended on January 1, 2012. The initial term of his employment agreement was for a period of seven years commencing on April 27, 2000 and expiring on the seventh anniversary thereof subject to earlier termination as described in the termination section of the agreement as explained below. The term of his employment agreement is automatically renewed for successive renewal terms of one year unless either party elects not to renew by giving written notice to the other party not less than 60 days prior to the start of any renewal term.

Mr. Shlemon's employment may be terminated as follows:

- upon his death or Disability (as such term is defined in the agreement);

- by Carrabba's for Cause. For purposes of his agreement, "Cause" is defined to include: (i) any dishonesty in the executive's dealing with Carrabba's, the commission of fraud by the executive, negligence in the performance of the duties of the executive, insubordination, willful misconduct, or the conviction (or plea of guilty or nolo contendere) of the executive of any felony or any other crime involving dishonesty or moral turpitude; (ii) any violation of any covenant or restriction contained in specified sections of his employment agreement; or (iii) any violation of any material published policy of Carrabba's or its affiliates;

- at the election of Carrabba's, including upon the sale of a majority ownership interest in Carrabba's or substantially all of Carrabba's assets or in the event of a determination by Carrabba's to cease business operations; or

- by Carrabba's in its sole discretion, for any reason or no reason.

For all purposes of his agreement, termination for Cause shall be deemed to have occurred on the date of the executive's resignation when, because of existing facts and circumstances, subsequent termination for Cause can be reasonably foreseen.

Mr. Shlemon's employment agreement provides that he will only receive severance benefits in the event of a termination of employment if his employment is terminated under the circumstances described in the last bullet above. In this case, he will be entitled to receive as full and complete severance compensation an amount equal to the sum of his base salary then in effect payable bi-weekly for one year.

A change in control does not trigger any severance payments to Mr. Shlemon under his employment agreement. However, in the event of a qualifying termination within the 24 months following a change in control, Mr. Shlemon would be entitled to receive the benefits described above under "—Change in Control Plan."

Resignation of Mr. Montgomery

Mr. Montgomery resigned from his employment with us effective January 14, 2013. He was not entitled to any payments under his employment agreement or any other arrangements as a result of his resignation. On February 28, 2013, we entered into an agreement with Mr. Montgomery to terminate our obligation to maintain his endorsement split-dollar life insurance policy, which was fully vested at the time of his resignation, in exchange for a $150,000 payment. We also extended the expiration date of his vested options until May 27, 2013.

Resignation of Ms. Bilney

Ms. Bilney resigned from her employment with us effective March 29, 2013. She was not entitled to any payments under her employment agreement or any other arrangements as a result of her resignation.

Rights and Potential Payments Upon Termination or Change in Control: Mr. Smith

Mr. Smith entered into an employment agreement with Outback Steakhouse of Florida, LLC ("Outback Steakhouse"), our wholly-owned subsidiary, effective April 12, 2007 and amended on January 1, 2009 and January 1, 2012. The initial term of his employment agreement is for a period of five years commencing on April 12, 2007 and expiring on the fifth anniversary thereof subject to earlier termination as described in the termination section of the agreement as explained below. The term of his employment agreement is automatically renewed for successive renewal terms of one year unless either party elects not to renew by giving written notice to the other party not less than 60 days prior to the start of any renewal term.

Mr. Smith's employment may be terminated as follows:

- upon his death or Disability (as such term is defined in the agreement);
- by Outback Steakhouse for Cause. For purposes of his agreement, "Cause" is defined to include: (i) any dishonesty in his dealing with Outback Steakhouse, the commission of fraud by him, negligence in the performance of his duties, insubordination, willful misconduct, or his conviction (or plea of guilty or nolo contendere) of any felony or any other crime involving dishonesty or moral turpitude; (ii) any violation of any covenant or restriction contained in specified sections of his employment agreement; or (iii) any violation of any material published policy of Outback International or its affiliates;
- at the election of Outback Steakhouse, including upon the sale of a majority ownership interest in Outback Steakhouse or substantially all the assets of Outback Steakhouse or in the event of a determination by Outback Steakhouse to cease business operations; or
- by Outback Steakhouse in its sole discretion, for any reason or no reason.

For all purposes of his agreement, termination for Cause shall be deemed to have occurred on the date of the executive's resignation when, because of existing facts and circumstances, subsequent termination for Cause can be reasonably foreseen.

Mr. Smith's employment agreement provides that he will only receive severance benefits in the event of a termination of employment if his employment is terminated under the circumstances described in the last bullet above. In this case, he will be entitled to receive as full and complete severance compensation an amount equal to the sum of his base salary then in effect payable bi-weekly for one year.

A change in control does not trigger any severance payments to Mr. Smith under his employment agreement. However, in the event of a qualifying termination within the 24 months following a change in control, Mr. Smith would be entitled to receive the benefits described above under "—Change in Control Plan."

Stock Options and Restricted Stock

Under the 2012 Equity Plan, unless otherwise provided in an individual's award agreement, upon a termination of employment or service all unvested options and stock appreciation rights will terminate. Unless otherwise provided, vested options and stock appreciation rights must be exercised within certain limited time periods after the date of termination, depending on the reason for termination; provided, however, that if the individual's employment or service is terminated for cause (as defined in the award agreement), all options and stock appreciation rights, whether vested or unvested, will terminate immediately. The Compensation Committee may provide for accelerated vesting of an award upon, or as a result of events following, a change of control. This may be done in the award agreement or in connection with the change of control. In the event of a change of control, the Compensation Committee may also cause an award to be canceled in exchange for a cash payment to the participant or cause an award to be assumed by a successor corporation.

In December 2012, the Compensation Committee approved forms of award agreements to be used under the 2012 Equity Plan, which supplement the terms of the 2012 Equity Plan applicable to the awards thereunder, including as follows:

- The form of option agreement includes a definition of termination for "Cause" (if no definition is otherwise applicable to the award recipient under an employment agreement or arrangement with the Company) upon which all options, whether vested or unvested will be forfeited.

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- The form of restricted stock award agreement for our directors provides that upon a change of control, the restricted stock will become fully vested.
- The form of restricted stock award agreement for our employees and consultants provides that upon a change of control, restricted stock that remains outstanding or is exchanged or converted into securities of the acquiring or successor entity will continue to vest in accordance with the terms set forth in the award agreement. If upon a change of control the restricted stock will be canceled in exchange for cash consideration, in the case of awards held by our executive officers at the time of such change of control, the restricted stock will instead be converted into a right to receive such cash consideration upon satisfaction of the vesting and other terms and conditions of the award agreement in effect immediately prior to the change of control.
- The form of performance unit award agreement provides for the establishment of (a) vesting dates on which the award recipient must continue to be employed or otherwise providing service to us and (b) performance criteria to be achieved by us over a performance period and, based on the extent to which the performance criteria are achieved and if the award recipient provided continuous service to us until the vesting date, a corresponding number of performance units subject to the award will vest (which number may range from zero percent to a specified maximum percent of the target number of performance units eligible for vesting based on such criteria). If the award recipient's employment or other service status with us terminates, the award will terminate as to any units that are unvested at the time of such termination, unless (x) such termination is due to death or disability, in which case a pro rata portion of the award shall vest based on the portion of the performance period for which service was provided, or (y) the termination occurs before the vesting date but after the end of the performance period and is other than for cause (as defined in the agreement), in which case the applicable number of units will vest for that performance period as if such termination had not occurred. The agreement also provides that upon a change of control, if the vesting of the units is accelerated pursuant to the 2012 Equity Plan or the Change in Control Plan, then unless the Compensation Committee determines otherwise, the number of units that will vest for any incomplete performance period as of the change of control will be the target amount.

The terms of outstanding awards held by the named executive officers under the 2007 Equity Plan are described below.

In addition, as described above under "—Change in Control Plan," in the event of a qualifying termination with the 24 months following a change in control, each of our named executive officers will be entitled to accelerated vesting of all outstanding equity awards.

Stock Options: Ms. Smith

Pursuant to the terms of Ms. Smith's option agreement, upon a termination of Ms. Smith's employment with us by her for Good Reason or by us other than for Cause, Ms. Smith will be entitled to receive accelerated vesting of her outstanding options (50% in the event of a termination of employment other than after a qualifying change in control and 100% in the event of a termination of employment following a qualifying change in control). A portion of Ms. Smith's outstanding stock options will become exercisable only following a Qualifying Liquidity Event in which the value of our common stock exceeds certain minimum thresholds at the time of the event and, in the case of an initial public offering, for a subsequent six-month period. Our initial public offering met the thresholds for a Qualifying Liquidity Event at the time of the offering and the options became exercisable (o the extent the applicable service periods have been met) because the volume-weighted average trading price of our common stock, as defined in the agreement, was equal to or greater than the specified performance targets over a rolling six-month period as of February 3, 2013. The options, to the extent vested, will remain outstanding for a period ranging from 90 days to three years in the case of a termination of Ms. Smith's employment, depending on the type of option and the nature of the termination, except that all options, whether or not then vested, will be forfeited on a termination for Cause.

Stock Options: Messrs. Deno, Shlemon and Smith

Pursuant to agreements with Messrs. Deno, Shlemon and Smith, any then outstanding unvested stock options will terminate upon any termination of employment (in connection with a change in control or otherwise). To the extent the stock option is vested and exercisable prior to the cessation of employment, the stock option will remain exercisable (a) for one year in the case of a termination of employment resulting from death or Disability or (b) for 90 days following the termination of employment for any other reason.

Restricted Stock: Mr. Shlemon

Pursuant to an agreement with Mr. Shlemon, unvested restricted stock will vest immediately upon (a) a change in control; (b) termination of the executive by us without Cause; (c) termination by the executive for Good Reason or (d) death or Disability. Unvested restricted stock will immediately be forfeited if the executive is terminated by us for Cause.

Restrictive Covenants

Each of the named executive officers is subject to non-competition and other restrictive covenants under his or her employment agreement. Based on the terms of their agreements, each named executive officer has agreed not to compete with us during his or her employment and for a specified period of time following a termination of employment for any reason (Ms. Smith, Ms. Bilney, Mr. Deno, Mr. Shlemon and Mr. Smith for a period of 24 months and Mr. Montgomery for a period of 12 months). Each named executive officer's continued compliance with this non-competition covenant is a condition to our obligation to pay the severance amounts due under his or her employment agreement.

Tax Adjustment

If the benefits payable under the Change in Control Plan and other benefits that the executive is entitled to receive from us upon a change in control would constitute a "parachute payment" within the meaning of Section 280G of the Code, we will reduce the executive officer's payments and benefits payable under the Change in Control Plan to the extent necessary so that no portion of the benefits are subject to the excise tax imposed by Section 4999 of the Code, but only if there is a net after-tax benefit to the executive by making that reduction.

Life Insurance

We maintained an endorsement split-dollar life insurance policy with a $5.0 million death benefit for Mr. Montgomery. We were the beneficiary of the policy to the extent of premiums paid or the cash value, whichever is greater, with the balance being paid to a personal beneficiary designated by Mr. Montgomery. Replacing a previous agreement not to terminate the arrangements regardless of continued employment, we entered into a termination agreement with Mr. Montgomery providing for a termination of our obligation to provide such coverage, which was fully vested at the time of his resignation, in exchange for a $150,000 payment.

Executive Benefits and Payments Upon Separation

The table below reflects the amount of compensation payable under the employment agreements and arrangements described above to the individuals serving as named executive officers other than Mr. Montgomery and Ms. Bilney, following a termination of employment (a) by us without Cause or by the executive for Good Reason without a change in control, (b) by us without Cause or by the executive for Good Reason, following a change in control assuming that such termination constitutes a qualifying termination under the Change in Control Plan, (c) by the executive voluntarily, (d) as a result of Disability or (e) as a result of death, in each case, assuming that such termination of employment occurred on December 31, 2012.

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Mr. Montgomery resigned from his employment with us effective January 14, 2013 and was not entitled to any payments under his employment agreement or other arrangements with us. We agreed on February 28, 2013 to terminate our obligation to provide the endorsement split-dollar life insurance policy, which was fully vested at the time of his resignation, in exchange for a $150,000 payment and extended the expiration date of his vested options until May 27, 2013.

Ms. Bilney resigned from her employment with us effective March 29, 2013 and was not entitled to any payments under her employment agreement or other arrangements with us. We did not make any severance or other payments to Ms. Bilney in connection with her resignation.

No payments or benefits are due to the named executive officers following a termination of employment for Cause. The table assumes that the change in control transaction resulted in per share consideration of $15.64, which was the closing price per share of our common stock on the Nasdaq Global Select Market on December 31, 2012. The actual amounts to be paid upon a termination of employment or a change in control can only be determined at the time of such executive's separation from us, or upon the occurrence of a change in control (if any).

Named Executive Officer	Executive Payments and Benefits Upon Separation (1)	Involuntary Termination Without Cause or Termination by Executive For Good Reason Without Change in Control ($)	Involuntary Termination Without Cause or Termination by Executive For Good Reason With Change in Control ($)	Voluntary Termination ($)	Disability ($)	Death ($)
Elizabeth A. Smith (2)	Severance	$ 2,891,552	$ 3,766,209	$ —	$ —	$ —
	Stock Options (3)	7,574,925	42,844,500	617,100	4,593,000	4,593,000
	Health and Welfare Benefits	—	17,574	—	—	—
	Total	**$10,466,477**	**$46,628,283**	**$ 617,100**	**$4,593,000**	**$4,593,000**
David J. Deno	Severance	$ 600,000	$ 1,665,000	$ —	$ —	$ —
	Stock Options (3)	—	424,000	—	—	—
	Health and Welfare Benefits	—	20,476	—	—	—
	Total	**$ 600,000**	**$ 2,109,476**	**$ —**	**$ —**	**$ —**
Steven T. Shlemon	Severance	$ 500,000	$ 1,387,500	$ —	$ —	$ —
	Stock Options (3)	1,973,326	2,321,560	1,973,326	1,973,326	1,973,326
	Restricted Stock	782,000	782,000	—	782,000	782,000
	Health and Welfare Benefits	—	17,861	—	—	—
	Total	**$ 3,255,326**	**$ 4,508,921**	**$ 1,973,326**	**$2,755,326**	**$2,755,326**
Jeffrey S. Smith	Severance (4)	$ 500,000	$ 1,387,500	$ —	$ —	$ —
	Stock Options (3)	$ 2,322,931	$ 2,732,860	$ 2,322,931	$2,322,931	$2,322,931
	Health and Welfare Benefits	$ —	$ 17,861	$ —	$ —	$ —
	Total	**$ 2,822,931**	**$ 4,138,221**	**$ 2,322,931**	**$2,322,931**	**$2,322,931**

(1) Amounts in the table do not include amounts for accrued but unpaid base salary, annual bonus or other expenses or any outplacement services.

(2) This table assumes that Ms. Smith is not entitled to a pro rata bonus on a termination due to death or Disability since she is assumed to have been employed until the end of the fiscal year.

(3) Amounts represent intrinsic value of vested stock options since the fair market value of a share of our common stock, as of December 31, 2012, was greater than the exercise price of the stock options held by the named executive officers.
(4) Mr. Smith's severance (base salary in effect at termination) is only payable upon termination of employment by the Company without cause (as defined in his employment agreement).

Director Compensation

The Compensation Committee has determined that directors who are not our employees, Founders or associated with our Sponsors receive the following compensation for their service on our Board of Directors:

- An annual retainer of $90,000;
- An additional annual retainer of $20,000 for serving as chair and $10,000 for serving as a member (other than the chair) of the Audit Committee;
- An additional annual retainer of $15,000 for serving as chair and $7,500 for serving as a member (other than the chair) of the Compensation Committee;
- An additional annual retainer of $10,000 for serving as chair and $5,000 for serving as a member (other than the chair) of the Nominating and Corporate Governance Committee; and
- An annual grant of restricted stock having a fair market value of $100,000 vesting as to one-third of the shares subject to the grant on each anniversary of the grant date, granted under our 2012 Equity Plan.

The following table summarizes the amounts earned and paid to non-employee directors during 2012:

Name	Fees Earned or Paid in Cash ($)	Stock Awards (1) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Andrew B. Balson (2)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Robert D. Basham (3)(4)	—	—	—	—	—	464,769	464,769
J. Michael Chu (2)	—	—	—	—	—	—	—
Mindy Grossman	50,000	100,000	—	—	—	—	150,000
David Humphrey (2)(5)	—	—	—	—	—	—	—
Philip H. Loughlin (2)(5)	—	—	—	—	—	—	—
John J. Mahoney	82,500	100,000	—	—	—	—	182,500
Mark E. Nunnelly (2)	—	—	—	—	—	—	—
Chris T. Sullivan (3)	—	—	—	—	—	464,769	464,769
Mark Verdi (2)(6)	—	—	—	—	—	—	—

(1) Represents restricted stock, which vests as to one-third of the shares subject to the grant on each anniversary of the grant date. The amounts represent the aggregate grant date fair values computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. As of December 31, 2012, 6,859 shares were held by Mr. Mahoney and 6,939 shares were held by Ms. Grossman, none of which were vested.
(2) Directors are associated with our Sponsors and do not receive compensation for service on the Board of Directors.

(3) Mr. Basham and Mr. Sullivan are two of our Founders, who do not receive compensation for their service on the Board of Directors. As result of the termination of their employment agreements effective October 1, 2010, each Founder received a severance payment of $600,000, which is equal to the amount of base salary due the Founder through the later of the termination date of the employment agreement or 24 months. The severance payments are payable bi-weekly over a two-year period from their termination dates and totaled $230,769 for each of Messrs. Basham and Sullivan during 2012, which completed our payment obligations. The amounts in the table include $234,000 of premiums paid by us during 2012 for each of Mr. Basham and Mr. Sullivan under a split-dollar life insurance policy pursuant to an agreement entered into with us while they were employees. During the first quarter of 2013, we terminated the agreement obligating us to maintain the policy with respect to Mr. Sullivan, and canceled his policy. Mr. Basham continues to receive coverage under his agreement.
(4) Mr. Basham's term as a Director ended at our annual meeting on April 24, 2013.
(5) Mr. Loughlin resigned from and Mr. Humphrey was appointed to the Board of Directors effective September 2012.
(6) Mr. Verdi resigned from the Board of Directors effective May 2012.

Equity Incentive Plans

2012 Incentive Award Plan

In connection with our initial public offering, our Board of Directors adopted the 2012 Equity Plan. The 2012 Equity Plan replaced our 2007 Equity Plan (described below). The following summary describes the material terms of the 2012 Equity Plan. This summary is not a complete description of all provisions of the 2012 Equity Plan and is qualified in its entirety by reference to the 2012 Equity Plan, a copy of which has been filed with the SEC.

Purpose. The purposes of the 2012 Equity Plan are to motivate and reward employees and other individuals who are expected to contribute significantly to our success to perform at the highest level and to further our best interests.

Administration. The 2012 Equity Plan is administered by our Compensation Committee. The Compensation Committee has the authority to, among other things, designate recipients, determine the types, amounts and terms and conditions of awards, and to take other actions necessary or desirable for the administration of the 2012 Equity Plan. The Compensation Committee also has authority to implement certain clawback policies and procedures, and may provide for clawbacks as a result of financial restatements in an award agreement.

Authorized Shares. Subject to adjustment as described in the 2012 Equity Plan, the maximum number of shares of our common stock issuable pursuant to the 2012 Equity Plan is currently 5,422,469 shares. As of the first business day of each fiscal year, the aggregate number of shares that may be issued pursuant to the 2012 Equity Plan will automatically increase by a number equal to 2% of the total number of our shares then issued and outstanding. Shares underlying awards that are expired, forfeited, or otherwise terminated without the delivery of shares, or are settled in cash, will again be available for issuance under the 2012 Equity Plan.

Eligibility. Awards may be granted to employees, consultants and Directors. In certain circumstances, we may also grant substitute awards to holders of equity-based awards of a company that we acquire or combine with (a "substitute award").

Types of Awards. The 2012 Equity Plan provides for grants of stock options, stock appreciation rights, restricted stock and restricted stock units, performance awards and other stock-based awards determined by the Compensation Committee.

- *Stock Options.* The exercise price of an option is not permitted to be less than the fair market value of a share of our common stock on the date of grant, other than in the case of a substitute award. The Compensation Committee determines the vesting, exercise and other terms, although the term

of an option may not exceed ten years from the grant date. However, the committee may provide for an extension of such ten-year term in an award agreement if exercise at expiration would be prohibited by law or our insider trading policy. Options may be granted as incentive stock options that meet the requirements of Section 422 of the Internal Revenue Code.

- *Stock Appreciation Rights.* A stock appreciation right is an award that entitles the participant to receive stock or cash upon exercise or settlement that is equal to the excess of the value of the shares subject to the right over the exercise or hurdle price of the right. The exercise or hurdle price is not permitted to be less than the fair market value of a share of our common stock on the date of grant, other than in the case of a substitute award. The Compensation Committee determines the vesting, exercise and other terms, although the term of a stock appreciation right may not exceed ten years from the grant date. However, the committee may provide for an extension of such ten-year term in an award agreement if exercise at expiration would be prohibited by law or our insider trading policy.

- *Restricted Stock and Restricted Stock Units.* A restricted stock award is an award of our common stock subject to vesting restrictions. A restricted stock unit is a contractual right to receive cash, shares or a combination of both based on the value of a share of our common stock. The Compensation Committee determines the vesting and delivery schedule and other terms of restricted stock and restricted stock unit awards.

- *Performance Awards.* A performance award is an award, which may be stock-based or cash-based, that is earned upon achievement or satisfaction of performance conditions specified by the Compensation Committee.

- *Other Stock-Based Awards.* The Compensation Committee may also grant other awards that are payable in or otherwise based on or related to shares of common stock and determine the terms and conditions of such awards.

Termination of Employment or Service. The Compensation Committee determines the effect of a termination of employment or service on an award. However, unless otherwise provided in the award agreement or thereafter, upon a termination of employment or service all unvested options and stock appreciation rights terminate. Unless otherwise provided, vested options and stock appreciation rights must be exercised within certain limited time periods after the date of termination, depending on the reason for termination; except that if a participant's employment or service is terminated for cause (as defined in the award agreement), all options and stock appreciation rights, whether vested or unvested, terminate immediately.

Performance Measures. The 2012 Equity Plan provides that grants of performance awards are to be made based upon, and subject to achieving, one or more performance measures over a performance period of not less than one year established by the Compensation Committee.

If the Compensation Committee intends that a performance award qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code, the award agreement will include a pre-established formula, such that payment, retention or vesting of the award is subject to the achievement of one or more performance measures during a performance period. The performance measures must be specified in the award agreement or by the Compensation Committee within the first 90 days of the performance period. Performance measures may be established on an absolute or relative basis, and may be established on a corporate-wide basis or with respect to one or more concepts, business units, divisions, subsidiaries or business segments. Relative performance may be measured against a group of peer companies, a financial market index or other acceptable objective and quantifiable indices.

A performance measure with respect to a performance award intended to qualify as performance-based compensation for purposes of Section 162(m) means one or more of the following measures with respect to the

Company or our restaurant concepts: sales; revenue; net sales; net revenue; revenue or sales growth or product revenue or sales growth; comparable or same restaurant sales; system-wide sales; operating income (before or after taxes); pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus); net earnings; earnings per share; net income or loss (before or after taxes); return on equity; total stockholder return; return on assets or net assets; appreciation in and/or maintenance of share price; market share; gross profits; earnings or loss (including earnings or loss before taxes, interest and taxes, or interest, taxes, depreciation and amortization including, in each case, specified adjustments); economic value-added models or equivalent metrics; comparisons with various stock market indices; reductions in costs; cash flow or cash flow per share (before or after dividends); return on capital (including return on total capital or return on invested capital); cash flow return on investment; improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable; operating margin; gross margin; cash margin; year-end cash; debt reduction; stockholder equity; operating efficiencies; market share; customer satisfaction; customer growth; employee satisfaction; research and development achievements; regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents and passing pre-approval inspections); financial ratios, including those measuring liquidity, activity, profitability or leverage; cost of capital or assets under management; financing and other capital raising transactions (including sales of the Company's equity or debt securities; sales or licenses of the Company's assets, including its intellectual property, whether in a particular jurisdiction or territory or globally; or through partnering transactions); and implementation, completion or attainment of measurable objectives with respect to research, development, commercialization, products or projects, production volume levels, acquisitions and divestitures; and recruiting and maintaining personnel.

With respect to any award intended to qualify as performance-based compensation for purposes of Section 162(m), no more than the following amounts of awards may be awarded to any participant during any calendar year, subject to adjustment as described in the 2012 Equity Plan: (i) options and stock appreciation rights that relate to 2,000,000 shares of common stock; (ii) performance awards that relate to 1,000,000 shares of common stock and (iii) cash awards that relate to $6.0 million.

Transferability. Awards under the plan generally may not be transferred except through will or by the laws of descent and distribution. However, if provided in an award agreement (for awards other than incentive stock options), certain additional transfers may be permitted in limited circumstances.

Change of Control. The Compensation Committee may provide for accelerated vesting of an award upon, or as a result of events following, a change of control (as defined in the 2012 Equity Plan). This may be done in the award agreement or in connection with the change of control. In the event of a change of control, the Compensation Committee may also cause an award to be canceled in exchange for a cash payment to the participant or cause an award to be assumed by a successor corporation.

No Repricing. Stockholder approval is required in order to reduce the exercise or hurdle price of an option or stock appreciation right or to cancel such an award in exchange for a new award when the exercise or hurdle price is below the fair market value of the underlying common stock.

Amendment and Termination. The Board of Directors may amend or terminate the 2012 Equity Plan. Stockholder approval (if required by law or stock exchange rule) or participant consent (if the action would materially adversely affect the participant's rights) may be required for certain actions. The 2012 Equity Plan will terminate on the earliest of: (i) ten years from its effective date and (ii) when the Board of Directors terminates the 2012 Equity Plan.

2007 Equity Incentive Plan

The following is a description of the material terms of our 2007 Equity Plan. This summary is not a complete description of all provisions of the 2007 Equity Plan and is qualified in its entirety by reference to the

2007 Equity Plan, a copy of which has been filed with the SEC. We no longer grant awards under the 2007 Equity Plan and instead grant awards under the 2012 Equity Plan (described above). However, 2007 Equity Plan continues to govern outstanding awards granted under it.

Administration. The 2007 Equity Plan is administered by our Board of Directors, subject to delegation to a committee or other persons in certain circumstances. The administrator has the authority to interpret the 2007 Equity Plan, to determine eligibility for and grant awards, to determine, modify or waive the terms and conditions of awards, and otherwise to do all things necessary to carry out the purposes of the 2007 Equity Plan.

Authorized Shares. As of May 6, 2013, options to purchase 10,133,551 shares of our common stock at a weighted average exercise price of approximately $7.67 were outstanding under the 2007 Equity Plan. As noted above, we no longer grant awards under the 2007 Equity Plan.

Termination of Employment. Unless otherwise provided by the administrator, upon a termination of employment all unvested awards are forfeited. Unless otherwise provided, vested options must be exercised within certain limited time periods after the date of termination, depending on the reason for termination; provided, however, that if a participant's employment is terminated for cause, all options terminate immediately.

Transferability. Awards under the 2007 Equity Plan may not be transferred except through will or by the laws of descent and distribution.

Corporate Transactions. In the event of certain corporate transactions (including dissolution or liquidation, the sale of substantially all of the assets, or certain mergers or consolidations), unless otherwise provided in connection with a particular award, the administrator may provide for substitution of new awards for outstanding awards or may cancel awards in exchange for a cash payments based on the value of the award, in each case subject to restrictions that the administrator deems appropriate.

Amendment and Termination. The administrator may amend or terminate the 2007 Equity Plan. Stockholder approval (if required by law) or participant consent (if the action would materially adversely affect the participant's rights) may be required for certain actions.

RELATED PARTY TRANSACTIONS

Review, Approval or Ratification of Transactions with Related Persons

Our Board of Directors has adopted a written Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics requires each member of the Board of Directors and each member of management and the management of our subsidiaries and of each of our significant affiliates to disclose to the Chief Legal Officer and/or Audit Committee, as applicable, the material terms of any related person transaction, including the approximate dollar value of the amount involved in the transaction, and all the material facts as to the related person's direct or indirect interest in, or relationship to, the related person transaction. The Chief Legal Officer and/or Audit Committee must advise the Board of Directors of the related person transaction and any requirement for disclosure in our applicable filings under the Securities Act or the Exchange Act and related rules, and, to the extent required to be disclosed, management must ensure that the related person transaction is disclosed in accordance with such acts and related rules.

The transactions below were reviewed under our Code of Business Conduct and Ethics or, with respect to transactions prior to our initial public offering, under a similar written code of business conduct and ethics of OSI.

Arrangements With Our Sponsors and Founders

Management Agreement

Upon completion of the Merger, we entered into a management agreement with the Management Company, whose members are our Founders and entities associated with our Sponsors. In accordance with the management agreement, the Management Company was to provide management services to us until the tenth anniversary of the completion of the Merger, with one-year extensions thereafter until terminated. The management agreement provided that it would terminate automatically immediately prior to our completion of an initial public offering. Under the terms of the agreement, the Management Company received an aggregate annual management fee equal to $9.1 million and reimbursement for out-of-pocket and other reimbursable expenses incurred by it, its members, or their respective affiliates in connection with the provision of services pursuant to the agreement. The management agreement also included customary exculpation and indemnification provisions in favor of the Management Company, Bain Capital and Catterton and their respective affiliates.

In May 2012, we amended the management agreement to provide that if the management agreement was terminated due to our completion of an initial public offering in 2012, the Management Company would receive, within 60 days of completion of the initial public offering, but in all events on or before December 31, 2012, a termination fee of $8.0 million. This termination fee was payable in addition to the pro-rated periodic fee as provided in the management agreement. The management agreement terminated in connection with our initial public offering in August 2012, and we paid management fees to the Management Company, including the termination fee, out-of-pocket and other reimbursable expenses, of approximately $13.8 million for the year ended December 31, 2012. We paid management fees, including out-of-pocket and other reimbursable expenses, of $9.4 million and $11.6 million for the years ended December 31, 2011 and 2010, respectively.

Stockholders Agreement

In connection with the Merger, we entered into a stockholders agreement with our Sponsors, Founders and certain other stockholders. In connection with the completion of the initial public offering, all of the provisions of the stockholders agreement terminated in accordance with the terms of the stockholders agreement.

On August 7, 2012, we entered into the Stockholders Agreement with our Sponsors and two of our Founders that became effective upon consummation of the initial public offering. This Stockholders Agreement

grants our Sponsors the right, subject to certain conditions, to nominate representatives to our Board of Directors and committees of our Board of Directors. As long as the Sponsors collectively own (directly or indirectly) more than 15% of our outstanding common stock, Bain Capital has the right to designate two nominees and Catterton has the right to designate one nominee for election to our Board of Directors. However, if Catterton's ownership level falls below 1% of our outstanding common stock, Catterton will no longer have a right to designate a nominee and Bain Capital will have the right to designate three nominees for election to our Board of Directors. If at any time the Sponsors own more than 3% and less than 15% of our outstanding common stock, Bain Capital will have the right to designate two nominees for election to our Board of Directors. However, if at the time of the nomination, Catterton's ownership percentage of our outstanding common stock is greater than Bain Capital's ownership percentage, each of Bain Capital and Catterton will have the right to designate one nominee for election to our Board of Directors. Bain Capital also has certain contractual rights to have one of its nominees serve on each committee of our Board of Directors, other than the audit committee, as long as the Sponsors collectively own (directly or indirectly) at least 35% of our outstanding common stock. In addition, as long as the Sponsors collectively own (directly or indirectly) more than 40% of our outstanding common stock, our Board of Directors must not, and we are required to take all necessary action to ensure that our Board of Directors does not, exceed nine directors, unless Bain Capital requests that the size of the Board of Directors be increased up to the maximum permitted under our organizational documents and appoints directors to fill the vacancies.

Registration Rights Agreement

In connection with the Merger, we entered into a registration rights agreement with our Sponsors, Founders and certain other stockholders. The registration rights agreement provided the Sponsors and Founders with certain demand registration rights in respect of the shares of our common stock held by them. The Sponsors, Founders and certain other stockholders exercised their rights under the agreement and sold common stock in our initial public offering.

In connection with our initial public offering, on August 7, 2012, we amended and restated the registration rights agreement to remove provisions that apply to an initial public offering, to facilitate charitable giving in connection with securities offerings and to make other clarifying changes. Under the amended and restated agreement, in the event that we register additional shares of common stock for sale to the public, we are required to give notice of such registration to the Sponsors, two of our Founders and certain other stockholders of our intention to effect such a registration, and, subject to certain limitations, such stockholders have piggyback registration rights providing them with the right to require us to include in such registration the shares of common stock held by them (excluding any shares that may be disposed of under Rule 144 without a volume limitation). We are required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, associated with any registration of shares by the Sponsors, two of our Founders or other holders described above. The registration rights agreement also contains certain restrictions on the sale of shares by the Sponsors and two of our Founders. The registration rights agreement includes customary indemnification provisions in favor of any person who is or might be deemed a controlling person within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, who the Company refer to as controlling persons, and related parties against liabilities under the Securities Act incurred in connection with the registration of any of our debt or equity securities. These provisions provide indemnification against certain liabilities arising under the Securities Act and certain liabilities resulting from violations of other applicable laws in connection with any filing or other disclosure made by us under the securities laws relating to any such registration. We have agreed to reimburse such persons for any legal or other expenses incurred in connection with investigating or defending any such liability, action or proceeding, except that we are not required to indemnify any such person or reimburse related legal or other expenses if such loss or expense arises out of or is based on any untrue statement or omission made in reliance upon and in conformity with written information provided by such person.

Lease Payments

In the three months ended March 31, 2013, MVP, an entity owned primarily by our Founders (one of whom is also our Director) paid us approximately $0.2 million and in 2012, 2011 and 2010. MVP paid us approximately $0.6 million per year in lease payments for two restaurants in its Lee Roy Selmon's concept, which was purchased from us in 2008. We also guarantee lease payments by MVP under two leases.

Other Arrangements

Tax Loans

Shares of restricted stock issued at the time of the Merger to certain of our current and former executive officers and other members of management vested each June 14 through 2012. In accordance with the terms of their applicable agreements, we made loans to these individuals for their personal income tax and associated interest obligations that resulted from vesting of the restricted stock. The loans were full recourse and are collateralized by the vested shares of restricted stock. During the first quarter of 2012, Mr. Montgomery, Ms. Bilney and Mr. Kadow repaid their loans in full, by payment to us of the following amounts: $0.8 million, $0.2 million and $0.4 million, respectively. The loans had interest rates ranging from 2.25% to 3.46%. After such payment, no further amounts remained outstanding under loans to our current directors or executive officers. In 2011, we made loans to executive officers as follows: Jody L. Bilney, $0.1 million; and Dirk A. Montgomery, $0.3 million. In 2010, we made loans to executive officers as follows: Ms. Bilney, $0.1 million; Joseph J. Kadow, $6,000; and Mr. Montgomery, $0.2 million.

Director and Executive Officer Investments and Employment Arrangements

Jeffrey S. Smith, our Executive Vice President and President of Outback Steakhouse, has made investments in the aggregate amount of approximately $0.5 million in eleven Outback Steakhouse restaurants, thirteen Carrabba's Italian Grill restaurants and fourteen Bonefish Grill restaurants (five of which are franchise restaurants). Mr. Smith received distributions of approximately $39,000 for the three months ended March 31, 2013 and $0.1 million in each of the years ended December 31, 2012, 2011 and 2010 from these ownership interests.

Relationships With Family Members of Executive Officers

A sibling of Steven T. Shlemon, our Executive Vice President and President of Carrabba's, is employed with one of our subsidiaries as a restaurant managing partner, and received compensation, including bonus, of approximately $31,000 for the three months ended March 31, 2013 and $0.1 million for each of the years ended December 31, 2012, 2011 and 2010. As a qualified managing partner, the sibling was entitled to make investments in our restaurants, on the same basis as other qualified managing partners, and made an additional investment of approximately $0.5 million in partnerships that own and operate two Outback Steakhouse restaurants. This sibling received distributions of approximately $12,000 for the three months ended March 31, 2013 and $36,000, $34,000 and $26,000 in the years ended December 31, 2012, 2011 and 2010, respectively, related to his investments as a qualified managing partner and approximately $38,000 for the three months ended March 31, 2013 and $0.1 million in each of such annual period related to his additional investments in the partnerships noted above.

A sibling of Joseph J. Kadow, our Executive Vice President and Chief Legal Officer, was employed by one of our subsidiaries as a Vice President of Operations until his retirement on December 31, 2012. The sibling received total cash compensation of approximately $0.6 million, $0.6 million and $0.7 million in the years ended December 31, 2012, 2011 and 2010, respectively, and benefits consistent with other employees in the same capacity. The sibling also received loans of approximately $0.1 million during 2012 for personal income tax and associated interest obligations that resulted from vesting of restricted stock. As of December 31, 2012 an

aggregate of $0.3 million was outstanding on the 2012 loan and loans from prior years, which was repaid full on February 15, 2013. We entered into a severance agreement with the sibling under which the sibling received cash severance in the amount of approximately $0.4 million, $0.2 million under the 2012 annual bonus plan and accelerated vesting of and extended exercise terms for his equity awards, among other things. In addition, the sibling received distributions that were based on a percentage of annual cash flows for particular restaurants (on the same basis as other similarly situated employees/investors) and distributions based on his investment of an aggregate of $0.4 million in 26 limited partnerships that own and operate nine Outback Steakhouse restaurants, 11 Bonefish Grill restaurants and six Carrabba's Italian Grill restaurants. In 2012, 2011 and 2010, the sibling received an aggregate amount of $0.1 million per year for distributions from these restaurants and in 2012 the sibling received an aggregate of $0.5 million for the repurchase of all of his interests in these restaurants.

The wife of John W. Cooper, who was our Executive Vice President and President of Bonefish Grill until he retired in January 2013, is employed by one of our subsidiaries as Senior Vice President, Training. She received total cash compensation of approximately and $0.3 million in each of 2012, 2011 and 2010 and benefits consistent with other employees in the same capacity.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock on May 6, 2013 for:

- each person whom we know beneficially owns more than five percent of our common stock;
- each of our Directors;
- each of our named executive officers;
- all of our current Directors and executive officers as a group; and
- each selling stockholder.

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Unless otherwise indicated below, the address for each listed Director and officer is c/o Bloomin' Brands, Inc., 2202 North West Shore Boulevard, Suite 500, Tampa, Florida 33607. The selling stockholders in this offering may be deemed to be underwriters.

The percentage of common stock beneficially owned by each person before the offering is based on 123,165,107 shares of common stock outstanding as of May 6, 2013. The percentage beneficially owned after the offering includes 300,000 shares to be issued upon the exercise of options by selling stockholders and is based on 123,465,107 shares of common stock expected to be outstanding following the offering. See "Description of Capital Stock." Shares of common stock that may be acquired within 60 days following May 6, 2013 pursuant to the exercise of options are deemed to be outstanding for the purpose of computing the percentage ownership of such holder but are not deemed to be outstanding for computing the percentage ownership of any other person shown in the table.

Upon completion of this offering, an investor group consisting of funds advised by our Sponsors and two of our Founders will continue to beneficially own more than 50% of our common stock. As a result, we will continue to be a "controlled company" within the meaning of the corporate governance rules of Nasdaq.

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Name of Beneficial Owner	Shares Owned before the Offering			Shares Owned after the Offering				
	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	Number of Shares to be Sold in the Offering	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	Number of Additional Shares to be Sold at Underwriters' Option	Number of Shares Beneficially Owned if Underwriters' Option is Exercised in Full	Percentage of Shares Beneficially Owned if Underwriters' Option is Exercised in Full
Beneficial Owners of 5% or More of Our Common Stock:								
Bain Capital Entities (1)(2)	67,527,489	54.83%	11,829,058	55,698,431	45.11%	1,806,234	53,892,197	43.65%
Catterton Partners and Related Funds (2)(3)	14,010,558	11.38%	2,454,285	11,556,273	9.36%	374,756	11,181,517	9.06%
Robert D. Basham (2)(4)	8,036,002	6.52%	1,201,457	6,834,545	5.54%	221,636	6,612,909	5.36%
Directors and Named Executive Officers:								
Andrew B. Balson (5)	—	—	—	—	—	—	—	—
Jody L. Bilney	875	*	—	875	*	—	875	*
J. Michael Chu (2)(3)(6)	14,010,558	11.38%	2,454,285	11,556,273	9.36%	374,756	11,181,517	9.06%
David J. Deno (7)	82,500	*	—	82,500	*	—	82,500	*
Mindy Grossman	6,939	*	—	6,939	*	—	6,939	*
David Humphrey (5)	—	—	—	—	—	—	—	—
John J. Mahoney	6,859	*	—	6,859	*	—	6,859	*
Dirk A. Montgomery	411,500	*	—	411,500	*	—	411,500	*
Mark E. Nunnelly (5)	—	—	—	—	—	—	—	—
Stephen T. Shlemon (8)	606,691	*	—	606,691	*	—	606,691	*
Elizabeth A. Smith (9)	2,830,000	2.25%	250,000	2,580,000	2.05%	—	2,580,000	2.05%
Jeffrey S. Smith (10)	324,150	*	—	324,150	*	—	324,150	*
Chris T. Sullivan (2)(11)	5,544,753	4.50%	1,000,200	4,544,553	3.68%	147,374	4,397,179	3.56%
All current Directors and executive officers as a group (15 persons) (12)	24,287,645	19.11%	3,754,485	20,533,160	16.15%	522,130	20,011,030	15.74%
Other Selling Stockholders:								
David P. Berg (13)	52,500	*	50,000	2,500	*	—	2,500	*
Metropolitan Ministries	50,000	*	50,000	—	—	—	—	—
Michael J. Fox Foundation	165,000	*	165,000	—	—	—	—	—

* Indicates less than one percent of common stock.

(1) Based on information contained in a Schedule 13G filed on February 14, 2013. The shares included in the table consist of: (i) 52,043,223 shares of common stock held by Bain Capital (OSI) IX, L.P., whose general partner is Bain Capital Partners IX, L.P., whose general partner is Bain Capital Investors, LLC ("BCI"); (ii) 14,739,160 shares of common stock held by Bain Capital (OSI) IX Coinvestment, L.P., whose general partner is Bain Capital Partners IX, L.P., whose general partner is BCI; (iii) 614,282 shares of common stock held by Bain Capital Integral 2006, LLC, whose administrative member is BCI; (iv) 122,344 shares of common stock held by BCIP TCV, LLC, whose administrative member is BCI; and (v) 8,480 shares of common stock held by BCIP Associates-G, whose managing partner is BCI. As a result of these relationships, BCI may be deemed to share beneficial ownership of the shares held by each of Bain Capital (OSI) IX, L.P., Bain Capital (OSI) IX Coinvestment, L.P., Bain Capital Integral Investors 2006, LLC, BCIP TCV, LLC and BCIP Associates-G (collectively, the "Bain Capital Entities"). Voting and investment determinations with respect to the shares held by the Bain Capital Entities are made by an investment committee comprised of the following managing directors of BCI: Andrew Balson, Steven Barnes, Joshua Bekenstein, Louis Bremer, John Connaughton, Todd Cook, Paul Edgerley, Christopher Gordon, Blair Hendrix, Jordan Hitch, David Humphrey, John Kilgallon, Lewis Klessel, Matthew Levin, Ian Loring, Phillip Loughlin, Seth Meisel, Mark Nunnelly, Stephen Pagliuca, Ian Reynolds, Mark Verdi and Stephen Zide. By virtue of the relationships described in this footnote, the investment committee of BCI may be deemed to exercise voting and dispositive power with respect to the shares held by the Bain Capital Entities. Each of the members of the investment committee of BCI disclaims beneficial ownership of such shares. Certain partners and other employees of the Bain Capital Entities may make a contribution of shares of common stock to one or more charities prior to this offering. In such case, a recipient charity, if it chooses to participate in this offering, will be the selling stockholder with respect to the donated shares. Each of the Bain Capital Entities has an address c/o Bain Capital Partners, LLC, John Hancock Tower, 200 Clarendon Street, Boston, Massachusetts 02116.

(2) The Schedule 13G filed by each of the Bain Capital Entities, Catterton Partners and Related Funds, Mr. Basham, Mr. Sullivan and entities affiliated with Mr. Basham and Mr. Sullivan identified in footnotes 5 and 13, respectively, on February 14, 2013 indicate that such stockholders are members of a "group" as defined under Section 13(d) of the Exchange Act and, as a result, they each may be deemed to have beneficial ownership of the aggregate number of shares held by such group. As of May 6, 2013, the group members collectively own 95,118,802 shares, which represents approximately 77.2% of our outstanding shares. Each of the Bain Capital Entities, Catterton Partners and Related Funds, Mr. Basham, Mr. Sullivan and such entities affiliated with Mr. Basham and Mr. Sullivan disclaim beneficial ownership of any of the shares held of record and beneficially owned by each other member of the group (other than as otherwise noted in these footnotes).

(3) Based on information contained in a Schedule 13G filed on February 14, 2013. Represents shares held of record by Catterton Partners VI-Kangaroo, L.P. ("Catterton Partners VI"), a Delaware limited partnership, and Catterton Partners VI-Kangaroo Coinvest, L.P. ("Catterton Partners VI, Coinvest"), a Delaware limited partnership. Catterton Managing Partner VI, L.L.C. ("Catterton Managing Partner VI"), a Delaware limited liability company, is the general partner of Catterton Partners VI and Catterton Partners VI, Coinvest. CP6 Management, L.L.C. ("CP6 Management," and together with Catterton Partners VI, Catterton Partners VI, Coinvest, and Catterton Managing Partner VI collectively, "Catterton Partners and Related Funds"), a Delaware limited liability company, is the managing member of Catterton Managing Partner VI and as such exercises voting and dispositive control over the shares held of record by Catterton Partners VI and Catterton Partners VI, Coinvest. The management of CP6 Management is controlled by a managing board. J. Michael Chu and Scott A. Dahnke are the members of the managing board of CP6 Management and as such could be deemed to share voting and dispositive control over the shares held of record and beneficially owned by Catterton Partners and Related Funds. Mr. Chu and Mr. Dahnke both disclaim beneficial ownership of any of the shares held of record and beneficially owned by Catterton Partners and Related Funds. Each of Catterton Partners and Related Funds has an address c/o Catterton Management Company, L.L.C., 599 West Putnam Avenue, Greenwich, CT 06830.

(4) Shares owned by RDB Equities, Limited Partnership, an investment partnership ("RDBLP"). Mr. Basham is a limited partner of RDBLP and the sole member of RDB Equities, LLC, the sole general partner of RDBLP. The address for RDBLP is c/o Bloomin' Brands, Inc., 2202 North West Shore Boulevard, Suite 500, Tampa Florida 33607.

(5) Does not include shares of common stock held by the Bain Capital Entities. Each of Messrs. Balson, Humphrey and Nunnelly is a Managing Director and serves on the investment committee of BCI. As a result, and by virtue of the relationships described in footnote (1) above, each of Messrs. Balson, Humphrey and Nunnelly may be deemed to share beneficial ownership of the shares held by the Bain Capital Entities. Each of Messrs. Balson, Humphrey and Nunnelly disclaims beneficial ownership of such shares. The address for Messrs. Balson, Humphrey and Nunnelly is c/o Bain Capital Partners, LLC, John Hancock Tower, 200 Clarendon Street, Boston, Massachusetts 02116.

(6) The management of CP6 Management is controlled by a managing board. J. Michael Chu and Scott A. Dahnke are the members of the managing board of CP6 Management and as such could be deemed to share voting and dispositive control over the shares held of record and beneficially owned by Catterton Partners and Related Funds. Mr. Chu disclaims beneficial ownership of any shares held of record and beneficially owned by Catterton Partners and Related Funds. The business address of Mr. Chu is c/o Catterton Partners, 599 West Putnam Avenue, Greenwich, Connecticut 06830.

(7) Includes 80,000 shares subject to stock options with an exercise price of $14.58 per share that Mr. Deno has the right to acquire within 60 days of May 6, 2013. Does not include 392,551 shares subject to stock options that are not exercisable within 60 days of May 6, 2013 by Mr. Deno.

(8) Includes 215,900 shares subject to stock options with an exercise price of $6.50 per share that Mr. Shlemon has the right to acquire within 60 days of May 6, 2013. Does not include 65,306 shares subject to stock options that are not exercisable within 60 days of May 6, 2013.

(9) Includes 2,610,000 shares subject to stock options with an exercise price of $6.50 per share of which 250,000 options will be exercised and such shares will be sold in this offering and 220,000 shares subject to stock options with an exercise price of $10.03 per share that Ms. Smith has the right to acquire within 60 days of May 6, 2013. Does not include up to 2,070,000 shares subject to stock options that are not exercisable within 60 days of May 6, 2013.

(10) Includes 254,150 shares subject to stock options with an exercise price of $6.50 per share that Mr. Smith has the right to acquire within 60 days of May 6, 2013. Does not include 88,259 shares subject to stock options that are not exercisable within 60 days of May 6, 2013.

(11) Includes 4,956,081 shares owned by CTS Equities, Limited Partnership, an investment partnership ("CTSLP"). Mr. Sullivan is a limited partner of CTSLP and the sole member of CTS Equities, LLC, the sole general partner of CTSLP. Also includes 588,772 shares held by a charitable foundation for which Mr. Sullivan serves as trustee. 4,120,981 of the shares are pledged to Fifth Third Bank to secure debt of approximately $22.0 million. Each of CTSLP, CTS Equities, LLC and the charitable foundation has an address c/o Bloomin' Brands, Inc., 2202 North West Shore Boulevard, Suite 500, Tampa, Florida 33607.

(12) Includes a total of 3,943,370 shares subject to stock options that our current Directors and executive officers have the right to acquire within 60 days of May 6, 2013, including Mr. Berg, whose employment with us will end on May 17, 2013 and excluding Mr. Montgomery and Ms. Bilney, whose employment with us in January 2013 and March 2013, respectively, and Mr. Basham whose term as a Director ended in April 2013.

(13) Includes 50,000 shares subject to stock options with an exercise price of $10.03 per share that will be exercised and such shares will be sold in this offering. Does not include 227,206 shares subject to stock options that are not exercisable and will be forfeited when his employment terminates on May 17, 2013.

DESCRIPTION OF CAPITAL STOCK

General

Our second amended and restated certificate of incorporation provides for authorized capital stock of 475,000,000 shares of common stock, par value $0.01 per share, and 25,000,000 shares of undesignated preferred stock. As of May 6, 2013, we had 123,165,107 shares of common stock outstanding held by 56 stockholders of record, and we had outstanding options to purchase 11,630,728 shares of common stock, which options had a weighted average exercise price of $8.92 per share.

The following summary describes all material provisions of our capital stock. We urge you to read our certificate of incorporation and our bylaws, which are exhibits to the registration statement of which this prospectus forms a part and have been filed with the SEC.

Our certificate of incorporation and bylaws contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the Board of Directors and that may have the effect of delaying, deferring or preventing a future takeover or change in control of our Company unless that takeover or change in control is approved by our Board of Directors. These provisions include a classified Board of Directors, elimination of stockholder action by written consents (except in limited circumstances), elimination of the ability of stockholders to call special meetings (except in limited circumstances), advance notice procedures for stockholder proposals, and supermajority vote requirements for amendments to our certificate of incorporation and bylaws.

Common Stock

Dividend Rights. Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as the Board of Directors may from time to time determine.

Voting Rights. Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock do not have cumulative voting rights.

Preemptive Rights. Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or Redemption Rights. Our common stock is neither convertible nor redeemable.

Liquidation Rights. Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

Listing. Our shares of common stock are listed on the Nasdaq Global Select Market under the symbol “BLMN.”

Preferred Stock

Our Board of Directors may, without further action by our stockholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges, and relative participating, optional or special rights as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available

for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our common stock. Under specified circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of Directors then in office, our Board of Directors, without stockholder approval, may issue shares of preferred stock with voting and conversion rights that could adversely affect the holders of shares of our common stock and the market value of our common stock. There are no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws

Our certificate of incorporation and bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our Board of Directors and that may have the effect of delaying, deferring or preventing a future takeover or change in control of the Company unless that takeover or change in control is approved by our Board of Directors.

These provisions include:

Classified Board. Our certificate of incorporation provides that our Board of Directors be divided into three classes of Directors, with the classes as nearly equal in number as possible. As a result, approximately one-third of our Board of Directors will be elected each year. The classification of Directors has the effect of making it more difficult for stockholders to change the composition of our board. In addition, because our board is classified, under Delaware General Corporation Law, Directors may only be removed for cause. Our certificate of incorporation also provides that, subject to any rights of holders of preferred stock to elect additional Directors under specified circumstances, the number of Directors is to be fixed exclusively pursuant to a resolution adopted by our Board of Directors. Our Board of Directors currently has eight members. The Board of Directors decreased the number of Directors from nine to eight effective at the time of our 2013 annual meeting of stockholders when Mr. Basham declined to stand for re-election and his term as a Director ended.

Action by Written Consent; Special Meetings of Stockholders. Our certificate of incorporation provides that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting once investment funds associated with our Sponsors cease to beneficially own more than 50% of our outstanding shares. Our certificate of incorporation and bylaws also provide that, except as otherwise required by law, special meetings of the stockholders can be called only pursuant to a resolution adopted by a majority of the total number of Directors that the Company would have if there were no vacancies or, until the date that investment funds associated with our Sponsors cease to beneficially own more than 50% of our outstanding shares, at the request of holders of 50% or more of our outstanding shares. Except as described above, stockholders are not permitted to call a special meeting or to require the Board of Directors to call a special meeting.

Advance Notice Procedures. Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the Board of Directors. Stockholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in accordance with our bylaws, of the stockholder's intention to bring that business before the meeting. Although the bylaws do not give the Board of Directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of Directors or otherwise attempting to obtain control of the Company.

Super Majority Approval Requirements. The Delaware General Corporation Law generally provides that the affirmative vote of a majority of the outstanding stock entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless either a corporation's certificate of incorporation or bylaws require a greater percentage. Our certificate of incorporation and bylaws provide that the affirmative vote of holders of at least 75% of the total votes entitled to vote in the election of Directors is required to amend, alter, change or repeal our bylaws and specified provisions of our certificate of incorporation once investment funds associated with our Sponsors cease to beneficially own more than 50% of our outstanding shares. This requirement of a supermajority vote to approve amendments to our certificate of incorporation and bylaws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations With Interested Stockholders. We have elected in our certificate of incorporation not to be subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock, for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are not subject to any anti-takeover effects of Section 203. However, our certificate of incorporation contains provisions that have the same effect as Section 203, except that they provide that our Sponsors and their respective affiliates will not be deemed to be "interested stockholders," regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

Corporate Opportunities

Our certificate of incorporation provides that we renounce any interest or expectancy of the Company in the business opportunities of our Sponsors and of their officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries and each such party shall not have any obligation to offer us those opportunities unless presented to a Director or officer of the Company in his or her capacity as a Director or officer of the Company.

Limitations on Liability and Indemnification of Officers and Directors

Our certificate of incorporation limits the liability of our Directors to the fullest extent permitted by the Delaware General Corporation Law, and our bylaws provide that we will indemnify them to the fullest extent permitted by such law. We have entered into indemnification agreements with our current Directors and executive officers and expect to enter into a similar agreement with any new Directors or executive officers. We also maintain customary directors' and officers' liability insurance policies that provide coverage to our Directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and to us with respect to indemnification payments that we may make to Directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. Its telephone number is 877-373-6374 (toll free) or 781-575-2879.

MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders of our common stock. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect.

This summary assumes that shares of our common stock are held as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code. This summary does not purport to deal with all aspects of U.S. federal income and estate taxation that might be relevant to particular Non-U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax considerations that may be relevant to particular persons (including, for example, financial institutions, broker-dealers, insurance companies, partnerships or other pass-through entities, certain U.S. expatriates, tax-exempt organizations, pension plans, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, persons in special situations, such as those who have elected to mark securities to market or those who hold common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment, or holders subject to the alternative minimum tax). In addition, except as explicitly addressed herein with respect to estate tax, this summary does not address estate and gift tax considerations or considerations under the tax laws of any state, local or non-U.S. jurisdiction.

For purposes of this summary, a "Non-U.S. Holder" means a beneficial owner of common stock that for U.S. federal income tax purposes is not treated as a partnership and is not:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, if (i) a U.S. court is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (i) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our common stock through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

There can be no assurance that the Internal Revenue Service ("IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income or estate tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of our common stock.

THIS SUMMARY IS NOT INTENDED TO BE TAX ADVICE. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND ESTATE TAXATION, STATE, LOCAL AND NON-U.S. TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Distributions on Our Common Stock

As discussed under "Dividend Policy" above, we do not currently pay cash dividends on our common stock and do not anticipate paying any dividends on our common stock in the foreseeable future. If we do make a distribution of cash or property with respect to our common stock, any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder's basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in "—Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock." Any such distribution would also be subject to the discussion below in "—Additional FATCA Withholding."

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or our agent, as the case may be, with the appropriate IRS Form W-8, such as:

- IRS Form W-8BEN (or successor form) certifying, under penalties of perjury, a reduction in withholding under an applicable income tax treaty, or

- IRS Form W-8ECI (or successor form) certifying that a dividend paid on common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. federal income tax rates as described below).

The certification requirement described above also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that are intermediaries or pass-through entities for U.S. federal income tax purposes.

Each Non-U.S. Holder is urged to consult its own tax advisor about the specific methods for satisfying these requirements. A claim for exemption will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form are false.

If dividends are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment), the Non-U.S. Holder, although exempt from the withholding tax described above (provided that the certifications described above are satisfied), generally will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a resident of the United States. In addition, if a Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, the Non-U.S. Holder may be subject to an additional "branch profits tax" equal to 30% (unless reduced by an applicable income treaty) of its earnings and profits in respect of such effectively connected dividend income.

If a Non-U.S. Holder is eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, the holder may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock

Subject to the discussion below in "—Additional FATCA Withholding," in general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized upon such holder's sale, exchange or other taxable disposition of shares of our common stock unless (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, (ii) we are or have been a "United States real property holding corporation," as defined in the Internal Revenue Code (a "USRPHC"), at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder's holding period in the shares of our common stock, and certain other requirements are met, or (iii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources (including gain, if any, realized on a disposition of our common stock) exceed capital losses allocable to U.S. sources during the taxable year of the disposition. If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain on a net income basis in the same manner as if it were a resident of the United States, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect any earnings and profits attributable to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

Generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests (as defined in the Internal Revenue Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance in this regard, we believe that we are not, and do not anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as a USRPHC so long as our common stock is regularly traded on an established securities market at any time during the calendar year in which the disposition occurs and such Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our common stock at any time during the shorter of the five-year period ending on the date of disposition and the holder's holding period. However, no assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Additional FATCA Withholding

Under Sections 1471 through 1474 of the Code and related Treasury guidance ("FATCA"), a withholding tax of 30% will be imposed in certain circumstances on payments of (a) dividends on our common stock on or after January 1, 2014, and (b) gross proceeds from the sale or other disposition of our common stock on or after January 1, 2017. In the case of payments made to a ''foreign financial institution'' as defined under FATCA (including, among other entities, an investment fund), as a beneficial owner or as an intermediary, the tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a "FATCA Agreement") or (ii) complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA"), in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a foreign financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such foreign entity provides the withholding agent with a certification that it

does not have any "substantial U.S. owner" (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or that identifies its substantial U.S. owners. If our common stock is held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold such tax on payments of dividends and proceeds described above made to (x) a person (including an individual) that fails to comply with certain information requests or (y) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement and is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Each Non-U.S. Holder should consult its own tax advisor regarding the application of FATCA to the ownership and disposition of our common stock, including through an intermediary.

Backup Withholding and Information Reporting

We must report annually to the IRS and to each Non-U.S. Holder the gross amount of the distributions on our common stock paid to the holder and the tax withheld, if any, with respect to the distributions.

Non-U.S. Holders may have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Internal Revenue Code) in order to avoid backup withholding at a rate of 28% with respect to dividends on our common stock. Dividends paid to Non-U.S. Holders subject to the U.S. withholding tax, as described above in "—Distributions on Our Common Stock," generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Dispositions effected through a non-U.S. office of a U.S. broker or a non-U.S. broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or in which the Non-U.S. Holder is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Federal Estate Tax

Common stock owned (or treated as owned) by an individual who is not a citizen or a resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate or other tax treaty provides otherwise, and, therefore, may be subject to U.S. federal estate tax.

Medicare Contributions Tax

For taxable years beginning after December 31, 2012, a 3.8% tax is imposed on the net investment income (which includes dividends and gains recognized upon of a disposition of stock) of certain individuals, trusts, and estates with adjusted gross income in excess of certain thresholds. This tax is imposed on individuals, estates, and trusts that are U.S. Holders. The tax is expressly not imposed on nonresident aliens, and proposed guidance suggests estates and trusts which are not U.S. Holders and have no U.S. beneficiaries are exempted from the tax. Therefore, non-U.S. Holders of our common shares should consult their tax advisors regarding application of this Medicare contribution tax in their particular situations.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us, the selling stockholders and the underwriters, the selling stockholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the selling stockholders, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
Deutsche Bank Securities	
Goldman, Sachs & Co	
Jefferies LLC	
William Blair & Company, L.L.C	
Raymond James & Associates, Inc	
Wells Fargo Securities, LLC	
The Williams Capital Group, L.P	
Total	17,000,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us and the selling stockholders that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to the selling stockholders	$	$	$

We estimate our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $1.0 million. The underwriters have agreed to reimburse us for certain documented expenses incurred in connection with this offering.

Option to Purchase Additional Shares

Certain of the selling stockholders have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 2,550,000 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

We, our executive officers and Directors and certain stockholders, including the Founders and Sponsors, have agreed, subject to certain exceptions, not to sell or transfer any of our common stock or securities convertible into, exchangeable for, exercisable for, or repayable with our common stock, for 90 days after the date of this prospectus without first obtaining the written consent of the representatives. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any of our common stock;
- sell any option or contract to purchase any of our common stock;
- purchase any option or contract to sell any of our common stock;
- grant any option, right or warrant for the sale of any of our common stock;
- otherwise dispose of or transfer any of our common stock;
- request or demand that we file a registration statement related to our common stock; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any of our common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to our common stock and to securities convertible into or exchangeable or exercisable for or repayable with our common stock. It also applies to our common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Listing

Our shares are listed on the Nasdaq Global Select Market under the symbol "BLMN."

Price Stabilization and Short Positions

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. “Naked” short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Select Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Passive Market Making

In connection with this offering, underwriters and selling group members may engage in passive market making transactions in our common stock on the Nasdaq Global Select Market in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of common stock and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker’s bid, that bid must then be lowered when specified purchase limits are exceeded. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters and dealers are not required to engage in passive market making and may end passive market making activities at any time.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making and brokerage, and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of those services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. acted as initial purchasers in connection with the offering of our senior notes. In addition, affiliates of certain underwriters act in various capacities under our New Facilities. Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, acts as syndication agent and Deutsche Bank Trust Companies Americas, an affiliate of Deutsche Bank Securities Inc., acts as administrative agent, swing line lender and a letter of credit issuer. Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, also acted as joint lead arrangers and joint lead bookrunners, and JP Morgan Securities LLC and affiliates of Morgan Stanley & Co. LLC and Goldman Sachs & Co. acted as joint lead bookrunners and co-documentation agents. Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., JP Morgan Securities LLC, Morgan Stanley & Co. LLC, Goldman, Sachs & Co. and Wells Fargo Securities, LLC also act as lenders under our New Facilities. With regard to the repricing of the New Term Loan B, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as Joint Lead Arrangers, and each of Deutsche Bank Securities Inc, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs USA, J.P. Morgan Securities LLC, and Morgan Stanley Senior Funding, Inc, acted as Joint Lead Bookrunners. In addition, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, and German American Capital Corporation, an affiliate of Deutsche Bank Securities Inc., co-originated our 2012 CMBS Loan. Banc of America Merrill Lynch Large Loan Inc., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, acted as depositor in connection with the securitization of the mortgage loan portion of the 2012 CMBS Loan. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. also acted as co-lead manager, bookrunner and placement agent, and JP Morgan Securities LLC acted as co-manager and placement agent for the 2012 CMBS Loan. Bank of America, N.A., is also acting as servicer for the 2012 CMBS Loan. Each of the underwriters in this offering acted as underwriters in connection with our initial public offering.

The underwriters may have ongoing relationships with, render services to, and engage in transactions with us and our affiliates, which relationships and transactions may create conflicts of interest between the underwriters, on the one hand, and the investors in this offering, on the other hand. For example, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. acted as the placement agents for the mezzanine portion of the 2012 CMBS Loans, and may have ongoing relationships with these lenders. The underwriters also assisted us in arranging the Sale-Leaseback Transaction and New Facilities. The restaurant properties involved in the Sale-Leaseback Transaction do not secure the 2012 CMBS Loan but include restaurants of the same brand and/or concept as those that do secure the 2012 CMBS Loan. In light of such activities and the ongoing relationships of the underwriters with us, for purposes of your assessment of potential conflicts of interest involving the underwriters as it relates to their placement of these securities, you should assume that the underwriters will be, or would like to become, involved as arrangers, placement agents, underwriters or in other roles in other transactions for such parties.

Solebury Capital LLC, or Solebury, a FINRA member, is acting as our financial advisor in connection with the offering. We expect to pay Solebury, upon the successful completion of this offering, a fee of $300,000 for its services. We have also agreed to reimburse Solebury for certain expenses incurred in connection with the engagement of up to $15,000, and, in our sole discretion, may pay Solebury an additional incentive fee of up to $50,000. Solebury is not acting as an underwriter and will not sell or offer to sell any securities and will not identify, solicit or engage directly with potential investors. In addition, Solebury will not underwrite or purchase any of the offered securities or otherwise participate in any such undertaking.

We estimate our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $1.0 million. We have agreed to pay the filing fees incident to, and the fees and disbursements of counsel for the underwriters in connection with, any required review by FINRA in connection with this offering, in an amount not to exceed $25,000. The underwriters have agreed to reimburse us for certain documented expenses in connection with the offering.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, Directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to securities and/or instruments of ours (directly, as collateral securing other obligations or otherwise) and/or person and entities with relationships with us. The underwriters and their respective affiliates may also

communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offer of shares may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State (other than a Relevant Member State where there is a Permitted Public Offer) who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (i) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (ii) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly, any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

LEGAL MATTERS

Baker & Hostetler LLP, Cleveland, Ohio, has passed upon the validity of the common stock offered hereby on our behalf. The underwriters are being represented by Ropes & Gray LLP, Boston, Massachusetts.

EXPERTS

The financial statements as of December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered certified public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act that registers the shares of our common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to us and our common stock, you should refer to the registration statement and the exhibits and schedules filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, file reports and other information with the SEC. The registration statement, reports and other information we file with the SEC can be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. You may obtain information regarding the operation of the public reference room by calling 1-800-SEC-0330. The SEC also maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information that we file electronically with the SEC. We also maintain a website at www.bloominbrands.com. Our website, and the information contained on or accessible through our website, is not part of this prospectus.

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Report of Independent Registered Certified Public Accounting Firm

To Board of Directors and Stockholders of
Bloomin' Brands, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and comprehensive income, changes in stockholders' equity (deficit), and cash flows present fairly, in all material respects, the financial position of Bloomin' Brands, Inc. and its subsidiaries at December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 16(b) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Tampa, FL
March 4, 2013

BLOOMIN' BRANDS, INC.

CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data)

	December 31, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 261,690	$ 482,084
Current portion of restricted cash	4,846	20,640
Inventories	78,181	69,223
Deferred income tax assets	39,774	31,959
Other current assets, net	103,321	104,373
Total current assets	487,812	708,279
Restricted cash	15,243	3,641
Property, fixtures and equipment, net	1,506,035	1,635,898
Investments in and advances to unconsolidated affiliates, net	36,748	35,033
Goodwill	270,972	268,772
Intangible assets, net	551,779	566,148
Deferred income tax assets	2,532	—
Other assets, net	145,432	136,165
Total assets	$3,016,553	$3,353,936
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 131,814	$ 97,393
Accrued and other current liabilities	192,284	211,486
Current portion of partner deposits and accrued partner obligations	14,771	15,044
Unearned revenue	329,518	299,596
Current portion of long-term debt	22,991	332,905
Total current liabilities	691,378	956,424
Partner deposits and accrued partner obligations	85,762	98,681
Deferred rent	87,641	70,135
Deferred income tax liabilities	195,874	193,262
Long-term debt	1,471,449	1,751,885
Guaranteed debt	—	24,500
Other long-term liabilities, net	264,244	218,752
Total liabilities	2,796,348	3,313,639
Commitments and contingencies (see Note 18)		
Stockholders' Equity		
Bloomin' Brands, Inc. Stockholders' Equity		
Preferred stock, $0.01 par value, 25,000,000 shares authorized; no shares issued and outstanding at December 31, 2012; and no shares authorized, issued and outstanding at December 31, 2011	—	—
Common stock, $0.01 par value, 475,000,000 shares authorized; 121,148,451 shares issued and outstanding at December 31, 2012; and 120,000,000 shares authorized; 106,573,193 shares issued and outstanding at December 31, 2011	1,211	1,066
Additional paid-in capital	1,000,963	874,753
Accumulated deficit	(773,085)	(822,625)
Accumulated other comprehensive loss	(14,801)	(22,344)
Total Bloomin' Brands, Inc. stockholders' equity	214,288	30,850
Noncontrolling interests	5,917	9,447
Total stockholders' equity	220,205	40,297
Total liabilities and stockholders' equity	$3,016,553	$3,353,936

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In Thousands, Except Per Share Data)

	Years Ended December 31,		
	2012	2011	2010
Revenues			
Restaurant sales	$3,946,116	$3,803,252	$3,594,681
Other revenues	41,679	38,012	33,606
Total revenues	3,987,795	3,841,264	3,628,287
Costs and expenses			
Cost of sales	1,281,002	1,226,098	1,152,028
Labor and other related	1,117,624	1,094,117	1,034,393
Other restaurant operating	918,522	890,004	864,183
Depreciation and amortization	155,482	153,689	156,267
General and administrative	326,473	291,124	252,793
Recovery of note receivable from affiliated entity	—	(33,150)	—
Provision for impaired assets and restaurant closings	13,005	14,039	5,204
Income from operations of unconsolidated affiliates	(5,450)	(8,109)	(5,492)
Total costs and expenses	3,806,658	3,627,812	3,459,376
Income from operations	181,137	213,452	168,911
Loss on extinguishment and modification of debt	(20,957)	—	—
Other (expense) income, net	(128)	830	2,993
Interest expense, net	(86,642)	(83,387)	(91,428)
Income before provision for income taxes	73,410	130,895	80,476
Provision for income taxes	12,106	21,716	21,300
Net income	61,304	109,179	59,176
Less: net income attributable to noncontrolling interests	11,333	9,174	6,208
Net income attributable to Bloomin' Brands, Inc.	$ 49,971	$ 100,005	$ 52,968
Net income	61,304	109,179	59,176
Other comprehensive income:			
Foreign currency translation adjustment	7,543	(2,711)	4,556
Comprehensive income	68,847	106,468	63,732
Less: comprehensive income attributable to noncontrolling interests	11,333	9,174	6,208
Comprehensive income attributable to Bloomin' Brands, Inc.	$ 57,514	$ 97,294	$ 57,524
Net income attributable to Bloomin' Brands, Inc. per common share:			
Basic	$ 0.45	$ 0.94	$ 0.50
Diluted	$ 0.44	$ 0.94	$ 0.50
Weighted average common shares outstanding:			
Basic	111,999	106,224	105,968
Diluted	114,821	106,689	105,968

The accompanying notes are an integral part of these consolidated financial statements.

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BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In Thousands)

	Bloomin' Brands, Inc.						
	Common Stock	Common Stock Amount	Additional Paid-in Capital	Accum-ulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total
Balance, December 31, 2009	106,573	$ 1,066	$ 869,202	$(981,676)	$ (24,189)	$ 18,972	$(116,625)
Net income	—	—	—	52,968	—	6,208	59,176
Foreign currency translation adjustment	—	—	—	—	4,556	—	4,556
Cumulative effect from adoption of variable interest entity guidance	—	—	—	6,078	—	(386)	5,692
Stock-based compensation	—	—	3,411	—	—	—	3,411
Issuance of notes receivable due from stockholders	—	—	(747)	—	—	—	(747)
Repayments of notes receivable due from stockholders	—	—	97	—	—	—	97
Distributions to noncontrolling interests	—	—	—	—	—	(11,596)	(11,596)
Contributions from noncontrolling interests	—	—	—	—	—	125	125
Balance, December 31, 2010	106,573	$ 1,066	$ 871,963	$(922,630)	$ (19,633)	$ 13,323	$ (55,911)
Net income	—	—	—	100,005	—	9,174	109,179
Foreign currency translation adjustment	—	—	—	—	(2,711)	—	(2,711)
Stock-based compensation	—	—	3,907	—	—	—	3,907
Issuance of notes receivable due from stockholders	—	—	(1,082)	—	—	—	(1,082)
Repayments of notes receivable due from stockholders	—	—	3	—	—	—	3
Distributions to noncontrolling interests	—	—	(38)	—	—	(13,472)	(13,510)
Contributions from noncontrolling interests	—	—	—	—	—	422	422
Balance, December 31, 2011	106,573	$ 1,066	$ 874,753	$(822,625)	$ (22,344)	$ 9,447	$ 40,297
Net income	—	—	—	49,971	—	11,333	61,304
Foreign currency translation adjustment	—	—	—	—	7,543	—	7,543
Issuance of common stock in connection with initial public offering	14,197	142	142,100	—	—	—	142,242
Exercises of stock options	136	1	883	—	—	—	884
Stock-based compensation	—	—	21,025	—	—	—	21,025
Repurchase of common stock	(36)	(1)	316	(431)	—	—	(116)
Issuance of restricted stock	314	3	646	—	—	—	649
Forfeiture of restricted stock	(36)	—	(138)	—	—	—	(138)
Issuance of notes receivable due from stockholders	—	—	(587)	—	—	—	(587)
Repayments of notes receivable due from stockholders	—	—	1,661	—	—	—	1,661
Purchase of limited partnership and joint venture interests	—	—	(39,696)	—	—	(886)	(40,582)
Distributions to noncontrolling interests	—	—	—	—	—	(14,367)	(14,367)
Contributions from noncontrolling interests	—	—	—	—	—	390	390
Balance, December 31, 2012	121,148	$ 1,211	$ 1,000,963	$(773,085)	$ (14,801)	$ 5,917	$ 220,205

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Years Ended December 31,		
	2012	2011	2010
Cash flows provided by operating activities:			
Net income	$ 61,304	$ 109,179	$ 59,176
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	155,482	153,689	156,267
Amortization of deferred financing fees	8,222	12,297	13,435
Amortization of capitalized gift card sales commissions	21,136	18,058	15,046
Provision for impaired assets and restaurant closings	13,005	14,039	5,204
Accretion on debt discounts	880	663	616
Stock-based and other non-cash compensation expense	44,778	39,228	39,512
Income from operations of unconsolidated affiliates	(5,450)	(8,109)	(5,492)
Deferred income tax (benefit) expense	(7,442)	(175)	5,182
Loss on disposal of property, fixtures and equipment	2,141	1,987	4,050
Unrealized (gain) loss on derivative financial instruments	(519)	723	(18,267)
Gain on life insurance and restricted cash investments	(5,150)	(126)	(2,821)
Loss on extinguishment and modification of debt	20,957	—	—
(Gain) loss on disposal of business	(3,500)	4,331	—
Recovery of note receivable from affiliated entity	—	(33,150)	—
Recognition of deferred gain on sale-leaseback transaction	(1,610)	—	—
Change in assets and liabilities:			
Increase in inventories	(8,577)	(10,525)	(2,599)
Increase in other current assets	(13,746)	(60,858)	(13,292)
Decrease in other assets	4,034	8,209	10,721
Increase (decrease) in accounts payable and accrued and other current liabilities	5,206	32,152	(28,601)
Increase in deferred rent	17,064	12,510	10,677
Increase in unearned revenue	29,621	30,623	31,964
Increase (decrease) in other long-term liabilities	2,255	(2,295)	(5,624)
Net cash provided by operating activities	340,091	322,450	275,154
Cash flows provided by (used in) investing activities:			
Purchases of Company-owned life insurance	(6,451)	(2,027)	(2,405)
Proceeds from sale of Company-owned life insurance	—	2,638	6,411
Proceeds from sale of property, fixtures and equipment	3,971	1,190	462
Proceeds from sale-leaseback transaction	192,886	—	—
De-consolidation of subsidiary	—	—	(4,398)
Proceeds from sale of a business	3,500	10,119	—
Capital expenditures	(178,720)	(120,906)	(60,476)
Decrease in restricted cash	84,270	86,579	18,545
Increase in restricted cash	(80,070)	(83,148)	(29,860)
Royalty termination fee	—	(8,547)	—
Return on investment from unconsolidated affiliates	558	960	—
Net cash provided by (used in) investing activities	$ 19,944	$(113,142)	$ (71,721)

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BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(In Thousands)

	Years Ended December 31,		
	2012	2011	2010
Cash flows used in financing activities:			
Proceeds from issuance of senior secured term loan B	$ 990,000	$ —	$ —
Extinguishment and modification of senior secured term loan	(1,004,575)	—	—
Proceeds from issuance of 2012 CMBS Loan	495,186	—	—
Repayments of long-term debt	(46,868)	(25,189)	(140,853)
Extinguishment of CMBS loan	(777,563)	—	—
Extinguishment of senior notes	(254,660)	—	—
Proceeds from borrowings on revolving credit facilities	111,000	33,000	61,000
Repayments of borrowings on revolving credit facilities	(144,000)	(78,072)	(55,928)
Collection of note receivable from affiliated entity	—	33,300	—
Financing fees	(18,983)	(2,222)	(1,391)
Proceeds from the issuance of common stock in connection with initial public offering	142,242	—	—
Proceeds from the exercise of stock options	884	—	—
Contributions from noncontrolling interests	390	422	125
Distributions to noncontrolling interests	(14,367)	(13,510)	(11,596)
Purchase of limited partnership and joint venture interests	(40,582)	—	—
Repayments of partner deposits and accrued partner obligations	(25,397)	(35,950)	(18,022)
Issuance of notes receivable due from stockholders	(587)	(1,082)	(747)
Repayments of notes receivable due from stockholders	1,661	3	97
Net cash used in financing activities	(586,219)	(89,300)	(167,315)
Effect of exchange rate changes on cash and cash equivalents	5,790	(3,460)	(1,539)
Net (decrease) increase in cash and cash equivalents	(220,394)	116,548	34,579
Cash and cash equivalents at the beginning of the period	482,084	365,536	330,957
Cash and cash equivalents at the end of the period	$ 261,690	$482,084	$ 365,536
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 78,216	$ 72,099	$ 96,718
Cash paid for income taxes, net of refunds	24,276	27,699	10,779
Supplemental disclosures of non-cash investing and financing activities:			
Conversion of partner deposits and accrued partner obligations to notes payable	$ 6,434	$ 5,764	$ 5,685
Acquisitions of property, fixtures and equipment through accounts payable or capital lease liabilities	8,006	8,683	2,506

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Basis of Presentation

Bloomin' Brands, Inc. ("Bloomin' Brands" or the "Company"), formerly known as Kangaroo Holdings, Inc., was formed by an investor group comprised of funds advised by Bain Capital Partners, LLC ("Bain Capital"), Catterton Management Company, LLC ("Catterton"), Chris T. Sullivan, Robert D. Basham and J. Timothy Gannon (the "Founders") and certain members of management. On June 14, 2007, Bloomin' Brands acquired OSI Restaurant Partners, Inc. by means of a merger and related transactions (the "Merger"). At the time of the Merger, OSI Restaurant Partners, Inc. was converted into a Delaware limited liability company named OSI Restaurant Partners, LLC ("OSI"). In connection with the Merger, Bloomin' Brands implemented a new ownership and financing arrangement for some of its restaurant properties, pursuant to which Private Restaurant Properties, LLC ("PRP"), a wholly-owned subsidiary of Bloomin' Brands, acquired 343 restaurant properties from OSI and leased them back to subsidiaries of OSI. OSI remains the Company's primary operating entity and New Private Restaurant Properties, LLC, another indirect wholly-owned subsidiary of the Company, continues to lease certain of the Company-owned restaurant properties to OSI's subsidiaries. On August 13, 2012, the Company completed an initial public offering of its common stock (see Note 3).

The Company owns and operates casual, polished casual and fine dining restaurants primarily in the United States. The Company's restaurant portfolio has five concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, Fleming's Prime Steakhouse and Wine Bar and Roy's. Additional Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill restaurants in which the Company has no direct investment are operated under franchise agreements.

In the opinion of the Company, all adjustments necessary for the fair presentation of the Company's results of operations, financial position and cash flows for the periods presented have been included.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Company's consolidated financial statements include the accounts and operations of Bloomin' Brands and its wholly-owned subsidiaries, including OSI, PRP and New PRP. All intercompany accounts and transactions have been eliminated in consolidation. The Company consolidates variable interest entities in which the Company is deemed to have a controlling financial interest as a result of the Company having: (1) the power to direct the activities that most significantly impact the entity's economic performance and (2) the obligation to absorb the losses or the right to receive the benefits that could potentially be significant to the variable interest entity. If the Company has a controlling financial interest in a variable interest entity, the assets, liabilities, and results of the operations of the variable interest entity are included in the consolidated financial statements (see Note 13).

The Company is a franchisor of 162 restaurants as of December 31, 2012, but does not possess any ownership interests in its franchisees and generally does not provide financial support to franchisees in its typical franchise relationship. These franchise relationships are not deemed variable interest entities and are not consolidated.

The equity method of accounting is used for investments in affiliated companies in which the Company is not in control, the Company's interest is generally between 20% and 50% and the Company has the ability to

exercise significant influence over the entity. The Company's share of earnings or losses of affiliated companies accounted for under the equity method is recorded in Income from operations of unconsolidated affiliates in its Consolidated Statements of Operations and Comprehensive Income. Through a joint venture arrangement with PGS Participacoes Ltda., the Company holds a 50% ownership interest in PGS Consultoria e Serviços Ltda. (the "Brazilian Joint Venture"). The Brazilian Joint Venture was formed in 1998 for the purpose of operating Outback Steakhouse restaurants in Brazil. The Company accounts for the Brazilian Joint Venture under the equity method of accounting (see Note 7).

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with generally accepted accounting principles requires management 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 revenues and expenses during the reporting period. Actual results could differ from those estimated.

Cash and Cash Equivalents

Cash equivalents consist of investments that are readily convertible to cash with an original maturity date of three months or less. Cash and cash equivalents include $56.4 million and $44.3 million as of December 31, 2012 and 2011, respectively, for amounts in transit from credit card companies since settlement is reasonably assured.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash and cash equivalents and restricted cash. The Company attempts to limit its credit risk by utilizing outside investment managers with major financial institutions that, in turn, invest in United States treasury security funds, certificates of deposit, money market funds, noninterest-bearing accounts and other highly rated investments and marketable securities. At times, cash balances may be in excess of FDIC insurance limits.

Financial Instruments

Disclosure of fair value information about financial instruments, whether or not recognized in the Consolidated Balance Sheets, is required for those instruments for which it is practical to estimate that value. Fair value is a market-based measurement.

The Company's non-derivative financial instruments at December 31, 2012 and 2011 consist of cash equivalents, restricted cash, accounts receivable, accounts payable and current and long-term debt. The fair values of cash equivalents, restricted cash, accounts receivable and accounts payable approximate their carrying amounts reported in the Consolidated Balance Sheets due to their short duration. The fair value of debt is determined based on quoted market prices in inactive markets and discounted cash flows of debt instruments, as well as assumptions derived from current conditions in the real estate and credit environments, changes in the underlying collateral and expectations of management. These inputs represent assumptions impacted by economic conditions and management expectations and may change in the future based on period-specific facts and circumstances (see Note 14).

Derivatives

The Company is highly leveraged and exposed to interest rate risk to the extent of its variable-rate debt. The Company manages its interest rate risk by offsetting some of its variable-rate debt with fixed-rate debt, through normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments.

The Company's restaurants are dependent upon energy to operate and are impacted by changes in energy prices, including natural gas. The Company uses derivative instruments to mitigate some of its overall exposure to material increases in natural gas prices. The Company records mark-to-market changes in the fair value of derivative instruments in earnings in the period of change. The Company does not enter into financial instruments for trading or speculative purposes.

Inventories

Inventories consist of food and beverages, and are stated at the lower of cost (first-in, first-out) or market. The Company periodically makes advance purchases of various inventory items to ensure adequate supply or to obtain favorable pricing. At December 31, 2012 and 2011, inventories included advance purchases of approximately $31.7 million and $23.4 million, respectively.

Consideration Received from Vendors

The Company receives consideration for a variety of vendor-sponsored programs, such as volume rebates, promotions and advertising allowances. Advertising allowances are intended to offset the Company's costs of promoting and selling menu items in its restaurants. Vendor consideration is recorded as a reduction of Cost of sales or Other restaurant operating expenses when recognized in the Company's Consolidated Statements of Operations and Comprehensive Income.

Restricted Cash

At December 31, 2012, the current portion of restricted cash of $4.8 million was restricted for the fulfillment of certain provisions in New PRP's commercial mortgage-backed securities loans, the payment of property taxes and settlement of obligations in a rabbi trust for deferred compensation plans. At December 31, 2011, the current portion of restricted cash of $20.6 million was restricted for the fulfillment of certain provisions in PRP's commercial mortgage-backed securities loans, the payment of property taxes, the settlement of obligations in a rabbi trust for deferred compensation plans and the settlement of bonus arrangements. Long-term restricted cash at December 31, 2012 of $15.2 million was restricted for the fulfillment of certain provisions in New PRP's commercial mortgage-backed securities loans. Long-term restricted cash at December 31, 2011 of $3.6 million was restricted for the bonus arrangements.

Property, Fixtures and Equipment

Property, fixtures and equipment are stated at cost, net of accumulated depreciation. At the time property, fixtures and equipment are retired, or otherwise disposed of, the asset and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in earnings. The Company expenses repair and maintenance costs that maintain the appearance and functionality of the restaurant but do not extend the useful life of any restaurant asset. Improvements to leased properties are depreciated over the shorter of their

useful life or the lease term, which includes renewal periods that are reasonably assured. Depreciation is computed on the straight-line method over the following estimated useful lives:

Buildings and building improvements	20 to 30 years
Furniture and fixtures	5 to 7 years
Equipment	2 to 7 years
Leasehold improvements	5 to 20 years
Capitalized software	3 to 5 years

Operating Leases

Rent expense for the Company's operating leases, which generally have escalating rentals over the term of the lease and may include potential rent holidays, is recorded on a straight-line basis over the initial lease term and those renewal periods that are reasonably assured. The initial lease term includes the "build-out" period of the Company's leases, which is typically before rent payments are due under the terms of the lease. The difference between rent expense and rent paid is recorded as deferred rent and is included in the Consolidated Balance Sheets. Payments received from landlords as incentives for leasehold improvements are recorded as deferred rent and are amortized on a straight-line basis over the term of the lease as a reduction of rent expense. Lease termination fees, if any, and future obligated lease payments for closed locations are recorded as an expense in the period that they are incurred. Assets and liabilities resulting from the Merger relating to favorable and unfavorable lease amounts are amortized on a straight-line basis to rent expense over the remaining lease term.

Pre-Opening Expenses

Non-capital expenditures associated with opening new restaurants are expensed as incurred and are included in Other restaurant operating expenses in the Company's Consolidated Statements of Operations and Comprehensive Income.

Impairment or Disposal of Long-Lived Assets

The Company assesses the potential impairment of amortizable intangibles, including trademarks, franchise agreements and net favorable leases, and other long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In evaluating long-lived restaurant assets for impairment, the Company considers a number of factors such as:

- A significant change in market price;
- A significant adverse change in the manner in which a long-lived asset is being used;
- New laws and government regulations or a significant adverse change in business climate that adversely affect the value of a long-lived asset;
- A current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life; and
- A current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection that demonstrates continuing losses associated with the use of the underlying long-lived asset.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

If the aforementioned factors indicate that the Company should review the carrying value of the restaurant's long-lived assets, the Company performs a two-step impairment analysis. Each Company-owned restaurant is evaluated individually for impairment since that is the lowest level at which identifiable cash flows can be measured independently from cash flows of other asset groups. If the total future undiscounted cash flows expected to be generated by the assets are less than its carrying amount, as prescribed by step one testing, recoverability is measured in step two by comparing the fair value of the assets to its carrying amount. Should the carrying amount exceed the asset's estimated fair value, an impairment loss is charged to earnings. Restaurant fair value is determined based on estimates of discounted future cash flows; and impairment charges primarily occur as a result of the carrying value of a restaurant's assets exceeding its estimated fair market value, primarily due to anticipated closures or declining future cash flows from lower projected future sales at existing locations.

The Company incurred total long-lived asset impairment charges and restaurant closing expense of $13.0 million, $14.0 million and $5.2 million for the years ended December 31, 2012, 2011 and 2010, respectively (see Note 14). All impairment charges are recorded in Provision for impaired assets and restaurant closings in the Company's Consolidated Statements of Operations and Comprehensive Income.

The Company's judgments and estimates related to the expected useful lives of long-lived assets are affected by factors such as changes in economic conditions and changes in operating performance and expected use. As the Company assesses the ongoing expected cash flows and carrying amounts of its long-lived assets, these factors could cause it to realize a material impairment charge. The Company uses the straight-line method to amortize definite-lived intangible assets.

Restaurant sites and certain other assets to be sold are included in assets held for sale when certain criteria are met, including the requirement that the likelihood of selling the assets within one year is probable. For assets that meet the held for sale criteria, the Company separately evaluates whether the assets also meet the requirements to be reported as discontinued operations. If the Company no longer had any significant continuing involvement with respect to the operations of the assets and cash flows were discontinued, it would classify the assets and related results of operations as discontinued. Assets whose sale is not probable within one year remain in Property, fixtures and equipment until their sale is probable within one year. The Company had $2.4 million and $1.3 million of assets held for sale as of December 31, 2012 and 2011, respectively, recorded in Other current assets, net.

Generally, restaurant closure costs are expensed as incurred. When it is probable that the Company will cease using the property rights under a non-cancelable operating lease, it records a liability for the net present value of any remaining lease obligations net of estimated sublease income that can reasonably be obtained for the property. The associated expense is recorded in Provision for impaired assets and restaurant closings in the Company's Consolidated Statements of Operations and Comprehensive Income. Any subsequent adjustments to the liability from changes in estimates are recorded in the period incurred.

Goodwill and Indefinite-Lived Intangible Assets

The Company's indefinite-lived intangible assets consist of goodwill and trade names. Goodwill represents the residual after allocation of the purchase price to the individual fair values and carryover basis of assets acquired. On an annual basis (during the second quarter of the fiscal year) or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, the Company reviews the recoverability of goodwill and indefinite-lived intangible assets. The impairment test for goodwill involves comparing the fair value of the reporting units to their carrying amounts. If the carrying amount of a reporting unit exceeds its fair value, a second step is required to measure a goodwill impairment loss, if any. This step

revalues all assets and liabilities of the reporting unit to their current fair values and then compares the implied fair value of the reporting unit's goodwill to the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess. The impairment test for trade names involves comparing the fair value of the trade name, as determined through a relief from royalty method, to its carrying value.

Impairment indicators that may necessitate goodwill impairment testing in between the Company's annual impairment tests include the following:

- a significant decline in the Company's expected future cash flows;
- 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.

Impairment indicators that may necessitate indefinite-lived intangible asset impairment testing in between the Company's annual impairment tests are consistent with those of its long-lived assets.

The Company performed its annual impairment test in the second quarter of 2012 and determined at that time that none of its five reporting units with remaining goodwill were at risk for goodwill impairment since the fair value of each reporting unit was substantially in excess of its carrying amount. The Company did not record any goodwill or indefinite-lived intangible asset impairment charges during the years ended December 31, 2012, 2011 and 2010.

Sales declines at the Company's restaurants, unplanned increases in health insurance, commodity or labor costs, deterioration in overall economic conditions and challenges in the restaurant industry may result in future impairment charges. It is possible that changes in circumstances or changes in management's judgments, assumptions and estimates could result in an impairment charge of a portion or all of its goodwill or other intangible assets.

Construction in Progress

The Company capitalizes direct and indirect internal costs clearly associated with the acquisition, development, design and construction of Company-owned restaurant locations as these costs have a future benefit to the Company. Upon restaurant opening, these costs are depreciated and charged to expense based upon their classification within Property, fixtures and equipment. Internal costs of $2.4 million were capitalized during the year ended December 31, 2012. Internal costs incurred for the years ended December 31, 2011 and 2010 were not material to the Company's consolidated financial statements. The amount of interest capitalized in connection with restaurant construction was immaterial in all periods.

Deferred Financing Fees

The Company capitalizes deferred financing fees related to the issuance of debt obligations. The Company amortizes deferred financing fees to interest expense over the terms of the respective financing arrangements using the effective interest method or the straight-line method.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Liquor Licenses

The costs of obtaining non-transferable liquor licenses 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, net. Annual liquor license renewal fees are expensed over the renewal term.

Revenue Recognition

The Company records food and beverage revenues upon sale. Initial and developmental franchise fees are recognized as income once the Company has substantially performed all of its material obligations under the franchise agreement, which is generally upon the opening of the franchised restaurant. Continuing royalties, which are a percentage of net sales of the franchisee, are recognized as income when earned. Franchise-related revenues are included in Other revenues in the Consolidated Statements of Operations and Comprehensive Income.

The Company defers revenue for gift cards, which do not have expiration dates, until redemption by the customer. The Company also recognizes gift card "breakage" revenue for gift cards when the likelihood of redemption by the customer is remote, which the Company determined are those gift cards issued on or before three years prior to the balance sheet date. The Company recorded breakage revenue of $13.3 million, $11.1 million and $11.0 million for the years ended December 31, 2012, 2011 and 2010, respectively. Breakage revenue is recorded as a component of Restaurant sales in the Consolidated Statements of Operations and Comprehensive Income.

Gift cards sold at a discount are recorded as revenue upon redemption of the associated gift cards at an amount net of the related discount. Gift card sales commissions paid to third-party providers are initially capitalized and subsequently recognized as Other restaurant operating expenses upon redemption of the associated gift card. Deferred expenses were $10.9 million and $9.7 million as of December 31, 2012 and 2011, respectively, and were reflected in Other current assets, net in the Company's Consolidated Balance Sheets. Gift card sales that are accompanied by a bonus gift card to be used by the customer at a future visit result in a separate deferral of a portion of the original gift card sale. Revenue is recorded when the bonus card is redeemed at a value based on the estimated fair market value of the bonus card.

The Company collects and remits sales, food and beverage, alcoholic beverage and hospitality taxes on transactions with customers and reports such amounts under the net method in its Consolidated Statements of Operations and Comprehensive Income. Accordingly, these taxes are not included in gross revenue.

Advertising Costs

Advertising production costs are expensed in the period when the advertising first occurs. All other advertising costs are expensed in the period in which the costs are incurred. The total amounts charged to advertising expense were $170.6 million, $161.4 million and $146.1 million, for the years ended December 31, 2012, 2011 and 2010, respectively, and were recorded in Other restaurant operating expenses in the Consolidated Statements of Operations and Comprehensive Income.

Research and Development Expenses

Research and development expenses, are expensed as incurred and are reported in General and administrative expense in the Consolidated Statements of Operations and Comprehensive Income. The Company

recorded research and development expenses of $7.3 million, $6.6 million and $5.7 million for the years ended December 31, 2012, 2011 and 2010, respectively. These costs consist primarily of payroll and payroll related tax and benefit costs that are incurred in connection with the development of restaurant designs and menu offerings.

Foreign Currency Translation and Transactions

For all significant non-U.S. operations, the functional currency is the local currency. Assets and liabilities of those operations 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 for the reporting period. The effect of gains and (losses) from translation adjustments of approximately $7.5 million, ($2.7) million and $4.6 million are included as a separate component of Accumulated other comprehensive loss in the Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the years ended December 31, 2012, 2011 and 2010, respectively. Accumulated other comprehensive loss contained only foreign currency translation adjustments as of December 31, 2012 and 2011.

Foreign currency transactions may produce receivables or payables that are fixed in terms of the amount of foreign currency that will be received or paid. A change in exchange rates between the U.S dollar and the currency in which a transaction is denominated increases or decreases the expected amount of cash flows in U.S. dollars upon settlement of the transaction. This increase or decrease is a foreign currency transaction gain or loss that generally will be included in determining net income for the period in which the exchange rate changes. Similarly, a transaction gain or loss, measured from the transaction date or the most recent intervening balance sheet date, whichever is later, realized upon settlement of a foreign currency transaction generally will be included in determining net income for the period in which the transaction is settled.

Foreign currency transaction losses and gains are recorded in Other (expense) income, net in the Company's Consolidated Statements of Operations and Comprehensive Income and were a net (loss) gain of $(0.1) million, $0.8 million and $3.0 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Income Taxes

Deferred income 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 basis. Deferred income 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 income tax assets and liabilities of a change in the tax rate is recognized in income in the period that includes the enactment date of the rate change.

The Company maintains a valuation allowance to reduce its deferred income tax assets to the amount that is more likely than not to be realized. The Company has considered future taxable income and ongoing feasible tax planning strategies in assessing the need for the valuation allowance. Judgments made regarding future taxable income may change due to changes in market conditions, changes in tax laws or other factors. If the assumptions and estimates change in the future, the valuation allowance may increase or decrease, resulting in a respective increase or decrease in income tax expense.

The Noncontrolling interests do not include a provision or liability for income taxes for affiliated entities that are subject to domestic tax jurisdictions, as any tax liability related thereto is the responsibility of the holder of the noncontrolling interest.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Employee Partner Payments and Buyouts

The managing partner of each Company-owned domestic restaurant and the chef partner of each Fleming's Prime Steakhouse and Wine Bar and Roy's Company-owned domestic restaurant, as well as area operating partners, generally receive distributions or payments for providing management and supervisory services to their restaurants based on a percentage of their associated restaurants' monthly cash flows. The expense associated with the monthly payments for managing and chef partners is included in Labor and other related expenses, and the expense associated with the monthly payments for area operating partners is included in General and administrative expenses in the Consolidated Statements of Operations and Comprehensive Income.

Managing and chef partners that are eligible to participate in a deferred compensation program receive an unsecured promise of a cash contribution (see Note 4). An area operating partner's interest in the partnership (the "Management Partnership") that provides management and supervisory services to his or her restaurant may be purchased, at the Company's option, after the restaurant has been open for a five-year period based on the terms specified in the agreement. For those area operating partners with restaurants that opened on or after January 1, 2012, a bonus will be paid after the restaurant has been open for a five-year period based on the terms specified in the agreement. The Company estimates future bonuses and purchases of area operating partners' interests, as well as deferred compensation obligations to managing and chef partners, using current and historical information on restaurant performance and records the partner obligations in Partner deposits and accrued partner obligations in its Consolidated Balance Sheets. In the period the Company pays an area operating partner bonus or purchases the area operating partner's interests, an adjustment is recorded to recognize any remaining expense associated with the bonus or purchase and reduce the related accrued buyout liability. Deferred compensation expenses for managing and chef partners are included in Labor and other related expenses and bonus and buyout expenses for area operating partners are included in General and administrative expenses in the Consolidated Statements of Operations and Comprehensive Income.

Stock-based Compensation

Upon completion of the Company's initial public offering, the Bloomin' Brands, Inc. 2012 Incentive Award Plan (the "2012 Equity Plan") was adopted, and no further awards will be made under the Company's 2007 Equity Incentive Plan (the "2007 Equity Plan"). The 2012 Equity Plan permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based awards to Company management and other key employees. The Company accounts for its stock-based employee compensation using a fair value-based method of accounting.

The Company uses the Black-Scholes option pricing model to estimate the weighted-average grant date fair value of stock options granted. Expected volatilities are based on historical volatilities of the stock of comparable companies. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Results may vary depending on the assumptions applied within the model. Restricted stock awards are issued and measured at market value on the date of grant. The benefits of tax deductions in excess of recognized compensation cost, if any, are reported as a financing cash flow.

Net Income Attributable to Bloomin' Brands, Inc. Per Common Share

Basic net income per common share is computed on the basis of the weighted average number of common shares that were outstanding during the period. Diluted net income per share includes the dilutive effect

of common stock equivalents consisting of restricted stock and stock options, using the treasury stock method. Performance-based restricted stock and stock options are considered dilutive when the related performance criterion has been met.

Segment Reporting

The Company operates restaurants under five brands that have similar economic characteristics, nature of products and services, class of customer and distribution methods, and the Company believes it meets the criteria for aggregating its six operating segments, which are the five brands and the Company's international Outback Steakhouse operations, into a single reporting segment in accordance with the applicable accounting guidance. Approximately 8%, 9% and 8% of the Company's total revenues for the years ended December 31, 2012, 2011 and 2010, respectively, were attributable to operations in foreign countries and Guam. Approximately 3% and 2% of the Company's total long-lived assets, excluding goodwill and intangible assets, were located in foreign countries where the Company holds assets as of December 31, 2012 and 2011, respectively.

Reclassifications

The Company has reclassified certain items in the accompanying consolidated financial statements for prior periods to be comparable with the classification for the fiscal year ended December 31, 2012. These reclassifications had no effect on previously reported net income.

Recently Adopted Financial Accounting Standards

In May 2011, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" ("ASU No. 2011-04"), that establishes a number of new requirements for fair value measurements. These include: (i) a prohibition on grouping financial instruments for purposes of determining fair value, except when an entity manages market and credit risks on the basis of the entity's net exposure to the group; (ii) an extension of the prohibition against the use of a blockage factor to all fair value measurements (that prohibition currently applies only to financial instruments with quoted prices in active markets); and (iii) a requirement that for recurring Level 3 fair value measurements, entities disclose quantitative information about unobservable inputs, a description of the valuation process used and qualitative details about the sensitivity of the measurements. Additionally, for items not carried at fair value but for which fair value is disclosed, entities will be required to disclose the level within the fair value hierarchy that applies to the fair value measurement disclosed. ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011. The adoption of ASU No. 2011-04 on January 1, 2012 increased the Company's fair value disclosure requirements but did not have an impact on the Company's financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" ("ASU No. 2011-05"), that eliminates the option to report other comprehensive income and its components in the statement of changes in equity. Instead, the new guidance requires the Company to present the components of net income and other comprehensive income in one continuous statement, referred to as the statement of comprehensive income, or in two separate but consecutive statements. While the new guidance changes the presentation of comprehensive income, there are no changes to the components that are recognized in net income or other comprehensive income under current accounting guidance. ASU No. 2011-05 must be applied retrospectively and is effective for public companies during the interim and annual periods beginning after December 15, 2011. Additionally, in December 2011, the FASB

issued ASU No. 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 Accounting Standards Update No. 2011-05" ("ASU No. 2011-12"), which indefinitely defers the requirement in ASU No. 2011-05 to present reclassification adjustments out of accumulated other comprehensive income by component in both the statement in which net income is presented and the statement in which other comprehensive income is presented. The deferral of the presentation requirements does not impact the effective date of the other requirements in ASU No. 2011-05. During the deferral period, the existing requirements in generally accepted accounting principles in the United States for the presentation of reclassification adjustments must continue to be followed. ASU No. 2011-12 is effective for public companies during the interim and annual periods beginning after December 15, 2011. The adoption of ASU No. 2011-05 and ASU No. 2011-12 on January 1, 2012 did not have an impact on the Company's financial position, results of operations or cash flows as the guidance only requires a presentation change to comprehensive income.

In September 2011, the FASB issued ASU No. 2011-08, "Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment" ("ASU No. 2011-08"), 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 quantitative goodwill impairment test. 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 entities to go directly to the quantitative assessment. ASU No. 2011-08 is effective for annual and interim goodwill impairment tests performed in fiscal years beginning after December 15, 2011. The adoption of this guidance on January 1, 2012 did not have an impact on the Company's financial position, results of operations or cash flows.

In December 2011, the FASB issued ASU No. 2011-10, "Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification" ("ASU No. 2011-10"), which applies to a parent company that ceases to have a controlling financial interest in a subsidiary, that is in substance real estate, as a result of a default on the subsidiary's nonrecourse debt. The new guidance emphasizes that the parent should only deconsolidate the real estate subsidiary when legal title to the real estate is transferred to the lender and the related nonrecourse debt has been extinguished. If the reporting entity ceases to have a controlling financial interest under subtopic 810-10, the reporting entity would continue to include the real estate, debt, and the results of the subsidiary's operations in its consolidated financial statements until legal title to the real estate is transferred to legally satisfy the debt. This standard is effective for public companies during the annual and interim periods beginning on or after June 15, 2012. The adoption of this guidance on July 1, 2012 did not have an impact on the Company's financial statements.

3. Stockholders' Equity

Initial Public Offering

On August 13, 2012, the Company completed an initial public offering of its common stock. On September 11, 2012, the underwriters in the Company's initial public offering completed the exercise of their option to purchase up to 2,400,000 additional shares of common stock from the Company and certain of the selling stockholders. In the offering, (i) the Company issued and sold an aggregate of 14,196,845 shares of common stock (including 1,196,845 shares sold pursuant to the underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $156.2 million and (ii) certain of the Company's stockholders sold 4,196,845 shares of the Company's common stock (including 1,196,845 shares pursuant to the underwriters' option to purchase additional shares) at a price to the public of $11.00 per share for aggregate gross offering proceeds of $46.2 million. The Company did not receive any proceeds from the sale of shares of common stock by the selling stockholders.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company received net proceeds in the offering of approximately $142.2 million after deducting underwriting discounts and commissions of approximately $9.4 million and offering related expenses of $4.6 million. All of the net proceeds, together with cash on hand, was applied to retire OSI's 10% senior notes due 2015.

Upon completion of the initial public offering, the Company's certificate of incorporation was amended and restated to provide for authorized capital stock of 475,000,000 shares of common stock, par value $0.01 per share, and 25,000,000 shares of undesignated preferred stock.

On May 10, 2012, the retention bonus and the incentive bonus agreements with the Company's Chief Executive Officer ("CEO") were amended. Under the terms of the amendments, the remaining payments under each agreement were accelerated to a single lump sum payment of $22.4 million as a result of the completion of the Company's initial public offering, which was paid in the third quarter of 2012. The Company recorded $18.1 million for the accelerated bonus expense in General and administrative in its Consolidated Statement of Operations and Comprehensive Income for the year ended December 31, 2012.

Upon completion of the Company's initial public offering, the Company recorded approximately $16.0 million of aggregate non-cash compensation expense with respect to (i) certain stock options held by its CEO that become exercisable (to the extent then vested) if following the offering, the volume-weighted average trading price of the Company's common stock is equal to or greater than specified performance targets over a six-month period and (ii) the time vested portion of outstanding stock options containing a management call option due to the automatic termination of the call option upon completion of the offering.

Net Income Attributable to Bloomin' Brands, Inc. Per Common Share

The computation of basic and diluted net income per common share is as follows (in thousands, except per share amounts):

	Years Ended December 31,		
	2012	2011	2010
Net income attributable to Bloomin' Brands, Inc.	$ 49,971	$100,005	$ 52,968
Basic weighted average common shares outstanding	111,999	106,224	105,968
Effect of diluted securities:			
Stock options	2,738	399	—
Unvested restricted stock	84	66	—
Diluted weighted average common shares outstanding	114,821	106,689	105,968
Basic net income attributable to Bloomin' Brands, Inc. per common share	$ 0.45	$ 0.94	$ 0.50
Diluted net income attributable to Bloomin' Brands, Inc. per common share	$ 0.44	$ 0.94	$ 0.50

Dilutive securities outstanding not included in the computation of net income attributable to Bloomin' Brands, Inc. per common share because their effect was antidilutive were as follows (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Stock options	1,092	550	2,576

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Purchase of Limited Partnership and Joint Venture Interests

During the third and fourth quarters of 2012, the Company purchased the remaining partnership interests in certain of the Company's limited partnerships that either owned or had a contractual right to varying percentages of cash flows in 44 Bonefish Grill restaurants and 17 Carrabba's Italian Grill restaurants for an aggregate purchase price of $39.5 million. The purchase price for each of the transactions was paid in cash by December 31, 2012. These transactions resulted in a $39.0 million reduction in Additional paid-in capital in the Company's Consolidated Balance Sheet at December 31, 2012.

Effective October 1, 2012, the Company purchased the remaining interests in the Roy's joint venture from its joint venture partner, RY-8, Inc. ("RY-8"), for $27.4 million. This purchase price consisted of the assumption of RY-8's $24.5 million line of credit guaranteed by OSI that had been recorded in Guaranteed debt in the Company's Consolidated Balance Sheet at December 31, 2011, forgiveness of $1.8 million in loans due from RY-8 to OSI and a $1.1 million cash payment. This transaction resulted in a $0.7 million reduction in Additional paid-in capital in the Company's Consolidated Balance Sheet at December 31, 2012. In December 2012, the Company paid the $24.5 million outstanding balance on the line of credit assumed from RY-8 and the line of credit was terminated.

The following table sets forth the effect of these transactions on stockholders' equity attributable to Bloomin' Brands, Inc. (in thousands):

	Net Income Attributable to Bloomin' Brands, Inc. and Transfers to Noncontrolling Interests		
	Years Ended December 31,		
	2012	2011	2010
Net income attributable to Bloomin' Brands, Inc.	$ 49,971	$100,005	$52,968
Transfers to noncontrolling interests:			
Decrease in Bloomin' Brands, Inc. additional paid-in capital for purchase of joint venture and limited partnership interests	(39,696)	—	—
Change from net income attributable to Bloomin' Brands, Inc. and transfers to noncontrolling interests	$ 10,275	$100,005	$52,968

4. Stock-based and Deferred Compensation Plans

Stock-based and Deferred Compensation Plans

Managing and Chef Partners

Historically, the managing partner of each Company-owned domestic restaurant and the chef partner of each Fleming's Prime Steakhouse and Wine Bar and Roy's restaurant were required, as a condition of employment, to sign a five-year employment agreement and to purchase a non-transferable ownership interest in the Management Partnership that provided management and supervisory services to his or her restaurant. The purchase price for a managing partner's ownership interest was fixed at $25,000, and the purchase price for a chef partner's ownership interest ranged from $10,000 to $15,000. Managing and chef partners had the right to receive monthly distributions from the Management Partnership based on a percentage of their restaurant's monthly cash flows for the duration of the agreement, which varied by concept from 6% to 10% for managing

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

partners and 2% to 5% for chef partners. Further, managing and chef partners were eligible to participate in the Partner Equity Plan ("PEP"), a deferred compensation program, upon completion of their five-year employment agreement. Amounts credited to partners' PEP accounts are fully vested at all times and participants have no discretion with respect to the form of benefit payments under the PEP.

In April 2011, the Company modified its managing and chef partner compensation structure to provide greater incentives for sales and profit growth. Under the revised program, managing and chef partners continue to sign five-year employment agreements and receive monthly distributions of the same percentage of their restaurant's cash flow as under the prior program. However, under the revised program, in lieu of participation in the PEP, managing partners and chef partners are eligible to receive deferred compensation payments under the Partner Ownership Account Plan (the "POA"). The POA places greater emphasis on year-over-year growth in cash flow than the PEP. Managing and chef partners receive a greater value under the POA than they would have received under the PEP if certain levels of year-over-year cash flow growth are achieved and a lesser value than under the PEP if these levels are not achieved.

The POA requires managing and chef partners to make an initial deposit of up to $10,000 into their "Partner Investment Account," and the Company make a bookkeeping contribution to each partner's "Company Contributions Account" no later than the end of February of each year following the completion of each year (or partial year where applicable) under the partner's employment agreement. The value of each Company contribution is equal to a percentage of the partner's restaurant's cash flow plus, if the restaurant has been open at least 18 calendar months, a percentage of the year-over-year increase in the restaurant's cash flow.

In addition to the POA, our managing and chef partners are also eligible for an annual bonus known as the President's Club, paid in addition to the monthly distributions of cash flow, designed to reward increases in a restaurant's annual sales above the concept sales plan with a required flow-through percentage of the incremental sales to cash flow as defined in the plan. Managing and chef partners whose restaurants achieve certain annual sales targets above the concept's sales plan (and the required flow-through percentage) receive a bonus equal to a percentage of the incremental sales, such percentage determined by the sales target achieved.

Amounts credited to each partner's account under the POA may be allocated by the partner among benchmark funds offered under the POA, and the account balances of the partner will increase or decrease based on the performance of the benchmark funds. Upon termination of employment, all remaining balances in the Company Contributions Account in the POA are forfeited unless the partner has been with the Company for twenty years or more. Unless previously forfeited under the terms of the POA, 50% of the partner's total account balances generally will be distributed in the March following the completion of the initial five-year contract term with subsequent distributions varying based on the length of continued employment as a partner. The deferred compensation obligations under the POA are unsecured obligations of the Company.

All managing and chef partners who execute new employment agreements after May 1, 2011 are required to participate in the revised partner program, including the POA. Managing and chef partners with a current employment agreement scheduled to expire December 1, 2011 or later had the opportunity (from April 27, 2011 through July 27, 2011) to amend their employment agreements to convert their existing partner program to participation in the new partner program, including the POA, effective June 1, 2011. As of December 31, 2012 and 2011, the Company's POA liability was $15.3 million and $8.0 million, respectively, which was recorded in Partner deposits and accrued partner obligations in its Consolidated Balance Sheets.

Upon the closing of the Merger, certain stock options that had been granted to managing and chef partners under a pre-merger managing partner stock plan upon completion of a previous employment contract were converted into the right to receive cash in the form of a "Supplemental PEP" contribution.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of December 31, 2012, the Company's total vested liability with respect to obligations primarily under the PEP and Supplemental PEP was approximately $122.6 million, of which $17.8 million and $104.8 million was included in Accrued and other current liabilities and Other long-term liabilities, net, respectively, in its Consolidated Balance Sheet. As of December 31, 2011, the Company's total vested liability with respect to obligations primarily under the PEP and Supplemental PEP was approximately $107.8 million, of which $11.8 million and $96.0 million was included in Accrued and other current liabilities and Other long-term liabilities, net, respectively, in its Consolidated Balance Sheet. Partners may allocate the contributions into benchmark investment funds, and these amounts due to participants will fluctuate according to the performance of their allocated investments and may differ materially from the initial contribution and current obligation.

As of December 31, 2012 and 2011, the Company had approximately $67.8 million and $56.9 million, respectively, in various corporate-owned life insurance policies and at December 31, 2011, another $0.3 million of restricted cash, both of which are held within an irrevocable grantor or "rabbi" trust account for settlement of the Company's obligations primarily under the PEP, Supplemental PEP and POA. The Company is the sole owner of any assets within the rabbi trust and participants are considered general creditors of the Company with respect to assets within the rabbi trust.

As of December 31, 2012 and 2011, there were $65.1 million and $55.6 million, respectively, of unfunded obligations primarily related to the PEP, Supplemental PEP and POA, excluding amounts not yet contributed to the partners' investment funds, which may require the use of cash resources in the future.

Area Operating Partners

Historically, an area operating partner was required, as a condition of employment and within 30 days of the opening of his or her first restaurant, to make an initial investment of $50,000 in the Management Partnership that provides supervisory services to the restaurants that the area operating partner oversees. This interest gave the area operating partner the right to distributions from the Management Partnership based on a percentage of his or her restaurants' monthly cash flows for the duration of the agreement, typically ranging from 4% to 9%. The Company has the option to purchase an area operating partner's interest in the Management Partnership after the restaurant has been open for a five-year period on the terms specified in the agreement.

For restaurants opened on or between January 1, 2007 and December 31, 2011, the area operating partner's percentage of cash distributions and buyout percentage is calculated based on the associated restaurant's return on investment compared to the Company's targeted return on investment and ranges from 3.0% to 12.0% depending on the concept. This percentage is determined after the first five full calendar quarters from the date of the associated restaurant's opening and is adjusted each quarter thereafter based on a trailing 12-month restaurant return on investment. The buyout percentage is the area operating partner's average distribution percentage for the 24 months immediately preceding the buyout. Buyouts are paid in cash within 90 days or paid over a two-year period.

In 2011, the Company also began a version of the President's Club annual bonus described above under "Managing and Chef Partners" for area operating partners to provide additional rewards for achieving sales targets with a required flow-through of the incremental sales to cash flow as defined in the plan.

In April 2012, the Company revised its area operating partner program for restaurants opened on or after January 1, 2012. For these restaurants, an area operating partner is required, as a condition of employment, to make a deposit of $10,000 within 30 days of the opening of each new restaurant that he or she oversees, up to a maximum deposit of $50,000 (taking into account investments under prior programs). This deposit gives the area operating partner the right to monthly payments based on a percentage of his or her restaurants' monthly cash

flows for the time period that the area operating parter oversees the restaurant, typically ranging from 4.0% to 4.5%. After the restaurant has been open for a five-year period, the area operating partner will receive a bonus equal to a multiple of the area operating partner's average monthly payments for the 24 months immediately preceding the bonus date. The bonus will be paid within 90 days or over a two-year period, depending on the bonus amount.

Management and Other Key Employees

During the years ended December 31, 2012 and 2011, the Board of Directors authorized an additional 850,000 and 1,350,000 shares, respectively, for issuances of stock options and restricted stock under the Company's 2007 Equity Plan. During the year ended December 31, 2010, no additional shares were approved. A total of 13,200,000 shares were approved for stock options and restricted stock grants under the 2007 Equity Plan by the Board of Directors as of December 31, 2012. The maximum term of stock options and restricted stock granted under the 2007 Equity Plan is ten years. Upon completion of the Company's initial public offering, the 2012 Equity Plan was adopted, and no further awards will be made under the 2007 Equity Plan.

The 2012 Equity Plan provides for grants of stock options, stock appreciation rights, restricted stock and restricted stock units, performance awards and other stock-based awards determined by the Compensation Committee of the Board of Directors. The maximum number of shares of common stock available for issuance pursuant to the 2012 Equity Plan was initially 3,000,000 shares. As of the first business day of each fiscal year, commencing on January 1, 2013, the aggregate number of shares that may be issued pursuant to the 2012 Equity Plan automatically increases by a number equal to 2% of the total number of shares then issued and outstanding. The 2012 Equity Plan provides that grants of performance awards will be made based upon, and subject to achieving, one or more performance measures over a performance period of not less than one year as established by the Compensation Committee of the Board of Directors. Unless terminated earlier, the 2012 Equity Plan will terminate ten years from its effective date.

Other Benefit Plans

The Company has a qualified defined contribution 401(k) plan (the OSI Restaurant Partners, LLC Salaried Employees 401(k) Plan and Trust, or the "401(k) Plan") covering employees eligible for salaried benefits, except officers and certain highly compensated employees. Assets of the 401(k) Plan are held in trust for the sole benefit of the employees. Participants in the 401(k) Plan may make pretax elective deferrals to the 401(k) Plan of between 1% and 20% of their compensation, subject to Internal Revenue Service ("IRS") limitations. The Company also may make matching and/or profit-sharing contributions to the 401(k) Plan. The Company contributed $2.0 million, $2.0 million, and $1.9 million to the 401(k) Plan for the plan years ended December 31, 2012, 2011 and 2010, respectively.

The Company provides a deferred compensation plan for its highly compensated employees who are not eligible to participate in the 401(k) Plan. The deferred compensation plan allows these employees to contribute from 5% to 90% of their base salary and 5% to 100% of their cash bonus on a pretax basis to an investment account consisting of various investment fund options. The Company does not currently intend to provide any matching or profit-sharing contributions, and participants are fully vested in their deferrals and their related returns. Participants are considered unsecured general creditors in the event of Company bankruptcy or insolvency.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Stock Options

The following table presents a summary of the Company's stock option activity for the year ended December 31, 2012 (in thousands, except exercise price and contractual life):

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2011	11,943	$ 7.50	7.5	$53,989
Granted	872	14.23		
Exercised	(136)	6.50		
Forfeited or expired	(300)	7.20		
Outstanding at December 31, 2012	12,379	$ 7.99	6.7	$94,710
Exercisable at December 31, 2012	7,293	$ 7.41	6.0	$60,026

The total intrinsic value of stock options exercised during the year ended December 31, 2012 was $0.5 million. The Company received $0.9 million in cash and did not realize any tax benefits from the exercise of stock options in the year ended December 31, 2012. The Company did not have any stock options exercised in the years ended December 31, 2011 and 2010. The Company settles stock option exercises with authorized but unissued shares of the Company's common stock.

The weighted-average grant date fair value of stock options granted during the years ended December 31, 2012, 2011 and 2010 was $6.93, $6.02, and $3.18, respectively, and was estimated using the Black-Scholes option pricing model. The following assumptions were used to calculate the fair value of options granted for the periods indicated:

	Years Ended December 31,		
	2012	2011	2010
Weighted-average risk-free interest rate	1.11%	2.09%	1.95%
Dividend yield	— %	— %	— %
Expected term	6.5 years	6.5 years	6.5 years
Weighted-average volatility	48.6%	54.8%	73.9%

Under the 2007 Equity Plan, stock options generally vest and become exercisable in 20% increments over a period of five years contingent on continued employee service. Shares acquired upon the exercise of stock options under the 2007 Equity Plan were generally subject to a stockholder's agreement that contained a management call option that allowed the Company to repurchase all shares purchased through exercise of stock options upon termination of employment at any time prior to the earlier of an initial public offering or a change of control. If an employee's termination of employment was a result of death or disability, by the Company other than for cause or by the employee for good reason, the Company was able to repurchase exercised stock under this call option at fair market value. If an employee's termination of employment was by the Company for cause or by the employee without good reason, the Company was able to repurchase the stock under this call provision for the lesser of the exercise price or fair market value. Additionally, the holder of shares acquired upon the exercise of stock options was prohibited from transferring the shares to any person, subject to narrow exceptions, and if a permitted transfer occurred, the transferred shares remained subject to the management call option. As a result of the transfer restrictions and call option, the Company did not record compensation expense for stock

options that contained the call option since employees were not able to realize monetary benefit from the options or any shares acquired upon the exercise of the options unless the employee was employed at the time of an initial public offering or change of control. Prior to the Company's initial public offering in August 2012, there had not been any exercises of stock options by any employee, and generally all stock options of terminated employees with a call provision either expired or were forfeited.

Upon completion of the Company's initial public offering, the Company recorded approximately $16.0 million of aggregate non-cash compensation expense with respect to (i) certain stock options held by its CEO that become exercisable (to the extent then vested) if following the offering, the volume-weighted average trading price of the Company's common stock is equal to or greater than specified performance targets over a six-month period and (ii) the time vested portion of outstanding stock options containing the management call option due to the automatic termination of the call option upon completion of the offering.

On July 1, 2011, the CEO was granted an option to purchase 550,000 shares of common stock under the 2007 Equity Plan in accordance with the terms of her employment agreement. This option has an exercise price of $10.03 per share and was subject to a modified form of the management call option that did not preclude the Company from recording compensation expense during the service period. This modified form of the management call option terminated upon completion of the Company's initial public offering. These options vest and compensation expense is recorded equally over a five-year period on each anniversary of the grant date, contingent upon her continued employment with the Company.

In March 2010, the Company offered all then active employees the opportunity to exchange outstanding stock options with an exercise price of $10.00 per share for the same number of replacement stock options with an exercise price of $6.50 per share. Under the exchange program, the vested portion of the eligible stock options as of the grant date of the replacement stock options were exchanged for stock options that were fully vested. The unvested portion of the exchanged stock options were exchanged for unvested replacement stock options that vest and become exercisable over a period of time that is equal to the remaining vesting period of the exchanged stock options plus one year, subject to the participant's continued employment through the new vesting date. For exchanged stock options that contained both performance-based and time-based vesting conditions, the replacement stock options contain only time-based vesting conditions and vest in accordance with the above terms. All eligible stock options were exchanged pursuant to the exchange program. The original stock options were cancelled, and the issuance of the replacement stock options occurred on April 6, 2010. As a result of the management call option, the stock options exchange did not have a material effect on the Company's consolidated financial statements.

Under the 2012 Equity Plan, stock options generally vest and become exercisable in 25% increments over a period of four years on the grant anniversary date contingent on continued employee service. Stock options have an exercisable life of no more than ten years from the date of grant.

The Company recorded compensation expense of $20.1 million, $2.2 million and $1.1 million during the years ended December 31, 2012, 2011 and 2010 respectively, for vested stock options. The Company did not recognize any tax benefits for vested stock options in any of the years ended December 31, 2012, 2011 and 2010 due to a valuation allowance and other tax credits available. The total fair value of stock options that vested during the years ended December 31, 2012, 2011 and 2010 was $66.5 million (of which $39.3 million relates to stock options that would have vested in prior years without the management call option), $3.7 million and $2.2 million, respectively. The Company did not capitalize any stock-based compensation costs during any periods presented. As of December 31, 2012, there was $22.6 million of total unrecognized compensation expense related to non-vested stock options, which is expected to be recognized over a weighted-average period of approximately 2.8 years.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Restricted Stock

	Number of Restricted Stock Awards (in thousands)	Weighted-Average Grant Date Fair Value Per Award
Restricted stock outstanding at December 31, 2011	239	$ 10.00
Granted	314	14.69
Vested	(218)	10.00
Forfeited	(36)	11.93
Restricted stock outstanding at December 31, 2012	299	$ 14.69

Compensation expense recognized in net income for the years ended December 31, 2012, 2011 and 2010 was $1.4 million, $1.7 million and $2.0 million, respectively, for restricted stock awards. The Company did not recognize any tax benefits related to the compensation expense recorded for restricted stock awards for the years ended December 31, 2012, 2011 and 2010 due to a valuation allowance and other tax credits available. As measured on the vesting date, the total fair value of restricted stock that vested during the years ended December 31, 2012, 2011 and 2010 was $2.8 million, $2.3 million and $1.8 million, respectively. Unrecognized pretax compensation expense related to non-vested restricted stock awards was approximately $3.7 million at December 31, 2012 and will be recognized over a weighted-average period of 3.4 years.

Shares of restricted stock issued in 2007 to certain of the Company's current and former executive officers and other members of management under the 2007 Equity Plan vested each June 14 through 2012. In accordance with the terms of their applicable agreements, the Company loaned an aggregate of $0.4 million, $0.9 million and $0.7 million to these individuals in 2012, 2011 and 2010, respectively, for their personal income tax obligations that resulted from vesting. During the first quarter of 2012, the three executive officers of the Company having outstanding loans and certain other former members of management repaid their entire loan balances to the Company. As of December 31, 2012 and 2011, a total of $5.8 million and $7.2 million of loans and associated interest obligations to current and former executive officers and other members of management was outstanding and was recorded in Additional paid-in capital in the Company's Consolidated Balance Sheets. The loans are full recourse and are collateralized by the vested shares of restricted stock. On May 10, 2012, the Company approved an amendment to the loans to extend the timing for mandatory prepayment in connection with an initial public offering to require full repayment by the last trading day in the first trading window subsequent to the expiration of contractual lock-up restrictions imposed in connection with the offering.

Restricted stock shares vest on the grant anniversary date at a rate of approximately 33.3% per year for those issued to directors and 25% per year for all other issuances. Restricted stock vesting is dependent upon continued service with forfeiture of all unvested restricted stock shares upon termination, unless in the case of death or disability, in which case all restricted stock shares are immediately vested.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

5. Other Current Assets, Net

Other current assets, net, consisted of the following (in thousands):

	December 31,	
	2012	2011
Prepaid expenses	$ 23,186	$ 18,113
Accounts receivable—vendors, net	38,459	48,568
Accounts receivable—franchisees, net	2,019	2,396
Accounts receivable—other, net	7,498	11,869
Other current assets, net	32,159	23,427
	$103,321	$104,373

6. Property, Fixtures and Equipment, Net

Property, fixtures and equipment, net, consisted of the following (in thousands):

	December 31,	
	2012	2011
Land	$ 262,378	$ 329,143
Buildings and building improvements	917,243	1,013,618
Furniture and fixtures	303,304	263,266
Equipment	422,069	362,649
Leasehold improvements	396,101	369,726
Construction in progress	32,646	22,011
Less: accumulated depreciation	(827,706)	(724,515)
	$1,506,035	$1,635,898

Effective March 14, 2012, the Company entered into a sale-leaseback transaction (the "Sale-Leaseback Transaction") with two third-party real estate institutional investors in which the Company sold 67 restaurant properties at fair market value for net proceeds of $192.9 million. The Company then simultaneously leased these properties under nine master leases (collectively, the "REIT Master Leases"). The initial terms of the REIT Master Leases are 20 years with four five-year renewal options. One renewal period is at a fixed rental amount and the last three renewal periods are generally based at then-current fair market values. The sale at fair market value and subsequent leaseback qualified for sale-leaseback accounting treatment, and the REIT Master Leases are classified as operating leases. In accordance with the applicable accounting guidance, the 67 restaurant properties are not classified as held for sale at December 31, 2011 since the Company leased the properties. The Company recorded a deferred gain on the sale of certain of the properties of $42.9 million primarily in Other long-term liabilities, net in its Consolidated Balance Sheet at the time of the transaction, which is amortized over the initial term of the lease.

As of December 31, 2012, the Company had certain land and buildings with historical cost amounts of $14.1 million and $20.3 million, respectively, that have been leased to third parties under operating leases. Accumulated depreciation related to the leased building assets of $4.1 million is included in Property, fixtures and equipment at December 31, 2012.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company expensed repair and maintenance costs of approximately $98.0 million, $97.3 million and $94.3 million for the years ended December 31, 2012, 2011 and 2010, respectively. Depreciation expense for the years ended December 31, 2012, 2011 and 2010 was $147.8 million, $147.4 million and $150.4 million, respectively.

During the years ended December 31, 2012, 2011 and 2010, the Company recorded property, fixtures and equipment impairment charges of $10.6 million, $11.6 million and $2.2 million, respectively, for certain of the Company's restaurants in Provision for impaired assets and restaurant closings in its Consolidated Statements of Operations and Comprehensive Income (see Note 14).

The fixed asset impairment charges described above primarily occurred as a result of the carrying value of a restaurant's assets exceeding its estimated fair market value, primarily due to anticipated closures or declining future cash flows from lower projected future sales at existing locations.

7. Investment in Equity Method Investee

Through a joint venture arrangement with PGS Participacoes Ltda., the Company holds a 50% ownership interest in the Brazilian Joint Venture, which operates Outback Steakhouse restaurants in Brazil. The Company accounts for the Brazilian Joint Venture under the equity method of accounting. At December 31, 2012 and 2011, the Company's net investment of $36.0 million and $34.0 million, respectively, was recorded in Investments in and advances to unconsolidated affiliates, net, and a foreign currency translation adjustment of ($3.1) million and ($3.8) million was recorded in Accumulated other comprehensive loss in the Company's Consolidated Balance Sheets during the years ended December 31, 2012 and 2011, respectively. The Company's share of earnings of $5.1 million, $6.8 million and $5.5 million for the years ended December 31, 2012, 2011 and 2010, respectively, was recorded in Income from operations of unconsolidated affiliates in the Company's Consolidated Statements of Operations and Comprehensive Income.

The following tables present summarized financial information for 100% of the Brazilian Joint Venture for the periods ending as indicated (in thousands):

	December 31,	
	2012	2011
Current assets	$33,269	$26,882
Noncurrent assets	72,214	63,458
Current liabilities	24,546	20,516
Noncurrent liabilities	16,997	10,694

	Years Ended December 31,		
	2012	2011	2010
Net revenue from sales	$246,819	$225,720	$161,860
Gross profit	172,011	153,377	112,647
Income from continuing operations	24,268	24,507	18,980
Net income	11,151	13,547	11,300

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

8. Goodwill and Intangible Assets, Net

The change in goodwill for the years ended December 31, 2012 and 2011 is as follows (in thousands):

	2012	2011
Balance as of January 1:		
Goodwill	$1,059,051	$1,059,051
Accumulated purchase accounting adjustments	3,604	3,604
Accumulated impairment losses	(784,636)	(784,636)
Cumulative translation adjustments	(8,197)	(8,118)
Accumulated disposal adjustments	(1,050)	—
	268,772	269,901
Translation adjustments	2,200	(79)
Disposal adjustment	—	(1,050)
Balance as of December 31:		
Goodwill	1,059,051	1,059,051
Accumulated purchase accounting adjustments	3,604	3,604
Accumulated impairment losses	(784,636)	(784,636)
Cumulative translation adjustments	(5,997)	(8,197)
Accumulated disposal adjustments	(1,050)	(1,050)
	$ 270,972	$ 268,772

The Company performs its annual assessment for impairment of goodwill and other indefinite-lived intangible assets each year during the second quarter. The Company's review of the recoverability of goodwill is based primarily upon an analysis of the discounted cash flows of the related reporting units as compared to their carrying values (see Note 14). The Company also uses the discounted cash flow method to determine the fair value of its intangible assets.

The Company did not record any goodwill or indefinite-lived intangible asset impairment charges or any material definite-lived intangible asset impairment charges during 2012, 2011 or 2010. In October 2011, the Company sold its nine Company-owned Outback Steakhouse restaurants in Japan to a subsidiary of S Foods, Inc., one of the Company's beef suppliers in Japan, for $9.4 million. The buyer will have the right for future development of Outback Steakhouse franchise restaurants in Japan and will pay the Company a royalty in the range of 2.75% to 4.00% based on sales volumes. The Company used the net cash proceeds from this sale to pay down $7.5 million of OSI's then outstanding term loans in accordance with the terms of the credit agreement amended in January 2010. The Company recorded a $1.1 million adjustment to reduce goodwill related to the disposal of these assets and recorded a loss of $4.3 million from this sale in General and administrative expenses in its Consolidated Statement of Operations and Comprehensive Income for the year ended December 31, 2011.

The accumulated purchase accounting adjustments to Goodwill of $3.6 million were the result of adjustments to appraised fair values of acquired tangible assets.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Intangible assets, net, consisted of the following (in thousands):

	Weighted Average Amortization Period (years)	December 31, 2012	December 31, 2011
Trade names (gross)	Indefinite	$413,000	$413,000
Trademarks (gross)	16	87,831	87,531
Less: accumulated amortization		(22,529)	(18,454)
Net trademarks		65,302	69,077
Favorable leases (gross, lives ranging from 0.8 to 25 years)	11	95,514	99,391
Less: accumulated amortization		(38,934)	(34,752)
Net favorable leases		56,580	64,639
Franchise agreements (gross)	8	17,385	17,385
Less: accumulated amortization		(7,410)	(6,073)
Net franchise agreements		9,975	11,312
Other intangibles (gross)	4	9,099	8,547
Less: accumulated amortization		(2,177)	(427)
Net other intangibles		6,922	8,120
Intangible assets, less total accumulated amortization of $71,051 and $59,706 at December 31, 2012 and 2011, respectively		$551,779	$566,148

Definite-lived intangible assets are amortized on a straight-line basis. The aggregate expense related to the amortization of the Company's trademarks, favorable leases, franchise agreements and other intangibles was $14.6 million, $13.9 million and $14.0 million for the years ended December 31, 2012, 2011 and 2010, respectively. Annual expense related to the amortization of intangible assets is anticipated to be approximately $13.9 million in 2013, $13.2 million in 2014, $12.8 million in 2015, $11.8 million in 2016 and $9.9 million in 2017.

In accordance with the terms of an asset purchase agreement that was amended in December 2004, the Company was obligated to pay a royalty to its Bonefish Grill founder and joint venture partner during his employment term with the Company. The Company had the option to terminate this royalty within 45 days of his termination of employment by making an aggregate payment equal to five times the amount of the royalty payable during the twelve full calendar months immediately preceding the month of his termination. As his employment terminated on October 1, 2011, the Company paid the approximately $8.5 million royalty termination fee in October 2011 and recorded this payment as an intangible asset in its Consolidated Balance Sheet in the fourth quarter of 2011. The intangible asset is amortized over a five-year useful life.

9. Other Assets, Net

Other assets, net, consisted of the following (in thousands):

	December 31,	
	2012	2011
Company-owned life insurance	$ 59,787	$ 51,955
Deferred financing fees, net of accumulated amortization of $8,890 and $66,275 at December 31, 2012 and 2011, respectively	15,097	19,988
Liquor licenses	26,002	25,545
Other assets	44,546	38,677
	$145,432	$136,165

The Company amortized deferred financing fees to interest expense of $8.2 million, $12.3 million and $13.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

10. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	December 31,	
	2012	2011
Accrued payroll and other compensation	$108,612	$117,013
Accrued insurance	22,235	19,284
Other current liabilities	61,437	75,189
	$192,284	$211,486

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

11. Long-term Debt, Net

Long-term debt, net consisted of the following (in thousands):

	December 31,	
	2012	2011
Senior secured term loan B facility, interest rate of 4.75% at December 31, 2012 (1)(2)	$1,000,000	$ —
Senior secured term loan facility, interest rate of 2.63% at December 31, 2011 (1)(3)	—	1,014,400
Senior secured pre-funded revolving credit facility, interest rate of 2.63% at December 31, 2011 (1)	—	33,000
Mortgage loan, weighted average interest rate of 3.98% at December 31, 2012 (4)	319,574	—
First mezzanine loan, interest rate of 9.00% at December 31, 2012 (4)	87,048	—
Second mezzanine loan, interest rate of 11.25% at December 31, 2012 (4)	87,273	—
Note payable, weighted average interest rate of 0.98% at December 31, 2011 (4)	—	466,319
First mezzanine note, interest rate of 3.28% at December 31, 2011 (4)	—	88,900
Second mezzanine note, interest rate of 3.53% at December 31, 2011 (4)	—	123,190
Third mezzanine note, interest rate of 3.54% at December 31, 2011 (4)	—	49,095
Fourth mezzanine note, interest rate of 4.53% at December 31, 2011 (4)	—	48,113
Senior notes, interest rate of 10.00% at December 31, 2011 (1)	—	248,075
Other notes payable, uncollateralized, interest rates ranging from 0.63% to 7.00% and from 0.76% to 7.00% at December 31, 2012 and 2011, respectively (1)	9,848	9,094
Sale-leaseback obligations (1)	2,375	2,375
Capital lease obligations (1)	2,112	2,520
Guaranteed debt, interest rate of 2.65% at December 31, 2011 (1)	—	24,500
	1,508,230	2,109,581
Less: current portion of long-term debt	(22,991)	(332,905)
Less: guaranteed debt	—	(24,500)
Less: debt discount	(13,790)	(291)
Long-term debt, net	$1,471,449	$1,751,885

(1) Represents obligations of OSI.
(2) At December 31, 2012, $50.0 million of OSI's outstanding senior secured term loan B facility was at 5.75%.
(3) At December 31, 2011, $61.9 million of OSI's outstanding senior secured term loan facility was at 4.50%.
(4) Represents obligations of New PRP as of December 31, 2012 and obligations of PRP as of December 31, 2011.

Bloomin' Brands, Inc. is a holding company and conducts its operations through its subsidiaries, certain of which have incurred their own indebtedness as described below.

On October 26, 2012, OSI completed a refinancing of its outstanding senior secured credit facilities from 2007 (the "2007 Credit Facilities") and entered into a credit agreement ("Credit Agreement") with a syndicate of institutional lenders and financial institutions. The new senior secured credit facilities provide for senior secured financing of up to $1.225 billion, consisting of a $1.0 billion term loan B and a $225.0 million revolving credit facility, including letter of credit and swing-line loan sub-facilities (the "New Facilities"). The

term loan B was issued with an original issue discount of $10.0 million. In the fourth quarter of 2012, the Company incurred $13.9 million of third-party financing costs to complete this transaction of which $11.0 million has been capitalized. These deferred financing costs are primarily included in Other assets, net in the Company's Consolidated Balance Sheet. The remaining $2.9 million of third-party financing costs were expensed as they related to debt held by lenders that participated in both the original and refinanced debt and therefore, the debt was treated as modified rather than extinguished. An additional $6.2 million of loss was recorded for the write-off of deferred financing fees associated with the 2007 Credit Facilities treated as extinguished. The Company recorded the total $9.1 million loss related to the modification and extinguishment of the 2007 Credit Facilities in Loss on extinguishment and modification of debt in the Company's Consolidated Statement of Operations and Comprehensive Income during the fourth quarter of 2012.

The new senior secured term loan B matures October 26, 2019. The borrowings under this facility bear interest at rates ranging from 225 to 250 basis points over the Base Rate or 325 to 350 basis points over the Eurocurrency Rate as defined in the Credit Agreement. The Base Rate option is the highest of (i) the prime rate of Deutsche Bank Trust Company Americas, (ii) the federal funds effective rate plus 0.5 of 1.0% or (iii) the Eurocurrency Rate with a one-month interest period plus 1.0% ("Base Rate") (3.25% at December 31, 2012). The Eurocurrency Rate option is the 30, 60, 90 or 180-day Eurocurrency Rate ("Eurocurrency Rate") (ranging from 0.21% to 0.51% at December 31, 2012). The Eurocurrency Rate may have a nine- or twelve-month interest period if agreed upon by the applicable lenders. With respect to the new senior secured term loan B, the Base Rate is subject to an interest rate floor of 2.25%, and the Eurocurrency Rate is subject to an interest rate floor of 1.25%.

OSI is required to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of its "annual excess cash flow" (with step-downs to 25% and 0% based upon its consolidated first lien net leverage ratio), as defined in the Credit Agreement, beginning with the fiscal year ending December 31, 2013 and subject to certain exceptions;
- 100% of the net proceeds of certain assets sales and insurance and condemnation events, subject to reinvestment rights and certain other exceptions; and
- 100% of the net proceeds of any debt incurred, excluding permitted debt issuances.

The New Facilities require scheduled quarterly payments on the term loan B equal to 0.25% of the original principal amount of the term loans for the first six years and three quarters commencing with the quarter ending March 31, 2013. These payments are reduced by the application of any prepayments, and any remaining balance will be paid at maturity. The outstanding balance on the term loan B was $1.0 billion at December 31, 2012 of which $10.0 million was classified as current due to OSI's required quarterly payments. Subsequent to December 31, 2012, OSI voluntarily made aggregate prepayments on its term loan B of $25.0 million.

The revolving credit facility matures October 26, 2017 and provides for swing-line loans and letters of credit of up to $225.0 million for working capital and general corporate purposes. The revolving credit facility bears interest at rates ranging from 200 to 250 basis points over the Base Rate or 300 to 350 basis points over the Eurocurrency Rate. There were no loans outstanding under the revolving credit facility at December 31, 2012, however, $41.2 million of the credit facility was not available for borrowing as: (i) $34.5 million of the credit facility was committed for the issuance of letters of credit as required by insurance companies that underwrite the Company's workers' compensation insurance and also, where required, for construction of new restaurants, (ii) $6.1 million of the credit facility was committed for the issuance of a letter of credit to the insurance

company that underwrites the Company's bonds for liquor licenses, utilities, liens and construction and (iii) $0.6 million of the credit facility was committed for the issuance of other letters of credit. Total outstanding letters of credit issued under OSI's new revolving credit facility may not exceed $100.0 million. Fees for the letters of credit were 3.63% and the commitment fees for unused revolving credit commitments were 0.50%.

The New Facilities require OSI to comply with certain covenants, including, in the case of the revolving credit facility, a covenant to maintain a specified quarterly Total Net Leverage Ratio ("TNLR") test. The TNLR is the ratio of Consolidated Total Debt to Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization and certain other adjustments as defined in the Credit Agreement) and may not exceed a level set at 6.00 to 1.00 for the last day of any fiscal quarter in 2012 or 2013, with step-downs over a four-year period to a maximum level of 5.00 to 1.00 in 2017. The other negative covenants limit, but provide exceptions for, OSI's ability and the ability of its restricted subsidiaries to take various actions relating to indebtedness, significant payments, mergers and similar transactions. The Credit Agreement also contains customary representations and warranties, affirmative covenants and events of default. At December 31, 2012, OSI was in compliance with its debt covenants under the New Facilities.

The New Facilities are guaranteed by each of OSI's current and future domestic 100% owned restricted subsidiaries in the Outback Steakhouse and Carrabba's Italian Grill concepts and certain other subsidiaries (the "Guarantors") and by OSI HoldCo, Inc., OSI's direct owner and the Company's indirect, wholly-owned subsidiary ("OSI HoldCo").

OSI's obligations are secured by substantially all of its assets and assets of the Guarantors and OSI HoldCo, in each case, now owned or later acquired, including a pledge of all of OSI's capital stock, the capital stock of substantially all of OSI's domestic subsidiaries and 65% of the capital stock of foreign subsidiaries that are directly owned by OSI, OSI HoldCo, or a Guarantor. OSI is also required to provide additional guarantees of the New Facilities in the future from other domestic wholly-owned restricted subsidiaries if the Consolidated EBITDA attributable to OSI's non-guarantor domestic wholly-owned restricted subsidiaries as a group exceeds 10% of the Consolidated EBITDA of OSI and its restricted subsidiaries. If this occurs, guarantees would be required from additional domestic wholly-owned restricted subsidiaries in such number that would be sufficient to lower the aggregate Consolidated EBITDA of the non-guarantor domestic wholly-owned restricted subsidiaries as a group to an amount not in excess of 10% of the Consolidated EBITDA of OSI and its restricted subsidiaries.

Prior to the New Facilities, OSI was party to the 2007 Credit Facilities with a syndicate of institutional lenders and financial institutions, which were entered into on June 14, 2007. These senior secured credit facilities provided for senior secured financing of up to $1.6 billion, consisting of a $1.3 billion term loan facility, a $150.0 million working capital revolving credit facility, including letter of credit and swing-line loan sub-facilities, and a $100.0 million pre-funded revolving credit facility that provided financing for capital expenditures only.

At each rate adjustment, OSI had the option to select an Original Base Rate plus 125 basis points or an Original Eurocurrency Rate plus 225 basis points for the borrowings under this facility. The base rate option was the higher of the prime rate of Deutsche Bank AG New York Branch and the federal funds effective rate plus 0.5 of 1% ("Original Base Rate") (3.25% at December 31, 2011). The eurocurrency rate option was the 30, 60, 90 or 180-day eurocurrency rate ("Original Eurocurrency Rate") (ranging from 0.38% to 0.88% at December 31, 2011). The Original Eurocurrency Rate may have had a nine- or twelve-month interest period if agreed upon by the applicable lenders. With either the Original Base Rate or the Original Eurocurrency Rate, the interest rate would have been reduced by 25 basis points if the associated Moody's Applicable Corporate Rating then most recently published was B1 or higher (the rating was Caa1 at December 31, 2011).

OSI was required to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of its "annual excess cash flow" (with step-downs to 25% and 0% based upon its rent-adjusted leverage ratio), as defined in the credit agreement and subject to certain exceptions;
- 100% of its "annual minimum free cash flow," as defined in the credit agreement, not to exceed $75.0 million for each fiscal year, if its rent-adjusted leverage ratio exceeded a certain minimum threshold;
- 100% of the net proceeds of certain assets sales and insurance and condemnation events, subject to reinvestment rights and certain other exceptions; and
- 100% of the net proceeds of any debt incurred, excluding permitted debt issuances.

Additionally, OSI was required, on an annual basis, to first, repay outstanding loans under the pre-funded revolving credit facility and second, fund a capital expenditure account to the extent amounts on deposit were less than $100.0 million, in both cases with 100% of OSI's "annual true cash flow," as defined in the credit agreement. In accordance with these requirements, in April 2012, OSI repaid its pre-funded revolving credit facility outstanding loan balance of $33.0 million and funded $37.6 million to its capital expenditure account using its "annual true cash flow."

OSI's 2007 Credit Facilities required scheduled quarterly payments on the term loans equal to 0.25% of the original principal amount of the term loans for the first six years and three quarters following June 14, 2007. These payments were reduced by the application of any prepayments. The outstanding balance on the term loans was $1.0 billion at December 31, 2011. The Company classified $13.1 million of OSI's term loans as current at December 31, 2011 due to OSI's required quarterly payments and the results of its covenant calculations, which indicated the additional term loan prepayments, as described above, were not required. In October 2011, the Company sold its nine Company-owned Outback Steakhouse restaurants in Japan to a subsidiary of S Foods, Inc. and used the net cash proceeds from this sale to pay down $7.5 million of OSI's outstanding term loans in accordance with the terms of the OSI credit agreement amended in January 2010 (see Note 8).

Proceeds of loans and letters of credit under OSI's $150.0 million working capital revolving credit facility provided financing for working capital and general corporate purposes and, subject to a rent-adjusted leverage condition, for capital expenditures for new restaurant growth. This revolving credit facility bore interest at rates ranging from 100 to 150 basis points over the Original Base Rate or 200 to 250 basis points over the Original Eurocurrency Rate. There were no loans outstanding under the revolving credit facility at December 31, 2011, however, $67.6 million of the credit facility was committed for the issuance of letters of credit and not available for borrowing. OSI's total outstanding letters of credit issued under its working capital revolving credit facility was not permitted to exceed $75.0 million. Fees for the letters of credit ranged from 2.00% to 2.25% and the commitment fees for unused working capital revolving credit commitments ranged from 0.38% to 0.50%.

Proceeds of loans under OSI's $100.0 million pre-funded revolving credit facility were available to provide financing for capital expenditures, if the capital expenditure account described above had a zero balance. As of December 31, 2011, OSI had $33.0 million outstanding on its pre-funded revolving credit facility. This borrowing was recorded in Current portion of long-term debt in the Company's Consolidated Balance Sheet, as OSI was required to repay any outstanding borrowings in April following each fiscal year using its "annual true cash flow," as defined in the credit agreement. At each rate adjustment, OSI had the option to select the Original Base Rate plus 125 basis points or an Original Eurocurrency Rate plus 225 basis points for

the borrowings under this facility. In either case, the interest rate was reduced by 25 basis points if the associated Moody's Applicable Corporate Rating then most recently published was B1 or higher. Fees for the unused portion of the pre-funded revolving credit facility were 2.43%.

At December 31, 2011, OSI was in compliance with its debt covenants under the 2007 Credit Facilities.

Effective March 27, 2012, New Private Restaurant Properties, LLC and two of the Company's other indirect wholly-owned subsidiaries (collectively, "New PRP") entered into a new commercial mortgage-backed securities loan (the "2012 CMBS Loan") with German American Capital Corporation and Bank of America, N.A. The 2012 CMBS Loan totaled $500.0 million at origination and was comprised of a first mortgage loan in the amount of $324.8 million, collateralized by 261 of the Company's properties, and two mezzanine loans totaling $175.2 million. The loans have a maturity date of April 10, 2017. The first mortgage loan has five fixed rate components and a floating rate component. The fixed rate components bear interest at rates ranging from 2.37% to 6.81% per annum. The floating rate component bears interest at a rate per annum equal to the 30-day London Interbank Offered Rate ("LIBOR") (with a floor of 1%) plus 2.37%. The first mezzanine loan bears interest at a rate of 9.00% per annum, and the second mezzanine loan bears interest at a rate of 11.25% per annum. In connection with the 2012 CMBS Loan, New PRP entered into an interest rate cap (the "Rate Cap") as a method to limit the volatility of the floating rate component of the first mortgage loan (see Note 15).

The proceeds from the 2012 CMBS Loan, together with the proceeds from the Sale-Leaseback Transaction and excess cash held in PRP, were used to repay PRP's original first mortgage and mezzanine notes (together, the commercial mortgage-backed securities loan, or the "CMBS Loan"). As a result of the 2012 CMBS Loan refinancing, the net amount repaid along with scheduled maturities within one year, $281.3 million was classified as current at December 31, 2011. During the first quarter of 2012, the Company recorded a $2.9 million loss related to the extinguishment in Loss on extinguishment and modification of debt in its Consolidated Statement of Operations and Comprehensive Income. The Company deferred $7.6 million of financing costs incurred to complete this transaction of which $2.2 million had been capitalized as of December 31, 2011 and the remainder was capitalized in the first quarter of 2012. These deferred financing costs are primarily included in Other assets, net in the Company's Consolidated Balance Sheets. At December 31, 2012, the outstanding balance, excluding the debt discount, on the 2012 CMBS Loan was $493.9 million.

Prior to the 2012 CMBS Loan, PRP had a CMBS Loan totaling $790.0 million, which was entered into on June 14, 2007. As part of the CMBS Loan, German American Capital Corporation and Bank of America, N.A. et al (the "Lenders") had a security interest in the acquired real estate and related improvements, and direct and indirect equity interests of certain of the Company's subsidiaries. The CMBS Loan comprised a note payable and four mezzanine notes. All notes bore interest at the one-month LIBOR which was 0.28% at December 31, 2011, plus an applicable spread which ranged from 0.51% to 4.25%. Interest-only payments were made on the ninth calendar day of each month and interest accrued beginning on the fifteenth calendar day of the preceding month. At December 31, 2011, the outstanding balance on PRP's CMBS Loan was $775.3 million. The Company used an interest rate cap with a notional amount of $775.7 million as a method to limit the volatility of PRP's variable-rate CMBS Loan. During the first quarter of 2012, this interest rate cap was terminated.

On June 14, 2007, OSI issued senior notes in an original aggregate principal amount of $550.0 million under an indenture among OSI, as issuer, OSI Co-Issuer, Inc., as co-issuer ("Co-Issuer"), a third-party trustee and the Guarantors. The senior notes were scheduled to mature on June 15, 2015. Interest was payable semiannually in arrears, at 10% per annum, in cash on each June 15 and December 15. Interest payments to the holders of record of the senior notes occurred on the immediately preceding June 1 and December 1. Interest was computed on the basis of a 360-day year consisting of twelve 30-day months. The principal balance of senior notes outstanding at December 31, 2011 was $248.1 million.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the third quarter of 2012, OSI retired the aggregate outstanding principal amount of its 10% senior notes through a combination of a tender offer and early redemption call. The senior notes retirement was funded using a portion of the net proceeds from the Company's initial public offering together with cash on hand. OSI paid an aggregate of $259.8 million to retire the senior notes, which included $248.1 million in aggregate outstanding principal, $6.5 million of prepayment premium and early tender incentive fees and $5.2 million of accrued interest. The senior notes were satisfied and discharged on August 13, 2012. As a result of these transactions, the Company recorded a loss from the extinguishment of debt of $9.0 million in the third quarter of 2012 in Loss on extinguishment and modification of debt in its Consolidated Statement of Operations and Comprehensive Income. This loss included $2.4 million for the write-off of unamortized deferred financing fees that related to the extinguished senior notes.

As of December 31, 2012 and 2011, OSI had approximately $9.8 million and $9.1 million, respectively, of notes payable at interest rates ranging from 0.63% to 7.00% and from 0.76% to 7.00%, respectively. These notes have been primarily issued for buyouts of managing and area operating partner interests in the cash flows of their restaurants and generally are payable over a period of two through five years.

Debt Guarantees

Effective October 1, 2012, the Company purchased the remaining interests in the Roy's joint venture from RY-8 for $27.4 million. This purchase price consisted of the assumption of RY-8's $24.5 million line of credit by OSI that had been recorded in Guaranteed debt in the Company's Consolidated Balance Sheet at December 31, 2011, forgiveness of $1.8 million in loans due from RY-8 to OSI and a $1.1 million cash payment. In December 2012, the Company paid the $24.5 million outstanding balance on the line of credit assumed from RY-8.

Prior to this acquisition, OSI was the guarantor of an uncollateralized line of credit that permitted borrowing of up to $24.5 million for RY-8 in the development of Roy's restaurants. The line of credit was set to expire on April 15, 2013. According to the terms of the line of credit agreement, RY-8 had the ability to borrow, repay, re-borrow or prepay advances at any time before the termination date of the agreement. On the termination date of the agreement, the entire outstanding principal amount of the loan then outstanding and any accrued interest would have been due. At December 31, 2011, the outstanding balance on the line of credit was $24.5 million.

RY-8's obligations under the line of credit were unconditionally guaranteed by OSI and Roy's Holdings, Inc. If an event of default had occurred, as defined in the agreement, the total outstanding balance, including any accrued interest, would have been immediately due from the guarantors. At December 31, 2011, $24.5 million of OSI's $150.0 million working capital revolving credit facility was committed for the issuance of a letter of credit for this guarantee.

The aggregate mandatory principal payments of total consolidated debt outstanding at December 31, 2012, for the next five years, are summarized as follows (in thousands):

2013	$ 25,604
2014	23,694
2015	21,547
2016	21,709
2017	463,301
Thereafter	952,375
Total	$1,508,230

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

12. Other Long-term Liabilities, Net

Other long-term liabilities, net, consisted of the following (in thousands):

	December 31,	
	2012	2011
Accrued insurance liability	$ 42,401	$ 39,575
Unfavorable leases, net of accumulated amortization of $21,625 and $18,891 at December 31, 2012 and 2011, respectively	57,359	62,012
PEP and Supplemental PEP obligations	102,206	93,877
Deferred gain on Sale-Leaseback Transaction, net of accumulated amortization of $1,610 at December 31, 2012	39,149	—
Other long-term liabilities	23,129	23,288
	$264,244	$218,752

The Company maintains endorsement split-dollar insurance policies with a death benefit ranging from $5.0 million to $10.0 million for certain of its current and former executive officers. The Company is the beneficiary of the policies to the extent of premiums paid or the cash value, whichever is greater, with the death benefit being paid to personal beneficiaries designated by the executive officers. The Company has agreed not to terminate the policies regardless of continued employment. As of December 31, 2012 and 2011, the Company has $14.3 million and $13.4 million, respectively, recorded in Other long-term liabilities, net in its Consolidated Balance Sheets for the endorsement split-dollar insurance policies.

13. Variable Interest Entities

Roy's and RY-8, Inc.

Historically, the Company's consolidated financial statements included the accounts and operations of its Roy's joint venture although it had less than majority ownership. The Company determined it was the primary beneficiary of the joint venture since the Company had the power to direct or cause the direction of the activities that most significantly impacted the entity on a day-to-day basis such as decisions regarding menu development, purchasing, restaurant expansion and closings and the management of employee-related processes. Additionally, the Company had the obligation to absorb losses or the right to receive benefits of the Roy's joint venture that could have potentially been significant to the Roy's joint venture. The majority of capital contributions made by the Company's partner in the Roy's joint venture, RY-8, were funded by loans to RY-8 from a third party where OSI provided a guarantee (see Note 11). The guarantee was secured by a collateral interest in RY-8's membership interest in the joint venture. The carrying amounts of consolidated assets and liabilities included within the Company's Consolidated Balance Sheet for the Roy's joint venture were $26.2 million and $9.6 million, respectively, at December 31, 2011.

The Company was also the primary beneficiary of RY-8 because its implicit variable interest in that entity, which was considered a de facto related party, indirectly received the variability of the entity through absorption of RY-8's expected losses, and therefore the Company also consolidated RY-8. Since RY-8's $24.5 million line of credit became fully extended in 2007, the Company had made interest payments, paid line of credit renewal fees and made capital expenditures for additional restaurant development on behalf of RY-8. The Company was obligated to provide financing, either through OSI's guarantee with a third-party institution or loans, for all required capital contributions and interest payments. Therefore, any additional RY-8 capital requirements in connection with the joint venture were likely to be the Company's responsibility. RY-8's line of

credit was set to expire on April 15, 2013. The Company classified OSI's $24.5 million contingent obligation as guaranteed debt at December 31, 2011 and the portion of income or loss attributable to RY-8 was eliminated in Net income attributable to noncontrolling interests in the Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2012, 2011 and 2010. All material intercompany balances and transactions have been eliminated.

Effective October 1, 2012, the Company purchased the remaining interests in the Roy's joint venture from RY-8 for $27.4 million (see Note 3). Subsequent to the purchase, Roy's is a wholly-owned subsidiary of the Company and RY-8 is no longer a variable interest entity.

Paradise Restaurant Group, LLC

In September 2009, the Company sold its Cheeseburger in Paradise concept, which included 34 restaurants, for $2.0 million to Paradise Restaurant Group, LLC ("PRG"), an entity formed and controlled by the president of the concept. Based on the terms of the purchase and sale agreement, the Company determined at that time that it was the primary beneficiary and continued to consolidate PRG after the sale transaction. Upon adoption of new accounting guidance for variable interest entities on January 1, 2010, the Company determined that it was no longer the primary beneficiary of PRG and deconsolidated PRG on January 1, 2010. At the time of sale, the Company received a promissory note for the full sale price, which subsequently became fully reserved upon deconsolidation. In the fourth quarter of 2012, the Company recorded a gain of $3.5 million for the collection of the promissory note and other amounts due to the Company in connection with the sale of the Cheeseburger in Paradise concept. The gain was recorded in General and administrative expenses in the Consolidated Statement of Operations and Comprehensive Income for the year ended December 31, 2012.

14. Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date (exit price) and is a market-based measurement, not an entity-specific measurement. To measure fair value, the Company incorporates assumptions that market participants would use in pricing the asset or liability, and utilizes market data to the maximum extent possible. Measurement of fair value incorporates nonperformance risk (i.e., the risk that an obligation will not be fulfilled). In measuring fair value, the Company reflects the impact of its own credit risk on its liabilities, as well as any collateral. The Company also considers the credit standing of its counterparties in measuring the fair value of its assets.

As a basis for considering market participant assumptions in fair value measurements, a three-tier fair value hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access;
- Level 2—Inputs, other than the quoted market prices included in Level 1, which are observable for the asset or liability, either directly or indirectly; and
- Level 3—Unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market data available.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its

entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Fair Value Measurements on a Recurring Basis

The Company invested $37.7 million of its excess cash in money market funds classified as Cash and cash equivalents or restricted cash in its Consolidated Balance Sheet as of December 31, 2011, at a net value of 1:1 for each dollar invested. The fair value of the investment in the money market funds is determined by using quoted prices for identical assets in an active market. As a result, the Company has determined that the inputs used to value this investment fall within Level 1 of the fair value hierarchy. The amount of excess cash invested in money market funds at December 31, 2012 was immaterial to the Company's consolidated financial statements.

In connection with the 2012 CMBS Loan, New PRP entered into an interest rate cap with a notional amount of $48.7 million as a method to limit the volatility of the floating rate component of the first mortgage loan. Additionally, the Company used an interest rate cap with a notional amount of $775.7 million as a method to limit the volatility of PRP's variable-rate CMBS Loan, which was terminated in June 2012 (see Note 15). The interest rate caps had nominal fair market value at December 31, 2012 or 2011, respectively, and therefore were excluded from the applicable tables within this footnote.

The following table presents the Company's money market funds measured at fair value on a recurring basis as of December 31, 2011, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Total December 31, 2011	Level 1	Level 2	Level 3
Assets:				
Money market funds - cash equivalents	$ 30,208	$30,208	$ —	$ —
Money market funds - restricted cash	7,499	7,499	—	—
Total recurring fair value measurements	$ 37,707	$37,707	$ —	$ —

Fair Value Measurements on a Nonrecurring Basis

The Company periodically evaluates long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. The Company analyzes historical and expected future cash flows of operating locations as well as lease terms, condition of the assets and related need for repairs and maintenance. Impairment loss is recognized to the extent that the fair value of the assets is less than the carrying value.

The following tables present losses related to the Company's assets and liabilities that were measured at fair value on a nonrecurring basis during the years ended December 31, 2012 and 2011, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	Year Ended December 31, 2012	Level 1	Level 2	Level 3	Total Losses
Long-lived assets held and used	$ 6,178	$ —	$3,585	$2,593	$10,584

	Year Ended December 31, 2011	Level 1	Level 2	Level 3	Total Losses
Long-lived assets held and used	$ 30,840	$29,455	$ —	$1,385	$11,593

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company recorded $10.6 million, $11.6 million and $2.2 million of impairment charges as a result of the fair value measurement on a nonrecurring basis of its long-lived assets held and used during the years ended December 31, 2012, 2011 and 2010, respectively, primarily related to certain specifically identified restaurant locations that have, or are scheduled to be, closed, relocated or renovated or are under-performing. The impaired long-lived assets had $6.2 million and $30.8 million of remaining fair value at December 31, 2012 and 2011, respectively. Restaurant closure and related expenses of $2.4 million, $2.4 million and $3.0 million were recognized for the years ended December 31, 2012, 2011 and 2010, respectively. Impairment losses for long-lived assets held and used and restaurant closure and related expenses were recognized in Provision for impaired assets and restaurant closings in the Consolidated Statement of Operations and Comprehensive Income.

The Company used quoted prices from brokers (Level 1), third-party market appraisals (Level 2) and discounted cash flow models (Level 3) to estimate the fair value of the long-lived assets included in the tables above. Projected future cash flows, including discount rate and growth rate assumptions, are derived from current economic conditions, expectations of management and projected trends of current operating results. As a result, the Company has determined that the majority of the inputs used to value its long-lived assets held and used are unobservable inputs that fall within Level 3 of the fair value hierarchy.

The following table presents quantitative information related to the unobservable inputs used in the Company's Level 3 fair value measurements for the impairment loss incurred in the year ended December 31, 2012:

Unobservable Input	Range
Weighted-average cost of capital (1)	9.5% - 11.2%
Long-term growth rates	3.0%
Annual revenue growth rates (2)	(8.7)% - 4.3%

(1) Weighted average of the costs of capital unobservable input range for the year ended December 31, 2012 was 10.8%.
(2) Weighted average of the annual revenue growth rate unobservable input range for the year ended December 31, 2012 was 2.6%.

During the years ended December 31, 2012, 2011 and 2010 the Company did not incur any goodwill and other indefinite-lived intangible asset impairment charges as a result of fair value measurements on a nonrecurring basis.

Fair Value of Financial Instruments

Disclosure of fair value information about financial instruments, whether or not recognized in the Consolidated Balance Sheets, is required for those instruments for which it is practical to estimate that value. Fair value is a market-based measurement.

The Company's non-derivative financial instruments at December 31, 2012 and 2011 consist of cash equivalents, restricted cash, accounts receivable, accounts payable and current and long-term debt. The fair values of cash equivalents, restricted cash, accounts receivable and accounts payable approximate their carrying amounts reported in the Consolidated Balance Sheets due to their short duration.

The fair value of OSI's senior secured term loan B facility is determined based on quoted market prices in inactive markets. The fair value of New PRP's commercial mortgage-backed securities is based on assumptions derived from current conditions in the real estate and credit environments, changes in the underlying

collateral and expectations of management. Fair value estimates for other notes payable are derived using a discounted cash flow approach. Discounted cash flow inputs primarily include cost of debt rates which are used to derive the present value factors for the determination of fair value. These inputs represent assumptions impacted by economic conditions and management expectations and may change in the future based on period-specific facts and circumstances.

The following table includes the carrying value and fair value of the Company's financial instruments at December 31, 2012 aggregated by the level in the fair value hierarchy in which those measurements fall (in thousands):

	December 31, 2012			
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Senior secured term loan B facility (1)	$1,000,000	$ —	$1,010,000	$ —
Mortgage loan (2)	319,574	—	—	334,678
First mezzanine loan (2)	87,048	—	—	90,371
Second mezzanine loan (2)	87,273	—	—	91,423
Other notes payable (1)	9,848	—	—	9,230

(1) Represents obligations of OSI.
(2) Represents obligations of New PRP.

The carrying amounts of PRP's commercial mortgage-backed securities loan and OSI's Other notes payable and Guaranteed debt approximated fair value at December 31, 2011. The fair value of OSI's senior secured credit facilities and senior notes was determined based on quoted market prices in inactive markets. The following table includes the carrying value and fair value of OSI's senior secured credit facilities and senior notes at December 31, 2011 (in thousands):

	December 31, 2011	
	Carrying Value	Fair Value
Senior secured term loan facility	$ 1,014,400	$953,536
Senior secured pre-funded revolving credit facility	33,000	31,020
Senior notes	248,075	254,277

15. Derivative Instruments and Hedging Activities

The Company is exposed to market risk from changes in interest rates on debt, changes in commodity prices and changes in foreign currency exchange rates.

Interest rate changes associated with the Company's variable-rate debt generally impact its earnings and cash flows, assuming other factors are held constant. The Company's current exposure to interest rate fluctuations includes OSI's borrowings under its New Facilities and the floating rate component of the first mortgage loan in New PRP's 2012 CMBS Loan that bear interest at floating rates based on the Eurocurrency Rate or the Base Rate and the one-month LIBOR, respectively, plus an applicable borrowing margin (see Note 11). The Company manages its interest rate risk by offsetting some of its variable-rate debt with fixed-rate debt, through normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In connection with the 2012 CMBS Loan, New PRP entered into an interest rate cap (the "Rate Cap") with a notional amount of $48.7 million as a method to limit the volatility of the floating rate component of the first mortgage loan. Under the Rate Cap, if the 30-day LIBOR market rate exceeds 7.00% per annum, the counterparty must pay to New PRP such excess on the notional amount of the floating rate component. If necessary, the Company would record mark-to-market changes in the fair value of this derivative instrument in earnings in the period of change. The Rate Cap has a term of approximately two years from the closing of the 2012 CMBS Loan. Upon the expiration or termination of the Rate Cap or the downgrade of the credit ratings of the counterparty under the Rate Cap's specified thresholds, New PRP is required to replace the Rate Cap with a replacement interest rate cap in a notional amount equal to the outstanding principal balance (if any) of the floating rate component. The Rate Cap had nominal fair market value at December 31, 2012. Previously, the Company used an interest rate cap as a method to limit the volatility of PRP's variable-rate CMBS Loan. Under the $775.7 million notional interest rate cap that terminated on June 15, 2012, interest rate payments had a ceiling of 6.31%. If the market rate exceeded the ceiling, the counterparty had to pay the Company an amount sufficient to reduce the interest payment to 6.31%. The interest rate cap had nominal fair market value at December 31, 2011. The effects of both of these interest rate caps were immaterial to the Company's consolidated financial statements for all periods presented and have been excluded from any tables within this footnote.

From September 2007 to September 2010, the Company used an interest rate collar as part of its interest rate risk management strategy to manage its exposure to interest rate movements related to OSI's senior secured credit facilities. Given the interest rate environment, the Company did not enter into another derivative financial instrument upon the maturity of this interest rate collar on September 30, 2010. The Company does not enter into financial instruments for trading or speculative purposes.

Many of the ingredients used in the products sold in the Company's restaurants are commodities that are subject to unpredictable price volatility. Although the Company attempts to minimize the effect of price volatility by negotiating fixed price contracts for the supply of key ingredients, there are no established fixed price markets for certain commodities such as produce and wild fish, and the Company is subject to prevailing market conditions when purchasing those types of commodities. Other commodities are purchased based upon negotiated price ranges established with vendors with reference to the fluctuating market prices. The Company attempts to offset the impact of fluctuating commodity prices with other strategic purchasing initiatives. The Company does not use derivative financial instruments to manage its commodity price risk, except for natural gas as described below.

The Company's restaurants are dependent upon energy to operate and are impacted by changes in energy prices, including natural gas. The Company utilizes derivative instruments to mitigate some of its overall exposure to material increases in natural gas prices. The Company records mark-to-market changes in the fair value of these derivative instruments in earnings in the period of change. The effects of these natural gas swaps were immaterial to the Company's consolidated financial statements for all periods presented and have been excluded from any tables within this footnote.

The Company's exposure to foreign currency exchange fluctuations relates primarily to its direct investment in restaurants in South Korea, Hong Kong and Brazil and to its royalties from international franchisees. The Company has not used financial instruments to hedge foreign currency exchange rate changes.

In addition to the market risks identified above, the Company is subject to business risk as its U.S. beef supply is highly dependent upon a limited number of vendors. In 2012, the Company purchased more than 75% of its beef raw materials from four beef suppliers who represent approximately 85% of the total beef marketplace in the U.S.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Non-designated Hedges of Interest Rate Risk

In September 2007, the Company entered into an interest rate collar with a notional amount of $1.0 billion as a method to limit the variability of OSI's 2007 Credit Facilities. The collar consisted of a LIBOR cap of 5.75% and a LIBOR floor of 2.99%. The collar's first variable-rate set date was December 31, 2007, and the option pairs expired at the end of each calendar quarter beginning March 31, 2008 and ending September 30, 2010, which was the maturity date of the collar. The quarterly expiration dates corresponded to the scheduled amortization payments of OSI's term loan then in effect. The Company expensed $19.9 million of interest for the year ended December 31, 2010 as a result of the quarterly expiration of the collar's option pairs. The Company recorded mark-to-market changes in the fair value of the derivative instrument in earnings in the period of change. Net interest income of $18.5 million for the year ended December 31, 2010 was recorded in Interest expense, net in the Company's Consolidated Statement of Operations and Comprehensive Income for the mark-to-market effects of this derivative instrument.

The Company's interest rate collar was a non-designated hedge of the Company's exposure to interest rate risk. The Company recorded mark-to-market changes in the fair value of the derivative instrument in earnings in the period of change.

The following table presents the location and effect of the Company's interest rate collar on its Consolidated Statement of Operations and Comprehensive Income for the years ended December 31, 2012, 2011 and 2010 (in thousands):

Derivatives Not Designated as Hedging Instruments	Location of Loss Recognized In Income on Derivative	Amount of Loss Recognized In Income on Derivative Years Ended December 31,		
		2012	2011	2010
Interest rate collar	Interest expense, net	$ —	$ —	$(1,436)

16. Income Taxes

The following table presents the domestic and foreign components of income before provision for income taxes (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Domestic	$43,744	$105,620	$58,346
Foreign	29,666	25,275	22,130
	$73,410	$130,895	$80,476

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Provision for income taxes consisted of the following (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Current provision (benefit):			
Federal	$ 15	$ 382	$ (4,324)
State	10,896	10,556	12,430
Foreign	8,637	10,953	8,012
	19,548	21,891	16,118
Deferred (benefit) provision:			
Federal	397	(127)	1,215
State	(8,118)	(179)	10
Foreign	279	131	3,957
	(7,442)	(175)	5,182
Provision for income taxes	$12,106	$21,716	$21,300

The reconciliation of income taxes calculated at the United States federal tax statutory rate to the Company's effective income tax rate is as follows:

	Years Ended December 31,		
	2012	2011	2010
Income taxes at federal statutory rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal benefit	2.2	4.1	4.8
Valuation allowance on deferred income tax assets	24.2	7.6	13.2
Employment related credits, net	(31.0)	(19.1)	(22.4)
Net officers' life insurance expense	(1.3)	0.9	(1.3)
Noncontrolling interests	(7.8)	(4.3)	(5.1)
Tax settlements and related adjustments	(1.0)	1.3	3.8
Loss on investments	—	(5.6)	—
Foreign rate differential	(4.5)	(2.4)	(2.1)
Other, net	0.7	(0.9)	0.6
Total	16.5%	16.6%	26.5%

The effective income tax rate for the year ended December 31, 2012 was 16.5% compared to 16.6% for the year ended December 31, 2011. The effective income tax rate in 2012 was consistent with the prior year. The effective income tax rate for the year ended December 31, 2011 was 16.6% compared to 26.5% for the year ended December 31, 2010. The net decrease in the effective income tax rate in 2011 as compared to the previous year was primarily due to the increase in the domestic pretax book income in which the deferred income tax assets are subject to a valuation allowance and the state and foreign income tax provision being a lower percentage of consolidated pretax income as compared to the prior year.

The effective income tax rate for the year ended December 31, 2012 was lower than the blended federal and state statutory rate of 38.6% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips, elimination of noncontrolling interests and foreign rate differential together being such a large

percentage of pretax income, which was partially offset by the valuation allowance. The effective income tax rate for the year ended December 31, 2011 was lower than the blended federal and state statutory rate of 38.7% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips and loss on investments as a result of the sale of assets in Japan together being such a large percentage of pretax income. The effective income tax rate for the year ended December 31, 2010 was lower than the blended federal and state statutory rate of 38.9% primarily due to the benefit of the tax credit for excess FICA tax on employee-reported tips, which was partially offset by the valuation allowance and income taxes in states that only have limited deductions in computing the state current income tax provision.

The income tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities are as follows (in thousands):

	December 31,	
	2012	2011
Deferred income tax assets:		
Deferred rent	$ 33,050	$ 26,421
Insurance reserves	23,714	21,740
Unearned revenue	11,155	9,375
Deferred compensation	60,977	53,487
Net operating loss carryforwards	6,716	19,397
Federal tax credit carryforwards	133,122	146,991
Deferred loss on contingent debt guarantee	—	9,493
Partner deposits and accrued partner obligations	29,376	31,858
Other, net	686	1,075
Gross deferred income tax assets	298,796	319,837
Less: valuation allowance	(72,515)	(35,837)
Net deferred income tax assets	226,281	284,000
Deferred income tax liabilities:		
Less: property, fixtures and equipment basis differences	(189,289)	(239,806)
Less: intangible asset basis differences	(133,496)	(148,433)
Less: deferred gain on extinguishment of debt	(57,064)	(57,064)
Net deferred income tax liabilities	$(153,568)	$(161,303)

The changes in the valuation allowance account for the deferred income tax assets are as follows (in thousands):

Balance at January 1, 2010	$21,977
Change in assessments about the realization of deferred income tax assets	3,909
Balance at December 31, 2010	25,886
Change in assessments about the realization of deferred income tax assets	9,951
Balance at December 31, 2011	35,837
Change in assessments about the realization of deferred income tax assets	36,678
Balance at December 31, 2012	$72,515

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

A valuation allowance reduces the deferred income tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred income tax assets will not be realized. After consideration of all of the evidence, the Company has determined that a valuation allowance of $72.5 million and $35.8 million is necessary at December 31, 2012 and 2011, respectively.

A provision for income taxes has not been recorded for any United States or additional foreign taxes on undistributed earnings related to the Company's foreign affiliates as these earnings were and are expected to continue to be permanently reinvested. If the Company identifies an exception to its general reinvestment policy of undistributed earnings, additional taxes will be recorded. It is not practical to determine the amount of unrecognized deferred income tax liabilities on the undistributed earnings.

The Company has utilized all of its available federal net operating loss and foreign tax credit carryforwards for tax purposes in 2012. The Company has state net operating loss carryforwards of approximately $41.3 million. These state net operating loss carryforwards will expire between 2013 and 2031. The Company has foreign net operating loss carryforwards of approximately $11.8 million. These foreign net operating loss carryforwards will expire between 2015 and 2019.

The Company has general business tax credits of approximately $144.9 million. These credits can be carried forward for 20 years and will expire between 2027 and 2032.

Deferred income tax assets relating to tax benefits of stock-based compensation have been reduced by approximately $1.1 million to reflect exercises of stock options and vesting of restricted stock during the year ended December 31, 2012. Certain stock option exercises and restricted stock vesting resulted in tax deductions in excess of previously recorded tax benefits based on the value of such stock-based compensation at the time of grant ("windfalls"). Although the additional tax benefit for the windfalls is reflected in the general business tax credits and state net operating loss carryforwards, the additional tax benefit associated with the windfalls is not recognized for financial statement purposes until the deduction reduces income taxes payable. Accordingly, windfall tax benefits of $0.2 million are not reflected in the deferred tax assets as of December 31, 2012. When realized, these windfalls are recognized directly to Additional paid-in capital.

As of December 31, 2012 and 2011, respectively, the Company had $13.6 million and $14.0 million, respectively, of unrecognized tax benefits ($1.0 million and $1.5 million, respectively, in Other long-term liabilities, net, $0.9 million and $2.5 million, respectively, in Accrued and other current liabilities and $11.7 million and $10.0 million, respectively, in Deferred income tax liabilities). Additionally, the Company accrued $2.4 million and $4.1 million of interest and penalties related to uncertain tax positions as of December 31, 2012 and 2011, respectively. Of the total amount of unrecognized tax benefits, including accrued interest and penalties, $13.8 million and $15.2 million, respectively, if recognized, would impact the Company's effective tax rate. The difference between the total amount of unrecognized tax benefits and the amount that would impact the effective tax rate consists of items that are offset by deferred income tax assets and the federal tax benefit of state income tax items.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes the activity related to the Company's unrecognized tax benefits (in thousands):

Balance at January 1, 2010	$14,411
Increases for tax positions taken during a prior period	1,889
Decreases for tax positions taken during a prior period	(676)
Increases for tax positions taken during the current period	3,801
Settlements with taxing authorities	58
Lapses in the applicable statutes of limitations	(3,096)
Balance at December 31, 2010	$16,387
Increases for tax positions taken during a prior period	472
Decreases for tax positions taken during a prior period	(708)
Increases for tax positions taken during the current period	2,136
Settlements with taxing authorities	(4,190)
Lapses in the applicable statutes of limitations	(58)
Balance at December 31, 2011	$14,039
Increases for tax positions taken during a prior period	416
Decreases for tax positions taken during a prior period	(291)
Increases for tax positions taken during the current period	2,153
Settlements with taxing authorities	(1,788)
Lapses in the applicable statutes of limitations	(938)
Balance at December 31, 2012	$13,591

In many cases, the Company's uncertain tax positions are related to tax years that remain subject to examination by relevant taxable authorities. Based on the outcome of these examinations, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related recorded unrecognized tax benefits for tax positions taken on previously filed tax returns will decrease by approximately $0.4 million to $0.5 million within the next twelve months after December 31, 2012.

The Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended December 31, 2007 through 2011. The Company and its subsidiaries' state and foreign income tax returns are also open to audit under the statute of limitations for the years ended December 31, 2000 through 2011. The Company is currently under examination by the IRS for the years ended December 31, 2009 through 2010. At this time, the Company does not believe that the outcome of any examination will have a material impact on the Company's results of operations or financial position.

The Company accounts for interest and penalties related to uncertain tax positions as part of its Provision for income taxes and recognized (benefit) expense of ($0.6) million, $0.9 million and $2.1 million for the years ended December 31, 2012, 2011 and 2010.

17. Recently Issued Financial Accounting Standards

In December 2011, the FASB issued ASU No. 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" ("ASU No. 2011-11"), which enhances current disclosures about financial instruments and derivative instruments that are either offset on the statement of financial position or subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset on the

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

statement of financial position. The guidance requires the Company to provide both net and gross information for these assets and liabilities. In January 2013, the FASB issued ASU No. 2013-01, "Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" ("ASU No. 2013-01"), to limit the scope of the new balance sheet offsetting disclosure requirements to derivatives (including bifurcated embedded derivatives), repurchase agreements and reverse repurchase agreements, and securities borrowing and lending transactions. Both ASU No. 2011-11 and ASU No. 2013-01 are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods with retrospective application required. The Company will adopt ASU No. 2011-11 and ASU No. 2013-01 effective January 1, 2013. This guidance will not have an impact on the Company's financial position, results of operations or cash flows.

In July 2012, the FASB issued ASU No. 2012-02, "Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU No. 2012-02"), which permits an entity to make a qualitative assessment of whether it is more likely than not that an indefinite-lived intangible asset's fair value is less than its carrying value before applying the two-step quantitative impairment test. If it is determined through the qualitative assessment that an indefinite-lived intangible asset'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 entities to go directly to the quantitative assessment. ASU No. 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company will adopt ASU No. 2012-02 effective January 1, 2013. This guidance will not have an impact on the Company's financial position, results of operations or cash flows.

In January 2013, the Emerging Issues Task Force ("EITF") reached a final consensus on EITF Issue No. 11-A "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity" ("EITF 11-A"). Under the final consensus, an entity would recognize cumulative translation adjustments in earnings when it ceases to have a controlling financial interest in a subsidiary or group of assets within a consolidated foreign entity and the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets resided. However, when an entity sells either a part or all of its investment in a consolidated foreign entity, an entity would recognize cumulative translation adjustments in earnings only if the parent no longer has a controlling financial interest in the foreign entity as a result of the sale. In the case of sales of an equity method investment that is a foreign entity, a pro rata portion of cumulative translation adjustments attributable to the equity method investment would be recognized in earnings upon sale of the equity method investment. In addition, cumulative translation adjustments would be recognized in earnings upon a business combination achieved in stages such as a step acquisition. EITF 11-A is effective for public companies for fiscal years beginning on or after December 15, 2013 and interim periods within those fiscal years, with early adoption permitted. The Company will adopt EITF 11-A effective January 1, 2014 with prospective application to the derecognition of any foreign entity subsidiaries, groups of assets or investments in foreign entities completed on or after January 1, 2014. The impact of EITF 11-A on the Company's financial position, results of operations and cash flows is dependent on future transactions resulting in derecognition of the Company's foreign assets, subsidiaries or investments in foreign entities completed on or after adoption.

In February 2013, the FASB issued ASU No. 2013-02, "Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ("ASU No. 2013-02"), which requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. The guidance requires an entity to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. For amounts that are not required to be reclassified in

their entirety to net income, an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts. ASU No. 2013-02 is effective for the Company prospectively for reporting periods beginning after December 15, 2012, with early adoption permitted. The Company will adopt ASU No. 2013-02 effective January 1, 2013. This guidance will not have an impact on the Company's financial position, results of operations or cash flows.

18. Commitments and Contingencies

Operating Leases

The Company leases restaurant and office facilities and certain equipment under operating leases having initial terms expiring between 2013 and 2032. The restaurant facility leases have renewal clauses primarily from five to 30 years exercisable at the option of the Company. Rent expense for the Company's operating leases, which generally have escalating rentals over the term of the lease and may include potential rent holidays, is recorded on a straight-line basis over the initial lease term and those renewal periods that are reasonably assured. Certain of these leases require the payment of contingent rentals leased on a percentage of gross revenues, as defined by the terms of the applicable lease agreement. Total rental expense for the years ended December 31, 2012, 2011 and 2010 was approximately $140.9 million, $132.9 million and $128.1 million, respectively, and included contingent rentals of approximately $6.1 million, $5.6 million and $4.5 million, respectively.

As of December 31, 2012, future minimum rental payments under non-cancelable operating leases (including executed leases for restaurants scheduled to open in 2013) are as follows (in thousands):

2013	$128,855
2014	115,287
2015	98,041
2016	79,364
2017	61,602
Thereafter	390,466
Total minimum lease payments (1)	$873,615

(1) Total minimum lease payments have not been reduced by minimum sublease rentals of $2.4 million due in future periods under non-cancelable subleases.

Purchase Obligations

The Company has minimum purchase commitments with various vendors through November 2017. Outstanding commitments consist primarily of beef, pork, cooking oil, butter and other food and beverage products related to normal business operations and contracts for advertising, marketing, technology, insurance, and sports sponsorships. In 2012, the Company purchased more than 75% of its beef raw materials from four beef suppliers who represented approximately 85% of the total beef marketplace in the United States.

Litigation and Other Matters

The Company is subject to legal proceedings, claims and liabilities, such as liquor liability, sexual harassment and slip and fall cases, which arise in the ordinary course of business and are generally covered by insurance if they exceed specified retention or deductible amounts. In the opinion of management, the amount of ultimate liability with respect to those actions will not have a material adverse impact on the Company's financial position or results of operations and cash flows. The Company accrues for loss contingencies that are

probable and reasonably estimable. Legal costs are reported in General and administrative expense in the Consolidated Statements of Operations and Comprehensive Income. The Company generally does not accrue for legal costs expected to be incurred with a loss contingency until those services are provided.

Insurance

The Company purchased insurance for individual claims that exceed the amounts listed in the following table:

	2012	2011	2010
Workers' compensation	$ 1,500,000	$ 1,500,000	$ 1,500,000
General liability (1)	1,500,000	1,500,000	1,500,000
Health (2)	400,000	400,000	300,000
Property coverage (3)	500,000 / 2,500,000	500,000 / 2,500,000	500,000 / 2,500,000
Employment practices liability	2,000,000	2,000,000	2,000,000
Directors' and officers' liability (4)	1,000,000	250,000	250,000
Fiduciary liability	25,000	25,000	25,000

(1) In 2012 and 2011, claims arising from liquor liability had the same self-insured retention as general liability. For claims in 2010, there was an additional $1.0 million self-insured retention per claim until a $2.0 million liquor liability aggregate had been met. At that time, any claims arising from liquor liability reverted to the general liability self-insured retention.

(2) The Company is self-insured for all covered health benefits claims, limited to $0.4 million per covered individual in 2012 and 2011 and $0.3 million per covered individual in 2010. The Company is responsible for the first $0.3 million, $0.3 million and $0.4 million of payable losses under the plan as an additional aggregating specific deductible to apply after the individual specific deductible was met in 2012, 2011 and 2010, respectively. The 2010 insurer's liability was limited to $2.0 million per individual per year.

(3) The Company has a $0.5 million deductible per occurrence for those properties that collateralize New PRP's 2012 CMBS Loan and a $2.5 million deductible per occurrence for all other locations. The deductibles for named storms and earthquakes are 5.0% of the total insurable value at the time of the loss per unit of insurance at each location involved in the loss, subject to a minimum of $0.5 million for those properties that collateralize New PRP's 2012 CMBS Loan and $2.5 million for all other locations. Property limits are $60.0 million each occurrence, and the Company does not quota share in any loss above either deductible level.

(4) Retention increase in 2012 was effective with the Company's initial public offering on August 8, 2012.

The Company records a liability for all unresolved claims and for an estimate of incurred but not reported claims at the anticipated cost to the Company. In establishing reserves, the Company considers certain actuarial assumptions and judgments regarding economic conditions, the frequency and severity of claims and claim development history and settlement practices. Unanticipated changes in these factors or future adjustments to these estimates may produce materially different amounts of expense that would be reported under these programs. Reserves recorded for workers' compensation and general liability claims are discounted using the average of the 1-year and 5-year risk free rate of monetary assets that have comparable maturities. When recovery from an insurance policy is considered probable, a receivable is recorded.

The payments the Company expects to make as of December 31, 2012 for each of the five succeeding years and the aggregate amount thereafter are as follows:

2013	$22,235
2014	11,905
2015	7,781
2016	5,141
2017	3,068
Thereafter	14,506
	$64,636

Increased liability balances at December 31, 2012 as compared to December 31, 2011 are due to higher insurance claim severity and frequency primarily within the Company's general liability insurance. A reconciliation of the expected aggregate undiscounted amount to the amount recognized in the Consolidated Balance Sheets is as follows:

	December 31,	
	2012	2011
Undiscounted liability	$65,594	$54,010
Less: discount	(958)	(862)
Liability balance	$64,636	$53,148

Discount rates of 0.40% and 0.48% were used for December 31, 2012 and 2011, respectively. The discounted liabilities are presented in the Company's Consolidated Balance Sheets as follows:

	December 31,	
	2012	2011
Accrued and other current liabilities	$22,235	$13,573
Other long-term liabilities, net	42,401	39,575

19. Related Parties

T-Bird Nevada, LLC

On February 19, 2009, the Company filed an action in Florida against T-Bird Nevada, LLC ("T-Bird") and certain of its affiliates (collectively, the "T-Bird Parties"). T-Bird is a limited liability company affiliated with the Company's California franchisees of Outback Steakhouse restaurants. The action sought payment on a promissory note made by T-Bird that the Company purchased from T-Bird's former lender, among other remedies. The principal balance on the promissory note, plus accrued and unpaid interest, was approximately $33.3 million at the time it was purchased.

On September 26, 2011, the Company entered into a settlement agreement (the "Settlement Agreement") with the T-Bird Parties. In accordance with the terms of the Settlement Agreement, T-Bird agreed to pay $33.3 million to the Company, which included $33.2 million to satisfy the T-Bird promissory note that the Company purchased from T-Bird's former lender. This settlement payment was received in November 2011, and $33.2 million was recorded as Recovery of note receivable from affiliated entity in the Company's Consolidated Statement of Operations and Comprehensive Income for the year ended December 31, 2011.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Pursuant to the Settlement Agreement, the Company (through its indirect subsidiary, Outback Steakhouse of Florida, LLC) granted to California Steakhouse Developer, LLC, a T-Bird affiliate, for a period of 20 years, the right to develop and operate Outback Steakhouse restaurants as a franchisee in the State of California as set forth in a development agreement dated November 23, 2011 (the "Development Agreement").

Additionally, the Company has granted certain T-Bird affiliates (the "T-Bird Entities") the non-transferable right (the "Put Right") to require the Company to acquire all of the equity interests in the T-Bird Entities that own Outback Steakhouse restaurants and the rights under the Development Agreement for cash. The closing of the Put Right is subject to certain conditions including the negotiation of a transaction agreement reasonably acceptable to the parties, the absence of dissenters rights being exercised by the equity owners above a specified level and compliance with the Company's debt agreements. The Put Right is exercisable until August 13, 2013.

If the Put Right is exercised, the Company will pay a purchase price equal to a multiple of the T-Bird Entities' earnings before interest, taxes, depreciation and amortization, subject to certain adjustments ("Adjusted EBITDA"), for the trailing 12 months, net of liabilities of the T-Bird Entities. The multiple is equal to 75% of the multiple of the Company's or affiliate's Adjusted EBITDA reflected in its stock price. The Company has a one-time right to reject the exercise of the Put Right if the transaction would be dilutive to its consolidated earnings per share. In such event, the Put Right is extended until the first anniversary of the Company's notice to the T-Bird Entities of such rejection. The Company has agreed to waive all rights of first refusal in its franchise arrangements with the T-Bird Entities in connection with a sale of all, and not less than all, of the assets, or at least 75% of the ownership of the T-Bird Entities.

Bain Capital, Catterton, Founders and Board of Directors

Upon completion of the Merger, the Company entered into a management agreement with Kangaroo Management Company I, LLC (the "Management Company"), whose members are the Founders and entities affiliated with Bain Capital and Catterton. In accordance with the terms of the management agreement, the Management Company was to provide management services to the Company until the tenth anniversary of the consummation of the Merger, with one-year extensions thereafter until terminated. The Management Company was to receive an aggregate annual management fee equal to $9.1 million and reimbursement for out-of-pocket and other reimbursable expenses incurred by it, its members, or their respective affiliates in connection with the provision of services pursuant to the agreement.

On May 10, 2012, the Company entered into a first amendment to its management agreement with the Management Company. In accordance with the terms of this amendment, the management agreement terminated immediately prior to the completion of the Company's initial public offering, and a termination fee of $8.0 million was paid to the Management Company in the third quarter of 2012. Management fees of $13.8 million, $9.4 million and $11.6 million, including the 2012 termination fee, out-of-pocket and other reimbursable expenses, for the years ended December 31, 2012, 2011 and 2010, respectively, were included in General and administrative expenses in the Company's Consolidated Statements of Operations and Comprehensive Income.

The Company holds an 89.62% interest in OSI/Fleming's, LLC and a minority interest holder in the Fleming's Prime Steakhouse and Wine Bar joint venture holds a 7.88% interest in any Fleming's Prime Steakhouse and Wine Bar restaurants that opened prior to 2009. The remaining 2.50% is owned by AWA III Steakhouses, Inc., which is wholly-owned by a former Chairman of the Board of Directors (through December 31, 2011) and former named executive officer of the Company, through a revocable trust in which he and his wife are the grantors, trustees and sole beneficiaries. The Company assumed the minority interest holder's 7.88% ownership interest in any Fleming's Prime Steakhouse and Wine Bar restaurants that opened in 2009 or later and AWA III Steakhouses, Inc.'s interest remains at 2.50% for these restaurants.

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20. Selected Quarterly Financial Data (Unaudited)

The following tables present selected unaudited quarterly financial data for the periods ending as indicated (in thousands, except per share data):

	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Revenues	$1,055,626	$980,866	$ 952,916	$ 998,387
Income (loss) from operations (1)(2)(3)	90,408	48,720	(11,545)	53,554
Net income (loss) (1)(2)(3)(4)	53,832	20,564	(33,755)	20,663
Net income (loss) attributable to Bloomin' Brands, Inc. (1)(2)(3)(4)	49,999	17,440	(35,866)	18,398
Net income (loss) attributable to Bloomin' Brands, Inc. per common share:				
Basic	$ 0.47	$ 0.16	$ (0.31)	$ 0.15
Diluted	$ 0.47	$ 0.16	$ (0.31)	$ 0.15

	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011
Revenues	$1,001,849	$955,502	$ 928,275	$ 955,638
Income from operations (5)(6)(7)	90,693	40,754	21,042	60,963
Net income (5)(6)(7)	58,115	16,443	1,368	33,253
Net income attributable to Bloomin' Brands, Inc. (5)(6)(7)	54,892	14,003	579	30,531
Net income attributable to Bloomin' Brands, Inc. per common share:				
Basic	$ 0.52	$ 0.13	$ 0.01	$ 0.28
Diluted	$ 0.52	$ 0.13	$ 0.01	$ 0.28

(1) The first quarter of 2012 includes approximately $7.4 million of additional legal and other professional fees mainly resulting from amendment and restatement of a lease between OSI and PRP.

(2) The third quarter of 2012 includes approximately $42.1 million of transaction-related expenses that relate to costs incurred in association with the completion of the initial public offering in August 2012. These expenses primarily include $34.1 million of certain executive compensation costs and non-cash stock compensation charges recorded upon completion of the initial public offering and an $8.0 million management agreement termination fee (see Notes 3 and 19).

(3) The fourth quarter of 2012 includes a gain of $3.5 million from the collection of proceeds and other related amounts from the 2009 sale of the Company's Cheeseburger in Paradise concept (see Note 13).

(4) During 2012, the Company recorded losses on extinguishment and modification of debt for refinancing transactions of $2.9 million, $9.0 million, and $9.1 million, in the first, third, and fourth quarters, respectively (see Note 11).

(5) The second quarter of 2011 includes $5.8 million of expense related to a settlement of an IRS assessment of employment taxes.

(6) The fourth quarter of 2011 includes $33.2 million of Recovery of note receivable from affiliated entity as a result of a settlement agreement with T-Bird that satisfied all outstanding litigation with T-Bird (see Note 19).

(7) The fourth quarter of 2011 includes a $4.3 million loss from the sale of nine Company-owned Outback Steakhouse restaurants in Japan in October 2011 (see Note 8).

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BLOOMIN' BRANDS, INC.

CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data, Unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	$ 217,469	$ 261,690
Current portion of restricted cash	3,671	4,846
Inventories	67,838	78,181
Deferred income tax assets	39,274	39,774
Other current assets, net	99,472	103,321
Total current assets	427,724	487,812
Restricted cash	15,332	15,243
Property, fixtures and equipment, net	1,505,468	1,506,035
Investments in and advances to unconsolidated affiliates, net	40,041	36,748
Goodwill	270,058	270,972
Intangible assets, net	548,182	551,779
Deferred income tax assets	2,141	2,532
Other assets, net	145,447	145,432
Total assets	$2,954,393	$3,016,553
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 141,030	$ 131,814
Accrued and other current liabilities	173,661	192,284
Current portion of partner deposits and accrued partner obligations	14,570	14,771
Unearned revenue	232,134	329,518
Current portion of long-term debt	13,167	22,991
Total current liabilities	574,562	691,378
Partner deposits and accrued partner obligations	81,398	85,762
Deferred rent	90,350	87,641
Deferred income tax liabilities	195,695	195,874
Long-term debt, net	1,451,694	1,471,449
Other long-term liabilities, net	261,955	264,244
Total liabilities	2,655,654	2,796,348
Commitments and contingencies		
Stockholders' Equity		
Bloomin' Brands, Inc. Stockholders' Equity		
Preferred stock, $0.01 par value, 25,000,000 shares authorized; no shares issued and outstanding at March 31, 2013 and December 31, 2012	—	—
Common stock, $0.01 par value, 475,000,000 shares authorized; 122,569,475 and 121,148,451 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	1,226	1,211
Additional paid-in capital	1,021,393	1,000,963
Accumulated deficit	(709,862)	(773,085)
Accumulated other comprehensive loss	(19,333)	(14,801)
Total Bloomin' Brands, Inc. stockholders' equity	293,424	214,288
Noncontrolling interests	5,315	5,917
Total stockholders' equity	298,739	220,205
Total liabilities and stockholders' equity	$2,954,393	$3,016,553

The accompanying notes are an integral part of these consolidated financial statements.

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BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In Thousands, Except Per Share Data, Unaudited)

	Three Months Ended March 31,	
	2013	2012
Revenues		
Restaurant sales	$ 1,082,356	$ 1,045,466
Other revenues	9,894	10,160
Total revenues	1,092,250	1,055,626
Costs and expenses		
Cost of sales	349,989	335,859
Labor and other related	299,867	293,501
Other restaurant operating	233,809	218,965
Depreciation and amortization	40,196	38,860
General and administrative	72,491	76,002
Provision for impaired assets and restaurant closings	1,896	4,435
Income from operations of unconsolidated affiliates	(2,858)	(2,404)
Total costs and expenses	995,390	965,218
Income from operations	96,860	90,408
Loss on extinguishment of debt	—	(2,851)
Other (expense) income, net	(217)	54
Interest expense, net	(20,880)	(20,974)
Income before provision for income taxes	75,763	66,637
Provision for income taxes	10,707	12,805
Net income	65,056	53,832
Less: net income attributable to noncontrolling interests	1,833	3,833
Net income attributable to Bloomin' Brands, Inc.	$ 63,223	$ 49,999
Net income	$ 65,056	$ 53,832
Other comprehensive income:		
Foreign currency translation adjustment	(4,532)	3,149
Comprehensive income	60,524	56,981
Less: comprehensive income attributable to noncontrolling interests	1,833	3,833
Comprehensive income attributable to Bloomin' Brands, Inc.	$ 58,691	$ 53,148
Earnings per share:		
Basic	$ 0.52	$ 0.47
Diluted	$ 0.50	$ 0.47
Weighted average common shares outstanding:		
Basic	121,238	106,332
Diluted	126,507	107,058

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In Thousands, Unaudited)

	Bloomin' Brands, Inc.						
	Common Stock	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total
Balance, December 31, 2012	121,148	$1,211	$1,000,963	$(773,085)	$ (14,801)	$ 5,917	$220,205
Net income	—	—	—	63,223	—	1,833	65,056
Foreign currency translation adjustment	—	—	—	—	(4,532)	—	(4,532)
Stock-based compensation	—	—	4,494	—	—	—	4,494
Exercises of stock options	1,212	12	10,627	—	—	—	10,639
Issuance of restricted stock	219	3	—	—	—	—	3
Forfeiture of restricted stock	(10)	—	(3)	—	—	—	(3)
Repayments of notes receivable due from stockholders	—	—	5,312	—	—	—	5,312
Distributions to noncontrolling interests	—	—	—	—	—	(2,435)	(2,435)
Balance, March 31, 2013	122,569	$1,226	$1,021,393	$(709,862)	$ (19,333)	$ 5,315	$298,739

	Bloomin' Brands, Inc.						
	Common Stock	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total
Balance, December 31, 2011	106,573	$1,066	$ 874,753	$(822,625)	$ (22,344)	$ 9,447	$ 40,297
Net income	—	—	—	49,999	—	3,833	53,832
Foreign currency translation adjustment	—	—	—	—	3,149	—	3,149
Stock-based compensation	—	—	833	—	—	—	833
Repurchase of common stock	(36)	(1)	316	(431)	—	—	(116)
Forfeiture of restricted stock	(20)	—	(127)	—	—	—	(127)
Issuance of notes receivable due from stockholders	—	—	(47)	—	—	—	(47)
Repayments of notes receivable due from stockholders	—	—	1,463	—	—	—	1,463
Distributions to noncontrolling interests	—	—	—	—	—	(4,160)	(4,160)
Balance, March 31, 2012	106,517	$1,065	$ 877,191	$(773,057)	$ (19,195)	$ 9,120	$ 95,124

The accompanying notes are an integral part of these consolidated financial statements.

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BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands, Unaudited)

	Three Months Ended March 31,	
	2013	2012
Cash flows provided by operating activities:		
Net income	$ 65,056	$ 53,832
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	40,196	38,860
Amortization of deferred financing fees	923	2,924
Amortization of capitalized gift card sales commissions	7,604	6,690
Provision for impaired assets and restaurant closings	1,896	4,435
Accretion on debt discounts	653	173
Stock-based and other non-cash compensation expense	6,195	12,543
Income from operations of unconsolidated affiliates	(2,858)	(2,404)
Deferred income tax benefit	—	(333)
(Gain) loss on disposal of property, fixtures and equipment	(318)	484
Unrealized (gain) loss on derivative financial instruments	(263)	194
Gain on life insurance and restricted cash investments	(1,944)	(3,156)
Loss on extinguishment of debt	—	2,851
Recognition of deferred gain on sale-leaseback transaction	(485)	—
Change in assets and liabilities:		
Decrease in inventories	10,201	886
(Increase) decrease in other current assets	(5,167)	12,763
Decrease in other assets	2,530	2,447
Decrease in accounts payable and accrued and other current liabilities	(12,827)	(36,363)
Increase in deferred rent	2,836	2,834
Decrease in unearned revenue	(97,245)	(97,751)
Increase in other long-term liabilities	1,117	187
Net cash provided by operating activities	18,100	2,096
Cash flows (used in) provided by investing activities:		
Purchases of Company-owned life insurance	(372)	(350)
Proceeds from sale of Company-owned life insurance	38	—
Proceeds from disposal of property, fixtures and equipment	1,799	1,255
Proceeds from sale-leaseback transaction	—	192,886
Capital expenditures	(40,950)	(34,019)
Decrease in restricted cash	6,184	16,816
Increase in restricted cash	(5,093)	(21,100)
Return on investment from unconsolidated affiliates	—	332
Net cash (used in) provided by investing activities	$(38,394)	$155,820

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BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(In Thousands, Unaudited)

	Three Months Ended March 31,	
	2013	2012
Cash flows used in financing activities:		
Proceeds from issuance of 2012 CMBS Loan	$ —	$ 495,186
Repayments of long-term debt	(30,558)	(6,642)
Extinguishment of CMBS loan	—	(777,563)
Financing fees	—	(5,399)
Proceeds from the exercise of stock options	10,639	—
Distributions to noncontrolling interests	(2,435)	(4,160)
Repayments of partner deposits and accrued partner obligations	(4,184)	(9,242)
Issuance of notes receivable due from stockholders	—	(47)
Repayments of notes receivable due from stockholders	5,312	1,463
Net cash used in financing activities	(21,226)	(306,404)
Effect of exchange rate changes on cash and cash equivalents	(2,701)	1,463
Net decrease in cash and cash equivalents	(44,221)	(147,025)
Cash and cash equivalents at the beginning of the period	261,690	482,084
Cash and cash equivalents at the end of the period	$217,469	$ 335,059
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 19,975	$ 13,420
Cash paid for income taxes, net of refunds	2,217	4,992
Supplemental disclosures of non-cash investing and financing activities:		
Conversion of partner deposits and accrued partner obligations to notes payable	$ 325	$ 2,646
Acquisition of property, fixtures and equipment through accounts payable or capital lease liabilities	1,199	3,423

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

Bloomin' Brands, Inc. ("Bloomin' Brands" or the "Company") was formed by an investor group comprised of funds advised by Bain Capital Partners, LLC and Catterton Management Company, LLC (the "Sponsors") and Chris T. Sullivan, Robert D. Basham and J. Timothy Gannon (the "Founders") and certain members of management. Bloomin' Brands is a holding company and conducts its operations through OSI Restaurant Partners, LLC ("OSI"), the Company's primary operating entity, and New Private Restaurant Properties, LLC, an indirect wholly-owned subsidiary of the Company that leases certain Company-owned restaurant properties to a subsidiary of OSI. In August 2012, the Company completed an initial public offering of its common stock.

The Company owns and operates casual, polished casual and fine dining restaurants primarily in the United States. The Company's restaurant portfolio has five concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, Fleming's Prime Steakhouse and Wine Bar and Roy's. Additional Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill restaurants in which the Company has no direct investment are operated under franchise agreements.

The Company has reclassified certain items in the accompanying consolidated financial statements for prior periods to be comparable with the classification for the three months ended March 31, 2013. These reclassifications had no effect on previously reported net income.

The accompanying interim unaudited consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States ("U.S. GAAP") for complete financial statements. In the opinion of the Company, all adjustments necessary for the fair presentation of the Company's results of operations, financial position and cash flows for the periods presented have been included and are of a normal, recurring nature. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full-year. These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2012 included in this prospectus.

2. Recently Issued Financial Accounting Standards

In December 2011, the FASB issued ASU No. 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" ("ASU No. 2011-11"), which enhances current disclosures about financial instruments and derivative instruments that are either offset on the statement of financial position or subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset on the statement of financial position. The guidance requires the Company to provide both net and gross information for these assets and liabilities. In January 2013, the FASB issued ASU No. 2013-01, "Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" ("ASU No. 2013-01"), to limit the scope of the new balance sheet offsetting disclosure requirements to derivatives (including bifurcated embedded derivatives), repurchase agreements and reverse repurchase agreements, and securities borrowing and lending transactions. Both ASU No. 2011-11 and ASU No. 2013-01 are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods with retrospective application required. The adoption of ASU No. 2011-11 and ASU No. 2013-01 on January 1, 2013 did not have an impact on the Company's financial position, results of operations or cash flows.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

In July 2012, the FASB issued ASU No. 2012-02, "Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU No. 2012-02"), which permits an entity to make a qualitative assessment of whether it is more likely than not that an indefinite-lived intangible asset's fair value is less than its carrying value before applying the two-step quantitative impairment test. If it is determined through the qualitative assessment that an indefinite-lived intangible asset'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 entities to go directly to the quantitative assessment. ASU No. 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The adoption of ASU No. 2012-02 on January 1, 2013 did not have an impact on the Company's financial position, results of operations or cash flows.

In February 2013, the FASB issued ASU No. 2013-02, "Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ("ASU No. 2013-02"), which requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. The guidance requires an entity to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. For amounts that are not required to be reclassified in their entirety to net income, an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts. ASU No. 2013-02 is effective for the Company prospectively for reporting periods beginning after December 15, 2012. The adoption of ASU No. 2013-02 on January 1, 2013 did not have an impact on the Company's financial position, results of operations or cash flows.

In March 2013, the FASB issued ASU No. 2013-05, "Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force)" ("ASU No. 2013-05"). Under ASU No. 2013-05, an entity would recognize cumulative translation adjustments in earnings when it ceases to have a controlling financial interest in a subsidiary or group of assets within a consolidated foreign entity and the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets resided. However, when an entity sells either a part or all of its investment in a consolidated foreign entity, an entity would recognize cumulative translation adjustments in earnings only if the parent no longer has a controlling financial interest in the foreign entity as a result of the sale. In the case of sales of an equity method investment that is a foreign entity, a pro rata portion of cumulative translation adjustments attributable to the equity method investment would be recognized in earnings upon sale of the equity method investment. In addition, cumulative translation adjustments would be recognized in earnings upon a business combination achieved in stages such as a step acquisition. ASU No. 2013-05 is effective for public companies for fiscal years beginning on or after December 15, 2013 and interim periods within those fiscal years, with early adoption permitted. The Company will adopt ASU No. 2013-05 effective January 1, 2014 with prospective application to the derecognition of any foreign entity subsidiaries, groups of assets or investments in foreign entities completed on or after January 1, 2014. The impact of ASU No. 2013-05 on the Company's financial position, results of operations and cash flows is dependent on future transactions resulting in derecognition of the Company's foreign assets, subsidiaries or investments in foreign entities completed on or after adoption.

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BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

3. Earnings Per Share

The computation of basic and diluted earnings per common share is as follows (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2013	2012
Net income attributable to Bloomin' Brands, Inc.	$ 63,223	$ 49,999
Basic weighted average common shares outstanding	121,238	106,332
Effect of diluted securities:		
Stock options	5,064	591
Unvested restricted stock	205	135
Diluted weighted average common shares outstanding	126,507	107,058
Basic earnings per share	$ 0.52	$ 0.47
Diluted earnings per share	$ 0.50	$ 0.47

Dilutive securities outstanding not included in the computation of earnings per share because their effect was antidilutive were as follows (in thousands):

	Three Months Ended March 31,	
	2013	2012
Stock options	2,071	550

4. Stock-based Compensation

During the first quarter of 2013, the Company granted performance-based share units ("PSUs") to executives and key members of management. There were no PSUs awarded in periods prior to 2013. The PSUs vest over a period of four years following the date of grant, and 25% of the grant is earned or forfeited on each grant anniversary date, subject to certification of the performance criteria by the Compensation Committee of the Board of Directors. The number of units that actually vest will be determined for each year based on the achievement of certain Company performance criteria set forth in the award agreement and may range from zero to 200% of the annual target grant. PSUs that do not vest based on failure to satisfy the stated performance criteria for any annual period are forfeited. In addition to the satisfaction of the performance criteria for the PSUs, vesting is dependent upon continued service with forfeiture of all unvested PSUs upon termination, unless in the case of death or disability, in which case a pro rata portion of the target number of PSUs are eligible to immediately vest based on actual performance during the performance period. The PSUs are settled in shares of common stock. Holders will receive one share of common stock for each performance-based share unit that vests. The fair value of PSUs is based on the closing price of the Company's common stock on the grant date. Compensation expense for PSUs is recognized over the vesting period when it is probable the performance criteria will be achieved. During the three months ended March 31, 2013, a nominal amount of compensation expense was recorded for the PSUs.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

The following table presents a summary of the Company's stock-based compensation activity for the three months ended March 31, 2013 (in thousands):

	Stock Options	Restricted Stock Awards	Performance-Based Share Units (1)
Outstanding at December 31, 2012	12,379	299	—
Granted	1,282	219	52
Exercised or vested	(1,212)	(3)	—
Forfeited or expired	(243)	(10)	(4)
Outstanding at March 31, 2013	12,206	505	48

(1) Share unit amounts represent the target number of PSUs considered granted for accounting recognition based on the establishment of performance targets for future years. The actual number of shares that will be earned upon vesting is dependent upon actual performance and may range from zero to 200% of the target number of shares.

At March 31, 2013 and December 31, 2012, approximately 6.2 million and 7.3 million, respectively, of outstanding stock options were exercisable.

The weighted-average grant date fair value of stock options granted during the three months ended March 31, 2013 and 2012 was $8.47 and $6.87, respectively, and was estimated using the Black-Scholes option pricing model. The following assumptions were used to calculate the fair value of options granted for the periods indicated:

	Three Months Ended March 31,	
	2013	2012
Weighted-average risk-free interest rate	1.09%	1.15%
Dividend yield	— %	— %
Expected term	6.3 years	6.5 years
Weighted-average volatility	48.6%	55.5%

During the three months ended March 31, 2013 and 2012, the Company recognized aggregate stock-based compensation expense of $4.4 million and $0.7 million, respectively.

5. Investment in Equity Method Investee

Through a joint venture arrangement with PGS Participacoes Ltda., the Company holds a 50% ownership interest in PGS Consultoria e Serviços Ltda. (the "Brazilian Joint Venture"), which operates Outback Steakhouse restaurants in Brazil. The Company accounts for the Brazilian Joint Venture under the equity method of accounting. At March 31, 2013 and December 31, 2012, the Company's net investment of $39.3 million and $36.0 million, respectively, was recorded in Investments in and advances to unconsolidated affiliates, net, and a foreign currency translation adjustment of $0.4 million and $0.6 million was recorded in Accumulated other comprehensive loss in the Company's Consolidated Balance Sheets for the three months ended March 31, 2013 and 2012, respectively. The Company's share of earnings of $2.9 million and $2.4 million for the three months ended March 31, 2013 and 2012, respectively, was recorded in Income from operations of unconsolidated affiliates in the Company's Consolidated Statements of Operations and Comprehensive Income.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

The following table presents summarized financial information for 100% of the Brazilian Joint Venture for the periods ending as indicated (in thousands):

	Three Months Ended March 31,	
	2013	2012
Net revenue from sales	$65,933	$58,564
Gross profit	45,323	40,824
Income from continuing operations	7,077	8,147
Net income	4,764	4,808

6. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
Accrued payroll and other compensation	$ 84,569	$ 108,612
Accrued insurance	23,283	22,235
Other current liabilities	65,809	61,437
	$ 173,661	$ 192,284

7. Long-term Debt, Net

Long-term debt, net consisted of the following (in thousands):

	March 31, 2013	December 31, 2012
Senior secured term loan B facility, interest rate of 4.75% at March 31, 2013 and December 31, 2012 (1) (2)	$ 975,000	$ 1,000,000
Mortgage loan, weighted average interest rates of 3.99% and 3.98% at March 31, 2013 and December 31, 2012, respectively (3)	317,621	319,574
First mezzanine loan, interest rate of 9.00% at March 31, 2013 and December 31, 2012 (3)	86,800	87,048
Second mezzanine loan, interest rate of 11.25% at March 31, 2013 and December 31, 2012 (3)	87,103	87,273
Other notes payable, uncollateralized, interest rates ranging from 0.62% to 7.00% and from 0.63% to 7.00% at March 31, 2013 and December 31, 2012, respectively (2)	7,213	9,848
Sale-leaseback obligations (2)	2,375	2,375
Capital lease obligations (2)	1,886	2,112
	1,477,998	1,508,230
Less: current portion of long-term debt	(13,167)	(22,991)
Less: debt discount	(13,137)	(13,790)
Long-term debt, net	$ 1,451,694	$ 1,471,449

(1) At December 31, 2012, $50.0 million of OSI's outstanding senior secured term loan B facility was at an interest rate of 5.75%.
(2) Represents obligations of OSI.
(3) Represents obligations of New PRP (as defined below).

Bloomin' Brands, Inc. is a holding company and conducts its operations through its subsidiaries, certain of which have incurred their own indebtedness as described below.

On October 26, 2012, OSI entered into a credit agreement ("Credit Agreement") with a syndicate of institutional lenders and financial institutions. The senior secured credit facilities provide for senior secured financing of up to $1.225 billion, consisting of a $1.0 billion term loan B and a $225.0 million revolving credit facility, including letter of credit and swing-line loan sub-facilities (the "Credit Facilities"). The term loan B was issued with an original issue discount of $10.0 million.

The senior secured term loan B matures October 26, 2019. The borrowings under this facility bear interest at rates ranging from 225 to 250 basis points over the Base Rate or 325 to 350 basis points over the Eurocurrency Rate as defined in the Credit Agreement. The Base Rate option is the highest of (i) the prime rate of Deutsche Bank Trust Company Americas, (ii) the federal funds effective rate plus 0.5 of 1.0% or (iii) the Eurocurrency Rate with a one-month interest period plus 1.0% ("Base Rate") (3.25% at March 31, 2013 and December 31, 2012). The Eurocurrency Rate option is the 30, 60, 90 or 180-day Eurocurrency Rate ("Eurocurrency Rate") (ranging from 0.20% to 0.44% and 0.21% to 0.51% at March 31, 2013 and December 31, 2012, respectively). The Eurocurrency Rate may have a nine- or twelve-month interest period if agreed upon by the applicable lenders. With respect to the senior secured term loan B, the Base Rate is subject to an interest rate floor of 2.25%, and the Eurocurrency Rate is subject to an interest rate floor of 1.25%.

OSI is required to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of its "annual excess cash flow" (with step-downs to 25% and 0% based upon its consolidated first lien net leverage ratio), as defined in the Credit Agreement, beginning with the fiscal year ending December 31, 2013 and subject to certain exceptions;
- 100% of the net proceeds of certain assets sales and insurance and condemnation events, subject to reinvestment rights and certain other exceptions; and
- 100% of the net proceeds of any debt incurred, excluding permitted debt issuances.

The Credit Facilities require scheduled quarterly payments on the term loan B equal to 0.25% of the original principal amount of the term loans for the first six years and three quarters commencing with the quarter ending March 31, 2013. These payments are reduced by the application of any prepayments, and any remaining balance will be paid at maturity. The outstanding balance, excluding the debt discount, on the term loan B was $975.0 million and $1.0 billion at March 31, 2013 and December 31, 2012, respectively. At March 31, 2013, none of the outstanding balance on the term loan B was classified as current due to voluntary prepayments of $25.0 million made by OSI during the first quarter of 2013 and the results of its projected covenant calculations, which indicate the additional term loan prepayments, as described above, will not be required in the next 12 months. The amount of outstanding term loans required to be prepaid in accordance with OSI's debt covenants may vary based on year-end results. At December 31, 2012, $10.0 million of the outstanding balance on the term loan B was classified as current due to OSI's required quarterly payments.

The revolving credit facility matures October 26, 2017 and provides for swing-line loans and letters of credit of up to $225.0 million for working capital and general corporate purposes. The revolving credit facility bears interest at rates ranging from 200 to 250 basis points over the Base Rate or 300 to 350 basis points over the Eurocurrency Rate. There were no loans outstanding under the revolving credit facility at March 31, 2013 or December 31, 2012, however, $37.6 million and $41.2 million, respectively, of the credit facility was committed

for the issuance of letters of credit and not available for borrowing. Total outstanding letters of credit issued under OSI's revolving credit facility may not exceed $100.0 million.

At March 31, 2013 and December 31, 2012, the Company was in compliance with its debt covenants. See the Company's audited financial statements for the year ended December 31, 2012 included within this prospectus for further information about OSI's debt covenant requirements.

On April 10, 2013, OSI completed a repricing of its senior secured term loan B primarily to reduce its stated interest rate. Additional information related to the repricing transaction is included in Note 11.

Effective March 27, 2012, New Private Restaurant Properties, LLC and two of the Company's other indirect wholly-owned subsidiaries (collectively, "New PRP") entered into a commercial mortgage-backed securities loan (the "2012 CMBS Loan") with German American Capital Corporation and Bank of America, N.A. The 2012 CMBS Loan totaled $500.0 million at origination and was comprised of a first mortgage loan in the amount of $324.8 million, collateralized by 261 of the Company's properties, and two mezzanine loans totaling $175.2 million. The loans have a maturity date of April 10, 2017. The first mortgage loan has five fixed rate components and a floating rate component. The fixed rate components bear interest at rates ranging from 2.37% to 6.81% per annum. The floating rate component bears interest at a rate per annum equal to the 30-day London Interbank Offered Rate ("LIBOR") (with a floor of 1%) plus 2.37%. The first mezzanine loan bears interest at a rate of 9.00% per annum, and the second mezzanine loan bears interest at a rate of 11.25% per annum.

The proceeds from the 2012 CMBS Loan, together with the proceeds from a sale-leaseback transaction and excess cash held in Private Restaurant Properties, LLC ("PRP"), a wholly-owned subsidiary, were used to repay PRP's original first mortgage and mezzanine notes (together, the commercial mortgage-backed securities loan) ("CMBS Loan"). During the first quarter of 2012, the Company recorded a $2.9 million loss related to the extinguishment in Loss on extinguishment of debt in its Consolidated Statement of Operations and Comprehensive Income.

At March 31, 2013 and December 31, 2012, the outstanding balance, excluding the debt discount, on the 2012 CMBS Loan was $491.5 million and $493.9 million, respectively.

8. Other Long-term Liabilities, Net

The Company maintains endorsement split-dollar insurance policies with a death benefit ranging from $5.0 million to $10.0 million for one of its current and certain of its former executive officers. The Company is the beneficiary of the policies to the extent of premiums paid or the cash value, whichever is greater, with the death benefit being paid to personal beneficiaries designated by the executive officers. During the first quarter of 2013, the Company terminated the split-dollar agreements with two of its former executive officers in exchange for $2.2 million in cash. Upon termination, the release of the death benefit and related liabilities and the associated cash termination payment resulted in a net gain of $2.2 million, which was recorded in General and administrative in the Consolidated Statement of Operations and Comprehensive Income. As a result of the terminations, the Company became the sole and exclusive owner of the related split-dollar insurance policies and elected to cancel them.

As of March 31, 2013 and December 31, 2012, the Company had $10.1 million and $14.3 million, respectively, recorded in Other long-term liabilities, net in its Consolidated Balance Sheets for the outstanding obligations under the endorsement split-dollar insurance policies.

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9. Fair Value Measurements

Fair Value Measurements on a Recurring Basis

In connection with the 2012 CMBS Loan, the Company entered into an interest rate cap with a notional amount of $48.7 million as a method to limit the volatility of the floating rate component of the first mortgage loan. This interest rate cap had a nominal fair market value at March 31, 2013 and December 31, 2012.

Fair Value Measurements on a Nonrecurring Basis

The following tables present losses related to the Company's assets and liabilities that were measured at fair value on a nonrecurring basis during the three months ended March 31, 2013 and 2012 aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	March 31, 2013				Three Months Ended March 31, 2013
		Remaining Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total Losses
Long-lived assets held and used	$4,434	$ —	$3,383	$1,051	$ 1,082

	March 31, 2012				Three Months Ended March 31, 2012
		Remaining Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total Losses
Long-lived assets held and used	$ 864	$ —	$ 650	$ 214	$ 3,884

The Company recorded $1.1 million and $3.9 million of impairment charges as a result of the fair value measurement on a nonrecurring basis of its long-lived assets held and used during the three months ended March 31, 2013 and 2012, respectively, primarily related to certain specifically identified restaurant locations that have, or are scheduled to be, relocated or closed or are under-performing. The impaired long-lived assets had $4.4 million and $0.9 million of remaining fair value at March 31, 2013 and 2012, respectively. Restaurant closure and related expenses of $0.8 million and $0.5 million were recognized for the three months ended March 31, 2013 and 2012, respectively. Impairment losses for long-lived assets held and used and restaurant closure and related expenses were recognized in Provision for impaired assets and restaurant closings in the Consolidated Statements of Operations and Comprehensive Income.

The Company primarily used third-party market appraisals (Level 2) and discounted cash flow models (Level 3) to estimate the fair value of the long-lived assets included in the tables above. Projected future cash flows, including discount rate and growth rate assumptions, are derived from current economic conditions, expectations of management and projected trends of current operating results.

The following table presents quantitative information related to the range of unobservable inputs used in the Company's Level 3 fair value measurements for the impairment losses incurred in the three months ended March 31, 2013 and 2012:

	Three Months Ended March 31,	
Unobservable Input	2013	2012
Weighted-average cost of capital	9.5%	11.2%
Long-term growth rates	2.0%	3.0%
Annual revenue growth rates (1)	2.4% - 3.0%	(8.7)% - 3.0%

(1) Weighted averages of the annual revenue growth rates unobservable input range for the three months ended March 31, 2013 and 2012 were 2.6% and 2.4%, respectively.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

The Company performed its annual goodwill and other indefinite-lived intangible assets impairment test during the second quarter of 2012 and did not have any impairment charges.

Interim Disclosures about Fair Value of Financial Instruments

The Company's non-derivative financial instruments at March 31, 2013 and December 31, 2012 consist of cash equivalents, restricted cash, accounts receivable, accounts payable and current and long-term debt. The fair values of cash equivalents, restricted cash, accounts receivable and accounts payable approximate their carrying amounts reported in the Consolidated Balance Sheets due to their short duration. The fair value of OSI's senior secured term loan B facility is determined based on quoted market prices in inactive markets. The fair value of New PRP's commercial mortgage-backed securities is based on assumptions derived from current conditions in the real estate and credit markets, changes in the underlying collateral and expectations of management. Fair value estimates for other notes payable are derived using a discounted cash flow approach. Discounted cash flow inputs primarily include cost of debt rates which are used to derive the present value factors for the determination of fair value. These inputs represent assumptions impacted by economic conditions and management expectations and may change in the future based on period-specific facts and circumstances.

The following tables include the carrying value and fair value of the Company's financial instruments at March 31, 2013 and December 31, 2012 aggregated by the level in the fair value hierarchy in which those measurements fall (in thousands):

	March 31, 2013			
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Senior secured term loan B facility (1)	$975,000	$ —	$985,969	$ —
Mortgage loan (2)	317,621	—	—	334,927
First mezzanine loan (2)	86,800	—	—	90,133
Second mezzanine loan (2)	87,103	—	—	91,284
Other notes payable (1)	7,213	—	—	6,738

	December 31, 2012			
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Senior secured term loan B facility (1)	$1,000,000	$ —	$1,010,000	$ —
Mortgage loan (2)	319,574	—	—	334,678
First mezzanine loan (2)	87,048	—	—	90,371
Second mezzanine loan (2)	87,273	—	—	91,423
Other notes payable (1)	9,848	—	—	9,230

(1) Represents obligations of OSI.
(2) Represents obligations of New PRP.

10. Income Taxes

The effective income tax rate for the three months ended March 31, 2013 was 14.1% compared to 19.2% for the same period in 2012. This net decrease in the effective income tax rate as compared to the prior year was primarily due to a decrease in the projected foreign pretax book income and the foreign provision being a smaller percentage of projected consolidated pretax annual income.

The effective income tax rate for the three months ended March 31, 2013 was lower than the blended federal and state statutory rate of 38.6% primarily due to the benefit of the expected tax credit for excess FICA tax on employee-reported tips, the foreign rate differential, decrease in the valuation allowance and the elimination of noncontrolling interest together being such a large percentage of projected annual pretax income. The effective income tax rate for the three months ended March 31, 2012 was lower than the blended federal and state statutory rate of 38.7% due to the benefit of the expected tax credit for excess FICA tax on employee-reported tips and the elimination of noncontrolling interest together being such a large percentage of pretax income. This was partially offset by an increase in the valuation allowance.

At December 31, 2012, the Company had a valuation allowance against deferred income tax assets recorded of $72.5 million, of which $67.7 million was for U.S. deferred income tax assets. The Company has reviewed and will continue to review its conclusions about the appropriate amount of its deferred income tax asset valuation allowance in light of circumstances existing in future periods. To the extent the Company continues to generate pretax income in the U.S. in fiscal 2013 at a sufficient level, then, absent other factors indicating a contrary conclusion, the Company will consider a potential reversal of the U.S. related valuation allowance within the next nine to 12 months. Should the Company reverse the valuation allowance, a discrete tax benefit ranging from $40.0 million to $50.0 million related to the valuation allowance recorded at December 31, 2012 could be realized. Any release of valuation allowance will be recorded as a tax benefit increasing net income or as an adjustment to paid-in capital. Such reversal will impact the Company's quarterly and annual effective income tax rates and could result in an overall income tax benefit in the period of release. The Company expects to continue to generate significant U.S. income tax credits, which combined with the mix of U.S. and foreign earnings in periods subsequent to the reversal will result in an effective income tax rate that is lower than the blended federal and state statutory rate.

As of March 31, 2013 and December 31, 2012, respectively, the Company had $13.8 million and $13.6 million, respectively, of unrecognized tax benefits ($0.8 million and $1.0 million, respectively, in Other long-term liabilities, net, $0.8 million and $0.9 million, respectively, in Accrued and other current liabilities and $12.2 million and $11.7 million, respectively, in Deferred income tax liabilities). Additionally, the Company accrued $2.3 million and $2.4 million of interest and penalties related to uncertain tax positions as of March 31, 2013 and December 31, 2012, respectively. Of the total amount of unrecognized tax benefits, including accrued interest and penalties, $14.0 million and $13.8 million, respectively, if recognized, would impact the Company's effective tax rate. The difference between the total amount of unrecognized tax benefits and the amount that would impact the effective tax rate consists of items that are offset by deferred income tax assets and the federal tax benefit of state income tax items.

In many cases, the Company's uncertain tax positions are related to tax years that remain subject to examination by relevant taxable authorities. Based on the outcome of these examinations, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related recorded unrecognized tax benefits for tax positions taken on previously filed tax returns will change by approximately $0.5 million to $0.6 million within the next twelve months after March 31, 2013.

The Company is currently open to audit under the statute of limitations by the IRS for the years ended December 31, 2007 through 2011. The Company and its subsidiaries' state and foreign income tax returns are also open to audit under the statute of limitations for the years ended December 31, 2000 through 2012. The Company is currently under examination by the Internal Revenue Service for the years ended December 31, 2009 through 2011. At this time, the Company does not believe that the outcome of any examination will have a material impact on the Company's results of operations or financial position.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

11. Subsequent Event

On April 10, 2013, OSI completed a repricing of its senior secured term loan B facility pursuant to the First Amendment to Credit Agreement, Guaranty and Security Agreement, among OSI, OSI HoldCo, Inc., the subsidiary guarantors named therein, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, and a syndicate of institutional lenders and financial institutions (the "Credit Agreement" and, as amended, the "Amended Credit Agreement").

The Amended Credit Agreement replaces OSI's existing senior secured term loan B facility with a new senior secured term loan B facility (the "New Term Loan B"). The New Term Loan B has the same principal amount outstanding (as of the repricing date) of $975.0 million, maturity date of October 26, 2019, amortization schedule and financial covenants but a lower applicable interest rate than the existing senior secured term loan B facility. Voluntary prepayments made on the principal amount outstanding since the inception of the Credit Agreement will continue to be treated as prepayments for purposes of determining amortization payment and mandatory prepayment requirements under the New Term Loan B.

The Amended Credit Agreement decreased the interest rate applicable to the New Term Loan B to 150 basis points over the Base Rate or 250 basis points over the Eurocurrency Rate and reduced the interest rate floors applicable to the New Term Loan B to 2.00% for the Base Rate and 1.00% for the Eurocurrency Rate. Prepayments or amendments of the New Term Loan B that constitute a "repricing transaction" (as defined in the Amended Credit Agreement) will be subject to a premium of 1.00% of the New Term Loan B if prepaid or amended on or prior to October 10, 2013. Prepayments and repricings made after October 10, 2013 will not be subject to premium or penalty.

Pursuant to the terms of the Credit Agreement, the Company was required to pay a prepayment penalty of approximately $10.0 million at closing in connection with the repricing transaction. Additional professional fees will also be recorded in the second quarter of 2013 as well as an adjustment of the deferred financing fees and unamortized debt discount based on completion of the Company's analysis of debt extinguishment or modification treatment for the repricing.

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS (in thousands):

	Balance at the Beginning of the Period	Charged to Costs and Expenses	Deductions (1)	Balance at the End of the Period
Year Ended December 31, 2012				
Allowance for doubtful accounts (2)	$ 2,117	$ 280	$ (2,397)	$ —
Valuation allowance on deferred income tax assets (3)	35,837	44,260	(7,582)	72,515
	$ 37,954	$ 44,540	$ (9,979)	$72,515
Year Ended December 31, 2011				
Allowance for note receivable for affiliated entity (4)	$ 33,150	$(33,150)	$ —	$ —
Allowance for doubtful accounts	2,454	117	(454)	2,117
Valuation allowance on deferred income tax assets	25,886	12,948	(2,997)	35,837
	$ 61,490	$(20,085)	$ (3,451)	$37,954
Year Ended December 31, 2010				
Allowance for note receivable for affiliated entity	$ 33,150	$ —	$ —	$33,150
Allowance for doubtful accounts	1,697	2,295	(1,538)	2,454
Valuation allowance on deferred income tax assets	21,977	3,909	—	25,886
	$ 56,824	$ 6,204	$ (1,538)	$61,490

(1) Deductions for Allowance for doubtful accounts represent the write off of uncollectible accounts or reductions to allowances previously provided. Deductions for Valuation allowance on deferred income tax assets represent changes in timing differences between periods.

(2) In 2009, the Company received a promissory note for the full sale price of its Cheeseburger in Paradise concept ($2.0 million), which subsequently became fully reserved in 2010. In the fourth quarter of 2012, the Company collected the outstanding amounts under the terms of the promissory note, which included accrued interest charges, and released the Allowance for doubtful accounts balance in full.

(3) The charges to the valuation allowance for the year ended December 31, 2012 were primarily due to the tax benefits associated with tax goodwill related to the joint venture and limited partnership interests purchased and the deferred gain recorded for the Sale-Leaseback Transaction. Of the aggregate charges, $15.8 million was recorded in Additional paid-in capital.

(4) On September 26, 2011, the Company entered into a settlement agreement with the T-Bird Parties to settle all outstanding litigation with T-Bird. In accordance with the terms of the settlement agreement, T-Bird agreed to pay $33.3 million to the Company, which included $33.2 million to satisfy the T-Bird promissory note that the Company purchased from T-Bird's former lender. The settlement payment was received in November 2011, and $33.2 million was recorded as Recovery of note receivable from affiliated entity in the Company's Consolidated Statement of Operations and Comprehensive Income for the year ended December 31, 2011.

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17,000,000 Shares

Common Stock

PROSPECTUS

BofA Merrill Lynch

Morgan Stanley

J.P. Morgan

Deutsche Bank Securities

Goldman, Sachs & Co.

Jefferies

William Blair

Raymond James

Wells Fargo Securities

The Williams Capital Group, L.P.

, 2013

Part II

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses payable by us in connection with the sale and distribution of the securities registered hereby, other than underwriting discounts or commissions. All amounts are estimates except for the SEC registration fee and the Financial Industry Regulatory Authority filing fee.

SEC Registration Fee	$ 55,280
Financial Industry Regulatory Authority, Inc. Filing Fee	61,291
Blue Sky Fees and Expenses	5,000
Printing and Engraving	125,000
Legal Fees and Expenses	438,000
Accounting Fees and Expenses	150,000
Transfer Agent and Registrar Fees	10,000
Miscellaneous	130,000
Total	$974,571

Item 14. Indemnification of Directors and Officers.

The Registrant is governed by the Delaware General Corporation Law, or DGCL. Section 145 of the DGCL provides that a corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was or is an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such officer, director, employee or agent acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the corporation's best interest and, for criminal proceedings, had no reasonable cause to believe that such person's conduct was unlawful. A Delaware corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or contemplated action or suit by or in the right of such corporation, under the same conditions, except that such indemnification is limited to expenses (including attorneys' fees) actually and reasonably incurred by such person, and except that no indemnification is permitted without judicial approval if such person is adjudged to be liable to such corporation. Where an officer or director of a corporation is successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to above, or any claim, issue or matter therein, the corporation must indemnify that person against the expenses (including attorneys' fees) which such officer or director actually and reasonably incurred in connection therewith.

The Registrant's amended and restated bylaws authorize the indemnification of its officers and directors, consistent with Section 145 of the Delaware General Corporation Law, as amended. The Registrant has also entered into indemnification agreements with each of its directors and executive officers. These agreements, among other things, require the Registrant to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including advancement of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of the Registrant, arising out of the person's services as a director or executive officer.

Pursuant to Section 102(b)(7) of the DGCL, the Registrant's certificate of incorporation contains a provision eliminating the personal liability of a director for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL, which provides for liability of directors for unlawful payments of dividends or unlawful stock purchases or redemptions or (iv) for any transaction from which a director derived an improper personal benefit.

The Registrant maintains customary policies of insurance that provide coverage (i) to its directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and (ii) to the Registrant with respect to indemnification payments that it may make to such directors and officers.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification to the Registrant's directors and officers by the underwriters against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Equity Securities

During the year ended December 31, 2010, the Registrant granted to certain eligible participants 1,026,110 options to purchase its common stock with an exercise price of $6.50 and 51,249 options to purchase its common stock with an exercise price of $10.00 under the Registrant's 2007 Equity Incentive Plan (the "2007 Plan"). The options were issued without registration in reliance on the exemption afforded by Section 4(2) of the Securities Act, as a transaction by an issuer not involving a public offering, or Rule 701 promulgated under the Securities Act, as a transaction pursuant to a compensatory benefit plan.

In March 2010, the Registrant offered all active employees the opportunity to exchange outstanding stock options with a $10.00 exercise price for the same number of replacement stock options with a $6.50 exercise price. The replacement stock options were awarded on April 6, 2010 following completion of the exchange offer, have an exercise price of $6.50 per share, and have new vesting provisions. In aggregate there were 3,874,949 stock options eligible for exchange, all of which were tendered and accepted for exchange in the exchange offer. The original options were cancelled following the expiration of the offer. No consideration was paid to the Registrant by any recipient. The replacement stock options were issued without registration in reliance on the exemptions afforded by Section 3(a)(9) of the Securities Act, as an exchange by the issuer with its existing security holders without commission.

During the year ended December 31, 2011, the Registrant granted to certain eligible participants 131,000 options to purchase its common stock with an exercise price of $6.50. These options were later cancelled and reissued with an exercise price of $10.03. In addition, the Registrant also granted to such participants 1,775,447 options to purchase its common stock with an exercise price of $10.03 under the 2007 Plan. The options were issued without registration in reliance on the exemption afforded by Section 4(2) of the Securities Act, as a transaction by an issuer not involving a public offering, or Rule 701 promulgated under the Securities Act, as a transaction pursuant to a compensatory benefit plan.

During the period beginning January 1, 2012 through August 7, 2012, the Registrant granted to certain eligible participants 35,000 options to purchase its common stock with an exercise price of $10.03, 20,000 options to purchase its common stock with an exercise price of $12.02, and 600,000 options to purchase its common stock with an exercise price of $14.58 under the 2007 Plan. In addition, the Registrant granted certain eligible participants 260,859 shares of restricted stock under the 2007 Plan. The options and shares of restricted stock were issued without registration in reliance on the exemption afforded by Section 4(2) of the Securities Act, as a transaction by an issuer not involving a public offering, or Rule 701 promulgated under the Securities Act, as a transaction pursuant to a compensatory benefit plan.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

Exhibit Number	Description of Exhibits
1.1	Form of Underwriting Agreement
3.1	Second Amended and Restated Certificate of Incorporation of Bloomin' Brands, Inc. (included as an exhibit to Registrant's Registration Statement on Form S-8, File No. 333-183270 ("Form S-8"), filed on August 13, 2012 and incorporated herein by reference)
3.2	Second Amended and Restated Bylaws of Bloomin' Brands, Inc. (included as an exhibit to Registrant's Form S-8 filed on August 13, 2012 and incorporated herein by reference)
4.1	Form of Common Stock Certificate (included as an exhibit to Amendment No. 4 to Registrant's Registration Statement on Form S-1, File No. 333-180615 ("Form S-1"), filed on July 18, 2012 and incorporated herein by reference)
5.1	Opinion of Baker & Hostetler LLP*
10.1	Credit Agreement dated October 26, 2012 among OSI Restaurant Partners, LLC, OSI HoldCo, Inc., the Lenders and Deutsche Bank Trust Company Americas, as administrative agent for the Lenders[1] (included as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, File No. 001-35625, and incorporated herein by reference)
10.2	First Amendment to Credit Agreement, Guaranty and Security Agreement dated as of April 10, 2013 among OSI Restaurant Partners, LLC, OSI HoldCo, Inc., the Subsidiary Guarantors, the Lenders and Deutsche Bank Trust Company Americas, as administrative agent for the Lenders (included as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, File No. 001-35625, and incorporated herein by reference)
10.3	Loan and Security Agreement, dated March 27, 2012, between New Private Restaurant Properties, LLC, as borrower, and German American Capital Corporation and Bank of America, N.A., collectively as lender[1] (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.4	Mezzanine Loan and Security Agreement (First Mezzanine), dated March 27, 2012, between New PRP Mezz 1, LLC, as borrower, and German American Capital Corporation and Bank of America, N.A., collectively as lender (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.5	Mezzanine Loan and Security Agreement (Second Mezzanine), dated March 27, 2012, between New PRP Mezz 2, LLC, as borrower, and German American Capital Corporation and Bank of America, N.A., collectively, as lender (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.6	Environmental Indemnity, dated March 27, 2012, by OSI HoldCo I, Inc. for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.7	Environmental Indemnity, dated March 27, 2012, by OSI Restaurant Partners, LLC and Private Restaurant Master Lessee, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)

Exhibit Number	Description of Exhibits
10.8	Environmental Indemnity, dated March 27, 2012, by PRP Holdings, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.9	Environmental Indemnity (First Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.10	Environmental Indemnity (First Mezzanine), dated March 27, 2012, by OSI Restaurant Partners, LLC and Private Restaurant Master Lessee, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.11	Environmental Indemnity (First Mezzanine), dated March 27, 2012, by PRP Holdings, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.12	Environmental Indemnity (Second Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.13	Environmental Indemnity (Second Mezzanine), dated March 27, 2012, by OSI Restaurant Partners, LLC and Private Restaurant Master Lessee, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.14	Environmental Indemnity (Second Mezzanine), dated March 27, 2012, by PRP Holdings, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.15	Guaranty of Recourse Obligations, dated March 27, 2012, by OSI HoldCo I, Inc. to and for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.16	Guaranty of Recourse Obligations (First Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. to and for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.17	Guaranty of Recourse Obligations (Second Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. to and for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.18	Amended and Restated Guaranty, dated March 27, 2012, by OSI Restaurant Partners, LLC to and for the benefit of New Private Restaurant Properties, LLC (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.19	Subordination, Non-Disturbance and Attornment Agreement (New Private Restaurant Properties, LLC), dated March 27, 2012, by and between Bank of America, N.A., German American Capital Corporation, Private Restaurant Master Lessee, LLC and New Private Restaurant Properties, LLC, with the acknowledgement, consent and limited agreement of OSI Restaurant Partners, LLC (included as an exhibit to Registrant’s Form S-1 filed on April 6, 2012 and incorporated herein by reference)

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Exhibit Number	Description of Exhibits
10.20	Royalty Agreement dated April 1995 among Carrabba's Italian Grill, Inc., Outback Steakhouse, Inc., Mangia Beve, Inc., Carrabba, Inc., Carrabba Woodway, Inc., John C. Carrabba, III, Damian C. Mandola, and John C. Carrabba, Jr., as amended by First Amendment to Royalty Agreement dated January 1997 and Second Amendment to Royalty Agreement made and entered into effective April 7, 2010 by and among Carrabba's Italian Grill, LLC, OSI Restaurant Partners, LLC, Mangia Beve, Inc., Mangia Beve II, Inc., Original, Inc., Voss, Inc., John C. Carrabba, III, Damian C. Mandola, and John C. Carrabba, Jr. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.21	Amended and Restated Operating Agreement for OSI/Fleming's, LLC made as of June 4, 2010 by and among OS Prime, LLC, a wholly-owned subsidiary of OSI Restaurant Partners, LLC, FPSH Limited Partnership and AWA III Steakhouses, Inc. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.22	Amended and Restated Master Lease Agreement, dated March 27, 2012, between New Private Restaurant Properties, LLC, as landlord, and Private Restaurant Master Lessee, LLC, as tenant[1] (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.23	Lease, dated June 14, 2007, between OS Southern, LLC and Selmon's/Florida-I, Limited Partnership (predecessor to MVP LRS, LLC) (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.24	Lease, dated June 14, 2007, between OS Southern, LLC and Selmon's/Florida-I, Limited Partnership (predecessor to MVP LRS, LLC), as amended May 27, 2010 (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.25	Employee Rollover Agreement for conversion of OSI Restaurant Partners, Inc. restricted stock to Kangaroo Holdings, Inc. restricted stock entered into by the individuals listed on Schedule 1 thereto (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.26	OSI Restaurant Partners, LLC HCE Deferred Compensation Plan effective October 1, 2007 (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.27	Kangaroo Holdings, Inc. 2007 Equity Incentive Plan, as amended (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.28	Form of Option Agreement for Options under the Kangaroo Holdings, Inc. 2007 Equity Incentive Plan (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.29	Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Amendment No. 4 to Registrant's Form S-1 filed on July 18, 2012 and incorporated herein by reference)
10.30	Form of Nonqualified Stock Option Award Agreement for options granted under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
10.31	Form of Restricted Stock Award Agreement for restricted stock granted to directors under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)

Exhibit Number	Description of Exhibits
10.32	Form of Restricted Stock Award Agreement for restricted stock granted to employees and consultants under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
10.33	Form of Performance Unit Award Agreement for performance units granted under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
10.34	Form of Bloomin' Brands, Inc. Indemnification Agreement by and between Bloomin' Brands, Inc. and each member of its Board of Directors and each of its executive officers (included as an exhibit to Amendment No. 4 to Registrant's Form S-1 filed on July 18, 2012 and incorporated herein by reference)
10.35	Bloomin' Brands, Inc. Executive Change in Control Plan, effective December 6, 2012 (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
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* Previously filed

[1] Confidential treatment has been granted with respect to portions of Exhibits 10.1 and 10.22 and such portions have been filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

The following financial statement schedule is filed as a part of this registration statement on page S-1 of the prospectus: Schedule II—Valuation and Qualifying Accounts for the years ended December 31, 2012, 2011, and 2010. All other schedules are omitted because they are inapplicable or the required information is shown in the consolidated financial statements and notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tampa, State of Florida, on May 20, 2013.

Date: May 20, 2013

BLOOMIN' BRANDS, INC.

By:	/s/ Elizabeth A. Smith
Name:	Elizabeth A. Smith
Title:	Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ Elizabeth A. Smith Elizabeth A. Smith	Chief Executive Officer and Director (Principal Executive Officer)	May 20, 2013
* David J. Deno	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 20, 2013
* Andrew B. Balson	Director	May 20, 2013
* J. Michael Chu	Director	May 20, 2013
* Mindy Grossman	Director	May 20, 2013

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Signature	Title	Date
* David Humphrey	Director	May 20, 2013
* John J. Mahoney	Director	May 20, 2013
* Mark E. Nunnelly	Director	May 20, 2013
* Chris T. Sullivan	Director	May 20, 2013

*By: /s/ Joseph J. Kadow
Joseph J. Kadow, Attorney-in-fact

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EXHIBIT INDEX

Exhibit Number	Description of Exhibits
1.1	Form of Underwriting Agreement
3.1	Second Amended and Restated Certificate of Incorporation of Bloomin' Brands, Inc. (included as an exhibit to Registrant's Registration Statement on Form S-8, File No. 333-183270 ("Form S-8"), filed on August 13, 2012 and incorporated herein by reference)
3.2	Second Amended and Restated Bylaws of Bloomin' Brands, Inc. (included as an exhibit to Registrant's Form S-8 filed on August 13, 2012 and incorporated herein by reference)
4.1	Form of Common Stock Certificate (included as an exhibit to Amendment No. 4 to Registrant's Registration Statement on Form S-1, File No. 333-180615 ("Form S-1"), filed on July 18, 2012 and incorporated herein by reference)
5.1	Opinion of Baker & Hostetler LLP*
10.1	Credit Agreement dated October 26, 2012 among OSI Restaurant Partners, LLC, OSI HoldCo, Inc., the Lenders and Deutsche Bank Trust Company Americas, as administrative agent for the Lenders[1] (included as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, File No. 001-35625, and incorporated herein by reference)
10.2	First Amendment to Credit Agreement, Guaranty and Security Agreement dated as of April 10, 2013 among OSI Restaurant Partners, LLC, OSI HoldCo, Inc., the Subsidiary Guarantors, the Lenders and Deutsche Bank Trust Company Americas, as administrative agent for the Lenders (included as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, File No. 001-35625, and incorporated herein by reference)
10.3	Loan and Security Agreement, dated March 27, 2012, between New Private Restaurant Properties, LLC, as borrower, and German American Capital Corporation and Bank of America, N.A., collectively as lender[1] (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.4	Mezzanine Loan and Security Agreement (First Mezzanine), dated March 27, 2012, between New PRP Mezz 1, LLC, as borrower, and German American Capital Corporation and Bank of America, N.A., collectively as lender (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.5	Mezzanine Loan and Security Agreement (Second Mezzanine), dated March 27, 2012, between New PRP Mezz 2, LLC, as borrower, and German American Capital Corporation and Bank of America, N.A., collectively, as lender (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.6	Environmental Indemnity, dated March 27, 2012, by OSI HoldCo I, Inc. for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.7	Environmental Indemnity, dated March 27, 2012, by OSI Restaurant Partners, LLC and Private Restaurant Master Lessee, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.8	Environmental Indemnity, dated March 27, 2012, by PRP Holdings, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.9	Environmental Indemnity (First Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)

Exhibit Number	Description of Exhibits
10.10	Environmental Indemnity (First Mezzanine), dated March 27, 2012, by OSI Restaurant Partners, LLC and Private Restaurant Master Lessee, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.11	Environmental Indemnity (First Mezzanine), dated March 27, 2012, by PRP Holdings, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.12	Environmental Indemnity (Second Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.13	Environmental Indemnity (Second Mezzanine), dated March 27, 2012, by OSI Restaurant Partners, LLC and Private Restaurant Master Lessee, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.14	Environmental Indemnity (Second Mezzanine), dated March 27, 2012, by PRP Holdings, LLC for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.15	Guaranty of Recourse Obligations, dated March 27, 2012, by OSI HoldCo I, Inc. to and for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.16	Guaranty of Recourse Obligations (First Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. to and for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.17	Guaranty of Recourse Obligations (Second Mezzanine), dated March 27, 2012, by OSI HoldCo I, Inc. to and for the benefit of German American Capital Corporation and Bank of America, N.A. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.18	Amended and Restated Guaranty, dated March 27, 2012, by OSI Restaurant Partners, LLC to and for the benefit of New Private Restaurant Properties, LLC (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.19	Subordination, Non-Disturbance and Attornment Agreement (New Private Restaurant Properties, LLC), dated March 27, 2012, by and between Bank of America, N.A., German American Capital Corporation, Private Restaurant Master Lessee, LLC and New Private Restaurant Properties, LLC, with the acknowledgement, consent and limited agreement of OSI Restaurant Partners, LLC (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.20	Royalty Agreement dated April 1995 among Carrabba's Italian Grill, Inc., Outback Steakhouse, Inc., Mangia Beve, Inc., Carrabba, Inc., Carrabba Woodway, Inc., John C. Carrabba, III, Damian C. Mandola, and John C. Carrabba, Jr., as amended by First Amendment to Royalty Agreement dated January 1997 and Second Amendment to Royalty Agreement made and entered into effective April 7, 2010 by and among Carrabba's Italian Grill, LLC, OSI Restaurant Partners, LLC, Mangia Beve, Inc., Mangia Beve II, Inc., Original, Inc., Voss, Inc., John C. Carrabba, III, Damian C. Mandola, and John C. Carrabba, Jr. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)

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10.21	Amended and Restated Operating Agreement for OSI/Fleming's, LLC made as of June 4, 2010 by and among OS Prime, LLC, a wholly-owned subsidiary of OSI Restaurant Partners, LLC, FPSH Limited Partnership and AWA III Steakhouses, Inc. (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.22	Amended and Restated Master Lease Agreement, dated March 27, 2012, between New Private Restaurant Properties, LLC, as landlord, and Private Restaurant Master Lessee, LLC, as tenant[1] (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.23	Lease, dated June 14, 2007, between OS Southern, LLC and Selmon's/Florida-I, Limited Partnership (predecessor to MVP LRS, LLC) (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.24	Lease, dated June 14, 2007, between OS Southern, LLC and Selmon's/Florida-I, Limited Partnership (predecessor to MVP LRS, LLC), as amended May 27, 2010 (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.25	Employee Rollover Agreement for conversion of OSI Restaurant Partners, Inc. restricted stock to Kangaroo Holdings, Inc. restricted stock entered into by the individuals listed on Schedule 1 thereto (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.26	OSI Restaurant Partners, LLC HCE Deferred Compensation Plan effective October 1, 2007 (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.27	Kangaroo Holdings, Inc. 2007 Equity Incentive Plan, as amended (included as an exhibit to Amendment No. 1 to Registrant's Form S-1 filed on May 17, 2012 and incorporated herein by reference)
10.28	Form of Option Agreement for Options under the Kangaroo Holdings, Inc. 2007 Equity Incentive Plan (included as an exhibit to Registrant's Form S-1 filed on April 6, 2012 and incorporated herein by reference)
10.29	Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Amendment No. 4 to Registrant's Form S-1 filed on July 18, 2012 and incorporated herein by reference)
10.30	Form of Nonqualified Stock Option Award Agreement for options granted under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
10.31	Form of Restricted Stock Award Agreement for restricted stock granted to directors under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
10.32	Form of Restricted Stock Award Agreement for restricted stock granted to employees and consultants under the Bloomin' Brands, Inc. 2012 Incentive Award Plan (included as an exhibit to Registrant's Current Report on Form 8-K filed on December 7, 2012, File No. 001-35625, and incorporated herein by reference)
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101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Previously filed

[1] Confidential treatment has been granted with respect to portions of Exhibits 10.1 and 10.22 and such portions have been filed separately with the Securities and Exchange Commission.

Exhibit 1.1

BLOOMIN' BRANDS, INC.

(a Delaware corporation)

[—] Shares of Common Stock

UNDERWRITING AGREEMENT

Dated: [—]

BLOOMIN' BRANDS, INC.

(a Delaware corporation)

[—] Shares of Common Stock, par value $0.01 per share

UNDERWRITING AGREEMENT

[—]

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC

as Representatives of the several Underwriters
c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

BLOOMIN' BRANDS, INC., a Delaware corporation (the "Company"), and the persons listed in Schedule B hereto (the "Selling Shareholders"), confirm their respective agreements with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch, Morgan Stanley & Co. LLC ("Morgan Stanley") and J.P. Morgan Securities LLC ("J.P. Morgan") are acting as representatives (in such capacity, the "Representatives"), with respect to (i) the sale by the Selling Shareholders, acting severally and not jointly, and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares of Common Stock, par value $0.01 per share, of the Company ("Common Stock") set forth in Schedules A and B hereto and (ii) the grant by the Selling Shareholders to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of [—] additional shares of Common Stock. The aforesaid [—] shares of Common Stock (the "Initial Securities") to be purchased by the Underwriters and all or any part of the [—] shares of Common Stock subject to the option described in Section 2(b) hereof (the "Option Securities") are herein called, collectively, the "Securities."

The Company and the Selling Shareholders understand that the Underwriters propose (i) to make a public offering of the Securities as soon as the Representatives deem advisable after this Agreement has been executed and delivered and (ii) initially to offer the Securities on the terms set forth in the Prospectus.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-188421), including the related preliminary prospectus or prospectuses, covering the registration of the sale of the Securities under the Securities Act of 1933, as amended (the "1933 Act"). Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations. The information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective pursuant to Rule 430A(b) is herein called the "Rule 430A Information." Such registration statement, including the amendments thereto, the exhibits thereto and any schedules thereto, at the time it became effective, and including the Rule 430A Information, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein called the "Rule 462(b) Registration Statement" and, after such filing, the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." The final prospectus, in the form first furnished to the Underwriters for use in connection with the offering of the Securities, is herein called the "Prospectus." For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system or any successor system ("EDGAR").

As used in this Agreement:

"Applicable Time" means [:00 P./A.M.], New York City time, on [—] or such other time as agreed by the Company and Merrill Lynch.

"General Disclosure Package" means any Issuer General Use Free Writing Prospectuses issued at or prior to the Applicable Time, the most recent preliminary prospectus that is distributed to investors prior to the Applicable Time and the information included on Schedule C-1 hereto, all considered together.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the 1933 Act Regulations ("Rule 433"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the 1933 Act Regulations ("Rule 405")) relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433), as evidenced by its being specified in Schedule C-2 hereto.

"Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

SECTION 1. Representations and Warranties.

(a) *Representations and Warranties by the Company*. The Company represents and warrants to each Underwriter and each Selling Shareholder as of the date hereof, the Applicable Time, the Closing Time (as defined below) and any Date of Delivery (as defined below); provided, however, that any representations and warranties that expressly speak as of a specific date shall only be considered to be made as of such date, as follows:

(i) Registration Statement and Prospectuses. The Registration Statement has become effective under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued by the Commission, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued by the Commission and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, threatened by the Commission. The Company has complied with each request (if any) from the Commission for additional information.

Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering, the Prospectus and any amendment or supplement thereto, at the time each was filed with the Commission, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Accurate Disclosure. Neither the Registration Statement nor any amendment thereto, at its effective time, at the Closing Time or at any Date of Delivery, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, neither (A) the General Disclosure Package nor (B) any individual Issuer Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the Closing Date or at any Date of Delivery, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement (or any amendment thereto), the General Disclosure

Package or the Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the information in the first paragraph under the heading "Underwriting–Commissions and Discounts," the information in the second, third and fourth paragraphs under the heading "Underwriting–Price Stabilization, Short Positions and Penalty Bids" and the information under the heading "Underwriting–Electronic Distribution" (collectively, the "Underwriter Information").

(iii) Issuer Free Writing Prospectuses. No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement, the General Disclosure Package (as of the Applicable Time) or the Prospectus that has not been superseded or modified.

(iv) Company Not Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

(v) Independent Accountants. PricewaterhouseCoopers LLP, who has certified certain financial statements and supporting schedule included in the Registration Statement, the General Disclosure Package and the Prospectus is an independent public accounting firm as required by the 1933 Act, the 1933 Act Regulations, the Public Accounting Oversight Board.

(vi) Financial Statements; Non-GAAP Financial Measures. The financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations and comprehensive income, changes in stockholders' equity (deficit) and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in all material respects and in accordance with GAAP, the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein or with respect to which the Company has received a written waiver from the staff of the Commission, no historical or pro forma financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement, the General Disclosure Package or the Prospectus under the 1933 Act or the 1933 Act Regulations. All disclosures contained in the Registration Statement, the General Disclosure Package or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and Item 10 of Regulation S-K of the 1933 Act, to the extent applicable. The interactive data in eXtensible Business Reporting Language included in the Registration Statement, the General Disclosure Package and the Prospectus fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(vii) No Material Adverse Change in Business. Except as otherwise stated therein, since the date of the most recent financial statements of the Company included in the Registration Statement, the General Disclosure Package or the Prospectus, (A) there has been no material adverse change or development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings or business affairs of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(viii) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not be reasonably likely to result in a Material Adverse Effect.

(ix) Good Standing of Subsidiaries. Each "significant subsidiary" of the Company (as such term is defined in Rule 1-02 of Regulation S-X) (each, a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing in good standing under the laws of the jurisdiction of its incorporation or organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing would not be reasonably likely to result in a Material Adverse Effect. Except as otherwise disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. None of the outstanding shares of capital stock of any Subsidiary were issued in violation of the preemptive or similar rights of any security holder of such Subsidiary. The only subsidiaries of the Company are the subsidiaries listed on Exhibit 21 to the Registration Statement (excluding any subsidiaries which, considered in the aggregate as a single subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X).

(x) Capitalization. The authorized, issued and outstanding shares of capital stock of the Company are as set forth in the Registration Statement, the General Disclosure Package and the Prospectus in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Registration Statement, the General Disclosure Package and the Prospectus or pursuant to the exercise of convertible securities or options referred to in the Registration Statement, the General Disclosure Package and the Prospectus). The outstanding shares of capital stock of the Company, including the Securities to be purchased by the Underwriters from the Selling Shareholders, have been duly authorized and validly issued and are

fully paid and non-assessable. None of the outstanding shares of capital stock of the Company, including the Securities to be purchased by the Underwriters from the Selling Shareholders, were issued in violation of the preemptive or similar rights of any security holder of the Company.

(xi) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(xii) Authorization and Description of Securities. The Common Stock conforms in all material respects to the description thereof contained in the Registration Statement, the General Disclosure Package and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same. No holder of Securities will be subject to personal liability by reason of being such a holder.

(xiii) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale or sold by the Company under the 1933 Act pursuant to this Agreement, other than those rights that have been disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, which, to the extent required, have been satisfied or waived.

(xiv) Absence of Violations, Defaults and Conflicts. Neither the Company nor any of its subsidiaries is (A) in violation of its charter, by-laws or similar organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the properties or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments"), except for such defaults that would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations (each, a "Governmental Entity"), except for such violations that would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated herein and in the Registration Statement, the General Disclosure Package and the Prospectus and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter, by-laws or similar organizational document of the Company or any of its subsidiaries or, except for such violations that would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect, any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(xv) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any subsidiary's principal suppliers, manufacturers, customers or contractors, which, in either case, would be reasonably likely to result in a Material Adverse Effect.

(xvi) Absence of Proceedings. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, there is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which would be reasonably likely to result in a Material Adverse Effect, or which would be reasonably likely to materially and adversely affect their respective properties or assets or the consummation by the Company of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings to which the Company or any such subsidiary is a party or of which any of their respective properties or assets is the subject which are not described in the Registration Statement, the General Disclosure Package and the Prospectus, including ordinary routine litigation incidental to the business, would not be reasonably likely to result in a Material Adverse Effect.

(xvii) Accuracy of Exhibits. There are no contracts or documents which are required to be described in the Registration Statement, the General Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required.

(xviii) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the NASDAQ Stock Market LLC, state securities laws or the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA").

(xix) Possession of Licenses and Permits. The Company and its subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate Governmental Entities necessary to conduct the business now operated by them, including in respect of its sales or distribution of alcoholic beverages in the conduct of the business, except where the failure so to possess would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect. The Company and its subsidiaries are in compliance with the terms and conditions of all Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would be reasonably likely to result in a Material Adverse Effect.

(xx) Title to Property. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all real property and good title to, or a valid legal right to lease or otherwise use, all personal property that are material to the respective businesses of the Company and its subsidiaries, in each case, free and clear of all liens, claims, encumbrances and defects and imperfections of title, except such as (A) are described in the Registration Statement, the General Disclosure Package and the Prospectus, (B) exist pursuant to financing arrangements that are described in the Registration Statement, the General Disclosure Package and the Prospectus or (C) would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect.

(xxi) Possession of Intellectual Property. The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, “Intellectual Property”) material to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would be reasonably likely to result in a Material Adverse Effect.

(xxii) Environmental Laws. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus or would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, “Hazardous Materials”) or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, “Environmental Laws”), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) to the knowledge of the Company, there are no events or circumstances that would reasonably be likely to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xxiii) Accounting Controls and Disclosure Controls. The Company maintains a system of internal control over financial reporting (as defined under Rule 13-a15 and 15d-15 under the rules and regulations of the Commission under the 1934 Act (the “1934 Act Regulations”)) sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management’s general or specific authorization; (B) transactions are recorded as necessary to

permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (E) the interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company and each of its subsidiaries maintain a system of disclosure controls and procedures (as defined in Rule 13a-15 and Rule 15d-15 under the 1934 Act Regulations) that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

(xxiv) Payment of Taxes. The Company and its subsidiaries have filed all United States federal income tax returns required by law to be filed through the date hereof or have requested extensions thereof, including the Company's request for an automatic extension of time (until September 16, 2013) to file the United States federal income tax returns of the Company for the fiscal year ended December 31, 2012 that has been filed with the Internal Revenue Service, and all taxes shown by such returns or otherwise assessed, which are due and payable through the date hereof, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided and except where failure to make such payments would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect. The Company and its subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, state, local or other law except insofar as the failure to file such returns would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect, and all taxes shown by such returns or otherwise assessed, which are due and payable through the date hereof, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided and except where failure to make such payments would not, singly or in the aggregate, be reasonably likely to result in a Material Adverse Effect. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not be reasonably likely to result in a Material Adverse Effect.

(xxv) Insurance. The Company and its subsidiaries, taken as a whole, carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies engaged in the same or similar business and of a similar size, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable

coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not be reasonably likely to result in a Material Adverse Change.

(xxvi) Investment Company Act. The Company is not required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(xxvii) Absence of Manipulation. Neither the Company nor, to the knowledge of the Company, any affiliate of the Company has taken, nor will the Company take, directly or indirectly, any action which is designed, or would be reasonably likely, to cause or result in, or which constitutes, the stabilization or manipulation of the price of the Securities or to result in a violation of Regulation M under the 1934 Act.

(xxviii) Foreign Corrupt Practices Act. Except as disclosed by OSI Restaurant Partners, LLC, in its Annual Report on Form 10-K filed with the Commission on March 16, 2006 (File No. 001-15935), none of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, controlled affiliate or other person acting on behalf of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA, and the Company has and, to the knowledge of the Company, its controlled affiliates have, conducted its and their businesses in compliance with the FCPA and have instituted and maintained policies and procedures designed to ensure continued compliance therewith.

(xxix) Money Laundering Laws. The operations of the Company and its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(xxx) OFAC. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, controlled affiliate or representative acting on behalf of the Company or any of its subsidiaries is an individual or entity ("Person") currently the subject of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company located, organized or resident in a country or territory that is the subject of Sanctions.

(xxxi) Statistical and Market-Related Data. Any statistical and market-related data included in the Registration Statement, the General Disclosure Package or the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(b) *Representations and Warranties by the Selling Shareholders*. Each Selling Shareholder severally and not jointly represents and warrants to each Underwriter as of the date hereof, as of the Applicable Time, as of the Closing Time and, if the Selling Shareholder is selling Option Securities on a Date of Delivery, as of each such Date of Delivery; provided, however, that any representations and warranties that expressly speak as of a specific date shall only be considered to be made as of such date, as follows:

(i) Accurate Disclosure. Neither the General Disclosure Package, the Prospectus or any amendments or supplements thereto, includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that such representations and warranties set forth in this subsection (b)(i) apply only to statements or omissions made in reliance upon and in conformity with information relating to such Selling Shareholder furnished in writing by or on behalf of the Selling Shareholder expressly for use in the Registration Statement, the General Disclosure Package, the Prospectus, or any other Issuer Free Writing Prospectus or any amendment or supplement thereto, it being understood and agreed that for purposes of this Agreement, the only information so furnished by such Selling Shareholder consists of (i) that information relating to the Selling Shareholders under the caption “Principal and Selling Stockholders,” excluding percentages and the number of shares of Common Stock that will be beneficially owned by such Selling Shareholder after the offering of the Securities (such information with respect to each Selling Shareholder, the “Selling Shareholder Information”); (ii) in the case of the Bain Capital Selling Shareholders, their Selling Shareholder Information and the information relating to Bain Capital Partners, LLC in the “Bain Capital Partners, LLC” section under the caption “Prospectus Summary” (such information, the “Bain Capital Information”); and (iii) in the case of the Catterton Selling Shareholders, their Selling Shareholder Information and the information relating to Catterton Management Company, LLC in the “Catterton Management Company, LLC” section under the caption “Prospectus Summary” (such information, the “Catterton Information”); such Selling Shareholder is not prompted to sell the Securities to be sold by such Selling Shareholder hereunder by any information concerning the Company or any subsidiary of the Company which is not set forth in the General Disclosure Package or the Prospectus.

(ii) Authorization of this Agreement. This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(iii) Authorization of Power of Attorney and Custody Agreement. Other than in the case of the Bain Capital Selling Shareholders, the Power of Attorney and Custody Agreement, in the form heretofore furnished to the Representatives (the “Power of Attorney and Custody Agreement”), has been duly authorized, executed and delivered by such Selling Shareholder and is the valid and binding agreement of such Selling Shareholder, enforceable against such Selling Shareholder in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(iv) Noncontravention. The execution and delivery of this Agreement and (other than in the case of the Bain Capital Selling Shareholders) the Power of Attorney and Custody Agreement and the sale and delivery of the Securities to be sold by such Selling Shareholder and the consummation of the transactions contemplated herein and compliance by such Selling

Shareholder with its obligations hereunder do not and will not, whether with or without the giving of notice or passage of time or both, (A) conflict with or constitute a breach of, or default under, or result in the creation or imposition of any tax, lien, charge or encumbrance upon the Securities to be sold by such Selling Shareholder or any property or assets of such Selling Shareholder pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, license, lease or other agreement or instrument to which such Selling Shareholder is a party or by which such Selling Shareholder may be bound, or to which any of the property or assets of such Selling Shareholder is subject, nor (B) will such action result in any violation of (1) the provisions of the charter or by-laws or other organizational instrument of such Selling Shareholder, if applicable, or (2) any applicable treaty, law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over such Selling Shareholder or any of its properties, except in the case of clauses (A) and (B)(2), for such conflicts or violations that would not, singly or in the aggregate, be reasonably likely to affect the validity of the Securities or impair the ability of the Selling Shareholder to consummate the transaction contemplated by the Agreement.

(v) Valid Title. Such Selling Shareholder has, and at the Closing Time or a Date of Delivery (as defined below), as applicable will have, valid title to the Securities to be sold by such Selling Shareholder free and clear of all security interests, claims, liens, equities or other encumbrances and the legal right and power, and all authorization and approval required by law, to enter into this Agreement and the Power of Attorney and Custody Agreement (other than in the case of the Bain Capital Selling Shareholders) and to sell, transfer and deliver the Securities to be sold by such Selling Shareholder.

(vi) Delivery of Securities. The Securities to be sold by such Selling Shareholder pursuant to this Agreement are certificated securities in registered form and are not held in any securities account or by or through any securities intermediary within the meaning of the Uniform Commercial Code as in effect in the State of New York (the "UCC"). Certificates for all of the Securities to be sold by such Selling Shareholder pursuant to this Agreement, in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank with signatures guaranteed, have been placed in custody with Computershare, Inc. (the "Custodian") with irrevocable conditional instructions to deliver such Securities to the Underwriters pursuant to this Agreement.

(vii) Absence of Manipulation. Such Selling Shareholder has not taken, and will not take, directly or indirectly, any action which is designed to or which constituted or would be reasonably likely to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(viii) Absence of Further Requirements. No filing with, or consent, approval, authorization, order, registration, qualification or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency, domestic or foreign, is necessary or required for the performance by each Selling Shareholder of its obligations hereunder or (other than in the case of the Bain Capital Selling Shareholders) in the Power of Attorney and Custody Agreement, or in connection with the sale and delivery of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the NASDAQ Stock Market LLC, state securities laws or the rules of FINRA.

(ix) No Registration or Similar Rights. Such Selling Shareholder does not have any registration or similar rights to have any equity or debt securities registered for sale by the Company under the Registration Statement or included in the offering contemplated by this Agreement other than those rights that have been disclosed in the General Disclosure Package and the Prospectus, which, to the extent required, have been satisfied or waived.

(x) No Free Writing Prospectuses. Such Selling Shareholder has not prepared or had prepared on its behalf or used or referred to, any “free writing prospectus” (as defined in Rule 405), and has not distributed any written materials in connection with the offer or sale of the Securities.

(xi) No Association with FINRA. Neither such Selling Shareholder nor, to such Selling Shareholder’s knowledge, any of his/her/its affiliates directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with any member firm of FINRA or is a person associated with a member (within the meaning of the FINRA By-Laws) of FINRA.

(c) *Officer’s Certificates*. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Representatives or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby; and any certificate signed by or on behalf of a Selling Shareholder as such and delivered to the Representatives or to counsel for the Underwriters pursuant to the terms of this Agreement shall be deemed a representation and warranty by such Selling Shareholder to the Underwriters as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriters; Closing.

(a) *Initial Securities*. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each Selling Shareholder, severally and not jointly, agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from each Selling Shareholder, at the price per share set forth in Schedule A, that proportion of the number of Initial Securities set forth in Schedule B opposite the name of such Selling Shareholder, which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, bears to the total number of Initial Securities, subject, in each case, to such adjustments among the Underwriters as Merrill Lynch in its sole discretion shall make to eliminate any sales or purchases of fractional shares.

(b) *Option Securities*. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Selling Shareholders, acting severally and not jointly, hereby grant an option to the Underwriters, severally and not jointly, to purchase up to an additional [—] shares of Common Stock, as set forth in Schedule B, at the price per share set forth in Schedule A, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities. The option hereby granted may be exercised for 30 days after the date hereof and may be exercised in whole or in part at any time from time to time made in connection with the offering and distribution of the Initial Securities upon notice by the Representatives to the Selling Shareholders setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a “Date of Delivery”) shall be determined by the Representatives as set forth in the notice, but shall not be earlier than two full business days (unless such Date of Delivery occurs at the Closing Time) or later than seven full business days after

the exercise of said option, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject, in each case, to such adjustments as Merrill Lynch in its sole discretion shall make to eliminate any sales or purchases of fractional shares.

(c) *Payment*. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036-8704, or at such other place as shall be agreed upon by the Representatives and the Company and the Selling Shareholders, at 9:00 A.M. (New York City time) on the third (fourth, if the pricing occurs after 4:30 P.M. (New York City time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company and the Selling Shareholders (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representatives and the Company and the Selling Shareholders, on each Date of Delivery as specified in the notice from the Representatives to the Company and the Selling Shareholders.

Payment shall be made to the Selling Shareholders by wire transfer of immediately available funds to bank accounts designated by each Selling Shareholder, as the case may be, against delivery to the Representatives for the respective accounts of the Underwriters of certificates for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

SECTION 3. Covenants and Agreements.

(a) *Covenants and Agreements of the Company and the Selling Shareholders*. The Company and each Selling Shareholder, as applicable, covenant with each Underwriter as follows:

(i) *Compliance with Securities Regulations and Commission Requests*. The Company, subject to Section 3(b), will comply with the requirements of Rule 430A, and will notify the Representatives promptly, and confirm the notice in writing, (A) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed, (B) of the receipt of any comments from the Commission, (C) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (D) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the 1933 Act concerning the Registration Statement and (E) if the Company becomes the subject

of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will effect all filings required under Rule 424(b), in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

(ii) *Continued Compliance with Securities Laws*. The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement, the General Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172 of the 1933 Act Regulations ("Rule 172"), would be) required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (A) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) amend or supplement the General Disclosure Package or the Prospectus in order that the General Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (C) amend the Registration Statement or amend or supplement the General Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly (1) give the Representatives notice of such event, (2) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the General Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representatives with copies of any such amendment or supplement and (3) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representatives or counsel for the Underwriters shall reasonably object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request. The Company has given the Representatives notice of any filings made by it pursuant to the 1934 Act or 1934 Act Regulations within 48 hours prior to the Applicable Time; the Company will give the Representatives notice of its intention to make any such filing from the Applicable Time to the Closing Time and will furnish the Representatives with copies of any such documents a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Representatives or counsel for the Underwriters shall reasonably object.

(iii) *Delivery of Registration Statements*. The Company has furnished or will deliver to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also deliver to the Representatives, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(iv) *Delivery of Prospectuses*. The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(v) *Blue Sky Qualifications*. The Company will use its best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representatives may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(vi) *Rule 158*. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its security holders as soon as practicable an earning statement for the purposes of, and to provide to the Underwriters the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(vii) [Reserved.]

(viii) *Listing*. The Company will use its best efforts to maintain the listing of the Securities on the Nasdaq Global Select Market.

(ix) *Restriction on Sale of Securities*. During a period of 90 days from the date of the Prospectus, the Company will not, without the prior written consent of the Representatives, (A) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock, whether any such swap or transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (1) any shares of Common Stock issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (2) any shares of Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (3) any shares of Common Stock issued pursuant to any non-employee director stock plan or dividend reinvestment plan referred to in the Registration Statement, the General Disclosure

Package and the Prospectus, (4) the filing of any registration statement on Form S-8, or (5) the entry into an agreement providing for the issuance of Common Stock or any securities convertible into or exercisable for Common Stock, and the issuance of any such securities pursuant to such an agreement, in connection with (i) the acquisition by the Company or any of its subsidiaries of the securities, business, property or other assets of another person or entity, including pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, or (ii) joint ventures, commercial relationships or other strategic transactions, and the issuance of any such securities pursuant to any such agreement, provided that the aggregate number of shares issued or issuable pursuant to this clause (5) does not exceed 12,000,000 shares (of which issuances in connection with employee benefit plans assumed by the Company in connection with such acquisitions constitute in the aggregate no more than 6,000,000 shares) of Common Stock and prior to such issuance each recipient of any such securities shall execute and deliver to the Representatives an agreement substantially in the form of Exhibit C hereto. Notwithstanding the foregoing, if (x) during the last 17 days of the 90-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs or (y) prior to the expiration of the 90-day restricted period, the Company announces that it will issue an earnings release or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 90-day restricted period, the restrictions imposed in this clause (ix) shall continue to apply until the expiration of the 18-day period beginning on the date of the issuance of the earnings release or the occurrence of the material news or material event, unless the Representatives waive, in writing, such extension.

(x) [Reserved.]

(xi) *Reporting Requirements*. The Company, during the period when a Prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and 1934 Act Regulations.

(xii) *Issuer Free Writing Prospectuses*. Each of the Company and each Selling Shareholder agrees that, unless it obtains the prior written consent of the Representatives, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representatives will be deemed to have consented to the Issuer Free Writing Prospectuses listed on Schedule C-2 hereto and any "road show that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed and consented to in writing by the Representatives. Each of the Company and each Selling Shareholder represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Representatives as an "issuer free writing prospectus," as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement, the preliminary prospectus included in the General Disclosure Package or the Prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(b) *Covenants and Agreements of the Underwriters*. Each Underwriter hereby represents and agrees that:

(i) It will not use any "free writing prospectus", as defined in Rule 405 other than (A) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included in the Prospectus or a previously filed Issuer Free Writing Prospectus, (B) any Issuer Free Writing Prospectus listed on Schedule C-2 (including any road show that is a written communication approved in advance by the Company), or (C) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing; and

(ii) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission.

SECTION 4. Payment of Expenses.

(a) *Expenses*. The Company will pay or cause to be paid all expenses incident to the performance of the Company's and the Selling Shareholders' obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of copies of each preliminary prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto and any costs associated with electronic delivery of any of the foregoing by the Underwriters to investors, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(a)(v) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the fees and expenses of any transfer agent or registrar for the Securities, (vii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and fifty percent (50%) of the cost of aircraft and other transportation chartered in connection with the road show, (viii) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by FINRA of the terms of the sale of the Securities, (ix) the fees and expenses incurred in connection with the listing of the Securities on the Nasdaq Global Select Market, and (x) the costs and expenses (including, without limitation, any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Securities made by the Underwriters caused by a breach of the representation contained in the third sentence of Section 1(a)(ii); provided, however, that the fees and disbursements of counsel for the Underwriters pursuant to clauses (v) and (viii) shall not exceed in the aggregate $25,000.

(b) *Expenses of the Selling Shareholders*. Except to the extent such expenses constitute "Registration Expenses" as defined in the Amended and Restated Registration Rights Agreement, dated

August 7, 2012, among the Company and certain of its stockholders, as amended from time to time (the "Registration Rights Agreement"), which governs expense allocations with respect to the Company and the stockholders party thereto, the Selling Shareholders, severally and not jointly, will pay all expenses incident to the performance of their respective obligations under, and the consummation of the transactions contemplated by, this Agreement, including (i) any stamp and other duties and stock and other transfer taxes, if any, payable upon the sale of the Securities to the Underwriters and their transfer between the Underwriters pursuant to an agreement between such Underwriters, and (ii) the fees and disbursements of their respective counsel and other advisors.

(c) *Termination of Agreement*. If this Agreement is terminated pursuant to Section 9(a)(i) or (iii), 10 (except as set forth in the next sentence) or 11 hereof, or if the Securities are not delivered by or on behalf of the Selling Shareholders as provided herein because of any refusal, inability or failure on the part of the Company or any of the Selling Shareholders to perform any agreement herein, satisfy any condition contained herein or comply with any provision hereof, the Company and such Selling Shareholder(s), as applicable, will reimburse the Underwriters for all reasonable out-of-pocket expenses, including reasonable fees and disbursements of counsel for the Underwriters; provided, however, that any Selling Shareholder that is not the cause of such termination or non-delivery of Securities shall not have any liability to any Underwriter under this Section 4(c). In the case of termination by the Representatives in accordance with the provisions of Section 10, the Company shall have no obligation to reimburse any Defaulting Underwriter for such Defaulting Underwriter's reasonable out-of-pocket expenses pursuant to this Section 4(c); provided, however, that nothing in this Agreement shall affect the obligations of the Company to reimburse the stockholders party to the Registration Rights Agreement for "Registration Expenses" as defined above.

(d) *Allocation of Expenses*. The provisions of this Section shall not affect any agreement that the Company and the Selling Shareholders have made or may make for the sharing of such costs and expenses.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Shareholders contained herein or in certificates of any officer of the Company or any of its subsidiaries or on behalf of any Selling Shareholder delivered pursuant to the provisions hereof, to the performance by the Company and each Selling Shareholder of their respective covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement; Rule 430A Information*. The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, threatened; and the Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

(b) *Opinion of Counsel for Company*. At the Closing Time, the Representatives shall have received the favorable opinion, dated the Closing Time, of Baker & Hostetler LLP, counsel for the Company, in form and substance reasonably satisfactory to the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters to the effect set forth in Exhibit A hereto.

(c) *Opinion of Counsel for the Selling Shareholders*. At the Closing Time, the Representatives shall have received the favorable opinions, dated the Closing Time, of Kirkland & Ellis, LLP, Finn Dixon & Herling LLP, and Baker Hostetler LLP, on behalf of the Selling Shareholders, in form and substance reasonably satisfactory to the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters to the effect set forth in Exhibit B hereto.

(d) *Opinion of Counsel for Underwriters*. At the Closing Time, the Representatives shall have received the favorable opinion, dated the Closing Time, of Ropes & Gray LLP, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters with respect such matters as the Representatives may require. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York, the General Corporation Law of the State of Delaware and the federal securities laws of the United States, upon the opinions of counsel satisfactory to the Representatives. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers and other representatives of the Company and its subsidiaries and certificates of public officials.

(e) *Officers' Certificate*. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any Material Adverse Effect, and the Representatives shall have received (i) a certificate of the Chief Executive Officer or the President of the Company and of the Chief Financial Officer of the Company, dated the Closing Time, to the effect that (A) there has been no such Material Adverse Effect, (B) the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (C) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (D) no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to their knowledge, contemplated and (ii) a certificate of the Chief Financial Officer of the Company, dated the Closing Time, in form and substance reasonably satisfactory to the Underwriters.

(f) *Certificate of Selling Shareholders*. At the Closing Time, the Representatives shall have received a certificate of the Bain Capital Selling Shareholders and a certificate of an Attorney-in-Fact on behalf of each other Selling Shareholder, dated the Closing Time, to the effect that (i) the representations and warranties of each Selling Shareholder in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time and (ii) each Selling Shareholder has complied with all agreements and all conditions on its part to be performed under this Agreement at or prior to the Closing Time.

(g) *Accountant's Comfort Letter*. At the time of the execution of this Agreement, the Representatives shall have received from PricewaterhouseCoopers LLP a letter dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(h) *Bring-down Comfort Letter*. At the Closing Time, the Representatives shall have received a letter from PricewaterhouseCoopers LLP, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (g) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(i) [Reserved.]

(j) *No Objection*. FINRA has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements relating to the offering of the Securities.

(k) *Lock-up Agreements*. At the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit C hereto signed by the persons listed on Schedule D hereto.

(l) *Maintenance of Rating*. Since the execution of this Agreement, there shall not have been any decrease in or withdrawal of the rating of any securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the 1933 Act) or any notice given of any intended or potential decrease in or withdrawal of any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(m) *Conditions to Purchase of Option Securities*. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company and the Selling Shareholders contained herein and the statements in any certificates furnished by the Company, any of its subsidiaries and the Selling Shareholders hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representatives shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the Chief Financial Officer of the Company confirming that the certificates delivered at the Closing Time pursuant to Section 5(e) hereof remain true and correct as of such Date of Delivery.

(ii) Certificate of Selling Shareholders. Certificates, dated such Date of Delivery, of the Bain Capital Selling Shareholders and an Attorney-in-Fact on behalf of each other Selling Shareholder confirming that the respective certificates delivered at the Closing Time pursuant to Section 5(f) remains true and correct as of such Date of Delivery.

(iii) Opinion of Counsel for Company. If requested by the Representatives, the favorable opinion of Baker and Hostetler LLP, counsel for the Company, in form and substance reasonably satisfactory to the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iv) Opinion of Counsel for the Selling Shareholders. If requested by the Representatives, the favorable opinion of counsel for the Selling Shareholders, in form and substance reasonably satisfactory to the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(v) Opinion of Counsel for Underwriters. If requested by the Representatives, the favorable opinion of Ropes & Gray LLP, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(d) hereof.

(vi) Bring-down Comfort Letter. If requested by the Representatives, a letter from PricewaterhouseCoopers LLP, in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representatives pursuant to Section 5(g) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three business days prior to such Date of Delivery.

(n) *Additional Documents*. At the Closing Time and at each Date of Delivery (if any) counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and the Selling Shareholders in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(o) *Termination of Agreement*. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representatives by notice to the Company and the Selling Shareholders at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8, 15 and 16 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) *Indemnification of Underwriters*. The Company agrees to indemnify and hold harmless each Underwriter, its affiliates (as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate")), its selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, any Issuer Free Writing Prospectus, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission in any preliminary prospectus, Issuer Free Writing Prospectus or Prospectus of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of the Company and the Selling Shareholders;

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the indemnified party), reasonably incurred in investigating, preparing for or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) *Indemnification of Underwriters by Selling Shareholders*. Each Selling Shareholder, severally and not jointly, agrees to indemnify and hold harmless each Underwriter, its Affiliates and selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act to the extent and in the manner set forth in clauses (a)(i), (ii) and (iii) above; provided that each Selling Shareholder shall be liable only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission has been made in the Registration Statement, any preliminary prospectus, the General Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Issuer Free Writing Prospectus in reliance upon and in conformity with such Selling Shareholder's Selling Shareholder Information or, in the case of the Bain Capital Selling Shareholders, the Bain Capital Information, or, in the case of the Catterton Selling Shareholders, the Catterton Information; provided, further, that the liability under this subsection of each Selling Shareholder shall be limited to an amount equal to the aggregate gross proceeds after underwriting commissions and discounts, but before expenses, to such Selling Shareholder from the sale of Securities sold by such Selling Shareholder hereunder.

(c) *Indemnification of Company, Directors and Officers and Selling Shareholders*. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, and each Selling Shareholder and each person, if any, who controls any Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(d) *Actions against Parties; Notification*. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially

prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this Section 6. In the case of parties indemnified pursuant to Section 6(a) and 6(b) above, counsel to the indemnified parties shall be selected by Merrill Lynch, and, in the case of parties indemnified pursuant to Section 6(c) above, counsel to the indemnified parties shall be selected by the Company (which counsel shall be reasonably satisfactory to the Selling Shareholders). An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(e) *Settlement without Consent if Failure to Reimburse*. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(f) [Reserved.]

(g) *Other Agreements with Respect to Indemnification*. The provisions of this Section shall not affect any agreement among the Company and the Selling Shareholders with respect to indemnification.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company or such Selling Shareholder, as applicable, on the one hand, and the Underwriters, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company or such Selling Shareholder, as applicable, on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company or such Selling Shareholder, as applicable, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net

proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and such Selling Shareholder, as applicable, on the one hand, and the total underwriting discount received by the Underwriters, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus; provided, however, that for the purposes of this Section 7, the relative benefits received by the Company from the offering of the Securities shall be deemed to equal the relative benefits received by the Selling Shareholders as a group as determined in accordance with this Section 7.

The relative fault of the Company or such Selling Shareholder, as applicable, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or such Selling Shareholder, as applicable, or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Selling Shareholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Shares underwritten by it and distributed to the public.

Notwithstanding the provisions of this Section 7, no Selling Shareholder shall be required to contribute any amount in excess of the amount by which the gross proceeds after underwriting commissions and discounts, but before expenses, to such Selling Shareholder from the sale of the Securities sold by such Selling Shareholder hereunder, exceed the amount of damages which such Selling Shareholder has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Underwriter's Affiliates and selling agents shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company or any Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company or such Selling Shareholder, as the case may be. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Schedule A hereto and not joint.

The provisions of this Section shall not affect any agreement among the Company and the Selling Shareholders with respect to contribution.

SECTION 8. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries or the Selling Shareholders submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors, any person controlling the Company or any person controlling any Selling Shareholder and (ii) delivery of and payment for the Securities.

SECTION 9. Termination of Agreement.

(a) *Termination*. The Representatives may terminate this Agreement, by notice to the Company and the Selling Shareholders, at any time at or prior to the Closing Time (i) if there has been, in the judgment of the Representatives, since the time of the execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, a Material Adverse Effect (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the Nasdaq Global Select Market, or (iv) if trading generally on the NYSE Amex or the New York Stock Exchange or in the Nasdaq Global Market has been suspended or materially limited, or minimum or maximum prices for trading have been generally fixed, or maximum ranges for prices have been generally required, by any of said exchanges or by order of the Commission, FINRA or any other governmental authority, the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (v) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities , or (vi) if a banking moratorium has been declared by either Federal or New York authorities.

(b) *Liabilities*. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 15 and 16 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at the Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the “Defaulted Securities”), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be

obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase, and the Selling Shareholders to sell, the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of the Company or the Selling Shareholders, other than the payment of expenses as set forth in Section 4.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Selling Shareholders to sell the relevant Option Securities, as the case may be, either the (i) Representatives or (ii) the Company and any Selling Shareholder shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

SECTION 11. Default by one or more of the Selling Shareholders. If a Selling Shareholder shall fail at the Closing Time or a Date of Delivery, as the case may be, to sell and deliver the number of Securities which such Selling Shareholder or Selling Shareholders are obligated to sell hereunder, and the remaining Selling Shareholders do not exercise the right hereby granted to increase, pro rata or otherwise, the number of Securities to be sold by them hereunder to the total number to be sold by all Selling Shareholders as set forth in Schedule B hereto, then the Underwriters may, at option of the Representatives, by notice from the Representatives to the Company and the non-defaulting Selling Shareholders, either (i) terminate this Agreement without any liability on the fault of any non-defaulting party except that the provisions of Sections 1, 4, 6, 7, 8, 15 and 16 shall remain in full force and effect or (ii) elect to purchase the Securities which the non-defaulting Selling Shareholders have agreed to sell hereunder. No action taken pursuant to this Section 11 shall relieve any Selling Shareholder so defaulting from liability, if any, in respect of such default.

In the event of a default by any Selling Shareholder as referred to in this Section 11, each of the Representatives, the Company and the non-defaulting Selling Shareholders shall have the right to postpone the Closing Time or any Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required change in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements.

SECTION 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to the Representatives c/o Merrill Lynch at One Bryant Park, New York, New York 10036, attention of Syndicate Department (facsimile: (646) 855-3073), with a copy to ECM Legal (facsimile: (212) 230-8730), c/o Morgan Stanley at 1585 Broadway, New York, New York 10036, attention of Equity Capital Markets Syndicate Desk, c/o J.P.

Morgan Securities LLC at 383 Madison Avenue, New York, New York 10179, attention of Equity Syndicate Desk; notices to the Company shall be directed to it at 2202 North West Shore Boulevard, Tampa Florida 33607, attention of Chief Legal Officer; and notices to the Selling Shareholders shall be directed to the addresses set forth on Schedule B for the Bain Capital Selling Shareholders and in the Power of Attorney and Custody Agreement signed by such other Selling Shareholders.

SECTION 13. No Advisory or Fiduciary Relationship. Each of the Company and each Selling Shareholder acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the initial public offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company and the Selling Shareholder, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering of the Securities and the process leading thereto, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, any of its subsidiaries or any Selling Shareholder, or its respective stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company or any Selling Shareholder with respect to the offering of the Securities or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company, any of its subsidiaries or any Selling Shareholder on other matters) and no Underwriter has any obligation to the Company or any Selling Shareholder with respect to the offering of the Securities except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each of the Company and each Selling Shareholder, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering of the Securities and the Company and each of the Selling Shareholders has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

SECTION 14. Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters, the Company and the Selling Shareholders and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company and the Selling Shareholders and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and the Selling Shareholders and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 15. Trial by Jury. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates), each of the Selling Shareholders and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 16. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

SECTION 17. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 19. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 21. Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the underwriters to properly identify their respective clients.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company, the Bain Capital Selling Shareholders and the Attorney-in-Fact for the Selling Shareholders a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company and the Selling Shareholders in accordance with its terms.

Very truly yours,

BLOOMIN' BRANDS, INC.

By: ______________________________
Name: Joseph J. Kadow
Title: Executive Vice President and Chief Legal Officer and Secretary

SELLING SHAREHOLDERS:

By: ______________________________
Joseph J. Kadow, As Attorney-in-Fact
acting on behalf of
the Selling Shareholders named in Schedule B-1 hereto

BAIN CAPITAL (OSI) IX COINVESTMENT, L.P.
By: Bain Capital Partners IX, L.P.,
Its general partner
By: Bain Capital Investors, LLC,
Its general partner

By: ______________________________
Name:
Title:

BAIN CAPITAL (OSI) IX, L.P.
By: Bain Capital Partners IX, L.P.,
Its general partner
By: Bain Capital Investors, LLC,
Its general partner

By: ______________________________
Name:
Title:

BCIP TCV, LLC
By: Bain Capital Investors, LLC,
Its administrative member

By: ______________________________
Name:
Title:

BAIN CAPITAL INTEGRAL INVESTORS 2006, LLC
By: Bain Capital Investors, LLC,
Its administrative member

By: ______________________________
Name:
Title:

BCIP ASSOCIATES-G
By: Bain Capital Investors, LLC,
Its managing partner

By: ______________________________
Name:
Title

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

MORGAN STANLEY & CO. LLC

J.P. MORGAN SECURITIES LLC

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

Acting for itself and on behalf of the
several Underwriters listed
in Schedule A to the Underwriting Agreement

By ____
Authorized Signatory

By: MORGAN STANLEY & CO. LLC

Acting for itself and on behalf of the
several Underwriters listed
in Schedule A to the Underwriting Agreement

By ____
Authorized Signatory

By: J.P. MORGAN SECURITIES LLC

Acting for itself and on behalf of the
several Underwriters listed
in Schedule A to the Underwriting Agreement

By ____
Authorized Signatory

SCHEDULE A

The initial public offering price per share for the Securities shall be $[—].

The purchase price per share for the Securities to be paid by the several Underwriters shall be $[—], being an amount equal to the initial public offering price set forth above less $[—] per share, subject to adjustment in accordance with Section 2(b) for dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities.

Name of Underwriter	Number of Initial Securities
Total	[—]

SCHEDULE B

Name	Number of Initial Securities to be Sold	Maximum Number of Option Securities to Be Sold
Total	[—]	[—]

SCHEDULE B-1

SCHEDULE C-1

Pricing Terms

1. The Selling Shareholders are selling [—] shares of Common Stock.

2. The Selling Shareholders have granted an option to the Underwriters, severally and not jointly, to purchase up to an additional [—] shares of Common Stock.

3. The initial public offering price per share for the Securities shall be $[—].

SCHEDULE C-2

Free Writing Prospectuses

[See attached]

SCHEDULE D

List of Persons and Entities Subject to Lock-up

[Officers, Directors and Selling Stockholders]

Exhibit A

FORM OF OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(b)

[FORM OF OPINION PROVIDED SEPARATELY]

Exhibit B

FORM OF OPINION OF COUNSEL FOR THE SELLING SHAREHOLDERS
TO BE DELIVERED PURSUANT TO SECTION 5(c)

[FORM OF OPINION PROVIDED SEPARATELY]

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 1 to Registration Statement on Form S-1 of Bloomin' Brands, Inc. of our report dated March 4, 2013 relating to the financial statements and financial statement schedule of Bloomin' Brands, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
May 20, 2013