Bloomin' Brands, Inc.
Form S-1/A
May 20, 2013
Table of Contents

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

Table of Contents

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

P R O S P E C T U S

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.

Table of Contents

TABLE OF CONTENTS

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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 (unaudited)	2012 (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

Table of Contents

	Years Ended December 31, 2012	2011	2010	Three Months Ended March 31, 2013 (unaudited)	2012 (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

Table of Contents

	Years Ended December 31, 2012	2011	2010	Three Months Ended March 31, 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.

Table of Contents

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

Table of Contents

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.

Table of Contents

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 B 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

Table of Contents

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

Table of Contents

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.

Table of Contents

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;

25

Table of Contents

- 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,

Table of Contents

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 sal