



Brinker International Announces Agreement to Sell Majority Interest in Romano's Macaroni Grill(R) to Golden Gate Capital

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Brinker International, Inc. (NYSE:EAT) announced today that it has entered into a purchase agreement with Mac Acquisition LLC, an affiliate of Golden Gate Capital, for the sale of a majority interest in Romano's Macaroni Grill. Golden Gate Capital is a San Francisco-based private equity firm.

Per terms of the agreement, Brinker will receive \$131.5 million in cash, of which \$6 million will be contributed to Mac Acquisition LLC. Brinker will retain a 19.9 percent continuing ownership interest in the brand. The transaction is expected to close by the end of the calendar year upon completion of customary closing procedures.

As a result of the transaction, Brinker's cash from operations will increase due to the cash tax benefit related to the sale producing a free cash flow yield for the company ranging from nine to 10 percent for fiscal 2009. Also, the company will record an additional impairment, net of taxes, ranging from \$42 to \$47 million which will be reflected in the fiscal 2008 Form 10-K filing.

"Golden Gate is well-known for partnering with corporations to help grow established consumer and retail brands. Brinker International will retain a minority ownership position in order to both maximize the value to Brinker's shareholders and contribute to the success of Macaroni Grill as a stand-alone entity," said Doug Brooks, Chairman and Chief Executive Officer of Brinker International.

As part of the sale transaction, Brinker has entered into an agreement with the new entity to provide corporate support services for a full year with a one year extension option and will have representation on the Board of Directors of the new entity.

As previously noted due to the company's ongoing involvement with the brand, accounting principles require that the results of Macaroni Grill be classified in continuing operations, therefore, the company's results for the full-year of fiscal 2008 and prior years reflect the inclusion of the brand. Upon closing of the transaction, the company expects to account for its ownership interest in Macaroni Grill on the equity method in its financial statements.

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