

Board Risk Score™ (BRS) Rating: **HIGH RISK**

Background
<ul style="list-style-type: none"> - December 23, 2013 - Starboard Value (“Starboard”) filed Schedule 13D which raised concerns about revenue growth and disappointing earnings. Starboard nominated twelve candidates for the Board of Directors. - May 02, 2014 - Starboard called for special meeting to vote on the sale of Darden’s Red Lobster brand. - October 27, 2014 - All twelve Starboard nominees were elected.

Summary
<ul style="list-style-type: none"> - BRS measures a company’s vulnerability to an activist event. - Darden scored 31.59 - High Risk as per BRS methodology – on the day of 13D filing, which preceded the shareholder meeting date. - BRS accurately identified six metrics that were raised by Starboard in the proxy fight.

Metric	BRS Risk Rating	Mentioned by Activist	Activist Comment*
Total Shareholder Return	High	✓	“Shareholder value has declined compared to peers and rest of market.”
Revenue Growth	High	✓	“Revenue has been declining for many years.”
Return on Investment Capital	High	✓	“Declining Shareholder value has caused low return.”
Operating Margin	High	✓	“Financial performance has been low and disappointing.”
History of R&D/Acquisition Spending	High	✓	“Acquisitions have been sold for too low and have been unprofitable.”
Earnings Surprise	High	✓	“Earnings continue to disappoint.”

* Source: Starboard Value investor presentation dated September 04, 2014.

For more information about BRS or to get a BRS report for your company, please contact:

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