Dear Fellow Shareholders:

Fiscal 2020 was unlike any year I've experienced throughout my 43-year career. Through the third quarter, and the first two weeks of the fourth quarter, Darden was on track for another solid year of performance. Then, practically overnight, the COVID-19 pandemic dramatically impacted our business, forcing our operators to completely transform the way they run their restaurants.

However, the strategy we developed five years ago helped guide us through the most difficult period in our company's history. As a result, Darden is well positioned to capitalize on the significant opportunity that lies ahead while creating meaningful, long-term value for our shareholders.

On Track for Solid Year

Through the first nine months, fiscal 2020 was shaping up to be another successful year. Our restaurant teams were relentlessly focused on executing our Back-to-Basics operating philosophy anchored in providing great food with exceptional service in an engaging atmosphere. This focus resulted in total sales growth of 4.1 percent through the third quarter. During the same period, blended same-restaurant sales grew by 1.8 percent driven by a 1.9 percent increase at Olive Garden and a 4.4 percent increase at LongHorn Steakhouse. Through the first three quarters, adjusted diluted net earnings per share was $4.40.[1]

A key area of focus for all our brands during fiscal 2020 was on continuing to execute against our digital strategy to improve the guest experience across our digital channels. Our focus reduces friction by using technology to help our guests:

- Easily order outside and inside the restaurant
- Improve the wait to be seated
- Streamline the order pick up process
- Speed up how they pay

Our brands continued to make strides in these areas, including: rolling out tabletop tablets at more of our restaurants; moving from paging to texting guests when their table is ready; enabling online wait lists at our brands that don't take reservations; and providing digital menus our guests can access from their phones. The work we've been doing over the past few years to build our digital platform prepared us to quickly adapt to the significant change that came next.

Dramatic Change

When we began the fourth quarter, business remained strong. Blended same-restaurant sales increased 3.0 percent during the first week, before declining (0.2) percent, (20.6) percent and (75.2) percent, respectively over the next three weeks. At that point, we knew the pandemic was going to have a significant impact on our business. Our operators quickly pivoted to a To Go-only format as we made the decision to close all our dining rooms, before pivoting again to develop and implement ramp up plans to safely and successfully reopen our dining rooms.

[1] Represents a Non-GAAP measure. A reconciliation of GAAP to Non-GAAP numbers can be found at the end of this letter.

Our ability to manage through this dramatic change was driven by our commitment to:

- Prioritize guest and team member safety
- Invest in our team members
- Provide frequent and transparent communication
- Leverage our digital platform
- Be brilliant with the basics

Prioritizing Guest & Team Member Safety

The health and safety of our guests and team members has always been our top priority, and we took a number of steps to create a safe environment in our restaurants. From sourcing masks and other personal protective equipment (PPE) for our team members, to developing a contactless curbside pickup process at our brands, we are always mindful of the trust our guests and team members place in us.

That is why our health and safety commitments are focused on team member health checks, PPE, enhanced sanitation processes, social distancing and frequent hand washing. It is also why we encourage our guests to join the online waitlist or make reservations, not enter our restaurants if they are symptomatic, wear a mask and utilize contactless or mobile payment options, where available.

Investing In Our Team Members

We continued to invest in our team members as our dining rooms closed. In addition to rolling out permanent Paid Sick Leave so our team members can stay home if they are ill, we introduced a three-week Emergency Pay program that provided nearly $75 million of pay during the fourth quarter for our hourly team members who could not work. When Emergency Pay ended, we covered insurance payments and benefit deductions for hourly team members who were furloughed.

We also introduced an additional payment to help cover unexpected costs, such as transportation and child care, incurred as a result of the pandemic. And to recognize the unbelievable work of our managers, we paid their target bonus for the fourth quarter.

We know our people are our greatest competitive advantage. Not only were these investments the right thing to do to take care of our team members, they also created deeper loyalty and strengthened engagement, which we saw pay off as we brought our people back to work.

Serving With Purpose

As the leading full-service restaurant company, Darden believes in serving more than just great food. Being of service is at the heart of our business, and we embrace a higher purpose of enhancing people's lives. That's why we serve with purpose to Delight Our Guests, Support Our Team Members and Create Value for Our Shareholders, all while working to Make a Better Tomorrow.

Fiscal 2020 was a unique year and it required us to adapt and innovate in order to Delight Our Guests. It also impacted our ability to Create Value for Our Shareholders. Throughout the COVID-19 crisis, we balanced our obligation to **Support Our Team Members** with our duty to protect the long-term viability of our business. And through it all, we did not lose sight of our commitment to **Make a Better Tomorrow**.

Supporting Our Team Members

Beyond investing in our team members' success and providing pathways for growth, we support them by ensuring diverse and inclusive workplaces.

Ensuring Diverse & Inclusive Workplaces

At Darden, inclusion and diversity is woven throughout the fabric of our culture. We were founded on the idea that everyone is welcome at our table, and that idea lives on in our commitment to inclusion and diversity, as well as our intolerance for injustice and discrimination. Every day we strive to leverage our different perspectives to strengthen our business and create an environment where all our team members have the opportunity to reach their greatest potential.

We're proud of our team members and how they exemplify our value of inclusion, which is evident in our comparison to the industry. Our team members are able to make authentic guest connections because of their varied backgrounds and experiences. Our leaders take pride in understanding what makes each person unique, and they value these differences and build teams that are unified in their purpose to deliver on our promise to our guests.

Providing Frequent & Transparent Communication

Communication is the most important aspect of leadership during a crisis. We knew frequent and transparent communication with our team members, and investors, was important. I held daily meetings with all of our brand presidents — who in turn met with their operations leaders on a daily basis — and we maintained a consistent communications cadence with our team members.

Since this crisis began, I have provided regular business updates to our people and have been open and honest about the impacts to our business and, consequently, the impacts to them. We took the same approach with our shareholders by providing four business updates during the fourth quarter.

Leveraging Our Digital Platform

The pandemic accelerated the consumer's desire for convenience and we saw a significant increase in digital engagement. The work we have done over the past few years — investing in our digital platform to reduce friction — prepared us to quickly adapt to consumer behavior and deliver on their expectation of convenience in our To Go-only environment.

We have been building our digital platform to support increased demand and we certainly tested it like never before. During the fourth quarter, online ordering at Olive Garden grew by more than 300 percent over the prior year and accounted for 58 percent of To Go sales. At LongHorn Steakhouse, online ordering grew by 400 percent and accounted for 49 percent of To Go sales. And, on Mother's Day, we received more than three times the number of online orders than our previous record amount.

Additionally, we accelerated our timelines and rolled out online ordering at our brands that had not yet deployed it — The Capital Grille, Eddie V's, Seasons 52 and Cheddar's Scratch Kitchen.

	Women		People of Color*	
	Darden (as of 5/31/20)	Full-Service Industry Avg.^	Darden (as of 5/31/20)	Full-Service Industry Avg.^
Restaurant Team Members	**55%**	**54%**	**50%**	**45%**
Hourly	56%	55%	51%	46%
Manager	42%	35%	34%	29%
General Manager/Managing Partner	32%	30%	25%	21%
Director of Operations	24%	21%	19%	13%
	Darden (as of 5/31/20)	Corporate Workforce Avg.+	Darden (as of 5/31/20)	Corporate Workforce Avg.+
Corporate Team Members	**51%**	**55%**	**35%**	**32%**
Individual Contributor	54%	54%	43%	35%
Manager	51%	40%	25%	26%
Director & Above	40%	31%	23%	16%

**Denotes African American, Asian, Hispanic, Native American, Pacific Islander, Two or More Races*

^Source: TDN2K People Report for Full-Service Dining as of May 31, 2020

+Source: Equal Employment Opportunity Commission, Employer Information Reports (EEO-1 Single and Establishment Reports), 2018

We will continue to seek equity in our hiring, promotion and reward decisions to make certain we're attracting and retaining the best and brightest talent in our industry. We are also focused on enhancing training and development throughout the organization to ensure our restaurants, and our restaurant support center, continue to be a welcoming place for our team members and guests.

Making A Better Tomorrow

Darden recognizes that when communities thrive, businesses and individuals do too. That's why we're committed to being a positive force in our communities by fighting hunger, protecting our planet and sourcing food with care.

Fighting Hunger

We believe we are uniquely positioned to make a meaningful difference by helping in the fight against hunger. Even before the pandemic, food insecurity affected one in nine households in the United States. As a result of COVID-19, unemployment has soared and food insecurity is on the rise. In fact, more than 54 million people may face hunger this year because of the pandemic.

This year, more than ever, reinforced the importance of our 10-year partnership with Feeding America as well as our Harvest program that was established in 2003.

- **Feeding America Donation**
  - The Darden Restaurants, Inc. Foundation (the Darden Foundation) provided $2 million to support member food banks across all 50 states.
  - For every dollar donated, 10 meals are provided to people in need — meaning our financial support was the equivalent of 20 million meals.
- **Harvest Program**
  - Each day, in every one of our restaurants, we collect surplus, wholesome food that is not served to guests and we prepare it for donation to local nonprofit partners.
  - In fiscal 2020, our brands donated more than 6.3 million pounds of food, the equivalent of more than five million meals.
  - Since the program began, we have donated more than 120 million pounds of food which is equal to more than 100 million meals.

We also added the ability to order alcohol online for all our brands in markets where that was allowed.

Being Brilliant With the Basics

Our commitment to being brilliant with the basics allowed us to remain focused on operational execution even as the environment forced us to radically change how we serve our guests. Each one of our brands did a phenomenal job delivering a new guest experience by collaborating and sharing best practices. This involved creating contactless curbside pickup that included designing what was essentially a drive-thru in our parking lots. Flawless execution in this environment meant enabling our guests to order and pay online and have our team members seamlessly place their sealed orders in their vehicles.

Our operators displayed tremendous innovation, flexibility and passion as they continued to serve our guests while our dining rooms were closed. These closures also presented a rare opportunity for our brand leaders to closely examine their businesses. In doing so, they took the opportunity to streamline their menus and improve their processes and procedures to ensure they continue to consistently execute at the highest level.

What Did We Learn?

We learned a lot throughout this unprecedented situation, but most importantly it reinforced that the strategy we developed five years ago — grounded in our Back-to-Basics operating philosophy, leveraging our four competitive advantages, and cultivating a portfolio of iconic brands — is still the right one today.

Making a Difference in Our Hometown

The Darden Foundation focuses its philanthropic efforts on programs that enhance the communities we serve, including Central Florida — which we've called home for more than 50 years.

- **Boys & Girls Clubs of Central Florida**
    - The Darden Foundation has committed $1.5 million to the construction of the new Bradley-Otis Boys & Girls Family Club, named after former Darden CEO Clarence Otis and his wife Jacqueline Bradley, and to the expansion of the Joe R. Lee Club, named for Darden's first Chairman and CEO Joe Lee.
    - The Bradley-Otis Boys & Girls Family Club will be the largest Boys & Girls Club in Central Florida.
    - Darden, and the Darden Foundation, have been supporters of the Boys & Girls Clubs of Central Florida for nearly 25 years, with contributions exceeding $5 million.

Protecting Our Planet

We view conservation efforts at our restaurants as the first line of action in managing climate risks and resource volatility.

- **Climate Impact & Greenhouse Gas (GHG) Reporting**
    - We began integrating our Greenhouse Gas (GHG) emission reporting in our Form 10-K last year.
    - 18% reduction in GHG emissions, on average per restaurant, since 2008.
- **Energy Efficiency & Water Conservation**
    - 15% reduction in energy use over the last decade
    - 20% reduction in water use over the last decade

Minimizing food and plastic waste are part of our sustainability efforts at the restaurant level.

- **Plastic Waste**
    - We fully rolled out a straw upon-request policy at all of our restaurants, allowing guests the choice of using a straw while also removing unused straws from our waste streams.
    - We partnered with Ocean Conservancy to help protect the health of our oceans through the Global Ghost Gear Initiative — aimed at removing marine debris and plastics from our oceans.
- **Food Waste**
    - In addition to helping fight hunger, our Harvest program diverts millions of pounds of unused food from landfills each year.

Strong brands with loyal guests fared better. The trust we have earned from our guests is critical, and being brilliant with the basics by consistently delivering exceptional food, service and atmosphere is imperative in order to continue earning that trust.

Throughout it all, we benefited greatly from our four competitive advantages:

- Our Significant Scale
- Our Extensive Data & Insights
- Our Rigorous Strategic Planning
- Our Results-Oriented Culture

Our ability to leverage our scale allowed us to quickly react to constant change — whether sourcing PPE for our team members, ensuring we were not impacted by supply chain issues or sharing best practices across eight brands.

Our extensive data and insights enabled us to analyze sales data, and other information, and make decisions in real time. This advantage was especially important as our volume of digital transactions increased significantly and provided even more data that yielded even more insights. And our rigorous strategic planning enabled us to prepare for the uncertainty ahead and move quickly to improve liquidity and preserve cash.

Sourcing Food with Care

Every day we work hard to carefully prepare and serve meals our guests enjoy. And we know that where our ingredients come from and how they are grown are integral to preparing great food for our guests. Darden's **Food Principles** continue to be our foundation for sourcing food for our guests sustainably and they include commitments around food safety, sustainability and animal welfare.

- **Animal Welfare**
    - This year we established and convened our first Animal Welfare Council session with key academics and thought leaders in the care of animals in food supply chains.
    - Together, we mapped out a framework and process for working with our chicken suppliers on key welfare areas, including medically important antibiotic usage.
    - Animal welfare is a long-term focus for Darden and we will continue efforts in improving animal welfare outcomes by 2025 as our business stabilizes.

In fiscal 2020, we found new and different ways to delight our guests; we supported our team members when they needed us most; we created value for our shareholders by weathering an unimaginable storm; and we continued to help make a better tomorrow in the communities where we operate. The success of our business is fundamentally connected to serving others, and by Serving With Purpose, we can ensure our stakeholders continue to benefit from our success.

But, without our people, we would not have been able to overcome the challenges we faced. We were able to keep the majority of our managers employed and we stayed connected with our furloughed hourly team members. This allowed us to bring our people back quickly and get our dining rooms reopened safely — without any delays. Their ability to adapt, innovate and collaborate during this time was truly inspiring.

Having a strong culture has been part of our DNA since we were founded, and I am incredibly proud that our culture actually grew stronger during the most difficult period in our company's history. This — above all else — is what gives me confidence in Darden's future.

Moving Forward with Confidence

Fiscal 2020 was a volatile year from a results perspective. Total sales decreased 8.3 percent to $7.81 billion driven by negative blended same-restaurant sales of (11.0) percent, which was partially offset by the addition of 19 net new restaurants. Adjusted diluted net earnings per share were $3.13 — after excluding $3.53 primarily related to non-cash impairments on goodwill and trademark balances, restaurant-level and other assets as well as a noncash pension settlement charge — as compared to adjusted diluted net earnings per share of $5.82 last year.[2]

[2] Represents a Non-GAAP measure. A reconciliation of GAAP to Non-GAAP numbers can be found at the end of this letter.

When I reflect on all that happened, I am struck by the resiliency of the full-service dining industry. Prior to the pandemic, total annual sales for the casual dining segment were $108 billion. And while I do not know how long it will take the industry to recover from the significant impact it has experienced, I am confident this category will get back to the size it once was.

Our industry plays a vital role in our communities, and that was evident in how consumers relied on restaurants in a To Go-only environment. Undoubtedly, off premise will continue to play an important role as we recover, but we also know consumers still want to enjoy an in-restaurant experience. In fact, going out to a restaurant with friends and family is the *number one* activity consumers said they looked forward to doing as the economy opened back up[3] — and we saw that as our dining rooms reopened across the country.

As this vital industry continues to rebuild, there is tremendous opportunity to increase market share through increased on-premise demand and incremental off-premise sales. Not only do we have the right strategy in place, each of our brands learned a lot about how to do more with less. This led to a number of significant operating efficiencies driven by the work done to streamline menus and processes. These changes will strengthen ours brands' business models and allow them to make meaningful investments that will further increase guest loyalty. Those executing at the highest level are going to continue to win, and Darden is well positioned to take advantage of the opportunity.

We have always managed our business for the long term and we will continue to do that. We are committed to creating value for our shareholders and we remain well-positioned to achieve our long-term value creation framework of 10-15 percent total shareholder return (TSR). Even with the recent stock price volatility, we achieved an annualized TSR of 10.8 percent over the 10-year fiscal period that ended May 31, 2020. In fact, since Darden became a public company 25 years ago, the company has achieved an annualized TSR of 10 percent or greater in any 10-year fiscal period.

Finally, we suspended our dividend during the third quarter due to the level of cash flow uncertainty and the need to preserve as much cash as possible. We have been consistent in our commitment to returning cash to shareholders, and our dividend is a big part of that commitment. As soon as we see the business begin to generate the sustainable cash flows to support a dividend, we will have discussions with our Board on our dividend policy.

On behalf of our Board of Directors and all of our team members, thank you for your ongoing support, especially during the uncertainty of the past six months. We value the trust you place in us and we are committed to earning your investment every day.

Gene Lee

Eugene I. Lee, Jr.
President & Chief Executive Officer

[3] Kantar Monitor COVID-19, Vol. 2. April 2020

Forward-Looking Statements

This letter contains forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. Additional cautionary and other information with respect to these forward-looking statements is set forth in Item 1A of the Company's Annual Report on Form 10-K under the heading "Risk Factors" which accompanies this letter.

Non-GAAP Information

The information in this letter includes financial information determined by methods other than in accordance with U.S. generally accepted accounting principles ("GAAP"), such as adjusted diluted net earnings per share from continuing operations. The Company's management uses these non-GAAP measures in its analysis of the Company's performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company's businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of these non-GAAP measures can be found at the end of this letter.

FY2020 Q3 Year to Date Reported to Adjusted Earnings Reconciliation

	Fiscal 2020			
	Nine Months Ended 2/23/2020			
$ in millions, except per share amounts	**Earnings Before Income Tax**	**Income Tax Expense**	**Net Earnings**	**Diluted Net Earnings Per Share**
Reported Earnings from Continuing Operations	**$449.3**	**$18.8**	**$430.5**	**$3.48**
Adjustments:				
Pension settlement charge[1]	$147.1	$36.2	$110.9	$0.90
International structure simplification	$6.2	$4.1	$2.1	$0.02
Adjusted Earnings from Continuing Operations	**$602.6**	**$59.1**	**$543.5**	**$4.40**

[1]In April 2018, our Benefit Plans Committee approved the termination of our primary non-contributory defined benefit pension plan. In fiscal 2020, the benefit obligation to plan participants was settled, resulting in a pension settlement charge.

Annual Reported to Adjusted Earnings Reconciliation

$ in millions, except per share amounts	2020 Earnings (Loss) Before Income Tax	2020 Income Tax Expense (Benefit)	2020 Net Earnings (Loss)	2020 Diluted Net Earnings (Loss) Per Share	2019 Earnings Before Income Tax	2019 Income Tax Expense	2019 Net Earnings	2019 Diluted Net Earnings Per Share
Reported Earnings (Loss) from Continuing Operations	**$(161.0)**	**$(111.8)**	**$(49.2)**	**$(0.40)**	**$782.3**	**$63.7**	**$718.6**	**$5.73**
Adjustments:								
Goodwill impairment[1]	169.2	9.2	160.0	1.30	—	—	—	—
Trademark impairment[1]	145.0	36.2	108.8	0.89	—	—	—	—
Restaurant-level impairments[2]	47.0	11.7	35.3	0.29	14.6	3.6	11.0	0.09
Other asset impairments[3]	28.8	7.2	21.6	0.18	—	—	—	—
Pension settlement charge[4]	145.5	35.8	109.7	0.89	—	—	—	—
International entity liquidation	6.2	3.5	2.7	0.02	—	—	—	—
Adjusted Earnings from Continuing Operations	**$380.7**	**$(8.2)**	**$388.9**	**$3.17**	**$796.9**	**$67.3**	**$729.6**	**$5.82**
Impact of diluted shares[5]	—	—	—	(0.04)	—	—	—	—
Adjusted Diluted Earnings from Continuing Operations	**$380.7**	**$(8.2)**	**$388.9**	**$3.13**	**$796.9**	**$67.3**	**$729.6**	**$5.82**

[1]Non-cash goodwill and trademark impairments are related to the economic impact of COVID-19 on Darden's overall market capitalization and the impact on Cheddar's Scratch Kitchen cash flows, coupled with the relative recency of the addition of Cheddar's to our portfolio.

[2]Fiscal 2020 non-cash asset impairments are related to the economic impact of COVID-19 on 11 underperforming restaurants we permanently closed during the fourth quarter and 9 other restaurants whose projected cash flows were not sufficient to cover their respective carrying values. Fiscal 2019 non-cash asset impairment charges relate to 4 underperforming restaurants whose projected cash flows were not sufficient to cover their respective carrying values.

[3] Non-cash other asset impairments are related to the economic impact of COVID-19, approximately $15 million of which is related to inventory obsolescence and $14 million of which is related to receivables we deemed uncollectible.

[4] In April 2018, our Benefit Plans Committee approved the termination of our primary non-contributory defined benefit pension plan. In fiscal 2020, the benefit obligation to plan participants was settled, resulting in a pension settlement charge.

[5]Due to the net loss from continuing operations for fiscal 2020, the effect of dilutive securities was excluded from the calculation of reported diluted loss per share. The adjusted diluted earnings per share calculation includes 1.4 million dilutive shares.