



Red Lobster® Olive Garden® LongHorn Steakhouse® The Capital Grille® Bahama Breeze® Seasons 52®

April 17, 2009

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. S7-27-08

Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards (IFRS) by U.S. Issuers (Proposed Rule)

Dear Ms. Murphy:

Darden Restaurants, Inc. ("Darden") appreciates the opportunity to comment on this Proposed Rule referenced above. Darden, with approximately \$5 billion in assets, is a member of the S&P 500 and is the world's largest company-owned and operated full service restaurant company. Darden operates over 1,700 Red Lobster®, Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Bahama Breeze® and Seasons 52® restaurants in the United States and Canada.

We support the Commission's goal of developing high quality accounting and reporting standards that promote the objectives of global transparency, credibility and comparability of financial information. However, we believe that continuation of the current FASB (U.S. GAAP) and IASB (IFRS) convergence project provides superior benefits and is the most cost-effective approach to achieve these objectives. Below are our thoughts and concerns regarding the Proposed Rule.

Representation in Standard Setting

We believe that we currently have adequate opportunities to participate in the U.S. GAAP standard setting process. The current standard setters have demonstrated reasonable objectivity when considering the perspectives of issuers, auditors, investors and other participants in the financial reporting process. We have concerns that, by moving to IFRS, the ability of constituents to participate in and influence the IASB's standard setting process will be significantly diminished.

We also have concerns about the ability of the Commission to fulfill its mission to protect U.S. investors. As currently proposed, the Commission would be one of many regulatory agencies influencing the IASB. We believe adoption of IFRS would significantly limit the Commission's ability to react to issues that will undoubtedly arise from registrants and investors. As deficiencies in accounting standards are identified, we have concerns as to how effectively the Commission would be able to work with all applicable agencies to address the deficiencies in a timely manner. Without obtaining international consent and support from the IASB, any attempt on the part of the Commission to address the deficiencies for U.S. registrants may override the converged standards, thus reducing comparability.

Over the last few years, while the FASB and IASB has worked towards convergence, there have been fundamental differences in which the FASB has issued new standards that, while similar to IFRS, is not completely converged with IFRS. We believe the FASB has U.S. companies' best interests in mind during this convergence project when they are consciously differentiating themselves from IFRS. Ultimately, at the end of the convergence project, we would expect IFRS and U.S. GAAP to be very similar with only minor differences where the FASB believes its guidance is best for U.S. companies. If we wanted to avoid these differences going forward, we believe the SEC would be required to mandate that the FASB issue no further guidance that is not fully aligned with IFRS.

Perceived Benefit of Comparability Through the Use of IFRS

Theoretically, a single set of global accounting and reporting standards would allow U.S. investors to more readily compare investment opportunities regardless of the location of the investment opportunity. However, several countries have adopted a piecemeal or tailored approach to adoption. Therefore, mandating the use of IFRS in the U.S. would not necessarily achieve this theoretical comparability.

Perceived Benefit of Additional Access to Capital Markets

A perceived benefit of transitioning to IFRS is that U.S. companies would be better able to access foreign capital. While we believe this may be true for a number of large multinational organizations, we believe that the large majority of U.S. public companies, like Darden, serve primarily domestic customer bases and are adequately capitalized without tapping overseas capital markets. Rather than mandating IFRS for all companies, we believe it would be more appropriate to allow large multinational organizations to adopt IFRS on a voluntary basis. In addition, the Proposed Rule would not require private companies to adopt IFRS until sometime after Darden's own adoption of IFRS. This could limit our acquisition opportunities or significantly increase the costs of acquisitions, since we could potentially need to devote significant additional resources to converting a target private company's financial statements to IFRS.

IFRS Interpretation and Legal/Financial Compliance

The U.S. financial reporting standards have evolved over time, from a principles-based approach to a rules-based approach, with a goal of ensuring comparability among companies. We have significant concerns that moving back to a principles-based approach will result in more divergence in practice among companies, with the result that financial statements will no longer be fully comparable, even among companies in the same or similar industries. In addition, we have significant concerns about compliance risks and costs as they pertain to external auditors, internal auditors, taxing authorities and judicial system as a whole. Even in today's rules-based environment, the various accounting firms frequently issue their own interpretations of existing literature.

Moving to principles-based standards will create additional compliance costs as companies interpret the standards in their own manner and then attempt to obtain concurrence from their auditors. In addition, companies within the same industry may have similar transactions that are accounted for differently based on the differing interpretations and preferential accounting methods approved by their auditors. Lastly, we are very concerned about how the judicial system and taxing authorities in the U.S. may interpret IFRS. A principles-based approach requires a significant amount of professional judgment that may be interpreted differently by the legal and tax systems. This judgment and risk of different interpretations could result in higher regulatory and tax compliance costs compared to our current financial reporting framework. In addition, during the IFRS conversion process, maintaining two sets of financial records over multiple years will result in significantly higher risk of unintentional accounting errors due to the need to account for transactions under two different sets of guidance.

IFRS Implementation Costs

While we struggle with the perceived benefits of the requirements of adopting IFRS, we also have significant concerns about the related costs. The Proposed Rule summarizes several of these costs including systems changes to support financial reporting, costs to prepare additional disclosures, training costs, and outside consultants' fees. The Commission estimates that company costs to implement IFRS will average at least 0.125% of annual revenue, and higher for larger and more complex companies. Based on this estimate, implementation costs would be expected to be at least approximately \$9 million for Darden. In addition, this estimate of implementation costs does not include ongoing costs, such as increased compliance and audit costs to ensure consistent application of principles-based IFRS standards. Given the current severe recession and its impact on Darden's earnings, as well as the expectations that the recession will likely impact the U.S. economy for some time, we do not believe the costs incurred to convert to IFRS are currently in our shareholders' best interests. Like many other companies in the U.S., we have implemented strong cost management practices to protect and increase value to our shareholders. We do not believe the costs of converting to IFRS would be consistent with our continued commitment to drive shareholder value. We would prefer to utilize these funds and resources in our core operations and generate a more positive return for our shareholders than we would expect to achieve by adopting IFRS. We

believe the continued convergence project with IFRS over time will result in significantly less costs to Darden and, therefore, more benefit for our shareholders.

IFRS Education and Resources

Adoption of IFRS will require a significant amount of costs and resources at colleges and universities throughout the U.S. Curriculums will need to be significantly revamped, text books written, and professors trained and educated on IFRS. Also, there will be a period of time where both U.S. GAAP and IFRS will have to be taught, since nonpublic companies will not be required to adopt IFRS immediately. These institutions will also be required to incur a significant amount of training costs for their existing staff to educate them on IFRS. These costs would be required to be incurred at the same time many of these institutions are facing significant financial deficits and budget cuts. Students who have or are about to graduate from these institutions will find the value of their education is diminished since they will not have been educated on IFRS.

Also, all public accounting firms will incur significant amounts of educational costs to train their staff on IFRS. These costs will no doubt be passed along to their clients through higher audit fees. Darden's audit fees already have increased significantly since the passing of The Sarbanes-Oxley Act of 2002 and the incurrence of additional audit fees related to IFRS will further reduce the shareholder value delivered by our operations.

While we support convergence in global accounting standards, we believe this process can be most effectively and efficiently achieved through continuance of the current FASB and IASB convergence project, which is being carried out over a reasonable period of time and not through a mandated conversion to IFRS. This approach will mitigate many of the issues noted above and essentially eliminate the significant up front implementation cost to all constituents. We also believe this will result in a smoother transition for registrants and investors, further supporting the objectives of increasing the consistency, transparency and credibility of financial reporting.

We appreciate the opportunity to submit these comments on the Proposed Rule, and we thank you for considering our views. If you have any questions about our comments or wish to discuss this matter further, please contact me at 407-245-5286.

Sincerely,



C. Bradford Richmond
Senior Vice President, Chief Financial Officer