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OUTBACK STEAKHOUSE INC

Form 11-K

June 27, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year end December 31, 2001

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number _____

A. Full title of the plan and the address of the plan,
if different from that of the issuer named below:

B. Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office:

OUTBACK STEAKHOUSE, INC.
SALARIED EMPLOYEES 401(k) PLAN AND TRUST

Report on Audits of Financial Statements
for the years ended December 31, 2001 and 2000

Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

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Report of Independent Certified Public Accountants

To the Participants and Administrator of
Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Outback Steakhouse, Inc. Salaried Employees 401(k) Plan and Trust (the "Plan") at December 31, 2001 and 2000, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in

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all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP
Tampa, Florida
June 19, 2002

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Statements of Net Assets Available for Benefits
As of December 31, 2001 and 2000

	2001	2000
ASSETS		
Cash	\$ 7,767	\$ 4,442
Investments	26,161,729	20,476,150
Receivables:		
Participant contributions	-	310,060
Employer contributions	922,498	700,000
Due from broker for securities sold	-	2,456
	922,498	1,012,516
Total Assets	27,091,994	21,493,108
LIABILITIES		
Due to broker for securities purchased	80,029	-
	80,029	-
Net assets available for benefits	\$ 27,011,965	\$ 21,493,108
	=====	=====

The accompanying notes are an integral part of these financial statements.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2001 and 2000

	2001	2000
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 260,135	\$(2,429,597)
Interest and dividend income	629,178	849,257
	889,313	(1,580,340)
Contributions:		
Participant	4,698,141	4,274,622
Participant rollovers	125,763	138,958
Employer	1,751,273	700,000
	6,575,177	5,113,580

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Total additions	7,464,490	3,533,240
Deductions from net assets attributed to:		
Benefits paid to participants	1,892,817	1,350,633
Other	52,816	19,279
Total deductions	1,945,633	1,369,912
Net increase	5,518,857	2,163,328
Transfer of assets from the Outback Steakhouse, Inc.		
Employees Stock Ownership Plan	-	3,138,626
	5,518,857	5,301,954
Net assets available for benefits:		
Beginning of year	21,493,108	16,191,154
End of year	\$27,011,965	\$21,493,108

The accompanying notes are an integral part of these financial statements.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Notes to Financial Statements
For the Years Ended December 31, 2001 and 2000

1. Description of the Plan:

The following description of the Outback Steakhouse, Inc. Salaried Employees 401(k) Plan and Trust (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established by Outback Steakhouse, Inc. and its wholly-owned subsidiaries (the "Company") as of January 1, 1994. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

During fiscal 2000, the Plan was amended to provide for a profit sharing contribution in addition to the employer matching contribution already permitted under the Plan. Additionally, the Plan was amended effective June 1, 2000 to provide for the merger of the assets and liabilities of certain salaried employees held in the Outback Steakhouse, Inc. Employees Stock Ownership Plan (the "ESOP") into the Plan. Shares with a market value at date of transfer of \$3,138,626 were transferred from the ESOP to the Plan effective June 15, 2000.

Eligibility

Substantially all of the Company's salaried employees, union and leased employees, who have reached the age of 18, are eligible to participate in the Plan, as defined by the Plan.

Contributions

Each year, participants may contribute from 1% to 20% of their

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pre-tax annual compensation and may change this contribution percentage prior to any pay period interval throughout the Plan year. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Contributions of non-periodic deferrals, such as bonuses, may also be made, subject to limitations of the Plan. Participants direct their contributions into various investment options offered by the Plan. Total participant contributions are subject to limitations imposed by the Internal Revenue Code.

Additional amounts may be contributed by the Company at the discretion of the Company's board of directors in the form of a matching or profit sharing contribution. Employer matching contributions are allocated in the ratio of a participant's total elective deferrals for the Plan year to the total elective deferrals of all participants for the Plan year. The profit sharing contribution is allocated to participants employed by the Company on the last day of the Plan year based on the ratio of a participant's compensation for the plan year to the compensation of all participants for the Plan year.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Notes to Financial Statements
For the Years Ended December 31, 2001 and 2000

The Company declared a profit sharing contribution of \$922,498 and \$828,775 for fiscal 2001 and 2000, respectively.

Participant Accounts

Each participant's account is credited with the participant's contributions, a prorata share of the Plan's earnings, and any employer contributions. Plan earnings are allocated based upon the participant's account balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions, including rollovers, plus actual earnings thereon. Vesting in the Company's discretionary contributions, plus actual earnings thereon, is based on years of credited service. Participants are vested 100% in employer contributions after they achieve five years of credited service with the Company.

Investment Options

At the time of enrollment in the Plan, a participant may direct his or her contributions, in 1% increments, in any of the seven core investment options. Once enrolled, a participant may direct his or her investment options to include any of the additional twenty-one non-core investment options.

Participant Loans

Loans are available to active participants who maintain an account balance under the Plan provided that the minimum loan amount is \$1,000 with a maximum of \$50,000 or 50% of the participant's vested account balance. Such loans are collateralized by each respective participant's account with interest and principal payments being credited to the

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participant's account according to the then current investment choices. All loans are subject to repayment via payroll deductions over a maximum period of five years, except for the purchase of a primary residence, for which the period is 15 years. The interest for loans is determined as of the first day of each calendar quarter at an interest rate commensurate with local prevailing rates as determined by the Trustee.

Payment of Benefits

Upon termination of service due to death, disability or retirement, a participant may elect to receive a lump sum cash payment or installment payments payable in cash or in kind over a period not to exceed the participant's expected future lifetime or the joint expected future lifetime of the participant and spouse. In addition, under very limited circumstances, a participant may receive a financial hardship distribution, in accordance with the Plan agreement. A maximum of four such withdrawals are permitted annually.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Notes to Financial Statements

For the Years Ended December 31, 2001 and 2000

Forfeited Accounts

Forfeitures are used to pay Plan expenses and reduce the Company's profit sharing and/or matching contribution for the Plan year in which the forfeiture occurs. As of December 31, 2001 and 2000, there were \$2,938 and \$0 forfeitures available, respectively.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting, except for benefit payments, which are recorded when paid.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at cost, which approximates fair value.

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statements of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses

Certain expenses incurred in connection with the Plan's administration are paid by the Company and are not included in the accompanying financial statements.

3. Investments:

The following table presents fair value of investments. Investments that represent 5% or more of the Plan's net assets

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are separately stated.

	December 31,	
	2001	2000
Investments, at fair value as determined by quoted market prices:		
Mutual funds	\$13,927,837	\$12,306,192
Outback Steakhouse, Inc. common stock	8,184,349	5,409,708
Common/collective trust	1,829,710	1,100,521
Participant loans	2,219,833	1,659,729
	-----	-----
Total investments	\$26,161,729	\$20,476,150
	=====	=====

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Notes to Financial Statements
For the Years Ended December 31, 2001 and 2000

During 2001 and 2000, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated (depreciated) in value, as follows:

	Year Ended December 31,	
	2001	2000
Mutual funds	\$(1,793,454)	\$(1,890,540)
Outback Steakhouse, Inc. common stock	2,053,589	(539,057)
Common/collective trust	-	-
	-----	-----
	\$ 260,135	\$(2,429,597)
	=====	=====

4. Related Party Transactions

Certain Plan investments are shares of Company stock and mutual funds managed by Merrill Lynch Trust Company (the "Trustee") and, therefore, these transactions qualify as party-in-interest transactions. Fees paid during the year for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

5. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue employer contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

6. Tax Status

The Internal Revenue Service has determined, and informed the Company by a letter dated September 27, 1995, that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the "IRC"). The Plan has been amended since receiving the determination letter, however, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

7. Concentrations of Credit Risk

Financial instruments which potentially subject the Plan to concentrations of credit risk consist of the Plan's

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investments. Plan participants have the option to invest in twenty-eight different investment options.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Schedule to Assets Held for Investment Purposes
At End of Year

Identity of issue, borrower, lessor, or similar party	Description of investment	Current value
Outback Steakhouse, Inc.*	Common Stock Fund	\$ 8,184,349
Merrill Lynch Retirement Preservation Trust*	Common/Collective Trust	1,829,710
AIM International Equity Fund Class A*	Mutual Fund	2,175,465
AIM Weingarten Fund Class A	Mutual Fund	285,117
Alliance Quasar Fund Class A	Mutual Fund	11,611
Davis New York Venture Fund Class A	Mutual Fund	147,394
Davis Series Financial Fund Class A	Mutual Fund	3,443
Evergreen Growth & Income Fund Class A	Mutual Fund	28,415
GAM Global Fund Class A	Mutual Fund	11,356
GAM American Focus Fund Class A	Mutual Fund	8,966
Lord Abbett Developing Growth Fund Class P	Mutual Fund	97,735
Massachusetts Investors Trust Class A	Mutual Fund	85,560
Mercury Low Duration Investor Class A	Mutual Fund	5,192
Merrill Lynch Balances Capital Fund Class D*	Mutual Fund	1,781,567
Merrill Lynch Basic Value Fund Class D	Mutual Fund	38,560
Merrill Lynch Fundamental Growth Fund Class D	Mutual Fund	427,581
Merrill Lynch S&P 500 Index Fund Class A*	Mutual Fund	5,227,044
Merrill Lynch Small Cap Value Fund Class A	Mutual Fund	406,931
Oppenheimer Capital Appreciation Fund Class A	Mutual Fund	554,920
Oppenheimer Quest Global Value Fund Class A	Mutual Fund	111,271
Oppenheimer Strategic Income Fund Class A	Mutual Fund	19,455
PIMCO Mid Cap Growth Fund Class A	Mutual Fund	216,054
PIMCO Small Cap Value Fund Class A	Mutual Fund	152,648
PIMCO Total Return Fund Class A	Mutual Fund	729,761
Pioneer Growth Shares Fund Class A	Mutual Fund	86,607
State Street Research Mid Cap Value Fund Class A*	Mutual Fund	1,182,931
State Street Research Government Income Fund	Mutual Fund	67,781
Van Kamp Growth & Income Fund Class B	Mutual Fund	64,472
Total Mutual Funds		13,927,837
Participant Loans*	Loan Fund	2,219,833
Total		\$ 26,161,729

*Items represent investments that are greater than 5% of the Plan's net assets.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Schedule of Investment Assets Both Acquired and
Disposed of Within the Plan Year

The Plan executed no transactions as defined.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Schedule of Reportable Transactions

The Plan executed no transactions as defined.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Schedule of Loans or Fixed Income Obligations in
Default or Classified as Uncollectible

The Plan executed no transactions as defined.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Schedule of Leases in Default or Classified as Uncollectible

The Plan executed no transactions as defined.

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Outback Steakhouse, Inc.
Salaried Employees 401(k) Plan and Trust

Schedule of Nonexempt Transactions

The Plan executed no transactions as defined.

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PLAN ADMINISTRATOR

OUTBACK STEAKHOUSE, INC.

By: /s/ Robert S. Merritt
Robert S. Merritt
Senior Vice President
Chief Financial Officer and Treasurer

Dated: June 27, 2002

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