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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 18, 2015

Commission File Number: 1-9390

JACK IN THE BOX INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**95-2698708**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**
9330 BALBOA AVENUE, SAN DIEGO, CA	**92123**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (858) 571-2121

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

As of the close of business February 13, 2015, 38,069,087 shares of the registrant's common stock were outstanding.

JACK IN THE BOX INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share data)
(Unaudited)

	January 18, 2015	September 28, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,808	$ 10,578
Accounts and other receivables, net	43,874	50,014
Inventories	7,602	7,481
Prepaid expenses	37,866	36,314
Deferred income taxes	36,810	36,810
Assets held for sale	5,025	4,766
Other current assets	961	597
Total current assets	140,946	146,560
Property and equipment, at cost	1,511,711	1,519,947
Less accumulated depreciation and amortization	(806,866)	(797,818)
Property and equipment, net	704,845	722,129
Intangible assets, net	15,340	15,604
Goodwill	149,058	149,074
Other assets, net	231,440	237,298
	$ 1,241,629	$ 1,270,665
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 10,886	$ 10,871
Accounts payable	18,886	31,810
Accrued liabilities	147,373	163,626
Total current liabilities	177,145	206,307
Long-term debt, net of current maturities	547,718	497,012
Other long-term liabilities	304,576	309,435
Stockholders' equity:		
Preferred stock $0.01 par value, 15,000,000 shares authorized, none issued	—	—
Common stock $0.01 par value, 175,000,000 shares authorized, 80,919,351 and 80,127,387 issued, respectively	809	801
Capital in excess of par value	386,452	356,727
Retained earnings	1,272,908	1,244,897
Accumulated other comprehensive loss	(92,040)	(90,132)
Treasury stock, at cost, 42,878,788 and 41,571,752 shares, respectively	(1,355,939)	(1,254,382)
Total stockholders' equity	212,190	257,911
	$ 1,241,629	$ 1,270,665

See accompanying notes to condensed consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Dollars in thousands, except per share data)
(Unaudited)

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Revenues:		
Company restaurant sales	$ 351,896	$ 338,828
Franchise revenues	116,725	111,253
	468,621	450,081
Operating costs and expenses, net:		
Company restaurant costs:		
Food and packaging	113,109	108,238
Payroll and employee benefits	95,679	93,816
Occupancy and other	75,031	74,709
Total company restaurant costs	283,819	276,763
Franchise costs	57,141	55,510
Selling, general and administrative expenses	63,095	59,156
Impairment and other charges, net	2,180	1,909
Gains on the sale of company-operated restaurants	(850)	(461)
	405,385	392,877
Earnings from operations	63,236	57,204
Interest expense, net	5,213	4,542
Earnings from continuing operations and before income taxes	58,023	52,662
Income taxes	20,925	19,652
Earnings from continuing operations	37,098	33,010
Losses from discontinued operations, net of income tax benefit	(1,263)	(724)
Net earnings	$ 35,835	$ 32,286
Net earnings per share - basic:		
Earnings from continuing operations	$ 0.96	$ 0.78
Losses from discontinued operations	(0.03)	(0.02)
Net earnings per share (1)	$ 0.93	$ 0.76
Net earnings per share - diluted:		
Earnings from continuing operations	$ 0.94	$ 0.75
Losses from discontinued operations	(0.03)	(0.02)
Net earnings per share (1)	$ 0.91	$ 0.74
Weighted-average shares outstanding:		
Basic	38,640	42,434
Diluted	39,384	43,838
Cash dividends declared per common share	$ 0.20	$ —

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(1) Earnings per share may not add due to rounding.

See accompanying notes to condensed consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(Unaudited)

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Net earnings	$ 35,835	$ 32,286
Cash flow hedges:		
Net change in fair value of derivatives	(6,758)	(54)
Net loss reclassified to earnings	627	426
	(6,131)	372
Tax effect	2,347	(142)
	(3,784)	230
Unrecognized periodic benefit costs:		
Actuarial losses and prior service costs reclassified to earnings	3,035	1,614
Tax effect	(1,162)	(619)
	1,873	995
Other:		
Foreign currency translation adjustments	6	7
Tax effect	(3)	(2)
	3	5
Other comprehensive income (loss), net of tax	(1,908)	1,230
Comprehensive income	$ 33,927	$ 33,516

See accompanying notes to condensed consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Cash flows from operating activities:		
Net earnings	$ 35,835	$ 32,286
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	27,370	28,454
Deferred finance cost amortization	661	675
Excess tax benefits from share-based compensation arrangements	(14,533)	(5,307)
Deferred income taxes	973	(4,846)
Share-based compensation expense	3,885	3,801
Pension and postretirement expense	5,769	4,233
Gains on cash surrender value of company-owned life insurance	(574)	(3,117)
Gains on the sale of company-operated restaurants	(850)	(461)
Losses on the disposition of property and equipment	1,243	992
Impairment charges and other	215	393
Changes in assets and liabilities, excluding acquisitions and dispositions:		
Accounts and other receivables	3,999	1,582
Inventories	(121)	(682)
Prepaid expenses and other current assets	16,683	622
Accounts payable	(4,623)	(5,636)
Accrued liabilities	(20,063)	(16,781)
Pension and postretirement contributions	(6,880)	(6,558)
Other	(1,642)	(5,998)
Cash flows provided by operating activities	47,347	23,652
Cash flows from investing activities:		
Purchases of property and equipment	(19,885)	(21,310)
Proceeds from the sale of assets	—	2,105
Proceeds from the sale of company-operated restaurants	1,174	468
Collections on notes receivable	5,050	894
Acquisitions of franchise-operated restaurants	—	(1,750)
Other	22	36
Cash flows used in investing activities	(13,639)	(19,557)
Cash flows from financing activities:		
Borrowings on revolving credit facilities	154,000	163,000
Repayments of borrowings on revolving credit facilities	(98,000)	(103,000)
Principal repayments on debt	(5,279)	(10,330)
Dividends paid on common stock	(7,791)	—
Proceeds from issuance of common stock	11,302	17,650
Repurchases of common stock	(104,669)	(84,318)
Excess tax benefits from share-based compensation arrangements	14,533	5,307
Change in book overdraft	423	7,880
Cash flows used in financing activities	(35,481)	(3,811)
Effect of exchange rate changes on cash and cash equivalents	3	5
Net (decrease) increase in cash and cash equivalents	(1,770)	289
Cash and cash equivalents at beginning of period	10,578	9,644
Cash and cash equivalents at end of period	$ 8,808	$ 9,933

See accompanying notes to condensed consolidated financial statements.

1. BASIS OF PRESENTATION

Nature of operations — Founded in 1951, Jack in the Box Inc. (the "Company") operates and franchises Jack in the Box® quick-service restaurants and Qdoba Mexican Grill® ("Qdoba") fast-casual restaurants. The following table summarizes the number of restaurants as of the end of each period:

	January 18, 2015	January 19, 2014
Jack in the Box:		
Company-operated	431	469
Franchise	1,822	1,785
Total system	2,253	2,254
Qdoba:		
Company-operated	311	301
Franchise	330	319
Total system	641	620

References to the Company throughout these Notes to Condensed Consolidated Financial Statements are made using the first person notations of "we," "us" and "our."

Basis of presentation — The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and the rules and regulations of the Securities and Exchange Commission ("SEC"). During fiscal 2012, we entered into an agreement to outsource our Jack in the Box distribution business. In the third quarter of fiscal 2013, we closed 62 Qdoba restaurants (the "2013 Qdoba Closures") as part of a comprehensive Qdoba market performance review. The results of operations for our distribution business and for the 2013 Qdoba Closures are reported as discontinued operations for all periods presented. Refer to Note 2, *Discontinued Operations*, for additional information. Unless otherwise noted, amounts and disclosures throughout these Notes to Condensed Consolidated Financial Statements relate to our continuing operations. In our opinion, all adjustments considered necessary for a fair presentation of financial condition and results of operations for these interim periods have been included. Operating results for one interim period are not necessarily indicative of the results for any other interim period or for the full year.

These financial statements should be read in conjunction with the consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the fiscal year ended September 28, 2014. The accounting policies used in preparing these condensed consolidated financial statements are the same as those described in our Form 10-K with the exception of new accounting pronouncements adopted in fiscal 2015 which are described below.

Principles of consolidation — The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and the accounts of any variable interest entities ("VIEs") where we are deemed the primary beneficiary. All significant intercompany accounts and transactions are eliminated. For information related to the VIE included in our condensed consolidated financial statements, refer to Note 12, *Variable Interest Entities*.

Reclassifications and adjustments — Certain prior year amounts in the condensed consolidated financial statements have been reclassified to conform to the fiscal 2015 presentation.

Fiscal year — Our fiscal year is 52 or 53 weeks ending the Sunday closest to September 30. Fiscal years 2015 and 2014 include 52 weeks. Our first quarter includes 16 weeks and all other quarters include 12 weeks. All comparisons between 2015 and 2014 refer to the 16-weeks ("quarter") ended January 18, 2015 and January 19, 2014, respectively, unless otherwise indicated.

Use of estimates — In preparing the condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles, management is required to make certain assumptions and estimates that affect reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingencies. In making these assumptions and estimates, management may from time to time seek advice and consider information provided by actuaries and other experts in a particular area. Actual amounts could differ materially from these estimates.

Effect of new accounting pronouncements — In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which modifies the definition of discontinued operations to include only disposals of an entity that represent strategic shifts that have or will have a major effect on an entity's operations and financial results. This ASU also expands the disclosure requirements for disposals which meet the definition of a discontinued operation and requires entities to disclose information about disposals of individually significant components that do not meet the definition of discontinued operations. The standard is effective prospectively for annual and interim periods beginning after December 15, 2014, with early adoption permitted. We early adopted this standard on September 29, 2014. This pronouncement did not have a material impact on our condensed consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Accounting for Share-Based Payments when the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*, which requires a reporting entity to treat a performance target that affects vesting and that could be achieved after the requisite service period as a performance condition. This standard is to be applied prospectively for annual and interim periods beginning after December 15, 2015, with early adoption permitted. We early adopted this standard on September 29, 2014. This pronouncement did not have a material impact on our condensed consolidated financial statements.

2. DISCONTINUED OPERATIONS

Distribution business — During fiscal 2012, we entered into an agreement with a third party distribution service provider pursuant to a plan approved by our board of directors to sell our Jack in the Box distribution business. During the first quarter of fiscal 2013, we completed the transition of our distribution centers. The operations and cash flows of the business have been eliminated and in accordance with the provisions of the Accounting Standards Codification ("ASC") 205, *Presentation of Financial Statements*, the results are reported as discontinued operations for all periods presented.

During 2015 and 2014, we recognized operating losses before taxes of $0.1 million and $0.6 million, respectively, including $0.1 million in both years related to our lease commitments, and in 2014, $0.4 million related to insurance settlements. Our liability for lease commitments related to our distribution centers is included in accrued liabilities and other long-term liabilities, and was $0.5 million as of January 18, 2015 and September 28, 2014. The lease commitment balance as of January 18, 2015 relates to one distribution center subleased at a loss.

2013 Qdoba Closures — During the third quarter of fiscal 2013, we closed 62 Qdoba restaurants. The decision to close these restaurants was based on a comprehensive analysis that took into consideration levels of return on investment and other key operating performance metrics. Since the closed locations were not predominantly located near those remaining in operation, we did not expect the majority of cash flows and sales lost from these closures to be recovered. In addition, we did not anticipate any ongoing involvement or significant direct cash flows from the closed stores. Therefore, in accordance with the provisions of ASC 205, *Presentation of Financial Statements,* the results of operations for these restaurants are reported as discontinued operations for all periods presented.

The following is a summary of the results of operations related to the 2013 Qdoba Closures for each period (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Operating loss before income tax benefit	$ (1,972)	$ (588)

In 2015, the operating loss includes $1.8 million of unfavorable lease commitment adjustments, $0.1 million of ongoing facility related costs and $0.1 million of broker commissions. In 2014, the operating loss includes $0.3 million for asset impairments, $0.3 million of ongoing facility related costs and $0.2 million of broker commissions, partially offset by favorable lease commitment adjustments of $0.3 million. We do not expect the remaining costs to be incurred related to these closures to be material; however, the estimates we make related to our future lease obligations, primarily sublease income, are subject to a high degree of judgment and may differ from actual sublease income due to changes in economic conditions, desirability of the sites and other factors.

Our liability for lease commitments related to the 2013 Qdoba Closures is included in accrued liabilities and other long-term liabilities and changed as follows (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Balance at beginning of period	$ 5,737	$ 10,712
Adjustments	1,799	(286)
Cash payments	(2,896)	(3,395)
Balance at end of period	$ 4,640	$ 7,031

In 2015 and 2014, adjustments primarily relate to revisions to certain sublease and cost assumptions due to changes in market conditions as well as charges to terminate three lease agreements in 2015. In 2015, these amounts were partially offset, and in 2014, these amounts were more than offset by favorable adjustments for locations that we have subleased.

3. SUMMARY OF REFRANCHISINGS, FRANCHISEE DEVELOPMENT AND ACQUISITIONS

Refranchisings and franchisee development — The following is a summary of the number of restaurants sold to franchisees, number of restaurants developed by franchisees and the related gains and fees recognized (*dollars in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	**January 19, 2014**
Restaurants sold to Jack in the Box franchisees	1	—
New restaurants opened by franchisees	12	13
Initial franchise fees	$ 375	$ 399
Proceeds from the sale of company-operated restaurants (1)	$ 1,174	$ 468
Net assets sold (primarily property and equipment)	(489)	—
Goodwill related to the sale of company-operated restaurants	(16)	(9)
Other	181	2
Gains on the sale of company-operated restaurants	$ 850	$ 461

(1) Amounts in 2015 and 2014 include additional proceeds recognized upon the extension of the underlying franchise and lease agreements related to restaurants sold in a prior year of \$0.1 million and \$0.5 million, respectively.

Franchise acquisitions — In 2014, we repurchased four Jack in the Box franchise restaurants in one market. There was no acquisition activity in 2015. We account for the acquisition of franchised restaurants using the acquisition method of accounting for business combinations. The purchase price allocations were based on fair value estimates determined using significant unobservable inputs (Level 3). The goodwill recorded primarily relates to the sales growth potential of the locations acquired and is expected to be deductible for tax purposes. The following table provides detail of the purchase price allocation for the 2014 acquisition (*in thousands*):

Property and equipment	$ 1,398
Reacquired franchise rights	96
Goodwill	256
Total consideration	$ 1,750

4. FAIR VALUE MEASUREMENTS

Financial assets and liabilities — The following table presents the financial assets and liabilities measured at fair value on a recurring basis (*in thousands*):

	Total	Quoted Prices in Active Markets for Identical Assets (3) (Level 1)	Significant Other Observable Inputs (3) (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value measurements as of January 18, 2015:				
Non-qualified deferred compensation plan (1)	$ (36,084)	$ (36,084)	$ —	$ —
Interest rate swaps (Note 5) (2)	(7,920)	—	(7,920)	—
Total liabilities at fair value	$ (44,004)	$ (36,084)	$ (7,920)	$ —
Fair value measurements as of September 28, 2014:				
Non-qualified deferred compensation plan (1)	$ (35,602)	$ (35,602)	$ —	$ —
Interest rate swaps (Note 5) (2)	(1,789)	—	(1,789)	—
Total liabilities at fair value	$ (37,391)	$ (35,602)	$ (1,789)	$ —

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(1) We maintain an unfunded defined contribution plan for key executives and other members of management excluded from participation in our qualified savings plan. The fair value of this obligation is based on the closing market prices of the participants' elected investments.

(2) We entered into interest rate swaps to reduce our exposure to rising interest rates on our variable debt. The fair values of our interest rate swaps are based upon Level 2 inputs which include valuation models as reported by our counterparties. The key inputs for the valuation models are quoted market prices, interest rates and forward yield curves.

(3) We did not have any transfers in or out of Level 1 or Level 2.

The fair values of the Company's debt instruments are based on the amount of future cash flows associated with each instrument discounted using the Company's borrowing rate. At January 18, 2015, the carrying value of all financial instruments was not materially different from fair value, as the borrowings are prepayable without penalty. The estimated fair values of our capital lease obligations approximated their carrying values as of January 18, 2015.

Non-financial assets and liabilities — The Company's non-financial instruments, which primarily consist of property and equipment, goodwill and intangible assets, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis (at least annually for goodwill and intangible assets, and semi-annually for property and equipment) or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, non-financial instruments are assessed for impairment. If applicable, the carrying values are written down to fair value.

In connection with our impairment reviews performed during 2015 and 2014, no material fair value adjustments were required. Refer to Note 6, *Impairment, Disposition of Property and Equipment, Restaurant Closing Costs and Restructuring*, for additional information regarding impairment charges.

5. DERIVATIVE INSTRUMENTS

Objectives and strategies — We are exposed to interest rate volatility with regard to our variable rate debt. To reduce our exposure to rising interest rates, in August 2010, we entered into two interest rate swap agreements that effectively converted $100.0 million of our variable rate term loan borrowings to a fixed-rate basis from September 2011 through September 2014. In April 2014, we entered into nine forward-starting interest rate swap agreements that effectively convert $300.0 million of our variable rate borrowings to a fixed rate basis from October 2014 through October 2018. These agreements have been designated as cash flow hedges under the terms of the FASB authoritative guidance for derivatives and hedging. To the extent that they are effective in offsetting the variability of the hedged cash flows, changes in the fair values of the derivatives are not included in earnings, but are included in other comprehensive income ("OCI"). These changes in fair value are subsequently reclassified into net earnings as a component of interest expense as the hedged interest payments are made on our term debt.

Financial position — The following derivative instruments were outstanding as of the end of each period (*in thousands*):

	January 18, 2015		September 28, 2014	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate swaps (Note 4)	Accrued liabilities	$ (7,920)	Accrued liabilities	$ (1,789)
Total derivatives		$ (7,920)		$ (1,789)

Financial performance — The following is a summary of the OCI activity related to our interest rate swap derivative instruments (*in thousands*):

		Sixteen Weeks Ended	
	Location of Loss in Income	January 18, 2015	January 19, 2014
Loss recognized in OCI	N/A	$ (6,758)	$ (54)
Loss reclassified from accumulated OCI into net earnings	Interest expense, net	$ (627)	$ (426)

Amounts reclassified from accumulated OCI into interest expense represent payments made to the counterparties for the effective portions of the interest rate swaps. During the periods presented, our interest rate swaps had no hedge ineffectiveness.

6. IMPAIRMENT, DISPOSITION OF PROPERTY AND EQUIPMENT, RESTAURANT CLOSING COSTS AND RESTRUCTURING

Impairment and other charges, net in the accompanying condensed consolidated statements of earnings is comprised of the following (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Restaurant impairment charges	$ 215	$ 95
Losses on the disposition of property and equipment, net	1,172	952
Restaurant closing costs and other	786	564
Restructuring costs	7	298
	$ 2,180	$ 1,909

Impairment charges — When events and circumstances indicate that our long-lived assets might be impaired and their carrying amount is greater than the undiscounted cash flows we expect to generate from such assets, we recognize an impairment loss as the amount by which the carrying value exceeds the fair value of the assets. Impairment charges in both periods include charges for restaurants we intend to or have closed.

Disposition of property and equipment — We also recognize accelerated depreciation and other costs on the disposition of property and equipment. When we decide to dispose of a long-lived asset, depreciable lives are adjusted based on the estimated disposal date and accelerated depreciation is recorded. Other disposal costs primarily relate to gains or losses recognized upon the sale of closed restaurant properties, and charges from our ongoing restaurant upgrade programs, remodels and rebuilds, and other corporate initiatives.

Restaurant closing costs consist of future lease commitments, net of anticipated sublease rentals and expected ancillary costs, and are included in impairment and other charges, net in the accompanying condensed consolidated statements of earnings. Accrued restaurant closing costs, included in accrued liabilities and other long-term liabilities, changed as follows (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Balance at beginning of period	$ 13,173	$ 16,321
Adjustments	875	612
Cash payments	(1,665)	(1,434)
Balance at end of period	$ 12,383	$ 15,499

Adjustments in both years primarily relate to revisions to certain sublease and cost assumptions due to changes in market conditions.

Restructuring costs — Since the beginning of 2012, we have been engaged in efforts to improve our cost structure and identify opportunities to reduce general and administrative expenses as well as improve profitability across both brands. Restructuring costs in both years relate to severance costs. We expect to incur additional charges related to our restructuring activities; however, we are unable to make a reasonable estimate at this time.

7. INCOME TAXES

The income tax provisions reflect tax rates of 36.1% in 2015 and 37.3% in 2014. The major components of the year-over-year change in tax rates were an increase in operating earnings before income taxes, an increase in tax credits, and a decrease in the market performance of insurance products used to fund certain non-qualified retirement plans which are excluded from taxable income. The Company recognized the benefit from the retroactive reenactment of the Work Opportunity Tax Credit for calendar year 2014 during the first quarter of fiscal year 2015. The final annual tax rate cannot be determined until the end of the fiscal year; therefore, the actual 2015 rate could differ from our current estimates.

At January 18, 2015, our gross unrecognized tax benefits associated with uncertain income tax positions were $0.4 million, which if recognized would favorably impact the effective income tax rate. There was no significant change in our gross unrecognized tax benefits from the end of fiscal year 2014. It is reasonably possible that changes to the gross unrecognized tax benefits will be required within the next twelve months due to the possible settlement of a state tax audit.

We file income tax returns in the United States and all state and local jurisdictions in which we operate that impose an income tax. The federal statutes of limitations have not expired for fiscal years 2011 and forward. The Company's federal statute of limitations for fiscal year 2009 was extended and remains open. The statutes of limitations for California and Texas, which constitute the Company's major state tax jurisdictions, have not expired for fiscal years 2010 and forward. However, the Company has a pending appeal for California (related to fiscal years 2001 to 2007) for a specific claim.

8. RETIREMENT PLANS

Defined benefit pension plans — We sponsor two defined benefit pension plans: a qualified plan covering substantially all full-time Jack in the Box employees hired prior to January 1, 2011, and an unfunded supplemental executive plan which provides certain employees additional pension benefits and was closed to new participants effective January 1, 2007. In fiscal 2011, the Board of Directors approved changes to our qualified plan whereby participants will no longer accrue benefits effective December 31, 2015. Benefits under both plans are based on the employees' years of service and compensation over defined periods of employment.

Postretirement healthcare plans — We also sponsor two healthcare plans, closed to new participants, that provide postretirement medical benefits to certain employees who have met minimum age and service requirements. The plans are contributory, with retiree contributions adjusted annually, and contain other cost-sharing features such as deductibles and coinsurance.

Net periodic benefit cost — The components of net periodic benefit cost in each period were as follows (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Defined benefit pension plans:		
Service cost	$ 2,544	$ 2,499
Interest cost	6,983	7,152
Expected return on plan assets	(7,161)	(7,536)
Actuarial loss	2,896	1,364
Amortization of unrecognized prior service costs	83	83
Net periodic benefit cost	$ 5,345	$ 3,562
Postretirement healthcare plans:		
Interest cost	$ 368	$ 504
Actuarial loss	56	167
Net periodic benefit cost	$ 424	$ 671

Future cash flows — Our policy is to fund our plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, there was no minimum contribution funding requirement. Details regarding fiscal 2015 contributions are as follows (*in thousands*):

	Defined Benefit Pension Plans	Postretirement Healthcare Plans
Net year-to-date contributions	$ 6,453	$ 427
Remaining estimated net contributions during fiscal 2015	$ 18,000	$ 800

We will continue to evaluate contributions to our qualified defined benefit pension plan based on changes in pension assets as a result of asset performance in the current market and economic environment.

9. SHARE-BASED COMPENSATION

We offer share-based compensation plans to attract, retain and motivate key officers, employees and non-employee directors to work toward the financial success of the Company. In 2015, we granted the following shares related to our share-based compensation awards:

Stock options	123,042
Performance share awards	40,594
Nonvested stock units	87,081

The components of share-based compensation expense recognized in each period are as follows (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Stock options	$ 999	$ 1,289
Performance share awards	1,081	1,497
Nonvested stock awards	61	173
Nonvested stock units	1,744	842
Total share-based compensation expense	$ 3,885	$ 3,801

10. STOCKHOLDERS' EQUITY

Repurchases of common stock — In February 2014 and July 2014, the Board of Directors approved two programs, both expiring in November 2015, which provided repurchase authorizations for up to $200.0 million and $100.0 million, respectively, in shares of our common stock. Additionally, in November 2014, the Board of Directors approved another $100.0 million stock buyback program that expires in November 2016. During fiscal 2015, we repurchased 1.31 million shares at an aggregate cost of $101.6 million and fully utilized the February 2014 authorization. As of January 18, 2015, there was $115.5 million remaining under our stock-buyback programs, of which $15.5 million expires in November 2015 and $100.0 million expires in November 2016.

Repurchases of common stock included in our condensed consolidated statements of cash flows for 2015 and 2014, include $3.1 million and $7.3 million, respectively, related to repurchase transactions traded in the prior fiscal year and settled in the subsequent quarter.

Dividends — During the third quarter of fiscal 2014, the Board of Directors approved the initiation of a regular quarterly cash dividend. In fiscal 2015, the Board of Directors declared a cash dividend of $0.20 per share which was paid on December 12, 2014 to shareholders of record as of December 1, 2014 and totaled $7.8 million. Future dividends are subject to approval by our Board of Directors.

11. AVERAGE SHARES OUTSTANDING

Our basic earnings per share calculation is computed based on the weighted-average number of common shares outstanding. Our diluted earnings per share calculation is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive common shares include stock options, nonvested stock awards and units, non-management director stock equivalents and shares issuable under our employee stock purchase plan. Performance share awards are included in the average diluted shares outstanding each period if the performance criteria have been met at the end of the respective periods.

The following table reconciles basic weighted-average shares outstanding to diluted weighted-average shares outstanding (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Weighted-average shares outstanding – basic	38,640	42,434
Effect of potentially dilutive securities:		
Stock options	397	765
Nonvested stock awards and units	198	372
Performance share awards	149	267
Weighted-average shares outstanding – diluted	39,384	43,838
Excluded from diluted weighted-average shares outstanding:		
Antidilutive	60	151
Performance conditions not satisfied at the end of the period	20	52

12. VARIABLE INTEREST ENTITIES

In January 2011, we formed Jack in the Box Franchise Finance, LLC ("FFE") for the purpose of operating a franchisee lending program to assist Jack in the Box franchisees in re-imaging their restaurants. We are the sole equity investor in FFE. The lending program was comprised of a $20.0 million commitment from the Company in the form of a capital note and an $80.0 million Senior Secured Revolving Securitization Facility entered into with a third party. The lending period and the revolving period expired in June 2012. At January 18, 2015, we had no borrowings under the FFE Facility and we do not plan to make any further contributions.

We have determined that FFE is a VIE, and that the Company is the primary beneficiary. We considered a variety of factors in identifying the primary beneficiary of FFE including, but not limited to, who holds the power to direct matters that most significantly impact FFE's economic performance (such as determining the underwriting standards and credit management policies), as well as what party has the obligation to absorb the losses of FFE. Based on these considerations, we have determined that the Company is the primary beneficiary and the entity is reflected in the accompanying condensed consolidated financial statements.

FFE's assets consolidated by the Company represent assets that can be used only to settle obligations of the consolidated VIE. Likewise, FFE's liabilities consolidated by the Company do not represent additional claims on the Company's general assets; rather they represent claims against the specific assets of FFE. The impacts of FFE's results were not material to the Company's condensed consolidated statements of earnings or cash flows.

The FFE's balance sheet consisted of the following at the end of each period (*in thousands*):

	January 18, 2015	September 28, 2014
Cash	$ —	$ —
Other current assets (1)	1,056	2,494
Other assets, net (1)	2,849	5,776
Total assets	$ 3,905	$ 8,270
Current liabilities (2)	$ 1,203	$ 2,833
Other long-term liabilities (2)	2,574	5,367
Retained earnings	128	70
Total liabilities and stockholders' equity	$ 3,905	$ 8,270

(1) Consists primarily of amounts due from franchisees.
(2) Consists primarily of the capital note contribution from Jack in the Box which is eliminated in consolidation.

The Company's maximum exposure to loss is equal to its outstanding contributions as of January 18, 2015. This amount represents estimated losses that would be incurred should all franchisees default on their loans without any consideration of recovery. To offset the credit risk associated with the Company's variable interest in FFE, the Company holds a security interest in the assets of FFE subordinate and junior to all other obligations of FFE.

13. CONTINGENCIES AND LEGAL MATTERS

Legal matters — The Company assesses contingencies, including litigation contingencies, to determine the degree of probability and range of possible loss for potential accrual in its financial statements. An estimated loss contingency is accrued in the financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability or financial exposure. The Company regularly reviews contingencies to determine the adequacy of the accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

Gessele v. Jack in the Box Inc. — In August 2010, five former employees instituted litigation in federal court in Oregon alleging claims under the federal Fair Labor Standards Act and Oregon wage and hour laws. The plaintiffs alleged that the Company failed to pay non-exempt employees for certain meal breaks and improperly made payroll deductions for shoe purchases and for workers' compensation expenses. In April 2014, the district court granted our motion for summary judgment, and dismissed all claims without prejudice to re-filing in state court. In July 2014, the plaintiffs re-filed similar claims, and additional claims relating to timing of final pay and related wage and hour claims involving employees of a franchisee, in Oregon state court. The amended complaint seeks damages of $45.0 million but does not provide a basis for that amount. In fiscal 2012, we accrued for a single claim for which we believe a loss is both probable and estimable; this accrued loss contingency did not have a material effect on our results of operations. We have not established a loss contingency accrual for those claims as to which we believe liability is not probable or estimable, and we plan to vigorously defend against this lawsuit. Nonetheless, an unfavorable resolution of this matter in excess of our current accrued loss contingencies could have a material adverse effect on our business, results of operations, liquidity or financial condition.

Other legal matters — In addition to the matter described above, the Company is subject to normal and routine litigation brought by former, current or prospective employees, customers, franchisees, vendors, landlords, shareholders or others. We intend to defend ourselves in any such matters. Some of these matters may be covered, at least in part, by insurance. Our insurance liability (undiscounted) and reserves are established in part by using independent actuarial estimates of expected losses for reported claims and for estimating claims incurred but not reported. As of January 18, 2015, our estimated liability for general liability and workers' compensation claims exceeded our self-insurance retention limits by $24.6 million. We expect to be fully covered for these amounts by surety bond issuers or our insurance providers. Although the Company currently believes that the ultimate determination of liability in connection with legal claims pending against it, if any, in excess of amounts already provided for these matters in the consolidated financial statements will not have a material adverse effect on our business, the Company's annual results of operations, liquidity or financial position, it is possible that our results of operations, liquidity, or financial position could be materially affected in a particular future reporting period by the unfavorable resolution of one or more of these matters or contingencies during such period.

Lease guarantees — In connection with the sale of the distribution business, we have assigned the leases at two of our distribution centers to third parties. Under these agreements, which expire in 2015 and 2017, we remain secondarily liable for the lease payments for which we were responsible under the original lease. As of January 18, 2015, the amount remaining under these lease guarantees totaled $1.8 million. We have not recorded a liability for the guarantees as the likelihood of the third party defaulting on the assignment agreements was deemed to be less than probable.

14. SEGMENT REPORTING

Our principal business consists of developing, operating and franchising our Jack in the Box and Qdoba restaurant concepts, each of which we consider reportable operating segments. This segment reporting structure reflects the Company's current management structure, internal reporting method and financial information used in deciding how to allocate Company resources. Based upon certain quantitative thresholds, each operating segment is considered a reportable segment.

We measure and evaluate our segments based on segment revenues and earnings from operations. The reportable segments do not include an allocation of the costs related to shared service functions, such as accounting/finance, human resources, audit services, legal, tax and treasury; nor do they include unallocated costs such as pension expense and share-based compensation. These costs are reflected in the caption "Shared services and unallocated costs," and therefore, the measure of segment profit or loss is before such items. The following table provides information related to our segments in each period (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	**January 19, 2014**
Revenues by segment:		
Jack in the Box restaurant operations	$ 351,951	$ 349,824
Qdoba restaurant operations	116,670	100,257
Consolidated revenues	$ 468,621	$ 450,081
Earnings from operations by segment:		
Jack in the Box restaurant operations	$ 80,857	$ 76,366
Qdoba restaurant operations	14,676	9,606
Shared services and unallocated costs	(33,147)	(29,229)
Gains on the sale of company-operated restaurants	850	461
Consolidated earnings from operations	63,236	57,204
Interest expense, net	5,213	4,542
Consolidated earnings from continuing operations and before income taxes	$ 58,023	$ 52,662
Total depreciation expense by segment:		
Jack in the Box restaurant operations	$ 19,615	$ 20,851
Qdoba restaurant operations	5,280	5,230
Shared services and unallocated costs	2,260	2,139
Consolidated depreciation expense	$ 27,155	$ 28,220

Income taxes and total assets are not reported for our segments in accordance with our method of internal reporting.

The following table provides detail of the change in the balance of goodwill for each of our reportable segments (*in thousands*):

	Qdoba	Jack in the Box	Total
Balance at September 28, 2014	$ 100,597	$ 48,477	$ 149,074
Disposals	—	(16)	(16)
Balance at January 18, 2015	$ 100,597	$ 48,461	$ 149,058

Refer to Note 3, *Summary of Refranchisings, Franchisee Development and Acquisitions*, for information regarding the transactions resulting in the changes in goodwill.

15. SUPPLEMENTAL CONSOLIDATED CASH FLOW INFORMATION (*in thousands*)

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Cash paid during the year for:		
Interest, net of amounts capitalized	$ 5,115	$ 5,357
Income tax payments	$ 152	$ 16,684
Non-cash transactions:		
Increase in dividends accrued at period end	$ 35	$ —
Increase in property and equipment through accrued purchases at period end	$ 7,829	$ 8,248

16. SUPPLEMENTAL CONSOLIDATED BALANCE SHEET INFORMATION *(in thousands)*

	January 18, 2015	September 28, 2014
Prepaid expenses:		
Prepaid income taxes	$ 27,322	$ 27,956
Other	10,544	8,358
	$ 37,866	$ 36,314
Other assets, net:		
Company-owned life insurance policies	$ 101,327	$ 100,753
Deferred tax assets	46,950	50,807
Other	83,163	85,738
	$ 231,440	$ 237,298
Accrued liabilities:		
Payroll and related taxes	$ 42,985	$ 54,905
Sales and property taxes	10,633	11,760
Advertising	15,464	21,452
Insurance	34,417	34,834
Lease commitments related to closed or refranchised locations	9,472	10,258
Other	34,402	30,417
	$ 147,373	$ 163,626
Other long-term liabilities:		
Pension plans	$ 139,751	$ 143,838
Straight-line rent accrual	48,628	48,835
Other	116,197	116,762
	$ 304,576	$ 309,435

17. SUBSEQUENT EVENTS

Declaration of dividend — On February 12, 2015, the Board of Directors approved a cash dividend of $0.20 per share, to be paid on March 19, 2015 to shareholders of record as of the close of business on March 6, 2015. Future dividends will be subject to approval by our Board of Directors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

All comparisons between 2015 and 2014 refer to the 16-weeks ("quarter") ended January 18, 2015 and January 19, 2014, respectively, unless otherwise indicated.

For an understanding of the significant factors that influenced our performance during the quarterly periods ended January 18, 2015 and January 19, 2014, our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Condensed Consolidated Financial Statements and related Notes included in this Quarterly Report and our Annual Report on Form 10-K for the fiscal year ended September 28, 2014.

Our MD&A consists of the following sections:

- ***Overview*** — a general description of our business and 2015 highlights.
- ***Financial reporting*** — a discussion of changes in presentation, if any.
- ***Results of operations*** — an analysis of our consolidated statements of earnings for the periods presented in our condensed consolidated financial statements.
- ***Liquidity and capital resources*** — an analysis of our cash flows including capital expenditures, share repurchase activity, dividends, known trends that may impact liquidity and the impact of inflation.
- ***Discussion of critical accounting estimates*** — a discussion of accounting policies that require critical judgments and estimates.
- ***New accounting pronouncements*** — a discussion of new accounting pronouncements, dates of implementation and the impact on our consolidated financial position or results of operations, if any.
- ***Cautionary statements regarding forward-looking statements*** — a discussion of the risks and uncertainties that may cause our actual results to differ materially from any forward-looking statements made by management.

We have included in our MD&A certain performance metrics that management uses to assess Company performance and which we believe will be useful in analyzing and understanding our results of operations. These metrics include the following:

- Changes in same-store sales and average unit volumes ("AUVs") are presented for franchised restaurants and on a system-wide basis, which includes company and franchise restaurants. Franchise sales represent sales at franchise restaurants and are revenues of our franchisees. We do not record franchise sales as revenues; however, our royalty revenues and percentage rent revenues are calculated based on a percentage of franchise sales. We believe franchise and system sales and average unit volume information is useful to investors as a significant indicator of the overall strength of our business. Company, franchise and system changes in same-store sales include the results of all restaurants that have been open more than one year.
- Company restaurant margin ("restaurant margin") is defined as Company restaurant sales less expenses incurred directly by our restaurants in generating those sales (food and packaging costs, payroll and employee benefits, and occupancy and other costs). We also present restaurant margin as a percentage of Company restaurant sales.
- Franchise margin is defined as franchise revenues less franchise costs and is also presented as a percentage of franchise revenues.

Restaurant margin and franchise margin are not measurements determined in accordance with generally accepted accounting principles ("GAAP") and should not be considered in isolation, or as an alternative, to income from operations, or other similarly titled measures of other companies.

OVERVIEW

As of January 18, 2015, we operated and franchised 2,253 Jack in the Box quick-service restaurants, primarily in the western and southern United States, including one in Guam, and 641 Qdoba Mexican Grill ("Qdoba") fast-casual restaurants throughout the United States, including four in Canada.

Our primary source of revenue is from retail sales at Jack in the Box and Qdoba company-operated restaurants. We also derive revenue from Jack in the Box and Qdoba franchise restaurants, including royalties (based upon a percent of sales), franchise fees and rents from Jack in the Box franchisees. In addition, we recognize gains or losses from the sale of company-operated restaurants to franchisees, which are included as a line item within operating costs and expenses, net in the accompanying condensed consolidated statements of earnings.

The following summarizes the most significant events occurring in the first quarter of fiscal 2015, and certain trends compared to a year ago:

- ***Qdoba's New Pricing Structure*** — In October 2014, Qdoba restaurants rolled out a new simplified pricing structure system-wide where guests pay a set price per entrée based on the protein chosen and without being charged extra for additional items such as guacamole or queso. This resulted in an increase in the average check.
- ***Same-Store Sales Growth*** — Same-store sales grew 3.9% at company-operated Jack in the Box restaurants driven by increases in all day-parts, with the largest growth coming from breakfast, as well as transaction growth. Qdoba's same-store sales increase of 12.9% at company-operated restaurants reflects growth primarily driven by our new simplified pricing structure as well as menu innovation, transaction growth, catering and less discounting.
- ***Commodity Costs*** — Commodity costs increased approximately 3.9% and 6.2% at our Jack in the Box and Qdoba restaurants, respectively, in 2015 compared with a year ago. We expect our overall commodity costs to increase approximately 3.0% in fiscal 2015, with higher inflation in the first half of the year. Beef represents the largest portion, or approximately 20%, of the Company's overall commodity spend. We typically do not enter into fixed price contracts for our beef needs. For the full year, we currently expect beef costs to increase approximately 15-20%.
- ***Restaurant Margin Expansion*** — Our consolidated company-operated restaurant margin increased 100 basis points in 2015 to 19.3%. Jack in the Box's company-operated restaurant margin improved 30 basis points to 19.4% due primarily to leverage from same-store sales increases and benefits from refranchising activities. Restaurant margins at our Qdoba company-operated restaurants improved 290 basis points to 19.3% primarily reflecting benefits from the new simplified pricing structure and leverage from same-store sales growth.
- ***Jack in the Box Franchising Program*** — Jack in the Box franchisees opened a total of six restaurants year-to-date and we have a signed letter of intent to sell approximately 20 restaurants in one market. Our Jack in the Box system was 81% franchised at the end of the first quarter and we plan to maintain franchise ownership in the Jack in the Box system at a level between 80% to 85%.
- ***Qdoba New Unit Growth*** — Year-to-date, we opened three company-operated locations and six franchised locations. Of the new locations, four were in non-traditional locations such as airports and college campuses. In fiscal 2015, we expect the majority of our franchise new unit development to be in non-traditional locations.
- ***Tax Rate*** — The tax rate was favorably impacted by the retroactive reenactment of the Work Opportunity Tax Credit ("WOTC") for calendar year 2014 which resulted in higher tax credits in the quarter.
- ***Return of Cash to Shareholders*** — During 2015 we returned cash to shareholders in the form of share repurchases and a cash dividend. We repurchased 1.31 million shares of our common stock at an average price of $77.70 per share, totaling $101.6 million, including the costs of brokerage fees, and declared dividends of $0.20 per share totaling $7.8 million.

FINANCIAL REPORTING

The condensed consolidated statements of earnings for all periods presented have been prepared reflecting the results of operations for the 2013 Qdoba Closures and charges incurred as a result of closing these restaurants as discontinued operations. The results of operations and costs incurred to outsource our distribution business are also reflected as discontinued operations for all periods presented. Refer to Note 2, *Discontinued Operations*, in the Notes to our Condensed Consolidated Financial Statements for more information.

RESULTS OF OPERATIONS

The following table presents certain income and expense items included in our condensed consolidated statements of earnings as a percentage of total revenues, unless otherwise indicated. Percentages may not add due to rounding.

CONSOLIDATED STATEMENTS OF EARNINGS DATA

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Revenues:		
Company restaurant sales	75.1 %	75.3 %
Franchise revenues	24.9 %	24.7 %
Total revenues	100.0 %	100.0 %
Operating costs and expenses, net:		
Company restaurant costs:		
Food and packaging (1)	32.1 %	31.9 %
Payroll and employee benefits (1)	27.2 %	27.7 %
Occupancy and other (1)	21.3 %	22.0 %
Total company restaurant costs (1)	80.7 %	81.7 %
Franchise costs (1)	49.0 %	49.9 %
Selling, general and administrative expenses	13.5 %	13.1 %
Impairment and other charges, net	0.5 %	0.4 %
Gains on the sale of company-operated restaurants	(0.2)%	(0.1)%
Earnings from operations	13.5 %	12.7 %
Income tax rate (2)	36.1 %	37.3 %

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(1) As a percentage of the related sales and/or revenues.

(2) As a percentage of earnings from continuing operations and before income taxes.

CHANGES IN SAME-STORE SALES

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Jack in the Box:		
Company	3.9%	2.1%
Franchise	4.6%	1.8%
System	4.4%	1.9%
Qdoba:		
Company	12.9%	2.0%
Franchise	15.1%	2.6%
System	14.0%	2.3%

The following table summarizes the changes in the number and mix of Jack in the Box ("JIB") and Qdoba company and franchise restaurants:

	January 18, 2015			January 19, 2014		
	Company	Franchise	Total	Company	Franchise	Total
Jack in the Box:						
Beginning of year	431	1,819	2,250	465	1,786	2,251
New	1	6	7	—	5	5
Refranchised	(1)	1	—	—	—	—
Acquired from franchisees	—	—	—	4	(4)	—
Closed	—	(4)	(4)	—	(2)	(2)
End of period	431	1,822	2,253	469	1,785	2,254
% of JIB system	19%	81%	100%	21%	79%	100%
% of consolidated system	58%	85%	78%	61%	85%	78%
Qdoba:						
Beginning of year	310	328	638	296	319	615
New	3	6	9	6	8	14
Closed	(2)	(4)	(6)	(1)	(8)	(9)
End of period	311	330	641	301	319	620
% of Qdoba system	49%	51%	100%	49%	51%	100%
% of consolidated system	42%	15%	22%	39%	15%	22%
Consolidated:						
Total system	742	2,152	2,894	770	2,104	2,874
% of consolidated system	26%	74%	100%	27%	73%	100%

Jack in the Box Brand

Company Restaurant Operations

The following table presents Jack in the Box company restaurant sales, costs and margin, and restaurant costs and margin as a percentage of the related sales. Percentages may not add due to rounding *(in thousands)*:

	Sixteen Weeks Ended			
	January 18, 2015		January 19, 2014	
Company restaurant sales	$ 241,343		$ 243,871	
Company restaurant costs:				
Food and packaging	79,193	32.8%	79,865	32.7%
Payroll and employee benefits	66,743	27.7%	67,482	27.7%
Occupancy and other	48,631	20.2%	49,987	20.5%
Total company restaurant costs	194,567	80.6%	197,334	80.9%
Restaurant margin	$ 46,776	19.4%	$ 46,537	19.1%

As we have executed our Jack in the Box refranchising strategy, which includes the sale of restaurants to franchisees, we expect the number of company-operated restaurants and the related sales to decrease while revenues from franchise restaurants increase. As such, Jack in the Box company restaurant sales decreased $2.5 million as compared with the prior year due to a decrease in the average number of company-operated restaurants reducing sales by approximately $19.5 million, partially offset by an increase in AUVs which contributed approximately $17.0 million of additional sales.

Same-store sales at Jack in the Box company-operated restaurants increased 3.9% in 2015 primarily driven by price increases, favorable product mix changes, and an increase in transactions. The following table summarizes the change in company-operated same-store sales:

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Transactions	0.8%	(0.7)%
Average check (1)	3.1%	2.8 %
Change in same-store sales	3.9%	2.1 %

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(1) Includes price increases of approximately 2.1% and 2.6% in 2015 and 2014, respectively.

Food and packaging costs as a percentage of company restaurant sales increased 10 basis points to 32.8% in 2015 from 32.7% in 2014 as increases in commodity costs were nearly offset by the benefit of selling price increases and product mix changes. Commodity costs increased 3.9% in 2015 compared with the prior year. Costs were higher for beef, produce, dairy and eggs, with beef increasing most significantly by 26%. We expect Jack in the Box commodity costs for fiscal 2015 to increase approximately 3.0% - 3.5%.

Payroll and employee benefit costs as a percentage company restaurant sales remained flat at 27.7% in both years. Sales leverage and the benefits of refranchising offset higher wages from minimum wage increases and higher levels of incentive compensation driven by improved operating performance.

As a percentage of company restaurant sales, occupancy and other costs improved to 20.2% from 20.5% a year ago due to sales leverage and the benefits of refranchising. These benefits were partially offset by higher costs for utilities, uniforms, credit card fees and maintenance and repair expenses.

Franchise Operations

The following table reflects the detail of our Jack in the Box franchise revenues and costs in each period and other information we believe is useful in analyzing the change in franchise operations (*dollars in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Royalties	$ 40,252	$ 38,112
Rental income	69,382	66,975
Franchise fees and other	974	866
Total franchise revenues	$ 110,608	$ 105,953
Rental expense	$ 42,140	$ 41,127
Depreciation and amortization	10,221	10,490
Other franchise support costs	3,627	2,711
Total franchise costs	55,988	54,328
Franchise margin	$ 54,620	$ 51,625
Franchise margin as a % of franchise revenues	49.4%	48.7%
Average number of franchise restaurants	1,822	1,785
% increase	2.1%	
Franchise restaurant AUV's	$ 429	$ 411
Increase in franchise-operated same-store sales	4.6%	1.8%
Royalties as a percentage of estimated franchise restaurant sales	5.2%	5.2%

Franchise revenues increased $4.7 million, or 4.4%, in 2015 as compared to a year ago, primarily reflecting higher AUV's resulting in an increase in revenues from royalties and percentage rent. To a lesser extent, an increase in the average number of restaurants also contributed to the increase.

Franchise costs, principally including rents and depreciation on properties leased to Jack in the Box franchisees, increased $1.7 million in the quarter, driven by an increase in the number of franchised restaurants and bad debt expense recorded in the current year of $0.5 million.

Qdoba Brand

Company Restaurant Operations

The following table presents Qdoba company restaurant sales, costs and margin, and restaurant costs and margin as a percentage of the related sales *(in thousands)*:

	Sixteen Weeks Ended			
	January 18, 2015		January 19, 2014	
Company restaurant sales	$ 110,553		$ 94,957	
Company restaurant costs:				
Food and packaging	33,916	30.7%	28,373	29.9%
Payroll and employee benefits	28,936	26.2%	26,334	27.7%
Occupancy and other	26,400	23.9%	24,722	26.0%
Total company restaurant costs	89,252	80.7%	79,429	83.6%
Restaurant margin	$ 21,301	19.3%	$ 15,528	16.4%

Company restaurant sales increased $15.6 million in 2015 as compared with the prior year. The increase in restaurant sales is due primarily to growth in AUVs which added approximately $11.1 million of sales and to a lesser extent an increase in the number of Qdoba company-operated restaurants.

Same-store sales at Qdoba company-operated restaurants increased 12.9% in 2015 primarily driven by the new simplified menu pricing structure. Transaction growth, catering, menu innovation and lower discounting also contributed to the same-store sales increase. The following table summarizes the change in company-operated same-store sales:

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Transactions	1.9%	(2.3)%
Average check (1)	9.8%	3.7 %
Catering	1.2%	0.6 %
Change in same-store sales	12.9%	2.0 %

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(1) Includes price increases of approximately 0.6% and 0.4% in 2015 and 2014, respectively.

Food and packaging costs increased 80 basis points to 30.7% of company restaurant sales in 2015 from 29.9% a year ago primarily reflecting a 6.2% increase in commodity costs due to higher costs for beef, cheese and dairy and changes in product mix related to the new pricing structure. These increases were partially offset by selling price increases and the benefit of the new pricing structure which increased average check. We expect Qdoba commodity costs for fiscal 2015 to increase approximately 2.0% - 2.5%.

Payroll and employee benefit costs as a percentage of company restaurant sales improved 150 basis points to 26.2% in 2015 from 27.7% a year ago. Leverage from same-store sales increases and a change in our staffing mix made in the second quarter of last year that utilizes a more variable labor model were partially offset by higher levels of incentive compensation driven by improved operating performance.

Occupancy and other costs improved to 23.9% of company restaurant sales in 2015 compared with 26.0% a year ago, primarily due to sales leverage, partially offset by higher costs for utilities, smallwares, credit card fees and property taxes.

Franchise Operations

The following table reflects the detail of our Qdoba franchise revenues and costs in each period and other information we believe is useful in analyzing the change in franchise operations (*dollars in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	**January 19, 2014**
Royalties	$ 5,577	$ 4,589
Franchise fees and other	540	711
Total franchise revenues	6,117	5,300
Franchise support costs and other	1,153	1,182
Total franchise costs	$ 1,153	$ 1,182
Franchise margin	$ 4,964	$ 4,118
Franchise margin as a % of franchise revenues	81.2%	77.7%
Average number of franchise restaurants	331	319
% increase	3.8%	
Franchise restaurant AUV's	$ 336	$ 291
Increase in franchise-operated same-store sales	15.1%	2.6%
Royalties as a percentage of estimated franchise restaurant sales	5.0%	4.9%

Franchise revenues increased $0.8 million, or 15.4%, in 2015 as compared to a year ago, primarily reflecting higher AUV's at Qdoba franchise restaurants. To a lesser extent, an increase in the average number of Qdoba franchise restaurants also contributed to the increase in franchise revenues.

Franchise costs, principally support costs, decreased slightly quarter over quarter.

Selling, general and administrative ("SG&A") expenses

The following table presents the change in SG&A expenses compared with the prior year (*in thousands*):

	Increase / (Decrease)
Cash surrender value of COLI policies, net	$ 1,607
Pension and postretirement benefits	1,535
Advertising	846
Employee relocation costs	(885)
Other	836
	$ 3,939

The cash surrender value of our COLI policies, net of changes in our non-qualified deferred compensation obligation supported by these policies, are subject to market fluctuations. The changes in market values had a negative impact of $0.2 million compared with a positive impact of $1.4 million a year ago.

In 2015, pension and postretirement benefits increased, principally driven by the change in discount rates as compared with a year ago.

Advertising costs associated with our Qdoba locations were $1.0 million higher than a year ago due to an increased number of restaurants, and the timing of spending. These increases were partially offset by lower advertising costs related to our Jack in the Box company-operated restaurants due to a decrease in the number of restaurants.

Impairment and other charges, net

Impairment and other charges, net is comprised of the following (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Restaurant impairment charges	$ 215	$ 95
Losses on the disposition of property and equipment, net	1,172	952
Costs of closed restaurants (primarily lease obligations) and other	786	564
Restructuring costs	7	298
	$ 2,180	$ 1,909

Impairment and other charges, net increased $0.3 million in 2015 versus a year ago primarily due to an increase in charges associated with Jack in the Box restaurants that we have closed or intend to close, partially offset by income of $0.6 million recognized in 2015 related to an eminent domain matter and a reduction in restructuring costs. Restructuring costs were incurred in connection with a comprehensive review of our organizational structure and primarily relate to severance costs. Refer to Note 6, *Impairment, Disposition of Property and Equipment, Restaurant Closing Costs and Restructuring*, of the notes to the condensed consolidated financial statements for additional information regarding costs associated with closed restaurants.

Gains on the sale of company-operated restaurants

Gains on the sale of company-operated restaurants were $0.9 million and $0.5 million, in 2015 and 2014, respectively. We sold one Jack in the Box restaurant in 2015 and none in 2014. Gains are impacted by the number of restaurants sold and changes in average gains recognized, which relate to the specific sales and cash flows of those restaurants. In 2015 and 2014, gains on the sale of company operated restaurants include additional gains of $0.1 million and $0.5 million, respectively, recognized upon the extension of the underlying franchise and lease agreements related to Jack in the Box restaurants sold in previous years.

Interest Expense, Net

Interest expense, net is comprised of the following (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Interest expense	$ 5,404	$ 4,739
Interest income	(191)	(197)
Interest expense, net	$ 5,213	$ 4,542

Interest expense, net increased $0.7 million in 2015 versus 2014 driven by higher average borrowings partially offset by lower interest rates.

Income Taxes

The tax rate in 2015 was 36.1%, compared with 37.3% a year ago. The major components of the year-over-year change in tax rates were an increase in operating earnings before income taxes, an increase in tax credits due to the retroactive reenactment of the Work Opportunity Tax Credit for calendar year 2014, and a decrease in the market performance of insurance products used to fund certain non-qualified retirement plans which are excluded from taxable income. We expect the fiscal year tax rate to be approximately 37.0%. The annual tax rate cannot be determined until the end of the fiscal year; therefore, the actual rate could differ from our current estimates.

Earnings from Continuing Operations

Earnings from continuing operations were $37.1 million, or $0.94 per diluted share in 2015, versus $33.0 million, or $0.75 per diluted share, last year.

Losses from Discontinued Operations, Net

As described in Note 2, *Discontinued Operations*, in the notes to the condensed consolidated financial statements, the results of operations from our distribution business and the 2013 Qdoba Closures have been reported as discontinued operations for all periods presented.

Losses from discontinued operations, net of tax are as follows for each discontinued operation (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	**January 19, 2014**
Distribution business	$ (36)	$ (357)
2013 Qdoba Closures	(1,227)	(367)
	$ (1,263)	$ (724)

In both years, losses from discontinued operations related to our distribution business include lease commitment charges in addition to insurance settlement costs in 2014. In 2015 and 2014, the loss from discontinued operations related to the 2013 Qdoba Closures primarily includes unfavorable lease commitment adjustments, ongoing facility costs and broker commissions.

Losses from discontinued operations reduced diluted earnings per share by the following in each period (earnings per share may not add due to rounding):

	Sixteen Weeks Ended	
	January 18, 2015	**January 19, 2014**
Distribution business	$ —	$ (0.01)
2013 Qdoba Closures	(0.03)	(0.01)
	$ (0.03)	$ (0.02)

LIQUIDITY AND CAPITAL RESOURCES

General

Our primary sources of short-term and long-term liquidity are expected to be cash flows from operations and our revolving bank credit facility.

We generally reinvest available cash flows from operations to improve our restaurant facilities and develop new restaurants, to reduce debt, to repurchase shares of our common stock and to pay cash dividends. Our cash requirements consist principally of:

- working capital;
- capital expenditures for new restaurant construction and restaurant renovations;
- income tax payments;
- debt service requirements; and
- obligations related to our benefit plans.

Based upon current levels of operations and anticipated growth, we expect that cash flows from operations, combined with other financing alternatives in place or available, will be sufficient to meet our capital expenditure, working capital and debt service requirements for at least the next twelve months and the foreseeable future.

As is common in the restaurant industry, we maintain relatively low levels of accounts receivable and inventories, and our vendors grant trade credit for purchases such as food and supplies. We also continually invest in our business through the addition of new units and refurbishment of existing units, which are reflected as long-term assets and not as part of working capital. As a result, current liabilities are in excess of current assets, which results in a working capital deficit.

Cash Flows

The table below summarizes our cash flows from operating, investing and financing activities (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Total cash provided by (used in):		
Operating activities	$ 47,347	$ 23,652
Investing activities	(13,639)	(19,557)
Financing activities	(35,481)	(3,811)
Effect of exchange rate changes	3	5
Net (decrease) increase in cash and cash equivalents	$ (1,770)	$ 289

Operating Activities. Operating cash flows increased $23.7 million compared with a year ago due primarily to a decrease in prepayments for advertising compared to the same period a year ago, a decrease in payments for income taxes, and an increase in net earnings in fiscal 2015.

Investing Activities. Cash used in investing activities decreased $5.9 million compared with a year ago due primarily to an increase in collections on notes receivable and a decrease in cash used to purchase property and equipment and franchise-operated restaurants, partially offset by a decrease in proceeds from the sale of assets held for sale and leaseback.

Capital Expenditures — The composition of capital expenditures in each period follows (*in thousands*):

	Sixteen Weeks Ended	
	January 18, 2015	January 19, 2014
Jack in the Box:		
New restaurants	$ 2,771	$ 482
Restaurant facility expenditures	6,135	9,861
Other, including information technology	1,959	909
	10,865	11,252
Qdoba:		
New restaurants	4,173	6,908
Restaurant facility expenditures	1,772	2,165
	5,945	9,073
Shared Services:		
Information technology	1,765	845
Other, including facility improvements	1,310	140
	3,075	985
Consolidated capital expenditures	$ 19,885	$ 21,310

Our capital expenditure program includes, among other things, investments in new locations, restaurant remodeling, new equipment and information technology enhancements. Capital expenditures decreased compared to a year ago as a result of a decrease in spending related to building new Qdoba restaurants, remodels, and exterior re-images at our Jack in the Box restaurants, partially offset by an increase in spending related to new Jack in the Box restaurants and information technology infrastructure. We expect fiscal 2015 capital expenditures to be approximately $90 -$100 million. In 2015, we plan to open 50-60 Qdoba restaurants, of which approximately half are expected to be company-operated locations with the majority expected to open in the latter half of the fiscal year. Additionally, we plan to open 10-15 Jack in the Box restaurants in fiscal 2015, of which 2 are expected to be company-operated locations.

Sale of Company-Operated Restaurants — In 2015, one Jack in the Box restaurant was sold to a franchisee for which we received $1.2 million in proceeds. No restaurants were sold to franchisees during the 16-weeks ended January 19, 2014. As of January 18, 2015, we classified as assets held for sale $1.3 million relating to Jack in the Box operating restaurant properties that we expect to sell to a franchisee during the next 12 months and for which we have a signed letter of intent.

Assets Held for Sale and Leaseback — We use sale and leaseback financing to lower the initial cash investment in our restaurants to the cost of the equipment, whenever possible. There was no sale and leaseback activity in 2015. The following table summarizes the cash flow activity related to sale and leaseback transactions in 2014 (*dollars in thousands*):

Number of restaurants sold and leased back	1
Proceeds from sale and leaseback transactions	$ 1,807
Purchases of assets intended for sale and leaseback	$ —

As of January 18, 2015, we had investments of $3.5 million in two operating restaurant properties that we expect to sell and leaseback during the next 12 months.

Acquisition of Franchise-Operated Restaurants —There was no repurchase activity in 2015. The following table details franchise-operated restaurant acquisition activity in 2014 (*dollars in thousands*):

Number of Jack in the Box restaurants acquired from a franchisee in one market	4
Cash used to acquire franchise-operated restaurants	$ 1,750

The purchase price was primarily allocated to property and equipment, goodwill and reacquired franchise rights. For additional information, refer to Note 3, *Summary of Refranchisings, Franchisee Development and Acquisitions*, of the notes to the condensed consolidated financial statements.

Financing Activities. Cash flows used in financing activities increased $31.7 million compared with a year ago primarily due to an increase in cash used to repurchase shares of our common stock and to pay dividends, and decreases in borrowings made under our revolving credit facility and proceeds from the issuance of our common stock, partially offset by an increase in excess tax benefits from share based compensation arrangements and a decrease in payments made on our revolving credit facility and term loan.

Credit Facility — Our credit facility is comprised of (i) a $600.0 million revolving credit facility and (ii) a $200.0 million term loan facility. The interest rate on the new credit facility is based on the Company's leverage ratio and can range from London Interbank Offered Rate ("LIBOR") plus 1.25% to 2.00% with no floor. The current interest rate is LIBOR plus 1.75%. As part of the credit agreement, we may request the issuance of up to $75.0 million in letters of credit, the outstanding amount of which reduces our net borrowing capacity under the agreement.

The revolving credit facility and the term loan facility both have maturity dates of March 19, 2019. The term loan requires amortization in the form of quarterly installments of $2.5 million from June 2014 through March 2016, $3.75 million from June 2016 through March 2018, and $5.0 million from June through December 2018 with the remainder due at the maturity date. We are required to make certain mandatory prepayments under certain circumstances and we have the option to make certain prepayments without premium or penalty. The credit facility includes events of default (and related remedies, including acceleration and increased interest rates following an event of default) that are customary for facilities and transactions of this type.

As of January 18, 2015, we had $192.5 million outstanding under the term loan, borrowings under the revolving credit facility of $362.0 million and letters of credit outstanding of $22.2 million.

We are subject to a number of customary covenants under our credit facility, including limitations on additional borrowings, acquisitions, loans to franchisees, capital expenditures, lease commitments, stock repurchases, dividend payments and requirements to maintain certain financial ratios defined in our credit agreement. We were in compliance with all covenants as of January 18, 2015.

Interest Rate Swaps — To reduce our exposure to rising interest rates, in April 2014, we entered into nine forward-starting interest rate swap agreements that effectively convert $300.0 million of our variable rate borrowings to a fixed rate basis from October 2014 through October 2018. For additional information, refer to Note 5, *Derivative Instruments*, of the notes to the condensed consolidated financial statements.

Repurchases of Common Stock — In February 2014 and July 2014, the Board of Directors approved two programs, both expiring in November 2015, which provided repurchase authorizations for up to $200.0 million and $100.0 million, respectively, in shares of our common stock. Additionally, in November 2014, the Board of Directors approved another $100.0 million stock buyback program that expires in November 2016. During fiscal 2015, we repurchased 1.31 million shares at an aggregate cost of $101.6 million and fully utilized the February 2014 authorization. As of January 18, 2015, there was $115.5 million remaining under two stock-buyback programs, of which $15.5 million expires in November 2015 and $100.0 million expires in November 2016.

Repurchases of common stock included in our condensed consolidated statements of cash flows for 2015 and 2014, include $3.1 million and $7.3 million, respectively, related to repurchase transactions traded in the prior fiscal year and settled in the subsequent quarter.

Dividend — In fiscal 2015, the Board of Directors declared a cash dividend of $0.20 per share that was paid on December 12, 2014 to shareholders of record as of December 1, 2014 and totaled $7.8 million. Future dividends will be subject to approval by our Board of Directors.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources.

DISCUSSION OF CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those the Company believes are most important for the portrayal of the Company's financial condition and results and that require management's most subjective and complex judgments. Judgments and uncertainties regarding the application of these policies may result in materially different amounts being reported under various conditions or using different assumptions. There have been no material changes to the critical accounting estimates previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2014.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the federal securities laws. Any statements contained herein that are not historical facts may be deemed to be forward-looking statements. Forward-looking statements may be identified by words such as “anticipate,” “assume,” “believe,” “estimate,” “expect,” “forecast,” “goals,” “guidance,” “intend,” “plan,” “project,” “may,” “will,” “would”, “should” and similar expressions. These statements are based on management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate. These estimates and assumptions involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. Factors that may cause our actual results to differ materially from any forward-looking statements include, but are not limited to:

- Food service businesses such as ours may be materially and adversely affected by changes in consumer preferences or dining habits, and economic, political and socioeconomic conditions. Adverse economic conditions such as unemployment and decreased discretionary spending may result in reduced restaurant traffic and sales and impose practical limits on pricing. We are also subject to geographic concentration risks, with nearly 70% of system Jack in the Box restaurants located in California and Texas.
- Our profitability depends in part on food and commodity costs and availability, including animal feed costs and fuel costs and other supply and distribution costs. The risks of increased commodities costs and volatility in costs could adversely affect our profitability and results of operations.
- The success of our business strategy depends on the value and relevance of our brands. Multi-unit food service businesses such as ours can be materially and adversely affected by widespread negative publicity of any type, particularly regarding food quality or public health issues. Negative publicity regarding our brands or the restaurant industry in general could cause a decline in system restaurant sales and could have a material adverse effect on our financial condition and results of operations.
- We are reliant on third party suppliers and distributors, and any shortages or interruptions in supply could adversely affect the availability, quality and cost of ingredients.
- Our business can be materially and adversely affected by severe weather conditions or natural disasters, which can result in lost restaurant sales, supply chain interruptions and increased costs.
- Growth and new restaurant development involve substantial risks, including risks associated with unavailability of suitable franchisees, limited financing availability, cost overruns and the inability to secure suitable sites on acceptable terms. In addition, our growth strategy includes opening restaurants in new markets where we cannot assure that we will be able to successfully expand or acquire critical market presence, attract customers or otherwise operate profitably.
- There are risks associated with our franchise business model, including the demand for our franchises, the selection of appropriate franchisees and whether our franchisees and new restaurant developers will have the capabilities to be effective operators and remain aligned with us on operating, promotional and capital-intensive initiatives, in an ever-changing competitive environment. Additionally, our franchisees and operators could experience operational, financial or other challenges that could affect payments to us of rents and/or royalties, or could damage our brand and reputation.
- The restaurant and take-away food industry is highly competitive with respect to price, service, location, brand identification and menu quality and innovation. We cannot assure that we will be able to effectively respond to aggressive competitors (including competitors with significantly greater financial resources); or that our competitive strategies will increase our same-store sales and AUVs; or that our new products, service initiatives, overall strategies or execution of those strategies will be successful.
- Should our advertising and promotions be less effective than our competitors, there could be a material adverse effect on our results of operations and financial condition.
- The cost-saving initiatives taken in recent years, including the outsourcing of our distribution business, are subject to risks and uncertainties, and we cannot assure that these activities, or any other activities we undertake in the future, will achieve the desired savings and efficiencies.
- The loss of key personnel could have a material adverse effect on our business.
- The costs of compliance with government regulations, including those resulting in increased labor costs, could negatively affect our results of operations and financial condition.
- A material failure or interruption of service or a breach in security of our information technology systems or databases could cause reduced efficiency in operations, loss or misappropriation of data or business interruptions, which in turn could affect cash flows or our operating results. In addition, the costs of information security, regulatory compliance, investment in technology and risk mitigation measures may negatively affect our margins or financial results.

- We maintain a documented system of internal controls, which is reviewed and monitored by an Internal Controls Committee and tested by the Company's full-time internal audit department. Any failures in the effectiveness of our internal controls could have a material adverse effect on our operating results or cause us to fail to meet our reporting obligations.
- We are subject to risks of owning, operating and leasing property, including but not limited to environmental risks, which could result in the imposition of severe penalties or restrictions on operations by governmental agencies or courts of law, which could adversely affect operations.
- We have a significant amount of indebtedness, which could adversely affect our business and our ability to meet our obligations. Our ability to repay expected borrowings under our credit facility and to meet our other debt or contractual obligations will depend upon our future performance and our cash flows from operations, both of which are subject to prevailing economic conditions and financial, business and other known and unknown risks and uncertainties, certain of which are beyond our control.
- Changes in accounting standards, policies or related interpretations by accountants or regulatory entities may negatively impact our results.
- We are subject to litigation which is inherently unpredictable and can result in unfavorable resolutions where the amount of ultimate loss may exceed our estimated loss contingencies, impose other costs related to defense of claims, or distract management from our operations.

These and other factors are identified and described in more detail in our filings with the Securities and Exchange Commission, including, but not limited to: the "Discussion of Critical Accounting Estimates" and other sections in this Form 10-Q and the "Risk Factors" section of our most recent Annual Report on Form 10-K for the fiscal year ended September 28, 2014 ("Form 10-K"). These documents may be read free of charge on the SEC's website at www.sec.gov. Potential investors are urged to consider these factors, more fully described in our Form 10-K, carefully in evaluating any forward-looking statements, and are cautioned not to place undue reliance on the forward-looking statements. All forward-looking statements are made only as of the date issued, and we do not undertake any obligation to update any forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary exposure to risks relating to our financial instruments is changes in interest rates. Our credit facility, which is comprised of a revolving credit facility and a term loan, bears interest at an annual rate equal to the prime rate of LIBOR plus an applicable margin based on a financial leverage ratio. As of January 18, 2015, the applicable margin for the LIBOR-based revolving loans and term loan was set at 1.75%.

We use interest rate swap agreements to reduce exposure to interest rate fluctuations. In April 2014, we entered into nine forward-starting interest rate swap agreements that effectively convert $300.0 million of our variable rate borrowings to a fixed rate basis from October 2014 through October 2018. Based on the applicable margin in effect as of January 18, 2015, these nine interest rate swaps would yield average fixed rates of 2.60%, 3.13%, 3.80% and 4.28% in years one through four, respectively.

A hypothetical 100 basis point increase in short-term interest rates, based on the outstanding unhedged balance of our revolving credit facility and term loan at January 18, 2015, would result in an estimated increase of $2.5 million in annual interest expense.

We are also exposed to the impact of commodity and utility price fluctuations. Many of the ingredients we use are commodities or ingredients that are affected by the price of other commodities, weather, seasonality, production, availability and various other factors outside our control. In order to minimize the impact of fluctuations in price and availability, we monitor the primary commodities we purchase and may enter into purchasing contracts and pricing arrangements when considered to be advantageous. However, certain commodities remain subject to price fluctuations. We are exposed to the impact of utility price fluctuations related to unpredictable factors such as weather and various other market conditions outside our control. Our ability to recover increased costs for commodities and utilities through higher prices is limited by the competitive environment in which we operate.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a - 15 and 15d - 15 of the Securities Exchange Act of 1934, as amended), as of the end of the Company's quarter ended January 18, 2015, the Company's Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) have concluded that the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's fiscal quarter ended January 18, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

There is no information required to be reported for any items under Part II, except as follows:

ITEM 1. LEGAL PROCEEDINGS

See Note 13, *Contingencies and Legal Matters*, of the notes to the unaudited condensed consolidated financial statements for a discussion of our contingencies and legal matters.

ITEM 1A. RISK FACTORS

When evaluating our business and our prospects, you should consider the risks and uncertainties described under Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended September 28, 2014, which we filed with the SEC on November 20, 2014. You should also consider the risks and uncertainties discussed under the heading "Cautionary Statements Regarding Forward-Looking Statements" in Item 2 of this Quarterly Report on Form 10-Q. You should also refer to the other information set forth in this Quarterly Report and in our Annual Report on Form 10-K for the fiscal year ended September 28, 2014, including our financial statements and the related notes. There have been no material changes from the risk factors as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended September 28, 2014. These risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the risks or uncertainties actually occurs, our business and financial results could be harmed. In that case, the market price of our common stock could decline.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Our credit agreement provides for the potential payment of cash dividends and stock repurchases, subject to certain limitations based on our leverage ratio as defined in our credit agreement.

Stock Repurchases — In February 2014 and July 2014, the Board of Directors approved two programs, both expiring in November 2015, which provided repurchase authorizations for up to $200.0 million and $100.0 million, respectively, in shares of our common stock. Additionally, in November 2014, the Board of Directors approved an additional $100.0 million stock buyback program that expires in November 2016. During fiscal 2015, we repurchased 1.31 million shares at an aggregate cost of $101.6 million and fully utilized the February 2014 authorization. As of January 18, 2015, there was $115.5 million remaining under two stock-buyback programs, of which $15.5 million expires in November 2015 and $100.0 million expires in November 2016.

The following table summarizes shares repurchased during the quarter ended January 18, 2015. The average price paid per share in column (b) below does not include the cost of brokerage fees.

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced programs	(d) Maximum dollar value that may yet be purchased under these programs
				$ 217,077,119
September 29, 2014 - October 26, 2014	24,039	$ 64.75	24,039	$ 215,520,078
October 27, 2014 - November 23, 2014	—	$ —	—	$ 215,520,078
November 24, 2014 - December 21, 2014	841,000	$ 77.15	841,000	$ 150,614,732
December 22, 2014 - January 18, 2015	441,997	$ 79.38	441,997	$ 115,520,148
Total	1,307,036	$ 77.68	1,307,036	

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Number	Description	Form	Filed with SEC
3.1	Restated Certificate of Incorporation, as amended, dated September 21, 2007	10-K	11/20/2009
3.1.1	Certificate of Amendment of Restated Certificate of Incorporation, dated September 21, 2007	8-K	9/24/2007
3.2	Amended and Restated Bylaws, dated August 7, 2013	10-Q	8/8/2013
10.1	Form of Time-Vesting Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-Q	Filed herewith
10.2	Form of Stock Option and Performance Share Award Agreement under the 2004 Stock Incentive Plan	10-Q	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	Filed herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	Filed herewith
101.INS	XBRL Instance Document		
101.SCH	XBRL Taxonomy Extension Schema Document		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB	XBRL Taxonomy Extension Label Linkbase Document		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document		

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JACK IN THE BOX INC.

By: /S/ JERRY P. REBEL

Jerry P. Rebel

Executive Vice President and Chief Financial Officer (principal financial officer)

(Duly Authorized Signatory)

Date: February 18, 2015

JACK IN THE BOX INC.
TIME-VESTING RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE 2004 STOCK INCENTIVE PLAN

This Time-Vesting Restricted Stock Unit Award Agreement (the "Agreement") is made and entered into effective as of **[Month Day, Year]** (the "Grant Date") by and between Jack in the Box Inc., a Delaware corporation (the "Company"), and **[First Name Last Name]** (the "Awardee").

RECITALS

The Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") which administers the Company's 2004 Stock Incentive Plan, as amended from time to time (the "Plan"), has granted to the Awardee as of the Grant Date this award of Time-Vesting Restricted Stock Units (the "RSU Award"), on the terms and conditions set forth herein.

AGREEMENT

In consideration of the foregoing and of the mutual covenants set forth herein and other good and valuable consideration, the parties hereto agree as follows:

1. CONSIDERATION. The RSU Award has been granted in consideration of the Awardee's continued employment with the Company or a Subsidiary Corporation and acceptance by the Awardee of the terms and conditions set forth below and in the Plan.

2. TIME-VESTING RESTRICTED STOCK UNIT AWARD

(a) RSU AWARD**.** The Committee hereby grants to the Awardee as of the Grant Date, pursuant to the terms of the Plan and this Agreement, an award (the "Award") of **[Total # Units Granted]** RSUs representing the right to receive an equal number of shares of the Company's Common Stock ("Stock") upon vesting over a period of years. All of the RSUs are nonvested and forfeitable as of the Grant Date.

(b) TIME-BASED VESTING**.** The RSUs will be subject to vesting over 5 years, subject to the provisions of this Agreement, and may be rounded in each case to avoid fractional shares:

<<Number of Units>> RSUs shall vest on **[Month Day, Year – 1 year from grant date]**
<<Number of Units>> RSUs shall vest on **[Month Day, Year – 2 years from grant date]**
<<Number of Units>> RSUs shall vest on **[Month Day, Year – 3 years from grant date]**
<<Number of Units>> RSUs shall vest on **[Month Day, Year – 4 years from grant date]**
<<Number of Units>> RSUs shall vest on **[Month Day, Year – 5 years from grant date]**

Each such date on which vesting is scheduled to occur shall be referred to as a "Vesting Date." Vesting shall be contingent on the Awardee's continued employment with the Company or a Subsidiary Corporation from the Grant Date through the applicable Vesting Date.

3. TERMINATION OF EMPLOYMENT.

(a) General. Except as set forth in paragraph (b) below, if the Awardee ceases to provide Service to the Company or a Subsidiary Corporation prior to the date that the RSUs vest in full, then the unvested RSUs as of the date of such cessation will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration for the RSUs, and the Awardee will have no further right, title or interest in or to such RSUs or the underlying shares of Stock.

(b) Termination due to Death, Disability, or Retirement. If the Awardee ceases to provide Service to the Company or a Subsidiary Corporation prior to the date that the RSUs vest in full due to the Awardee's death, Disability, or Retirement, then all unvested RSUs shall become 100% vested on the date of such cessation. For purposes of this Agreement: (i) "Disability" means a physical or mental condition that results in a total and permanent disability to such extent that the Awardee is eligible for disability benefits under the federal Social Security Act, and (ii) "Retirement" means the Awardee's termination of employment other than "for cause" (as determined by the Board in its sole discretion) due to retirement at age 55 or older with 10 or more full years of continuous Service with the Company or a Subsidiary Corporation. Accelerated vesting in accordance with the foregoing will only occur if the Awardee's cessation of employment is also a "separation from service" as defined in Section 409A of the Code.

4. SETTLEMENT OF RSUs.

(a) Subject to the provisions of this Agreement, including Sections 11 and 20(g), and the six-month delay of payment described in paragraph (b) below, the Company shall deliver to the Awardee through a Company-designated brokerage firm, within 30 days following the applicable RSU vesting date, a number of shares of Stock equal to the number of RSUs that became vested on such vesting date (the "Award Shares"), net of any tax withholding.

(b) If the Awardee is, on the date of the Awardee's cessation of employment, a "specified employee," as described in Section 409A of the Code and determined by the Company, then payment of the RSUs that become vested in accordance with Section 3 due to Awardee's cessation of employment due to Disability or Retirement will be made within 30 days after the six-month anniversary of the Awardee's cessation of employment.

5. TAXES AND WITHHOLDING.

(a) Any income taxes, FICA, state disability insurance or other similar payroll and withholding taxes ("Withholding Obligation") arising from the receipt of Award Shares is the sole responsibility of the Awardee. The Company, to the extent permitted by law, may deduct any Withholding Obligation arising from the receipt or vesting of the Award from any payment of any kind due to the Awardee, including the Award, and the net balance will be settled in whole shares of Stock of the Company ("Award Shares"). If withheld in shares, such shares shall be valued at Fair Market Value, as defined in the Plan, on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax Withholding Obligation. In no event shall the Company be required to deliver a fractional share of Stock in settlement of the Award.

(b) By accepting this Award, Awardee hereby elects, effective on the date Awardee accepts this Award, to sell shares of Stock issued in respect of the Award in an amount determined in accordance with this Section, and to allow the Agent, as defined below, to remit the cash proceeds of such sales to the Company as more specifically set forth below (a "Sell to Cover") to permit Awardee to satisfy the Withholding Obligation to the extent the Withholding Obligation is not otherwise satisfied pursuant to the provisions of Section 5(c) below and further acknowledges and agrees to the following provisions:

(i) Awardee hereby irrevocably appoints the Company's designated broker E*Trade, or such other registered broker-dealer that is a member of the Financial Industry Regulatory Authority as the Company may select, as Awardee's agent (the "*Agent*"), and authorizes and directs the Agent to:

(1) Sell on the open market at the then prevailing market price(s), on Awardee's behalf, as soon as practicable on or after the date on which the shares of Stock are delivered to Awardee pursuant to Section 4 hereof in connection with the vesting of the RSUs, the number (rounded up to the next whole number) of shares of Stock sufficient to generate proceeds to cover (A) the satisfaction of the Withholding Obligation arising from the vesting of those RSUs and the related issuance of shares of Stock to Awardee that is not otherwise satisfied pursuant to Section 5(c) hereof and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;

(2) Remit directly to the Company and/or any Affiliate the proceeds necessary to satisfy the Withholding Obligation;

(3) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale; and

(4) Deposit any remaining funds in Awardee's account.

(ii) Awardee acknowledges that Awardee's election to Sell to Cover and the corresponding authorization and instruction to the Agent set forth in this Section is intended to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (Awardee's election to Sell to Cover and the provisions of this Section, collectively, the "10b5-1 Plan"). Awardee acknowledges that by accepting this Award, he or she is adopting the 10b5-1 Plan to permit Awardee to satisfy the Withholding Obligation. Awardee hereby authorizes the Company and the Agent to cooperate and communicate with one another to determine the number of shares of Stock that must be sold pursuant to this Section to satisfy Awardee's obligations hereunder.

(iii) Awardee acknowledges that the Agent is under no obligation to arrange for the sale of Stock at any particular price under this 10b5-1 Plan and that the Agent may effect sales as provided in this 10b5-1 Plan in one or more sales and that the average price for executions resulting from bunched orders may be assigned to Awardee's account. In addition, Awardee acknowledges that it may not be possible to sell shares of Stock as provided for in this 10b5-1 Plan and in the event of the Agent's inability to sell shares of Stock, Awardee will continue to be responsible for the timely payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld.

(iv) Awardee hereby agrees to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this 10b5-1 Plan. The Agent is a third-party beneficiary of this Section and the terms of this 10b5-1 Plan.

(v) Awardee's election to Sell to Cover and to enter into this 10b5-1 Plan is irrevocable. This 10b5-1 Plan shall terminate not later than the date on which the Withholding Obligation arising from the vesting of the RSUs and the related issuance of shares of Stock has been satisfied.

(c) Alternatively, or in addition to or in combination with the Sell to Cover provided for under Section 5(b), Awardee authorizes the Company, at its discretion, to satisfy the Withholding Obligation by the following means (or by a combination of the following means):

(i) Requiring Awardee to pay to the Company any portion of the Withholding Obligation in cash;

(ii) Withholding from any compensation otherwise payable to Awardee by the Company; and/or

(iii) Withholding shares of Stock from the shares of Stock issued or otherwise issuable to Awardee in connection with the Award with a Fair Market Value (measured as of the date shares of Stock are issued pursuant to Section 4) equal to the amount of the Withholding Obligation; provided, however, that the number of such shares of Stock so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(d) Unless the Withholding Obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to Awardee any Stock.

6. HOLDING PERIOD REQUIREMENT. As a condition to receipt of this Award, Awardee hereby agrees to hold and not transfer under any circumstance until the Awardee's termination of employment with the Company or Subsidiary Corporation: **<<percent>>%** (rounded up to the nearest whole share) of the shares of Stock issued pursuant to RSUs that become vested on each Vesting Date (such percentage applying to Award Shares, net of any portion withheld to satisfy the Withholding Obligation.

7. AWARD AS COMPENSATION. No amount attributable to this Award shall be considered as compensation for the purposes of any other Company sponsored plan.

8. LEGALITY. The Company is not required to issue any shares of Stock subject to this Award unless and until all applicable requirements of the Securities and Exchange Commission (the "SEC"), the California Department of Corporations or other regulatory agencies having jurisdiction with respect to such issuance, and any exchanges upon which the Stock may be listed, shall have been fully complied with. If shares of Stock subject to this Award are being distributed subject to restrictions or if the rules and interpretations of the SEC so require, such shares may be issued only if the Awardee represents and warrants in writing to the Company that the shares are being acquired for investment and not with a view to the distribution thereof, and any certificates issued upon distribution of the shares shall bear appropriate legends setting forth the restrictions on transfer of such shares. Such legends may not be removed until the Company so requests, based on the opinion of the Company's Counsel that the restrictions are no longer applicable.

9. ADJUSTMENTS IN STOCK; DISSOLUTION OR LIQUIDATION. Subject to the provisions of the Plan, if the outstanding shares of the Company Stock of the class subject to this Award are increased or decreased, or are changed into or exchanged for a different number or kind of shares or securities as a result of one or more reorganizations, recapitalizations, stock splits, reverse stock splits, stock dividends and the like, appropriate adjustments, to be conclusively determined by the Committee, shall be made in the number and/or type of shares or securities subject to this Award and any fractional shares resulting from adjustments will be rounded down to the nearest whole number. Upon the dissolution or liquidation of the Company, the Award will terminate in full for no consideration.

10. NONTRANSFERABILITY. Except as otherwise provided in this Paragraph, this Award is not transferable other than by will or the laws of descent and distribution. This Award shall not be otherwise transferred, assigned, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and shall not be subject to execution, attachment or similar process. Upon any attempt to transfer this Award otherwise than by will or the laws of descent and distribution or to assign, pledge, hypothecate or otherwise dispose of this Award, other than as permitted herein, or upon the levy of any execution, attachment or similar process upon this Award, this Award shall immediately terminate and become null and void.

11. EFFECT OF CHANGE IN CONTROL.

(a) Treatment of RSU Award. Notwithstanding the terms set forth in the Plan, in the event of a Change in Control (as defined in the Plan), the Acquiring Corporation (as defined in the Plan) may assume the Company's rights and obligation under the RSU Award or substitute for the outstanding RSU Award substantially equivalent restricted stock units for the Acquiring Corporation's stock. In the event the Acquiring Corporation elects not to assume or substitute for the outstanding RSU Award in connection with a Change in Control, the RSU Award held by the Awardee whose Service has not terminated prior to such date shall become 100% vested and payable effective as of the date of the Change in Control (except as otherwise provided in this Agreement). For this purpose, the final value of the Award shall be based on the Fair Market Value of the Stock on the effective date of the Change in Control. Any acceleration with the foregoing shall be conditioned upon the consummation of the Change in Control. If the Acquiring Corporation assumes or substitutes for the outstanding RSU Award, the RSU Award, to the extent not vested, shall become 100% vested and payable effective upon the Awardee's Qualifying Termination (as defined below).

(i) "Qualifying Termination" means the Awardee's "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h) and without regard to any alternate definition thereunder) as a result of the occurrence of any of the following events during the twenty-four (24)-month period following a Change in Control of the Company: (1) the Company's involuntary termination of the Awardee's employment without Cause; or (2) Awardee's voluntary termination of employment for Good Reason. A Qualifying Termination shall not include a termination of Awardee's Service by reason of Awardee's death or disability (defined as a physical or mental condition that results in a total and permanent disability to such extent that the person is eligible for disability benefits under the federal Social Security Act).

(ii) "Cause" shall be determined by a committee designated by the Board, in the exercise of good faith and reasonable judgment, and shall [have the meaning ascribed to such term in any written agreement between the Awardee and the Company defining such term and, in the absence of such agreement, such term means] the occurrence of any of the following: (1) a demonstrably willful and deliberate act or failure to act by the Awardee (other than as a result of incapacity due to physical or mental illness) which is committed in bad faith, without reasonable belief that such action or inaction is in the best interests of the Company, which causes actual material financial injury to the Company and which act or inaction, if remediable, is not remedied within fifteen (15) business days of written notice from the Company; or (2) the Awardee's conviction by a court of competent jurisdiction for committing an act of fraud, embezzlement, theft, or any other act constituting a felony involving moral turpitude or causing material harm, financial or otherwise, to the Company.

(iii) "Good Reason" shall [have the meaning ascribed to such term in any written agreement between the Awardee and the Company defining such term and, in the absence of such agreement, such term means], without the Awardee's express written consent, the Awardee's resignation of Service upon the occurrence of any one or more of the following conditions, provided that the Awardee first provides the Company with written notice of the existence of the applicable condition described in clauses (1) through (5) below no later than ninety (90) days after the initial existence of such condition is known by the Awardee and the Company fails to remedy such condition within 30 days of the date of such written notice:

(1) the material diminution in the Awardee's authorities, duties or responsibilities, which shall include a material reduction or alteration in the nature or status of the Awardee's authorities, duties, or responsibilities, from those in effect as of ninety (90) calendar days prior to the Change in Control, other than an insubstantial and inadvertent act that is remedied by the Company promptly after receipt of notice thereof given by the Awardee;

(2) the Company requiring the Awardee to be based at a location in excess of fifty (50) miles from the location of the Awardee's principal job location or office immediately prior to the Change in Control; except for required travel on the Company's business to an extent consistent with the Awardee's then present business travel obligations;

(3) a material reduction by the Company of the Awardee's regular annualized rate of pay as salary, excluding amounts (i) designated by the Company as payment toward reimbursement of expenses; or (ii) received under incentive or other bonus plans, regardless of whether or not the amounts are deferred;

(4) a material reduction in the Company's compensation, health and welfare benefits, retirement benefits, or perquisite programs under which the Awardee receives value, as such program exists immediately prior to the Change in Control (however, the replacement of an existing program with a new program will be permissible (and not grounds for a Good Reason termination) if there is not a material reduction in the value to be delivered to the Awardee under the new program); or

(5) any material breach by the Company of its obligations under this Agreement [or under any other written agreement under which the Awardee provides services to the Company or the Acquiring Corporation].

(b) Internal Revenue Code Section 280G Excise Tax Provision.

(i) Notwithstanding anything in this Agreement or any other agreement with the Company or any affiliate to the contrary, in the event it shall be determined that (A) any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Awardee (whether pursuant to the terms of this Agreement or otherwise) (each a "Payment" and together the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code and would be subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), and (B) the reduction of the Payments to the maximum amount that could be paid to Awardee without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide Awardee with a greater after-tax amount (taking into account the Excise Tax as well as federal, state and local income and employment taxes) than if such Payments were not reduced, then the Payments shall be reduced to the Safe Harbor Cap. If the reduction of the Payments would not result in a greater after-tax result to Awardee (taking into account the Excise Tax as well as federal, state and local income and employment taxes), then no Payments shall be reduced pursuant to this provision. The Awardee shall be solely responsible for payment of the Excise Tax and such other applicable federal, state, and local income and employment taxes.

(ii) The reduction of the Payments, if applicable, shall be made by applying any reduction in the following order: (A) first, any cash amounts payable to Awardee as a severance benefit (excluding the accelerated vesting set forth in Section 11 of this Agreement) or otherwise; (B) second, any amounts payable on behalf of Awardee for continued health insurance coverage; (C) third, any other cash amounts payable to or on behalf of Awardee, such as for outplacement benefits, or otherwise; (D) fourth, any payments or benefits under any nonqualified deferred compensation plan; (E) fifth, outstanding performance-based equity grants; and (F) finally, any time-vesting equity grants. In each case, Payments will be reduced beginning with Payments that would be made last in time.

(iii) All determinations required to be made under this Section 11 shall be made by the public accounting firm that is retained by the Company (the "Accounting Firm"). The Accounting Firm shall provide detailed supporting calculations both to the Company and Awardee within fifteen (15) business days of the receipt of notice from the Company or Awardee that there has been a Payment, or such earlier time as is requested by the Company. All fees, costs and expenses (including, but not limited to, the costs of retaining experts) of the Accounting Firm shall be borne by the Company. The determination by the Accounting Firm shall be binding upon the Company and Awardee.

12. NOTICES. All notices and other communications made or given pursuant to this Agreement shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to the Awardee, five (5) days after deposit in the United States mail, postage prepaid, addressed to the Awardee at the last address the Awardee provided to the Company, or in the case of notices delivered to the Company by the Awardee, addressed to the Committee, care of the Company for the attention of its Secretary at its principal executive office or, in either case, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request the Awardee's consent to participate in the Plan or accept this Award by electronic means. The Awardee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. PLAN CONTROLS. The Award and all terms and conditions set forth in this Agreement are subject in all respects to the terms and conditions of the Plan, which is incorporated herein by reference, as may be amended from time to time, (but no amendment to the Plan shall adversely affect the Awardee's rights under this Award) and any rules and regulations promulgated by the Committee, which shall be controlling. All constructions, interpretations, rule determinations or other actions taken by the Committee shall be final, binding and conclusive on all interested parties, including the Company and its Subsidiary Corporations and all former, present and future employees of the Company or its Subsidiary Corporations. Capitalized terms that are not defined herein shall have the definition given to them in the Plan.

14. EMPLOYMENT. Nothing in the Plan or in this Agreement shall confer upon the Awardee any right to continue in the employment of the Company or any of its subsidiaries or interfere in any way with any right of the Company to terminate the Awardee's employment at any time.

15. RIGHTS AS A SHAREHOLDER. Nothing in the Plan or in this Agreement shall confer upon the Awardee any rights as a stockholder with respect to any Award Shares prior to the date of distribution of Award Shares to the Awardee.

16. LAWS GOVERNING. The Award and the Plan shall be construed and enforced in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law.

17. RECEIPT OF PROSPECTUS. The Awardee hereby acknowledges that he or she has received a copy of the prospectus relating to the Award and the shares covered thereby and the Plan.

18. GENERAL. The Company shall at all times during the term of this Award reserve and keep available such numbers of shares of Stock as will be sufficient to satisfy the requirements of this Award, shall pay all fees and expenses necessarily incurred by the Company in connection therewith, and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

19. ELECTRONIC DELIVERY OF DOCUMENTS. By signing this Agreement, the Awardee (i) consents to the electronic delivery of this Agreement, all information with respect to the Plan and the Award, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledges that the Awardee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Awardee by contacting the Company by telephone or in writing; (iii) further acknowledges that the Awardee may revoke the Awardee's consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledges that the Awardee understands that the Awardee is not required to consent to electronic delivery of documents.

20. MISCELLANEOUS.

(a) This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement signed by Awardee and the Company, other than as provided in paragraph (g) below. Anything in this Agreement to the contrary notwithstanding, any modification or amendment of this Agreement by a written agreement signed by, or binding upon, Awardee shall be valid and binding upon any and all persons or entities who may, at any time, have or claim any rights under or pursuant to this Agreement (including all Awardees hereunder) in respect of the Award granted to the Awardee.

(b) No waiver of any breach or default hereunder shall be considered valid unless in writing and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature. Anything in this Agreement to the contrary notwithstanding, any waiver, consent or other instrument under or pursuant to this Agreement signed by, or binding upon, the Awardee shall be valid and binding upon any and all persons or entities (other than the Company) who may, at any time, have or claim any rights under or pursuant to this Agreement (including all Awardees hereunder) in respect of the Award originally granted to Awardee.

(c) Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Awardee and his heirs, personal representatives, successors and assigns; provided, however, that nothing contained herein shall be construed as granting the Awardee the right to transfer any of his Award except in accordance with this Agreement. If the Award is settled after the death of the Awardee, the Award shall be considered transferred to the person or persons (the "Heir") to whom the Awardee's rights under the Award passed by will or by the applicable laws of descent and distribution, as to all shares of Stock granted under this Award. It shall be the responsibility of the Heir to notify the Company of any changes in address.

(d) If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

(e) The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

(f) Each party hereto shall cooperate and shall take such further action and shall execute and deliver such further documents as may be reasonably requested by any other party in order to carry out the provisions and purposes of this Agreement.

(g) This Agreement is intended to be exempt from Section 409A of the Code. Should any provision of this Agreement be found to be contrary to this intent, it shall be modified and given effect, in the sole discretion of the Committee and without requiring the Awardee's consent (notwithstanding anything herein to the contrary), in such manner as the Committee determines to be necessary or appropriate to effectuate an exemption from Section 409A of the Code or comply therewith. The Company has no duty or obligation to minimize the tax consequences to the Awardee of this Award and shall not be liable for any adverse tax consequences to the Awardee arising in connection with this Award.

(h) This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

By accepting this RSU Award, Awardee on this date hereby: (1) elects to conduct a Sell to Cover to satisfy the Withholding Obligation in accordance with Section 5 of the Agreement and (2) represents and warrants that (i) Awardee has carefully reviewed Section 5 of the Agreement, (ii) Awardee is not aware of any material, nonpublic information with respect to the Company or any securities of the Company, (iii) Awardee is not subject to any legal, regulatory or contractual restriction that would prevent the Agent (as defined in Section 5) from conducting sales and does not have, and will not attempt to exercise authority, influence or control over any sales of Stock effected by the Agent, and (iv) it is Awardee's intent that this election to Sell to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act and be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act.

IN WITNESS WHEREOF, the Company has caused this Award to be granted on its behalf and Awardee has hereunto set his hand on the day and year first above written.

JACK IN THE BOX INC.	AWARDEE
____________________	____________________
Lenny Comma Chairman and CEO	Signature
	«Name»
	Name
	«Employee_Number»
	Employee ID

v2014-11

JACK IN THE BOX INC.
STOCK OPTION AND PERFORMANCE SHARE AWARD AGREEMENT
UNDER THE 2004 STOCK INCENTIVE PLAN

This Stock Option and Performance Share Award Agreement (the "Agreement") is made and entered into effective as of **[Month Day, Year]** (the "Grant Date") by and between Jack in the Box Inc., a Delaware corporation (the "Company"), and **[Name]** (the "Awardee").

RECITALS

The Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") which administers the Company's 2004 Stock Incentive Plan, as amended from time to time (the "Plan"), has granted to the Awardee as of the Grant Date this award of Stock Options (the "Option") and Performance Shares (the "PSU Award") (collectively, the "Award") on the terms and conditions set forth herein.

AGREEMENT

In consideration of the foregoing and of the mutual covenants set forth herein and other good and valuable consideration, the parties hereto agree as follows:

1 CONSIDERATION. The Option and PSU Award have been granted in consideration of the Awardee's continued employment with the Company or a Subsidiary Corporation and acceptance by the Awardee of the terms and conditions set forth below and in the Plan.

OPTION AWARD

2.1 SHARES OPTIONED; OPTION PRICE. The Awardee may purchase all or any part of an aggregate of **[Total_Shares]** shares of Stock, at the exercise price of **[Exercise Price]** per share (the "Option Exercise Price"), subject to the terms and conditions set forth herein.

2.2 OPTION TERM; EXERCISABILITY. The Option shall terminate and no portion of the Option may be exercised in whole or in part after the close of trading on the NASDAQ Stock Market on the seventh (7th) anniversary of the Grant Date, (the "Expiration Date").

Subject to the terms and conditions described in this Agreement, the Option shall become exercisable in accordance with the schedule below:

(a) One third on **[Month Day, Year – one year from grant date]**

(b) One third on **[Month Day, Year – two years from grant date]**

(c) One third on **[Month Day, Year – two years from grant date]**

2.3 EXERCISE DATES. Subject to the terms and conditions herein and in the Plan, the Option shall become exercisable, on each of the dates and to the extent provided on each date as provided in Section 2.2 above, subject to the Awardee being continuously employed by the Company or a Subsidiary

Corporation from the Grant Date through the applicable exercisability dates. No portion of the Option will become exercisable after the Awardee's employment ceases, except as provided below in the event that the Awardee's employment ceases due to Disability. Fractional shares may not be purchased or delivered hereunder. Once exercisable and until terminated, all or any portion of the exercisable Option may be exercised from time to time and at any time under procedures that the Company shall establish from time to time, including, without limitation, procedures regarding the frequency of exercise and the minimum number of shares of Stock which may be purchased at any time.

2.4 EXERCISING THE OPTION. This Option may be exercised only by the Awardee or his or her permitted transferees and only by the methods set forth herein. Subject to the terms and conditions of the Plan, the Awardee may exercise all or any portion of the Option by giving notice of exercise to the Company or its designee in the manner specified from time to time by the Company, accompanied by payment or instructions for payment in full of the Option Exercise Price for the shares being purchased together with any amount which the Company may withhold upon such exercise for applicable foreign, federal (including FICA), state and local taxes. Each such notice shall specify the number of shares of Stock to be purchased, the Option Exercise Price, the Grant Date, and such other matters as required by the Committee.

2.5 PAYMENT OF EXERCISE PRICE. The payment of the aggregate Option Exercise Price shall be made by means of a payment under an arrangement with the Company's designated broker where payment is made pursuant to an irrevocable commitment by the broker to deliver to the Company the proceeds from the sale of the Stock issuable upon exercise of the Option.

2.6TERMINATION OF EMPLOYMENT.

(a) Termination for Cause. If the Awardee ceases to provide Service to the Company or a Subsidiary Corporation because of the Awardee's discharge for cause, as determined by the Committee in its sole discretion, then this Option shall expire immediately upon such cessation of employment.

(b) Termination of Employment in General. If the Awardee ceases to be employed by the Company or a Subsidiary Corporation because of the Awardee's cessation of employment for any reason other than termination for cause, Retirement, death, or Disability, then the portion of this Option, if any, that is not then exercisable (including by reason of Section 2.8) shall terminate immediately and the portion of this Option, if any, that is then exercisable shall expire ninety days following such cessation of employment, but not later than the Expiration Date. During such period after the Awardee ceases to be an employee, this Option shall be exercisable only as to those shares, if any, with respect to which the Awardee could have exercised the Option as of the date of such cessation of employment (including by reason of Section 2.8).

(c) Retirement. If the Awardee ceases to be employed by the Company or any Subsidiary Corporation because of the Awardee's Retirement, then this Option shall be exercisable only as to those shares, if any, (i) with respect to which the Awardee could have exercised the Option as of the date of such cessation of employment, and (ii) for each twelve full months during which the Awardee was in the employ of the Company or a Subsidiary Corporation an additional 5% of the aggregate number of shares covered by the Option (total exercisable shares not to exceed original grant amount), and the balance of the Option shall terminate immediately; provided, however, that all rights under the exercisable portion of the Option shall expire, in any event, on the Expiration Date specified in Section 2.2 hereof. As used in this Agreement, "Retirement" means the Awardee's termination of employment other than for cause (as determined by the Committee in its sole discretion) due to retirement at age 55 or older with 10 or more full years of continuous employment with the Company or a Subsidiary Corporation.

(d) Death. If the Awardee shall die while in the employment of the Company or a Subsidiary Corporation, and such deceased Awardee shall not have suffered Disability (as defined below) within ninety days prior to death, then this Option shall be exercisable by the person or persons to whom the Awardee's rights under the Option shall have passed by will or by applicable laws of descent and distribution, as to all shares covered by the Option without regard to the exercisability schedule; provided, however, that all rights under the Option shall expire, in any event, on the Expiration Date specified in Section 2.2 hereof.

(e) Disability. If the Awardee shall suffer a Disability while in the employment of the Company or a Subsidiary Corporation, this Option shall continue to become exercisable in accordance with Section 2.2 hereof for twelve months following the Awardee's first day of absence from work with the Company or a Subsidiary Corporation due to Disability; provided, however, that all rights under the Option shall expire, in any event, on the Expiration Date specified in Section 2.2 hereof. As used in this Agreement, "Disability" means a physical or mental condition that results in a total and permanent disability to such extent that the person is eligible for disability benefits under the federal Social Security Act.

2.7 BUY OUT OF OPTION GAINS. At any time after an Option becomes exercisable, the Committee shall have the right to elect, in its sole discretion and without the consent of the holder thereof, to cancel such Option and to pay to the Awardee the excess of the fair market value of the shares of Stock covered by such Option over the Option Exercise Price of such Option at the date the Committee provides written notice (the "Buy Out Notice") of the intention to exercise such right. Buyouts pursuant to this provision shall be effected by the Company as promptly as possible after the date of the Buy Out Notice. Payments of buyout amounts may be made in cash, in shares of Stock, or partly in cash and partly in shares of Stock, as the Committee deems advisable. To the extent payment is made in Stock, the number of shares shall be determined by dividing the amount of the payment to be made by the fair market value of a share of Stock at the date of the Buy Out Notice. In no event shall the Company be required to deliver a fractional share of Stock in satisfaction of this buy out provision. Payments of any such buy out amounts shall be made net of any applicable foreign, federal (including FICA), state and local withholding taxes. For the purposes of this provision, fair market value shall be equal to the average of the high and low prices at which a share of Stock is traded on the NASDAQ Stock Market on the relevant date.

2.8 EFFECT OF CHANGE IN CONTROL. Subject to the provisions of the Plan, in the event of a Change in Control, the Acquiring Corporation may, without the consent of the Awardee, either assume the Company's rights and obligations under the outstanding Option or substitute for the outstanding Option substantially equivalent options for the Acquiring Corporation's stock. In the event that the Acquiring Corporation elects not to assume or substitute for the outstanding Option in connection with a Change in Control, the exercisability and vesting of each such outstanding Option and any shares acquired upon the exercise thereof held by an Awardee whose Service has not terminated prior to the date of the Change in

Control shall be accelerated, effective as of the date ten (10) days prior to the date of the Change in Control. The exercise or vesting of any Option in accordance with the foregoing shall be conditioned upon the consummation of the Change in Control. Any Option which is neither assumed or substituted for by the Acquiring Corporation in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control. In the event the Acquiring Corporation assumes or substitutes the Awardee's outstanding Option, the exercisability and vesting of such outstanding Option and any shares acquired upon exercise thereof held by the Awardee shall be accelerated, effective upon the Awardee's Qualifying Termination (as defined in below).

(i) "Qualifying Termination" means the Awardee's "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h) and without regard to any alternate definition thereunder) as a result of the occurrence of any of the following events during the twenty-four (24)-month period following a Change in Control of the Company: (1) the Company's involuntary termination of the Awardee's employment without Cause; or (2) Awardee's voluntary termination of employment for Good Reason. A Qualifying Termination shall not include a termination of Awardee's Service by reason of Awardee's death or disability (defined as a physical or mental condition that results in a total and permanent disability to such extent that the person is eligible for disability benefits under the federal Social Security Act).

(ii) "Cause" shall be determined by a committee designated by the Board, in the exercise of good faith and reasonable judgment, and shall have the meaning ascribed to such term in any written agreement between the Awardee and the Company defining such term and, in the absence of such agreement, such term means the occurrence of any of the following: (1) a demonstrably willful and deliberate act or failure to act by the Awardee (other than as a result of incapacity due to physical or mental illness) which is committed in bad faith, without reasonable belief that such action or inaction is in the best interests of the Company, which causes actual material financial injury to the Company and which act or inaction, if remediable, is not remedied within fifteen (15) business days of written notice from the Company; or (2) the Awardee's conviction by a court of competent jurisdiction for committing an act of fraud, embezzlement, theft, or any other act constituting a felony involving moral turpitude or causing material harm, financial or otherwise, to the Company.

(iii) "Good Reason" shall [have the meaning ascribed to such term in any written agreement between the Awardee and the Company defining such term and, in the absence of such agreement, such term means], the Awardee's resignation of Service, without the Awardee's express written consent, upon the occurrence of any one or more of the following conditions, provided that the Awardee first provides the Company with written notice of the existence of the applicable condition described in clauses (1) through (5) below no later than ninety (90) days after the initial existence of such condition is known by the Awardee and the Company fails to remedy such condition within 30 days of the date of such written notice:

(1) the material diminution in the Awardee's authorities, duties or responsibilities, which shall include a material reduction or alteration in the nature or status of the Awardee's authorities, duties, or responsibilities, from those in effect as of ninety (90) calendar days prior to the Change in Control, other than an insubstantial and inadvertent act that is remedied by the Company promptly after receipt of notice thereof given by the Awardee;

(2) the Company requiring the Awardee to be based at a location in excess of fifty (50) miles from the location of the Awardee's principal job location or office immediately prior to the Change in Control; except for required travel on the Company's business to an extent consistent with the Awardee's then present business travel obligations;

(3) a material reduction by the Company of the Awardee's regular annualized rate of pay as salary, excluding amounts (i) designated by the Company as payment toward reimbursement of expenses; or (ii) received under incentive or other bonus plans, regardless of whether or not the amounts are deferred;

(4) a material reduction in the Company's compensation, health and welfare benefits, retirement benefits, or perquisite programs under which the Awardee receives value, as such program exists immediately prior to the Change in Control (however, the replacement of an existing program with a new program will be permissible (and not grounds for a Good Reason termination) if there is not a material reduction in the value to be delivered to the Awardee under the new program); or

(5) any material breach by the Company of its obligations under this Agreement [or under any other written agreement under which the Awardee provides services to the Company or the Acquiring Corporation].

2.9 RESPONSIBILITY FOR EXERCISE. The Awardee hereby acknowledges that he or she is responsible for taking any and all actions as may be required to exercise this Option in a timely manner and for properly executing any such documents as may be required for exercise in accordance with such rules and procedures as may be established by the Committee from time to time. By signing this Agreement, the Awardee acknowledges that information regarding the procedures and requirements for exercise of the Option is available upon request. The Company shall have no duty or obligation to notify the Awardee of the date on which this Option will expire or otherwise terminate.

PSU AWARD

3.1 PSU AWARD. The Committee hereby grants **[PSU_Shares]** Performance Shares at "target" to the Awardee on the terms and conditions set forth herein. Each Performance Share represents an unfunded and unsecured promise of the Company to deliver a share of Stock to Awardee upon vesting, subject to the requirements set forth herein. The actual number of shares of Stock payable, if any, to the Awardee in settlement of the PSU Award will depend on whether and to the extent that performance goals established by the Committee are attained within the applicable Performance Period (as that term is defined in Section 3.3 herein) as described in Appendix I to this Award.

3.2 VESTING. The PSU Award shall become vested upon the achievement, if any, of Company Performance Goals ("Performance Goals") for the Performance Period (as that term is defined in Section 3.3 herein), as described in Appendix I to this Award, the achievement of which shall be determined by the Committee after the end of the Performance Period. No portion of the PSU Award shall become vested at any time prior to the date the Committee certifies achievement of the Performance Goals for the Performance Period. Vesting shall also be contingent on the Awardee's continued employment with the Company or a Subsidiary Corporation continuously from the Grant Date through the last day of the

Performance Period, except as provided in Section 3.5 (Termination of Employment) of this Agreement. Settlement of shares resulting from vesting of the PSU Award shall be in accordance with Section 3.4.

3.3 PERFORMANCE PERIOD. The Performance Period for the PSU Award shall be the period that begins on **[Month Day, Year and ends on Month Day, Year]**, (the "Performance Period").

3.4 DISTRIBUTION, TAXES AND WITHOLDING. Subject to the provisions of this Agreement, including Sections 3.6 and 15(g), the Company shall deliver to the Awardee (through a Company-designated brokerage firm) within 30 days following the applicable PSU Award vesting date, a number of shares of Stock equal to the number of Performance Shares that became vested on such vesting date, net of any tax withholding.

(a) Any income taxes, FICA, state disability insurance or other similar payroll and withholding taxes ("Withholding Obligation") arising from the receipt of Performance Shares is the sole responsibility of the Awardee. The Company, to the extent permitted by law, may deduct any Withholding Obligation arising from the receipt or vesting of the Award from any payment of any kind due to the Awardee, including the Award, and the net balance will be settled in whole shares of Stock. If withheld in shares, such shares shall be valued at Fair Market Value, as defined in the Plan, on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax Withholding Obligation. In no event shall the Company be required to deliver a fractional share of Stock in settlement of the Award.

(b) By accepting this Award, Awardee hereby elects, effective on the date Awardee accepts this Award, to sell shares of Stock issued in respect of the Award in an amount determined in accordance with this Section, and to allow the Agent, as defined below, to remit the cash proceeds of such sales to the Company as more specifically set forth below (a "Sell to Cover") to permit Awardee to satisfy the Withholding Obligation to the extent the Withholding Obligation is not otherwise satisfied pursuant to the provisions of Section 3.4(c) below and further acknowledges and agrees to the following provisions:

i. Awardee hereby irrevocably appoints the Company's designated broker, or such other registered broker-dealer that is a member of the Financial Industry Regulatory Authority as the Company may select, as Awardee's agent (the "*Agent*"), and authorizes and directs the Agent to:

1) Sell on the open market at the then prevailing market price(s), on Awardee's behalf, as soon as practicable on or after the date on which the shares of Stock are delivered to Awardee pursuant to this Section, the number (rounded up to the next whole number) of shares of Stock sufficient to generate proceeds to cover (A) the satisfaction of the Withholding Obligation arising from the vesting and the related issuance of shares of Stock to Awardee that is not otherwise satisfied pursuant to Section 3.4(c) hereof and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;

2) Remit directly to the Company and/or any Affiliate the proceeds necessary to satisfy the Withholding Obligation;

3) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale; and

4) Deposit any remaining funds in Awardee’s account.

ii. Awardee acknowledges that Awardee’s election to Sell to Cover and the corresponding authorization and instruction to the Agent set forth in this Section is intended to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (Awardee’s election to Sell to Cover and the provisions of this Section, collectively, the “10b5-1 Plan”). Awardee acknowledges that by accepting this Award, he or she is adopting the 10b5-1 Plan to permit Awardee to satisfy the Withholding Obligation. Awardee hereby authorizes the Company and the Agent to cooperate and communicate with one another to determine the number of shares of Stock that must be sold pursuant to this Section to satisfy Awardee’s obligations hereunder.

iii. Awardee acknowledges that the Agent is under no obligation to arrange for the sale of Stock at any particular price under this 10b5-1 Plan and that the Agent may effect sales as provided in this 10b5-1 Plan in one or more sales and that the average price for executions resulting from bunched orders may be assigned to Awardee’s account. In addition, Awardee acknowledges that it may not be possible to sell shares of Stock as provided for in this 10b5-1 Plan and in the event of the Agent’s inability to sell shares of Stock, Awardee will continue to be responsible for the timely payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld.

iv. Awardee hereby agrees to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this 10b5-1 Plan. The Agent is a third-party beneficiary of this Section and the terms of this 10b5-1 Plan.

v. Awardee’s election to Sell to Cover and to enter into this 10b5-1 Plan is irrevocable. This 10b5-1 Plan shall terminate not later than the date on which the Withholding Obligation arising from the vesting of the RSUs and the related issuance of shares of Stock has been satisfied.

(c) Alternatively, or in addition to or in combination with the Sell to Cover provided for under this Section, Awardee authorizes the Company, at its discretion, to satisfy the Withholding Obligation by the following means (or by a combination of the following means):

i. Requiring Awardee to pay to the Company any portion of the Withholding Obligation in cash;

ii. Withholding from any compensation otherwise payable to Awardee by the Company; and/or

iii. Withholding shares of Stock from the shares of Stock issued or otherwise issuable to Awardee in connection with the Award with a Fair Market Value (measured as of the date shares of Stock are issued pursuant to Section 4) equal to the amount of the Withholding Obligation; provided, however, that the number of such shares of Stock so withheld shall not exceed the amount necessary to satisfy the Company’s required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(d) Unless the Withholding Obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to Awardee any Stock.

3.5TERMINATION OF EMPLOYMENT.

(a) General. Except as set forth in paragraph (b) below, if the Awardee ceases to provide Service to the Company or any Subsidiary Corporation prior to the last day of the Performance Period for any reason other than termination for Retirement, Disability, or death, then the PSU Award will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration for the PSU Award, and the Awardee will have no further right, title or interest in or to the PSU Award, any Performance Shares, or any shares of Stock.

(b) Termination due to Retirement, Disability, or Death. If the Awardee ceases to provide Service to the Company or any Subsidiary Corporation prior to the last day of the Performance Period due to the Awardee's Retirement, Disability, or death, then provided that as of **[Month Day, Year – one year from grant date]**, the Awardee is still employed by the Company or a Subsidiary Corporation, and had been continuously employed by the Company or a Subsidiary Corporation since the Grant Date, this PSU Award shall become vested and payable at the end of the Performance Period as described in Section 3.4 solely based on the level of achievement of Company Performance Goals as determined by the Committee, multiplied by a fraction, the numerator of which is the number of full accounting periods the Awardee was continuously employed by the Company or a Subsidiary Corporation during the Performance Period, and the denominator of which is thirty-nine (39). (The Company divides each of its fiscal years into 13 "accounting periods" of four or five weeks each.)

3.6 EFFECT OF CHANGE IN CONTROL. Subject to the terms of the Plan, in the event of a Change in Control, the PSU Award held by the Awardee whose Service has not terminated prior to such date shall become payable effective as of the date of the Change in Control (except as otherwise provided in this Agreement). For this purpose, the final value of the PSU Award shall be determined by (a) with respect to any completed fiscal year periods during the Performance Period, the extent to which the applicable Performance Goals for such periods have been attained during such periods, if measurable and (b) with respect to fiscal year periods which have not been completed as of the date of the Change in Control (or fiscal year periods described in (a) for which performance is not measurable), the pre-established 100% level with respect to each Performance Target comprising the applicable Performance Goals for such period. Any acceleration of the PSU Award in accordance with the foregoing shall be conditioned upon the consummation of the Change in Control.

OPTION AND PSU AWARDS

3 AWARD AS COMPENSATION. No amount attributable to this Award shall be considered as compensation for the purposes of any other Company sponsored plan.

5 NON-TRANSFERABILITY. Except as otherwise provided in this Paragraph, this Award is not transferable other than by will or the laws of descent and distribution. This Award shall not be otherwise transferred, assigned, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and shall not be subject to execution, attachment or similar process. Upon any attempt to transfer this Award otherwise than by will or the laws of descent and distribution or to assign, pledge, hypothecate or otherwise dispose of this Award, other than as permitted herein, or upon the levy of any execution, attachment or similar process upon this Award, this Award shall immediately terminate and become null and void. Notwithstanding the foregoing, with the approval of the Committee, the Option may be transferred to a trust for the benefit of the Awardee or the Awardee's "family member" as that term is defined in the General Instructions to Form S-8 Registration Statement under the Securities Act.

6 LEGALITY. The Company shall not be required to issue any shares of Stock subject to this Award unless and until all applicable requirements of the Securities and Exchange Commission (the "SEC"), the California Department of Corporations or other regulatory agencies having jurisdiction with respect to such issuance, and any exchanges upon which the Stock may be listed, shall have been fully complied with. If the shares of Stock subject to this Award are being distributed subject to restrictions or if the rules and interpretations of the SEC so require, such shares may be issued only if the Awardee represents and warrants in writing to the Company that the shares are being acquired for investment and not with a view to the distribution thereof, and any certificates issued upon distribution of the shares shall bear appropriate legends setting forth the restrictions on transfer of such shares. Such legends may not be removed until the Company so requests, based on the opinion of the Company's counsel that the restrictions are no longer applicable.

7 ADJUSTMENTS IN STOCK; DISSOLUTION OR LIQUIDATION. Subject to the provisions of the Plan, if the outstanding shares of the Company Stock of the class subject to this Award are increased or decreased, or are changed into or exchanged for a different number or kind of shares or securities as a result of one or more reorganizations, recapitalizations, stock splits, reverse stock splits, stock dividends and the like, appropriate adjustments, to be conclusively determined by the Committee, shall be made in the number and/or type of shares or securities subject to this Award and any fractional shares resulting from adjustments shall be rounded down to the nearest whole number. Upon the dissolution or liquidation of the Company, the Award will terminate in full for no consideration.

8 EMPLOYMENT. Nothing in the Plan or in this Agreement shall confer upon the Awardee any right to continue in the employment of the Company or any of its subsidiaries or interfere in any way with any right of the Company to terminate the Awardee's employment at any time.

9 PLAN CONTROLS. The Award and all terms and conditions set forth in this Agreement are subject in all respects to the terms and conditions of the Plan, which is incorporated herein by reference, as may be amended from time to time (but no amendment to the Plan shall adversely affect the Awardee's rights under this Award) and any rules and regulations promulgated by the Committee, which shall be controlling. All constructions, interpretations, rule determinations or other actions taken by the Committee shall be final, binding and conclusive on all interested parties, including the Company and its Subsidiary Corporations and all former, present and future employees of the Company or its Subsidiary Corporations. Capitalized terms that are not defined herein shall have the definition given to them in the Plan.

10 ARBITRATION. Any dispute or claim concerning any Awards granted (or not granted) pursuant to the Plan and this Agreement and any other disputes or claims relating to or arising out of the Plan and this Agreement shall be fully, finally and exclusively resolved by binding arbitration conducted in

San Diego, California, by either (i) the American Arbitration Association in accordance with its rules and procedures, or (ii) by any party mutually agreed upon by the Committee and the claimant. BY ACCEPTING AN AWARD, THE AWARDEE AND THE COMPANY WAIVE THEIR RESPECTIVE RIGHTS TO HAVE ANY DISPUTES OR CLAIMS TRIED BY A JUDGE OR JURY.

11 LAWS GOVERNING. The Award and the Plan shall be construed and enforced in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law.

12 RECEIPT OF PROSPECTUS. The Awardee hereby acknowledges that he or she has received a copy of the prospectus relating to the Award and the shares covered thereby and the Plan.

13 AWARD AGREEMENT. This Agreement has no cash value or other legal significance and the entitlement of any rights here under shall be governed by the terms of the Plan and the books and records maintained by the Company.

14 ELECTRONIC DELIVERY OF DOCUMENTS. By signing this Agreement, the Awardee (i) consents to the electronic delivery of this Agreement, all information with respect to the Plan and the Award, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledges that the Awardee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Awardee by contacting the Company by telephone or in writing; (iii) further acknowledges that the Awardee may revoke the Awardee's consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledges that the Awardee understands that the Awardee is not required to consent to electronic delivery of documents.

15INTERNAL REVENUE CODE SECTION 280G EXCISE TAX PROVISION.

(a) Notwithstanding anything in this Agreement or any other agreement with the Company or any affiliate to the contrary, in the event it shall be determined that (A) any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Awardee (whether pursuant to the terms of this Agreement or otherwise) (each a "Payment" and together the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code and would be subject to the excise tax imposed by Section 4999 of the Code or any successor provision (the "Excise Tax"), and (B) the reduction of the Payments to the maximum amount that could be paid to Awardee without giving rise to the Excise Tax (the "Safe Harbor Cap") would provide Awardee with a greater after-tax amount (taking into account the Excise Tax as well as federal, state and local income and employment taxes) than if such Payments were not reduced, then the Payments shall be reduced to the Safe Harbor Cap. If the reduction of the Payments would not result in a greater after-tax result to Awardee (taking into account the Excise Tax as well as federal, state and local income and employment taxes), then no Payments shall be reduced pursuant to this provision. The Awardee shall be solely responsible for payment of the Excise Tax and such other applicable federal, state, and local income and employment taxes.

(b) The reduction of the Payments, if applicable, shall be made by applying any reduction in the following order: (A) first, any cash amounts payable to Awardee as a severance benefit (excluding the accelerated vesting set forth in Section 11 of this Agreement) or otherwise; (B) second, any amounts payable on behalf of Awardee for continued health insurance coverage; (C) third, any other cash amounts payable to or on behalf of Awardee, such as for outplacement benefits, or otherwise; (D) fourth, any payments or benefits under any nonqualified deferred compensation plan; (E) fifth, outstanding performance-based equity grants; and (F) finally, any time-vesting equity grants. In each case, Payments will be reduced beginning with Payments that would be made last in time.

(c) All determinations required to be made under this Section 11 shall be made by the public accounting firm that is retained by the Company (the “Accounting Firm”). The Accounting Firm shall provide detailed supporting calculations both to the Company and Awardee within fifteen (15) business days of the receipt of notice from the Company or Awardee that there has been a Payment, or such earlier time as is requested by the Company. All fees, costs and expenses (including, but not limited to, the costs of retaining experts) of the Accounting Firm shall be borne by the Company. The determination by the Accounting Firm shall be binding upon the Company and Awardee.

16 MISCELLANEOUS.

(a) This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement signed by the Awardee and the Company other than as provided in paragraph (g) below. Anything in this Agreement to the contrary notwithstanding, any modification or amendment of this Agreement by a written agreement signed by, or binding upon, the Awardee shall be valid and binding upon any and all persons or entities who may, at any time, have or claim any rights under or pursuant to this Agreement (including all Awardees hereunder) in respect of the Award granted to the Awardee.

(b) No waiver of any breach or default hereunder shall be considered valid unless in writing and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature. Anything in this Agreement to the contrary notwithstanding, any waiver, consent or other instrument under or pursuant to this Agreement signed by, or binding upon, the Awardee shall be valid and binding upon any and all persons or entities (other than the Company) who may, at any time, have or claim any rights under or pursuant to this Agreement (including all Awardees hereunder) in respect of the Award originally granted to the Awardee.

(c) Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Awardee and his heirs, personal representatives, successors and assigns; provided, however, that nothing contained herein shall be construed as granting the Awardee the right to transfer any of his Award except in accordance with this Agreement. If the Award is settled after the death of the Awardee, the Award shall be considered transferred to the person or persons (the “Heir”) to whom the Awardee’s rights under the Award passed by will or by the applicable laws of descent and distribution, as to all shares of Stock granted under this Award. It shall be the responsibility of the Heir to notify the Company of any changes in address.

(d) If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

(e) The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

(f) Each party hereto shall cooperate and shall take such further action and shall execute and deliver such further documents as may be reasonably requested by any other party in order to carry out the provisions and purposes of this Agreement.

(g) This Agreement is intended to be exempt from Section 409A of the Code. Should any provision of this Agreement be found to be contrary to this intent, it shall be modified and given effect, in the sole discretion of the Committee and without requiring the Awardee's consent (notwithstanding anything herein to the contrary), in such manner as the Committee determines to be necessary or appropriate to effectuate an exemption from Section 409A of the Code or comply therewith. The Company has no duty or obligation to minimize the tax consequences to the Awardee of this Award and shall not be liable for any adverse tax consequences to the Awardee arising in connection with this Award.

(h) This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

By accepting this PSU Award, Awardee on this date hereby: (1) elects to conduct a Sell to Cover to satisfy the Withholding Obligation in accordance with Section 3.4 of the Agreement and (2) represents and warrants that (i) Awardee has carefully reviewed Section 3.4 of the Agreement, (ii) Awardee is not aware of any material, nonpublic information with respect to the Company or any securities of the Company, (iii) Awardee is not subject to any legal, regulatory or contractual restriction that would prevent the Agent (as defined in Section 3.4) from conducting sales and does not have, and will not attempt to exercise, authority, influence or control over any sales of Stock effected by the Agent, and (iv) it is Awardee's intent that this election to Sell to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act and be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed on its behalf by its President or one of its Vice Presidents and the Awardee has executed, effective on the Grant Date.

JACK IN THE BOX INC.	AWARDEE
______________________________	______________________________
Lenny Comma Chairman and CEO	Signature
	«Name»
	Name
	«Employee_Number»
	Employee ID

v2014-11

Exhibit 31.1

CERTIFICATION

I, Lenny Comma, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack in the Box Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 18, 2015

/S/ LENNY COMMA

Lenny Comma

Chief Executive Officer & Chairman of the Board

Exhibit 31.2

CERTIFICATION

I, Jerry P. Rebel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack in the Box Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 18, 2015

/S/ JERRY P. REBEL

Jerry P. Rebel
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Lenny Comma, Chief Executive Officer of Jack in the Box Inc. (the “Registrant”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of the Registrant, to which this certification is attached as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: February 18, 2015

/S/ LENNY COMMA

Lenny Comma

Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jerry P. Rebel, Chief Financial Officer of Jack in the Box Inc. (the “Registrant”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of the Registrant, to which this certification is attached as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: February 18, 2015

/S/ JERRY P. REBEL

Jerry P. Rebel

Chief Financial Officer