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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended June 24, 2009 | **Commission File No. 1-10275**

BRINKER INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**75-1914582** (I.R.S. employer identification no.)
6820 LBJ Freeway, Dallas, Texas (Address of principal executive offices)	**75240** (Zip Code)

Registrant's telephone number, including area code **(972) 980-9917**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, $0.10 par value

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

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 o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. $1,019,741,370.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 12, 2009
Common Stock, $0.10 par value	102,143,399 shares

DOCUMENTS INCORPORATED BY REFERENCE

We have incorporated portions of our Annual Report to Shareholders for the fiscal year ended June 24, 2009 into Part II hereof, to the extent indicated herein. We have also incorporated by reference portions of our Proxy Statement for our annual meeting of shareholders on October 29, 2009, to be dated on or about September 15, 2009, into Part III hereof, to the extent indicated herein.

PART I

Item 1. BUSINESS.

General

References to "Brinker," "the Company," "we," "us," and "our" in this Form 10-K are references to Brinker International, Inc. and its subsidiaries and any predecessor companies of Brinker International, Inc.

We own, develop, operate and franchise the Chili's Grill & Bar ("Chili's"), On The Border Mexican Grill & Cantina ("On The Border"), and Maggiano's Little Italy ("Maggiano's") restaurant brands. The Company was organized under the laws of the State of Delaware in September 1983 to succeed to the business operated by Chili's, Inc., a Texas corporation, which was organized in August 1977. We completed the acquisitions of On The Border in May 1994 and Maggiano's in August 1995. We sold Macaroni Grill to Mac Acquisition LLC, an affiliate of San Francisco-based Golden Gate Capital, in December 2008 and purchased an 18.2% ownership interest in the new entity.

Restaurant Brands

Chili's Grill & Bar

Chili's is a recognized leader in the Bar & Grill category of casual dining. Hospitality has been the foundation of who we are and how we serve our guests for more than 34 years. Every day at Chili's locations around the world, our guests are greeted with "Welcome to Chili's".

Chili's menu features signature offerings such as Big Mouth Burgers and Bites, smoked in-house Baby Back Ribs, hand-battered Chicken Crispers, Sizzling Fajitas and our Triple Dipper Appetizer, to name just a few. Our all-day varied menu strives to have something for everyone and affordable selections during both lunch and dinner dayparts. We pride ourselves on offering substantial portions of flavorful, high quality food at affordable prices. In most of our Chili's restaurants, you will find a Margarita Bar serving a variety of specialty margaritas, including our signature Presidente Margarita, and a full selection of alcoholic beverages. Chili's also offers time-starved guests the convenience of great quality food, via our To-Go menu and separate To-Go entrances in the majority of our restaurants.

During the year ending June 24, 2009, entrée selections ranged in menu price from $5.99 to $16.99. The average revenue per meal, including alcoholic beverages, was approximately $13.27 per person. During this same year, food and non-alcoholic beverage sales constituted approximately 86.4% of Chili's total restaurant revenues, with alcoholic beverage sales accounting for the remaining 13.6%. Our average annual sales volume per Chili's restaurant during this same year was $3.2 million.

On The Border Mexican Grill & Cantina

On The Border is a full-service, casual dining Mexican restaurant brand. Our new menu offers a wide variety of Mexican favorites, with a focus on fresh, signature and value-oriented Mexican items. The Create Your Own Combo proposition was enhanced to better meet the guest demand for relevant value and affordability with more fresh options. The updated menu also includes fresh new salads like our Citrus Chipotle Chicken Salad; a new, signature OTB Fresh Grill; a Fajita Grill with new, customizable, top-quality fajitas; and a refreshed OTB Taco Stand introducing indulgent items like Taco Melts and fresh classics like Grilled Mahi Mahi Tacos. The menu is complemented by a full offering of beverages like the Perfect Patron margarita, the Fresh, Shaken margarita and our new Sangria.

On The Border offers full bar service, in-restaurant dining and signature patio dining in all locations. On The Border also offers the convenience of a To-Go menu and To-Go entrance to expedite take-out service. In addition to To-Go, On The Border offers catering service, from simple drop-off delivery to full-service event planning.

During the year ending June 24, 2009, entrée selections ranged in menu price from $6.29 to $15.49. The average revenue per meal, including alcoholic beverages, was approximately $14.38 per person. During this same year, food and non-alcoholic beverage sales constituted approximately 81.8% of the On The Border's total restaurant revenues, with alcoholic beverage sales accounting for the remaining 18.2%. Our average annual sales volume per On The Border restaurant during this same year was $2.8 million.

Maggiano's Little Italy

Maggiano's is a full-service, national, casual dining Italian restaurant brand with a passion for making people feel special. Each Maggiano's restaurant is a classic Italian-American restaurant in the style of New York's Little Italy in the 1940s. Our Maggiano's restaurants feature individual and family-style menus, and most of our restaurants also have extensive banquet facilities that can host large party events. We have a full lunch and dinner menu offering chef-prepared, classic Italian-American fare in the form of appetizers, entrées with bountiful portions of pasta, chicken, seafood, veal and prime steaks, and desserts. Our Maggiano's restaurants also offer a full range of alcoholic beverages, including a selection of quality premium wines. In addition, Maggiano's offers delivery service from simple drop-off to pre-event set-up.

During the year ending June 24, 2009, entrée selections ranged in menu price from $8.25 to $40.75. The average revenue per meal, including alcoholic beverages, was approximately $25.88 per person. During this same year, food and non-alcoholic beverage sales constituted approximately 81.6% of Maggiano's total restaurant revenues, with alcoholic beverage sales accounting for the remaining 18.4%. Sales from our banquet facilities made up 19.9% of our total restaurant revenues for the year. Our average annual sales volume per Maggiano's restaurant during this same year was $8.3 million.

Business Strategy

Our long-term vision is to be the dominant, global casual-dining restaurant portfolio company. To achieve our vision, we are focused on building a business model that will enable us to achieve sustainable growth in a variety of economic environments in order to create long-term value for our shareholders. We believe the key to reaching this goal resides within our existing restaurants by leveraging the strong positioning and operating strength of our world-class brands to grow profitable ongoing comparable restaurant sales, while also growing our international presence. The basis of this business model is grounded in our five areas of focus:

- Hospitality;
- Food and beverage excellence;
- Restaurant atmosphere;
- Pace and convenience; and
- International expansion.

Our organization is focused on these five areas that are designed to grow our base business by engaging and delighting our guests, differentiating our brands from competitors throughout the industry, reducing the costs associated with managing our restaurants and establishing a strong presence in key markets around the world. We are monitoring our results closely, as well as the current business environment, in order to pace the implementation of our initiatives appropriately. Our goal is to emerge from the current economic recession with strong brands, a healthy balance sheet and improved operating profit.

We strongly believe disciplined investments in these five strategic priorities will strengthen our brands and allow us to improve our competitive position and deliver more profitable growth over the long term for our shareholders. For example, we believe that the craveable food and signature beverages as well as the flavors and offerings we continue to create at each of our brands, the warm, welcoming and revitalized atmospheres, and technologies and process improvements related to pace and convenience will give our guests new reasons to dine with us more often. Another top area of focus remains creating a culture of hospitality that will differentiate Brinker brands from all others in the industry. Through our investments in team member training and guest measurement programs, we are gaining significant traction in this area and providing our guests a reason to make our brands their preferred choice when dining out. And, with significant economic pressures in the United States as well as globally, international expansion allows further diversification of our portfolio, enabling us to build strength in a variety of markets and economic conditions. Presently, our growth is driven by cultivating relationships with joint venture partners and franchisees.

The casual dining industry is a highly competitive business which is sensitive to changes in economic conditions, trends in lifestyles and fluctuating costs. Our top priority remains increasing profitable traffic over time. We believe that this focus, combined with disciplined use of capital and efficient management of operating expenses, will enable us to maintain its position as an industry leader through the current economic recession. We remain confident in the financial health of our company, the long-term prospects of the industry, as well as in our ability to perform effectively in an extremely competitive marketplace and a variety of economic environments.

Franchise Development

In fulfilling our long-term vision, and being mindful of our five areas of focus, our restaurant brands will continue to expand primarily through our franchisees and joint venture partners.

As part of our strategy to expand through our franchisees, our overall percentage of franchise operations (domestically and internationally) increased in fiscal 2009. The following table illustrates the percentages of franchise operations as of June 24, 2009 for the Company and by restaurant brand:

	Percentage of Franchise Operated Restaurants (domestic and international)
Brinker	39%
Chili's	42%
On The Border	24%
Maggiano's	0%

International

We continue our international growth through development agreements with new and existing franchisees and joint venture partners introducing our brands into new countries, as well as expanding them in existing countries. At June 24, 2009, we had 42 total development arrangements. During the fiscal year 2009, our international franchisees opened 38 Chili's restaurants and five On The Border restaurants. In the same year, we entered into new or renewed development agreements with five franchisees for the development of 44 Chili's restaurants and six On The Border restaurants. The areas of development for these locations include all or portions of the countries Dominican Republic, Mexico, Oman, Puerto Rico, Russian Federation and United Arab Emirates.

As we develop our brands internationally, we will selectively pursue expansion through various means, including franchising and joint ventures. A typical international franchise development agreement provides for payment of development fees and franchise fees in addition to subsequent royalty fees based on the gross sales of each restaurant. We expect future development agreements to remain limited to enterprises having significant experience as restaurant operators and proven financial ability to support and develop multi-unit, as well as, in some instances, multi-brand operations.

Domestic

Domestic expansion is focused primarily through growth in our number of franchised restaurants. We are accomplishing this part of our growth through existing, new or renewed development obligations with new or existing franchisees. In addition, we have also sold and may sell company-owned restaurants to our franchisees (new or existing). At June 24, 2009, 22 total domestic development arrangements existed. Similar to our international franchise agreements, a typical domestic franchise development agreement provides for payment of development and initial franchise fees in addition to subsequent royalty and advertising fees based on the gross sales of each restaurant. We expect future domestic franchise development agreements to remain limited to enterprises having significant experience as restaurant operators and proven financial ability to support and develop multi-unit operations. In some instances, we have and may enter into development agreements for multiple brands with the same franchisee.

Domestic expansion efforts continue to focus not only on major metropolitan areas in the United States but also on smaller market areas and non-traditional locations (such as airports, college campuses, toll plazas, and food courts) that can adequately support our restaurant brands.

During the year ended June 24, 2009, not including any restaurants we sold to our franchisees, our domestic franchisees opened 27 Chili's restaurants and seven On The Border restaurants. We also entered into a new development agreement with an existing franchisee for the development of eight Chili's restaurants. The areas of development for these franchise locations include all or portions of the States of Illinois, Iowa, Minnesota, Missouri, North Dakota and South Dakota. In connection with this development agreement, we sold nine Company-owned Chili's restaurants to this franchisee.

Company Development

Our near-term focus continues to be less on domestic development of new company-operated restaurants than we have historically done, allowing us to focus on our other strategic initiatives and areas of focus. At such time as the business environment permits, we will evaluate development of new company-operated restaurants.

The following table illustrates the system-wide restaurants opened in fiscal 2009 and the planned openings in fiscal 2010:

	Fiscal 2009 Openings(1)	Fiscal 2010 Projected Openings
Chili's:		
Company-operated	8	—
Franchise(2)	27	15 - 20
On The Border:		
Company-operated	—	1
Franchise(2)	7	1 - 3
Maggiano's	2	1
International:		
Company-operated(3)	2	—
Franchise(3)	43	35 - 38
Total	89	53 - 63

(1) The numbers in this column are the total of new restaurant openings and openings of relocated restaurants during fiscal 2009.

(2) The numbers on this line for fiscal 2010 are projected domestic franchise openings.

(3) The numbers on this line are for all brands.

We periodically reevaluate company-owned restaurant sites to ensure that site attributes have not deteriorated below our minimum standards. In the event site deterioration occurs, each brand makes a concerted effort to improve the restaurant's performance by providing physical, operating and marketing enhancements unique to each restaurant's situation. If efforts to restore the restaurant's performance to acceptable minimum standards are unsuccessful, the brand considers relocation to a proximate, more desirable site, or evaluates closing the restaurant if the brand's measurement criteria, such as return on investment and area demographic trends, do not support relocation. Since inception, relating to our current restaurant brands, we have closed 225 restaurants, including 55 in fiscal 2009. We perform a comprehensive analysis that examines restaurants not performing at a required rate of return. A portion of these closed restaurants were performing below our standards or were near or at the expiration of their lease term. Our strategic plan is targeted to support our long-term growth objectives, with a focus on continued development of those restaurant brands that have the greatest return potential for the Company and our shareholders.

Our capital investment in new restaurants may differ in the future due to building design specifications, site location, and site characteristics. The following table illustrates the approximate average capital investment for company-owned restaurants opened in fiscal 2009:

	Chili's	On the Border(3)	Maggiano's
Land(1)	$ 1,215,000	—	$ 1,797,000
Building	1,940,000	—	4,695,000
Furniture & Equipment	525,000	—	1,265,000
Other(2)	55,000	—	36,000
Total	$ 3,735,000	—	$ 7,793,000

(1) This amount represents the average cost for land acquisition, capital lease values net of landlord contributions (or an equivalent amount for operating lease costs also net of landlord contributions) based on estimated lease payments and other costs that will be incurred through the term of the lease.

(2) This amount includes liquor licensing costs which can vary significantly depending on the jurisdiction where the restaurants are located.

(3) We did not open any On The Border restaurants in fiscal 2009. Average capital investment for an On The Border restaurant in fiscal 2008 varied due to differences in square footage: $1.6 million to $0.9 million for land, $1.8 million to $0.8 million for building, $0.5 for furniture and equipment and less than $0.1 million for other expenses.

Restaurant Management

In fiscal 2009, we made some significant organizational changes around our business model supporting our restaurant brands. These changes are designed to maximize our talent, streamline decision making to improve quality and productivity, prepare and allow us to move quickly and efficiently, bring more big ideas to our brands and ensure our guests experience The Power of Welcome each and every time they frequent our restaurants.

Specifically, our Chili's and On The Border brands share one president; one set of operational supervisors organized into geographic regions, not by brands; one franchise operations team; and blended finance, marketing and peopleworks teams. We have also designated one vice president to oversee our culinary teams and report to our Chief Marketing Officer. We believe these changes will not merge or change the unique identities of our brands, but will allow us to strengthen each brand by leveraging our shared services and adopting best practices across all brands. We continue to utilize common and shared infrastructure, including, among other services, accounting, information technology, purchasing, legal and restaurant development.

At the restaurant level, management structure varies by brand. The individual restaurants themselves are led by a management team including a general manager and, on average, between two to six additional managers. The level of restaurant supervision depends upon the operating complexity and sales volume of each brand and each location.

We believe that there is a high correlation between the quality of restaurant management and the long-term success of a brand. In that regard, we encourage increased experience at all management positions through various short and long-term incentive programs, which may include equity ownership. These programs, coupled with a general management philosophy emphasizing quality of life, have enabled us to attract and retain team members.

We ensure consistent quality standards in all brands through the issuance of operations manuals covering all elements of operations and food and beverage manuals, which provide guidance for preparation of brand-formulated recipes. Routine visitation to the restaurants by all levels of supervision enforces strict adherence to our overall brand standards and operating procedures.

Each brand is responsible for maintaining each brand's operational training program. The training program typically includes a three to four month training period for restaurant management trainees. We also provide continued management training for managers and supervisors to improve effectiveness or prepare them for more responsibility. Training teams consisting of groups of team members experienced in all facets of restaurant operations train team members to open new restaurants.

Purchasing

Our ability to maintain consistent quality throughout each of our restaurant brands depends upon acquiring products from reliable sources. Our pre-approved suppliers and our restaurants are required to adhere to strict product and safety specifications established through our quality assurance and culinary programs. These requirements ensure that high quality products are served in each of our restaurants. We strategically negotiate directly with major suppliers to obtain competitive prices. We also use purchase commitment contracts when appropriate to stabilize the potentially volatile pricing associated with certain commodity items. All essential products are available from pre-qualified distributors to be delivered to any of our restaurant brands. Additionally, as a purchaser of a variety of protein products, we do require our vendors to adhere to humane processing standards for their respective industries and encourage them to evaluate new technologies for food safety and humane processing improvements. Because of the relatively rapid turnover of perishable food products, inventories in the restaurants, consisting primarily of food, beverages and supplies, have a modest aggregate dollar value in relation to revenues.

Advertising and Marketing

Our brands generally focus on the eighteen to fifty-four year-old age group, which constitutes approximately half of the United States population. Though members of this target segment grew up on fast food, we believe that for many meal occasions, these consumers value the benefits of the casual dining category, particularly the higher food quality and enhanced dining experience. To reach this target group, we use a mix of television, radio, print, outdoor or online advertising, with each of our restaurant brands utilizing one or more of these mediums to meet the brand's communication strategy and budget. Our brands have also developed and use to varying degrees sophisticated consumer marketing research techniques to monitor guest satisfaction and evolving expectations.

Our franchise agreements generally require advertising contributions to us by the franchisees. We use these contributions for the purpose of helping retain an advertising agency, obtaining consumer insights, developing and producing brand-specific creative materials and purchasing national or regional media to meet the brand's strategy. Some franchisees also spend additional amounts on local advertising. Any such local advertising must first be approved by us.

Team Members

At June 24, 2009, we employed approximately 77,100 team members, of whom approximately 700 were restaurant support center personnel, 4,600 were restaurant area directors, managers or trainees and 71,800 were employed in non-management restaurant positions. Our executive officers have an average of approximately 25 years of experience in the restaurant industry.

We consider our team member relations to be positive and continue to focus on improving our team member turnover rate. We use various tools and programs to help us hire our new team members. Some of these tools aid in determining if our prospective team members (hourly and management) have the proper skills for working at our restaurants. Most team members, other than restaurant management and restaurant support center personnel, are paid on an hourly basis. We believe that we provide working conditions and wages that compare favorably with those of our competition. Our team members are not covered by any collective bargaining agreements.

Trademarks

We have registered and/or have pending, among other marks, "Brinker International", "Chili's", "Chili's Bar & Bites", "Chili's Margarita Bar", "Chili's Southwest Grill & Bar", "Chili's Too", "On The Border", "On The Border Mexican Cafe", "On The Border Mexican Grill & Cantina", "Maggiano's", and "Maggiano's Little Italy", as trademarks with the United States Patent and Trademark Office.

Available Information

We maintain an internet website with the address of *http://www.brinker.com*. You may obtain, free of charge, at our website, copies of our reports filed with, or furnished to, the Securities and Exchange Commission (the "SEC") on Forms 10-K, 10-Q, and 8-K. Any amendments to such reports are also available for viewing and copying at our internet website. These reports will be available as soon as reasonably practicable after filing such material with, or furnishing it to, the SEC. In addition, you may view and obtain, free of charge, at our website, copies of our corporate governance materials, including, Corporate Governance Guidelines, Governance and Nominating Committee Charter, Audit Committee Charter, Compensation Committee Charter, Executive Committee Charter, Code of Conduct and Ethical Business Policy, and Problem Resolution Procedure/Whistle Blower Policy.

Item 1A. RISK FACTORS.

We wish to caution you that our business and operations are subject to a number of risks and uncertainties. The factors listed below are important factors that could cause actual results to differ materially from our historical results and from those projected in forward-looking statements contained in this report, in our other filings with the SEC, in our news releases, written or electronic communications, and verbal statements by our representatives.

You should be aware that forward-looking statements involve risks and uncertainties. These risks and uncertainties may cause our or our industry's actual results, performance or achievements to be materially different from any future results, performances or achievements contained in or implied by these forward-looking statements. Forward-looking statements are generally accompanied by words like "believes," "anticipates," "estimates," "predicts," "expects," and other similar expressions that convey uncertainty about future events or outcomes.

Risks Related to Our Business

Competition may adversely affect our operations and financial results.

The restaurant business is highly competitive as to price, service, restaurant location, nutritional and dietary trends and food quality, and is often affected by changes in consumer tastes, economic conditions, population and traffic patterns. We compete within each market with locally-owned restaurants as well as national and regional restaurant chains, some of which operate more restaurants and have greater financial resources and longer operating histories than ours. There is active competition for management personnel and hourly team members. We face growing competition as a result of the trend toward convergence in grocery, deli and restaurant services, including the offering by the grocery industry of convenient meals in the form of improved entrees and side dishes, as well as the trend in quick service and fast casual restaurants toward higher quality food and beverage offerings. We compete primarily on the quality, variety and value perception of menu items, as well as the quality and efficiency of service, the attractiveness of facilities and the effectiveness of advertising and marketing programs.

The global economic crisis adversely impacted our business and financial results in fiscal 2009 and a prolonged recession could materially affect us in the future.

The restaurant industry is dependent upon consumer discretionary spending. The global economic crisis has reduced consumer confidence to historic lows impacting the public's ability and/or desire to spend discretionary dollars as a result of job losses, home foreclosures, significantly reduced home values, investment losses in the financial markets, personal bankruptcies and reduced access to credit, resulting in lower levels of guest traffic in our restaurants. If this difficult economic situation continues for a prolonged period of time and/or deepens in magnitude, our business, results of operations and ability to comply with the covenants under our credit facility could be materially affected. Continued deterioration in guest traffic and/or a reduction in the average amount guests spend in our restaurants will negatively impact our revenues. This will result in sales deleverage, spreading fixed costs across a lower level of sales, and will, in turn cause downward pressure on our profitability. The result could be further reductions in staff levels, asset impairment charges and potential restaurant closures. In addition, the adverse fiscal condition of any states where we operate restaurants could result in these state governments issuing IOUs rather than tax refunds or employee paychecks, which could affect guest spending patterns in these locations.

Future recessionary effects on us are unknown at this time and could have a potential material adverse effect on our financial position and results of operations. There can be no assurance that the government's plan to stimulate the economy will restore consumer confidence, stabilize the financial markets, increase liquidity and the availability of credit, or result in lower unemployment.

The current economic crisis could have a material adverse impact on our landlords or other tenants in retail centers in which we or our franchisees are located, which in turn could negatively affect our financial results.

If the recession continues or increases in severity, our landlords may be unable to obtain financing or remain in good standing under their existing financing arrangements, resulting in failures to pay required construction contributions or satisfy other lease covenants to us. In addition other tenants at retail centers in which we or our franchisees are located or have executed leases may fail to open or may cease operations. If our landlords fail to satisfy required co-tenancies, such failures may result in us or our franchisees terminating leases or delaying openings in these locations. Also, decreases in total tenant occupancy in retail centers in which we are located may affect guest traffic at our restaurants. All of these factors could have a material adverse impact on our operations.

Inflation may increase our operating expenses.

We have experienced impact from inflation. Inflation has caused increased food, labor and benefits costs and has increased our operating expenses. We have in the recent past experienced increased food costs due to the diversion of food crop production to non-traditional uses, as well as increased food costs due to increased fuel costs for our vendors. As operating expenses increase, we, to the extent permitted by competition, recover increased costs by increasing menu prices, or by reviewing, then implementing, alternative products or processes, or by implementing other cost reduction procedures. We cannot ensure, however, that we will be able to continue to recover increases in operating expenses due to inflation in this manner.

Changes in governmental regulation may adversely affect our ability to maintain our existing and future operations and to open new restaurants.

We are subject to the Fair Labor Standards Act (which governs such matters as minimum wages, overtime and other working conditions), along with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, various family leave mandates and a variety of other laws enacted, or rules and regulations promulgated by federal, state and local governmental authorities that govern these and other employment matters. We expect increases in payroll expenses as a result of federal and state mandated increases in the minimum wage, and although such increases are not expected to be material, we cannot assure you that there will not be material increases in the future. Enactment and enforcement of various federal, state and local laws, rules and regulations on immigration and labor organizations may adversely impact the availability and costs of labor for our restaurants in a particular area or across the United States. Other labor shortages or increased team member turnover could also increase labor costs. In addition, our vendors may be affected by higher minimum wage standards or availability of labor, which may increase the price of goods and services they supply to us.

Each of our and our franchisees' restaurants is also subject to licensing and regulation by alcoholic beverage control, health, sanitation, safety and fire agencies in the state, county and/or municipality where the restaurant is located. We are also subject to laws and regulations, which vary from jurisdiction to jurisdiction, relating to nutritional content and menu labeling. Compliance with these laws and regulations may lead to increased costs and operational complexity, changes in sales mix and profitability, and increased exposure to governmental investigations or litigation. We generally have not encountered any material difficulties or failures in obtaining and maintaining the required licenses and approvals that could impact the continuing operations of an existing restaurant, or delay or prevent the opening of a new restaurant. Although we do not, at this time, anticipate any occurring in the future, we cannot assure you that we or our franchisees will not experience material difficulties or failures that could impact the continuing operations of an existing restaurant, or delay the opening of restaurants in the future.

We are also subject to federal and state environmental regulations, and although these have not had a material negative effect on our operations, we cannot ensure that there will not be a material negative effect in the future. More stringent and varied requirements of local and state governmental bodies with respect to zoning, land use and environmental factors could delay, prevent or make cost prohibitive the continuing operations of an existing restaurant or the development of new restaurants in particular locations.

Our profitability may be adversely affected by increases in energy costs.

Our success depends in part on our ability to absorb increases in utility costs, in particular electricity and natural gas. Various regions of the United States in which we operate multiple restaurants have experienced in the recent past significant increases in utility prices. These increases have affected costs and if they occur again, it would have possible adverse effects on our profitability to the extent not otherwise recoverable through price increases or alternative products, processes or cost reduction procedures. Further, higher prices for petroleum-based fuels may be passed on to us by vendors putting further pressure on margins.

Shortages or interruptions in the availability and delivery of food and other supplies may increase costs or reduce revenues.

Possible shortages or interruptions in the supply of food items and other supplies to our restaurants caused by inclement weather, natural disasters such as floods, drought and hurricanes, the inability of our vendors to obtain credit in a tightened credit market, food safety warnings or advisories or the prospect of such pronouncements, or other conditions beyond our control could adversely affect the availability, quality and cost of items we buy and the operations of our restaurants. Our inability to effectively manage supply chain risk could increase our costs and limit the availability of products critical to our restaurant operations.

Successful mergers, acquisitions, divestitures and other strategic transactions are important to our future growth and profitability.

We evaluate potential mergers, acquisitions, franchisees of new and existing restaurants, joint venture investments, and divestitures as part of our strategic planning initiative. These transactions involve various inherent risks, including accurately assessing:

- the value, future growth potential, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- our ability to achieve projected economic and operating synergies;
- unanticipated changes in business and economic conditions affecting an acquired business; and
- our ability to complete divestitures on acceptable terms and at or near the prices estimated as attainable by us.

If we are unable to meet our growth plan, our profitability in the future may be adversely affected.

Our ability to meet our growth plan is dependent upon, among other things, our and our franchisees' ability to:

- increase gross sales and operating profits at existing restaurants with food and beverage options and high quality service desired by our guests;
- identify adequate sources of capital to fund and finance strategic initiatives, including remodeling of existing restaurants and new restaurant development;
- identify available, suitable and economically viable locations for new restaurants;
- obtain all required governmental permits (including zoning approvals and liquor licenses) on a timely basis;
- hire all necessary contractors and subcontractors, obtain construction materials at suitable prices, and maintain construction schedules; and
- hire and train or retain qualified managers and team members for the restaurants.

The success of our franchisees is important to our future growth.

We have significantly increased the percentage of restaurants owned and operated by our franchisees. This increase reduces our immediate control over these restaurants and may expose us to risks not otherwise encountered if we maintained ownership and control of same. These risks include franchisee defaults in their obligations to us arising from financial or other difficulties encountered by them, such as payments to us or maintenance and improvements obligations; limitations on enforcement of franchise obligations due to bankruptcy or insolvency proceedings; inability to participate in business strategy changes due to financial constraints; and failure to comply with food quality and preparation requirements subjecting us to litigation even when we are not legally liable for a franchisee's actions or failure to act.

Our sales volumes generally decrease in winter months.

Our sales volumes fluctuate seasonally and are generally higher in the summer months and lower in the winter months, which may cause seasonal fluctuations in our operating results.

Unfavorable publicity relating to one or more of our restaurants in a particular brand may taint public perception of the brand.

Multi-unit restaurant businesses can be adversely affected by publicity resulting from poor food quality, illness or health concerns or operating issues stemming from one or a limited number of restaurants. In particular, since we depend heavily on the Chili's brand for a majority of our revenues, unfavorable publicity relating to one or more Chili's restaurants could have a material adverse effect on the Chili's brand, and consequently on our business, financial condition and results of operations.

We are dependent on information technology and any material failure of that technology could impair our ability to efficiently operate our business.

We rely on information systems across our operations, including, for example, point-of-sale processing in our restaurants, management of our supply chain, collection of cash, payment of obligations and various other processes and procedures. Our ability to efficiently manage our business depends significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, problems with maintenance, upgrading or transitioning to replacement systems, or a breach in security of these systems could cause delays in customer service and reduce efficiency in our operations. Significant capital investments might be required to remediate any problems.

We outsource certain business processes to third-party vendors that subject us to risks, including disruptions in business and increased costs.

Some business processes that are dependent on technology are outsourced to third parties. Such processes include gift card tracking and authorization, credit card authorization and processing, insurance claims processing, certain payroll and payables processing, tax filings and other accounting processes. We make a diligent effort to ensure that all providers of outsourced services are observing proper internal control practices, such as redundant processing facilities; however, there are no guarantees that failures will not occur. Failure of third parties to provide adequate services could have an adverse effect on our results of operations, financial condition or ability to accomplish our financial and management reporting.

Disruptions in the financial markets may adversely impact the availability and cost of credit and consumer spending patterns.

The disruptions to the financial markets and continuing economic downturn has adversely impacted the availability of credit already arranged and the availability and cost of credit in the future. The disruptions in the financial markets also had an adverse effect on the U.S. and world economy, which has negatively impacted consumer spending patterns. There can be no assurance that various U.S. and world government present and future responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets or increase liquidity or the availability of credit.

Declines in the market price of our common stock or changes in other circumstances that may indicate an impairment of goodwill could adversely affect our financial position and results of operations.

We perform our annual goodwill impairment test in the second quarter of each fiscal year in accordance with the statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." Interim goodwill impairment tests are also required when events or circumstances change between annual tests that would more likely than not reduce the fair value of our reporting units below their carrying value. It is possible that a change in circumstances such as the decline in the market price of our common stock or changes in consumer spending levels, or in the numerous variables associated with the judgments, assumptions and estimates made in assessing the appropriate valuation of our goodwill, could negatively impact the valuation of our brands and create the potential for a non-cash charge to recognize impairment losses on some or all of our goodwill. If we were required to write down a portion of our goodwill and record related non-cash impairment charges, our financial position and results of operations would be adversely affected.

Changes to estimates related to our property and equipment, or operating results that are lower than our current estimates at certain restaurant locations, may cause us to incur impairment charges on certain long-lived assets.

We make certain estimates and projections with regards to individual restaurant operations, as well as our overall performance in connection with our impairment analyses for long-lived assets in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." An impairment charge is required when the carrying value of the asset exceeds the estimated fair value or undiscounted future cash flows of the asset. The projection of future cash flows used in this analysis requires the use of judgment and a number of estimates and projections of future operating results. If actual results differ from our estimates, additional charges for asset impairments may be required in the future. If impairment charges are significant, our results of operations could be adversely affected.

Failure to protect the integrity and security of individually identifiable data of our guests and teammates could expose us to litigation and damage our reputation.

We receive and maintain certain personal information about our guests and teammates. The use of this information by us is regulated at the federal and state levels, as well as by certain third party contracts. If our security and information systems are compromised or our business associates fail to comply with these laws and regulations and this information is obtained by unauthorized persons or used inappropriately, it could adversely affect our reputation, as well as operations, results of operations and financial condition, and could result in litigation against us or the imposition of penalties. As privacy and information security laws and regulations change, we may incur additional costs to ensure it remains in compliance.

Identification of material weakness in internal control may adversely affect our financial results.

We are subject to the ongoing internal control provisions of Section 404 of the Sarbanes-Oxley Act of 2002. Those provisions provide for the identification of material weaknesses in internal control. If such a material weakness is identified, it could indicate a lack of adequate controls to generate accurate financial statements. We routinely assess our internal controls, but we cannot assure you that we will be able to timely remediate any material weaknesses that may be identified in future periods, or maintain all of the controls necessary for continued compliance. Likewise, we cannot assure you that we will be able to retain sufficient skilled finance and accounting team members, especially in light of the increased demand for such individuals among publicly traded companies.

Other risk factors may adversely affect our financial performance.

Other risk factors that could cause our actual results to differ materially from those indicated in the forward-looking statements by affecting, among many things, pricing, consumer spending and consumer confidence, include, without limitation, changes in economic conditions and financial and credit markets (including rising interest rates and costs for consumers and reduced disposable income); credit availability; increased costs of food commodities; increased fuel costs and availability for our team members, customers and suppliers; health epidemics or pandemics or the prospects of these events (such as reports on swine flu); consumer perceptions of food safety; changes in consumer tastes and behaviors; governmental monetary policies; changes in demographic trends; availability of employees; terrorist acts; energy shortages and rolling blackouts; and weather (including, major hurricanes and regional winter storms) and other acts of God.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 2. PROPERTIES.

Restaurant Locations

At June 24, 2009, our system of company-owned and franchised restaurants included 1,689 restaurants located in 50 states, and Washington, D.C. We also have restaurants in the countries of Bahrain, Canada, Ecuador, Egypt, El Salvador, Germany, Guam, Guatemala, Honduras, India, Indonesia, Japan, Kuwait, Lebanon, Malaysia, Mexico, Oman, Peru, Philippines, Portugal, Puerto Rico, Qatar, Saudi Arabia, Singapore, South Korea, Taiwan, Turkey, United Arab Emirates and Venezuela. We have provided you a breakdown of our portfolio of restaurants in the two tables below:

Table 1: Company-owned vs. franchise (by brand) as of June 24, 2009:

Chili's	
Company-owned	858
Franchise	627
On the Border:	
Company-owned	122
Franchise	38
Maggiano's	44
Total	1,689

Table 2: Domestic vs. foreign locations (by brand) as of June 24, 2009 (company-owned and franchised):

	Domestic (No. of States)	Foreign (No. of countries)
Chili's	1,292 (50)	193 (29)
On The Border	152 (37)	8 (5)
Maggiano's	44 (21 & D.C.)	None

Restaurant Property Information

The following table illustrates the approximate average dining capacity for each current prototypical restaurant in our restaurant brands:

	Chili's	On The Border	Maggiano's
Square Feet	3,930 - 5,450	3,600 - 5,690	12,000 - 17,000
Dining Seats	150 - 220	140 - 230	500 - 700
Dining Tables	35 - 50	42 - 55	100 - 150

The leases typically provide for a fixed rental plus percentage rentals based on sales volume. At June 24, 2009, we owned the land and building for 224 of our 1,024 company-operated restaurant locations. For these 224 restaurant locations, the net book value for the land was $180.0 million and for the buildings was $181.3 million. For the remaining 800 restaurant locations leased by us, the net book value of the buildings and leasehold improvements was $791.9 million. The 800 leased restaurant locations can be categorized as follows: 631 are ground leases (where we lease land only, but own the building) and 169 are retail leases (where we lease the land/retail space and building). We believe that our properties are suitable, adequate, well-maintained and sufficient for the operations contemplated. Some of our leased restaurants are leased for an initial lease term of 5 to 30 years, with renewal terms of 1 to 35 years.

Other Properties

We own an office building containing approximately 108,000 square feet which we use for part of our corporate headquarters and menu development activities. We lease an additional office complex containing approximately 198,000 square feet for the remainder of our corporate headquarters which is currently utilized by us or reserved for future expansion of our headquarters. Because of our operations throughout the United States, we also lease office space in Arizona, California, Colorado, Florida, Georgia, New Jersey and Texas for use as regional operation offices. The size of these office leases range from approximately 100 square feet to approximately 4,000 square feet.

Item 3. LEGAL PROCEEDINGS.

Certain current and former hourly restaurant employees filed a lawsuit against us in California Superior Court alleging violations of California labor laws with respect to meal and rest breaks. The lawsuit seeks penalties and attorneys' fees and was certified as a class action in July 2006. On July 22, 2008, the California Court of Appeals decertified the class action on all claims with prejudice. On October 22, 2008, the California Supreme Court granted writ to review the decision of the Court of Appeals. We intend to vigorously defend our position. It is not possible at this time to reasonably estimate the possible loss or range of loss, if any.

We are engaged in various other legal proceedings and have certain unresolved claims pending. The ultimate liability, if any, for the aggregate amounts claimed cannot be determined at this time. However, our management, based upon consultation with legal counsel, is of the opinion that there are no matters pending or threatened which are expected to have a material adverse effect, individually or in the aggregate, on our consolidated financial condition or results of operations.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "EAT". Bid prices quoted represent interdealer prices without adjustment for retail markup, markdown and/or commissions, and may not necessarily represent actual transactions. The following table sets forth the quarterly high and low closing sales prices of the common stock, as reported by the NYSE.

Fiscal year ended June 24, 2009:

	High	Low
First Quarter	$20.84	$16.75
Second Quarter	$18.01	$ 3.99
Third Quarter	$14.80	$ 8.30
Fourth Quarter	$19.33	$14.92

Fiscal year ended June 25, 2008:

	High	Low
First Quarter	$30.14	$26.21
Second Quarter	$28.30	$19.00
Third Quarter	$20.06	$15.32
Fourth Quarter	$23.86	$17.67

As of August 12, 2009, there were 877 holders of record of our common stock.

During the fiscal year ended June 24, 2009, we continued to declare quarterly cash dividends for our shareholders. We have set forth the dividends paid for the fiscal year in the following table:

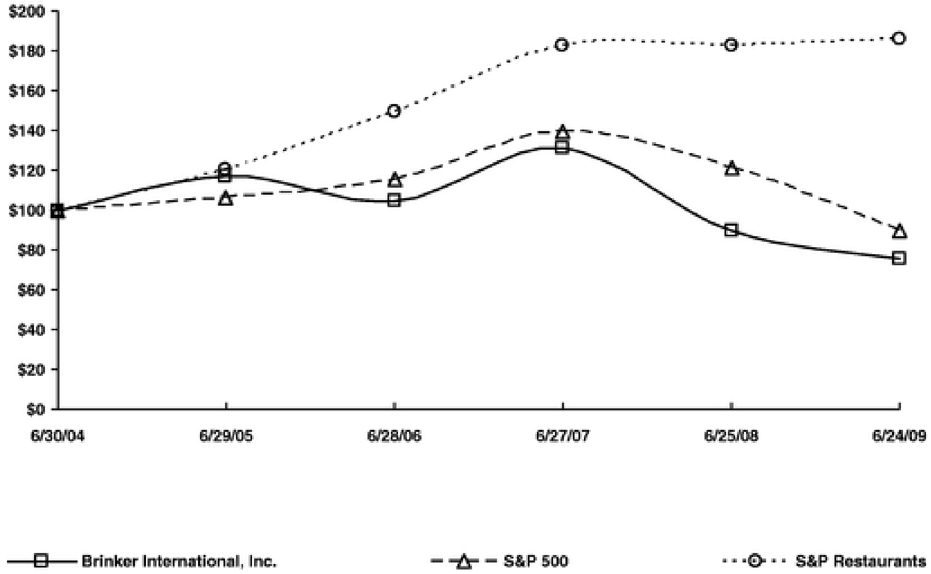
Dividend Per Share of Common Stock	Declaration Date	Record Date	Payment Date
$0.11	August 21, 2008	September 12, 2008	September 24, 2008
$0.11	October 30, 2008	December 4, 2008	December 17, 2008
$0.11	February 10, 2009	March 12, 2009	March 25, 2009
$0.11	May 28, 2009	June 15, 2009	June 24, 2009

The following graph compares the cumulative five-year total return provided shareholders on Brinker International, Inc.'s common stock relative to the cumulative total returns of the S&P 500 Index and the S&P Restaurants Index.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Brinker International, Inc., The S&P 500 Index

And The S&P Restaurants Index



The graph assumes a $100 initial investment and the reinvestment of dividends in our stock and each of the indexes on June 30, 2004 and its relative performance is tracked through June 24, 2009. The values shown are neither indicative nor determinative of future performance.

	2004	2005	2006	2007	2008	2009
Brinker International	$100.00	$116.71	$104.58	$131.06	$ 89.59	$ 75.45
S&P 500	$100.00	$106.32	$115.50	$139.28	$121.01	$ 89.29
S&P Restaurants(1)	$100.00	$120.54	$149.69	$182.28	$182.90	$185.18

(1) The S&P Restaurants Index is comprised of Darden Restaurants, Inc., McDonald's Corp., Starbucks Corp., Wendy's International, Inc., and Yum! Brands Inc.

Except as described in the immediately preceding paragraphs, during the three-year period ended on August 12, 2009, we issued no securities which were not registered under the Securities Act of 1933, as amended.

We continue to maintain our share repurchase program; however, activity in the fourth quarter of fiscal 2009 was minimal. During the fourth quarter, we repurchased shares as follows (in thousands, except share and per share amounts):

	Total Number of Shares Purchased(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value that May Yet be Purchased Under the Program
March 26, 2009 through April 29, 2009	1,841	$ 11.24	—	$ 59,797
April 30, 2009 through May 27, 2009	170	$ 14.68	—	$ 59,797
May 28, 2009 through June 24, 2009	246	$ 16.27	—	$ 59,797
Total	2,257	$ 12.04	—	

(a) These amounts include shares owned and tendered by employees to satisfy tax withholding obligations on the vesting of restricted share awards, which are not deducted from shares available to be purchased under publicly announced programs. Unless otherwise indicated, shares owned and tendered by employees to satisfy tax withholding obligations were purchased at the closing price of the Company's shares on the date of vesting.

Item 6. SELECTED FINANCIAL DATA.

The information set forth in that section entitled "Selected Financial Data" in our 2009 Annual Report to Shareholders is presented on page F-1 of Exhibit 13 to this document. We incorporate that information in this document by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information set forth in that section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2009 Annual Report to Shareholders is presented on pages F-2 through F-12 of Exhibit 13 to this document. We incorporate that information in this document by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information set forth in that section entitled "Quantitative and Qualitative Disclosures About Market Risk" contained within "Management's Discussion and Analysis of Financial Condition and Results of Operations" is in our 2009 Annual Report to Shareholders presented on page F-12 of Exhibit 13 to this document. We incorporate that information in this document by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

We refer you to the Index to Financial Statements attached hereto on page 22 for a listing of all financial statements in our 2009 Annual Report to Shareholders. This report is attached as part of Exhibit 13 to this document. We incorporate those financial statements in this document by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

Item 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934 [the "Exchange Act"]), as of the end of the period covered by this Annual Report on Form 10-K, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

"Management's Report on Internal Control over Financial Reporting" and the attestation report of the independent registered public accounting firm of KPMG, LLP on internal control over financial reporting are in our 2009 Annual Report to Shareholders and are presented on pages F-35 through F-37 of Exhibit 13 to this document. We incorporate these reports in this document by reference.

Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during our fourth quarter ended June 24, 2009, that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION.

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

If you would like information about:

- our executive officers,
- our Board of Directors, including its committees, and
- our Section 16(a) reporting compliance,

you should read the sections entitled "Election of Directors—Information About Nominees", "Committees of the Board of Directors", "Executive Officers", and "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement to be dated on or about September 15, 2009, for the annual meeting of shareholders on October 29, 2009. We incorporate that information in this document by reference.

The Board of Directors has adopted a code of ethics that applies to all of the members of Board of Directors and all of our employees, including, the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code is posted on our internet website at the internet address: *http://www.brinker.com/corp_gov/ethical_business_ policy.asp*. You may obtain free of charge copies of the code from our website at the above internet address.

Item 11. EXECUTIVE COMPENSATION.

If you would like information about our executive compensation, you should read the section entitled "Executive Compensation—Compensation Discussion and Analysis" in our Proxy Statement to be dated on or about September 15, 2009, for the annual meeting of shareholders on October 29, 2009. We incorporate that information in this document by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

If you would like information about our security ownership of certain beneficial owners and management and related stockholder matters, you should read the sections entitled "Director Compensation for Fiscal 2009", "Compensation Discussion and Analysis", and "Stock Ownership of Certain Persons" in our Proxy Statement to be dated on or about September 15, 2009, for the annual meeting of shareholders on October 29, 2009. We incorporate that information in this document by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

If you would like information about certain relationships and related transactions, you should read the section entitled "Compensation Committee Interlocks and Insider Participation" in our Proxy Statement to be dated on or about September 15, 2009, for the annual meeting of shareholders on October 29, 2009. We incorporate that information in this document by reference.

If you would like information about the independence of our non-management directors and the composition of the Audit Committee, Compensation Committee and Governance and Nominating Committee, you should read the sections entitled "Director Independence" and "Committees of the Board of Directors" in our Proxy Statement to be dated on or about September 15, 2009, for the annual meeting of shareholders on October 29, 2009. We incorporate that information in this document by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

If you would like information about principal accountant fees and services, you should read the section entitled "Ratification of Independent Auditors" in our Proxy Statement to be dated on or about September 15, 2009, for the annual meeting of shareholders on October 29, 2009. We incorporate that information in this document by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial Statements.

We make reference to the Index to Financial Statements attached to this document on page 22 for a listing of all financial statements attached as Exhibit 13 to this document.

(a)(2) Financial Statement Schedules.

None.

(a)(3) Exhibits.

We make reference to the Index to Exhibits preceding the exhibits attached hereto on page E-1 for a list of all exhibits filed as a part of this document.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

BRINKER INTERNATIONAL, INC.,
a Delaware corporation

By: /s/ CHARLES M. SONSTEBY

Charles M. Sonsteby,
Executive Vice President and
Chief Financial Officer

Dated: August 24, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, we have signed in our indicated capacities on August 24, 2009.

Name	Title
/s/ DOUGLAS H. BROOKS Douglas H. Brooks	Chairman of the Board, President, and Chief Executive Officer (Principal Executive Officer)
/s/ CHARLES M. SONSTEBY Charles M. Sonsteby	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ HARRIET EDELMAN Harriet Edelman	Director
/s/ MARVIN J. GIROUARD Marvin J. Girouard	Director
/s/ JOHN W. MIMS John W. Mims	Director
/s/ GEORGE R. MRKONIC George R. Mrkonic	Director
/s/ ERLE NYE Erle Nye	Director
/s/ JAMES E. OESTERREICHER James E. Oesterreicher	Director
/s/ ROSENDO G. PARRA Rosendo G. Parra	Director
/s/ CECE SMITH Cece Smith	Director

INDEX TO FINANCIAL STATEMENTS

The following is a listing of the financial statements which are attached hereto as part of Exhibit 13.

All schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

INDEX TO EXHIBITS

Exhibit	
3(a)	Certificate of Incorporation of the Registrant, as amended.(1)
3(b)	Bylaws of the Registrant.(2)
4(a)	Form of 5.75% Note due 2014.(3)
4(b)	Indenture between the Registrant and Citibank, N.A., as Trustee.(4)
4(c)	Registration Rights Agreement by and among the Registrant, Citigroup Global Marketing, Inc., and J.P. Morgan Securities, Inc., as representatives of the initial named purchasers of the Notes.(4)
10(a)	Registrant's 1991 Stock Option Plan for Non-Employee Directors and Consultants.(5)
10(b)	Registrant's 1992 Incentive Stock Option Plan.(5)
10(c)	Registrant's Stock Option and Incentive Plan.(6)
10(d)	Registrant's 1999 Stock Option and Incentive Plan for Non-Employee Directors and Consultants.(7)
10(e)	Transition Agreement dated June 5, 2003, by and among Registrant, Brinker International Payroll Company, L.P. and Mr. Ronald A. McDougall.(8)
10(f)	Consulting Agreement dated August 26, 2004, by and between Registrant and Mr. Ronald A. McDougall.(9)
10(g)	Registrant's Performance Share Plan Description.(10)
10(h)	$215,000,000 Credit Agreement dated as of February 27, 2009, by and among Registrant, Brinker Restaurant Corporation, J.P. Morgan Chase Bank, N.A., J.P. Morgan Securities, Inc., Banc of America Securities, LLC, Bank of America, N.A., Compass Bank and Wells Fargo Bank, National Association(11)
10(i)	$400,000,000 Term Loan Agreement, dated as of October 24, 2007, by and among Registrant, Brinker Restaurant Corporation, Citibank, N.A., Citigroup Markets, Inc., J.P. Morgan Securities, Inc., Bank of America, N.A., JPMorgan Chase Bank N.A., Wachovia Bank, National Association, and the Bank of Tokyo-Mitsubishi UFJ, Ltd.(12)
13	2009 Annual Report to Shareholders.(13)
21	Subsidiaries of the Registrant.(14)
23	Consent of Independent Registered Public Accounting Firm.(14)
31(a)	Certification by Douglas H. Brooks, Chairman of the Board, President and Chief Executive Officer of the Registrant, pursuant to 17 CFR 240.13a—14(a) or 17 CFR 240.15d—14(a).(14)
31(b)	Certification by Charles M. Sonsteby, Executive Vice President and Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a—14(a) or 17 CFR 240.15d—14(a).(14)
32(a)	Certification by Douglas H. Brooks, Chairman of the Board, President and Chief Executive Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(14)
32(b)	Certification by Charles M. Sonsteby, Executive Vice President and Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(14)
99(a)	Proxy Statement of Registrant.(15)

(1) Filed as an exhibit to annual report on Form 10-K for year ended June 28, 1995, and incorporated herein by reference.

(2) Filed as an exhibit to current report on Form 8-K dated May 28, 2009, and incorporated herein by reference.

(3) Included in exhibit 4(d) to annual report on Form 10-K for year ended June 30, 2004, and incorporated herein by reference.

(4) Filed as an exhibit to registration statement on Form S-4 filed June 25, 2004, SEC File No. 333-116879, and incorporated herein by reference.

(5) Filed as an exhibit to annual report on Form 10-K for the year ended June 25, 1997, and incorporated herein by reference.

(6) Filed as Appendix A to Proxy Statement of Registrant, filed on September 11, 2008, and incorporated herein by reference.

(7) Filed as an exhibit to quarterly report on Form 10-Q for the quarter ended December 28, 2005, and incorporated herein by reference.

(8) Filed as an exhibit to annual report on Form 10-K for the year ended June 25, 2003, and incorporated herein by reference.

(9) Filed as an exhibit to annual report on Form 10-K for the year ended June 30, 2004, and incorporated herein by reference.

(10) Filed as an exhibit to quarterly report on Form 10-Q for the quarter ended March 29, 2006, and incorporated herein by reference.

(11) Filed as an exhibit to quarterly report on Form 10-Q for the quarter ended March 25, 2009, and incorporated herein by reference.

(12) Filed as an exhibit to quarterly report on Form 10-Q for the quarter ended December 26, 2007, and incorporated herein by reference.

(13) Portions filed herewith, to the extent indicated herein.

(14) Filed herewith.

(15) To be filed on or about September 15, 2009.

QuickLinks

EXHIBIT 13

BRINKER INTERNATIONAL, INC.

SELECTED FINANCIAL DATA

(In thousands, except per share amounts and number of restaurants)

	Fiscal Years 2009	2008	2007	2006	2005
Income Statement Data:					
Revenues	$ 3,620,580	$ 4,235,223	$ 4,376,904	$ 4,151,291	$ 3,749,539
Operating Costs and Expenses:					
Cost of sales	1,010,515	1,200,763	1,222,198	1,160,931	1,059,822
Restaurant expenses	2,050,653	2,397,908	2,435,866	2,283,737	2,085,529
Depreciation and amortization	161,800	165,229	189,162	190,206	179,908
General and administrative	152,591	170,703	194,349	207,080	153,116
Other gains and charges	134,787	203,950	(8,999)	(17,262)	52,779
Total operating costs and expenses	3,510,346	4,138,553	4,032,576	3,824,692	3,531,154
Operating income	110,234	96,670	344,328	326,599	218,385
Interest expense	33,330	45,862	30,929	22,857	25,260
Other, net	(9,834)	(4,046)	(5,071)	(1,656)	1,526
Income before provision for income taxes	86,738	54,854	318,470	305,398	191,599
Provision for income taxes	7,572	3,132	88,421	91,448	33,143
Income from continuing operations	79,166	51,722	230,049	213,950	158,456
(Loss) income from discontinued operations, net of taxes	—	—	—	(1,555)	1,763
Net income	$ 79,166	$ 51,722	$ 230,049	$ 212,395	$ 160,219
Basic net income per share:					
Income from continuing operations	$ 0.78	$ 0.50	$ 1.90	$ 1.66	$ 1.19
(Loss) income from discontinued operations	$ —	$ —	$ —	$ (0.01)	$ 0.02
Net income per share	$ 0.78	$ 0.50	$ 1.90	$ 1.65	$ 1.21
Diluted net income per share:					
Income from continuing operations	$ 0.77	$ 0.49	$ 1.85	$ 1.63	$ 1.14
(Loss) income from discontinued operations	$ —	$ —	$ —	$ (0.01)	$ 0.01
Net income per share	$ 0.77	$ 0.49	$ 1.85	$ 1.62	$ 1.15
Basic weighted average shares outstanding	101,852	103,101	121,062	128,766	132,795
Diluted weighted average shares outstanding	102,713	104,897	124,116	130,934	141,344
Balance Sheet Data:					
Working capital (deficit)(a)	$ (39,667)	$ (70,801)	$ 111,706	$ 246,649	$ 375,283
Total assets	1,948,947	2,193,122	2,318,021	2,221,779	2,156,124
Long-term obligations(a)	893,141	1,071,209	969,468	629,600	607,208
Shareholders' equity	646,924	595,089	805,089	1,075,832	1,100,282
Cash dividends per share	$ 0.44	$ 0.42	$ 0.34	$ 0.20	$ —
Number of Restaurants Open (End of Period):					
Company-operated	1,024	1,265	1,312	1,290	1,268
Franchised/Joint venture	665	623	489	332	320
Total	1,689	1,888	1,801	1,622	1,588

(a) Prior year amounts have been updated to conform with fiscal 2009 presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand our company, our operations, and our current operating environment. For an understanding of the significant factors that influenced our performance during the past three fiscal years, the MD&A should be read in conjunction with the consolidated financial statements and related notes included in this annual report. Our MD&A consists of the following sections:

- **Overview**—a general description of our business and the casual dining segment of the restaurant industry
- **Results of Operations**—an analysis of our consolidated statements of income for the three years presented in our consolidated financial statements
- **Liquidity and Capital Resources**—an analysis of cash flows including capital expenditures, aggregate contractual obligations, share repurchase activity, known trends that may impact liquidity, and the impact of inflation
- **Critical Accounting Estimates**—a discussion of accounting policies that require critical judgments and estimates

OVERVIEW

We are principally engaged in the ownership, operation, development, and franchising of the Chili's Grill & Bar ("Chili's"), On The Border Mexican Grill & Cantina ("On The Border") and Maggiano's Little Italy ("Maggiano's") restaurant brands. At June 24, 2009, we owned, operated, or franchised 1,689 restaurants. We sold Romano's Macaroni Grill ("Macaroni Grill") to Mac Acquisition LLC ("Mac Acquisition"), an affiliate of San Francisco-based Golden Gate Capital, in December 2008 and purchased an 18.2% ownership interest in the new entity.

Fiscal 2009 was another challenging year for us and the casual dining industry. The economic environment significantly impacted our results; however, we are committed to strengthening our business model and improving profitability despite the significant challenges we currently face. We are focused on initiatives that will allow our business to operate as efficiently as possible and will allow us to maintain our position as an industry leader. We believe that the significant downturn in the economy, including financial market volatility, unemployment and the housing crisis will continue to negatively impact consumer confidence and put pressure on spending. Our negative traffic trends indicate that our guests are limiting discretionary spending by reducing the frequency of their visits to our restaurants or scaling back on check totals. We also experienced a decline in gift card sales of approximately 15% during the holiday season compared to the prior year which negatively impacted fiscal 2009 revenue. We will continually evaluate how we manage the business and make necessary changes in response to competition and the economic factors affecting the restaurant industry.

Our goal is to take actions that will enable us to emerge from this recession in a position of strength with a strong balance sheet and improved operating profit. We are exhibiting discipline in our capital allocation and are taking steps to create sustainable margin improvements through cost controls and operational efficiencies. These steps will help maintain the health of our balance sheet and will provide the stable financial base needed to maintain our business through a depressed operating environment. We are driving profit improvements through a disciplined approach to operations, company-owned new restaurant development and the closure of underperforming restaurants. Effective management of food costs and a focus on labor productivity and reducing fixed costs is helping us gain sustainable margin improvements. Our emphasis on the operations of our existing restaurants has resulted in lower turnover which has positively impacted labor cost and efficiency. Additionally, generating strong cash flows has long been one of our hallmarks and we have taken steps to solidify our cash flows to provide the necessary flexibility to address current challenges and help drive the business forward. We have completed the closure of underperforming restaurants in fiscal 2009 and reduced our fiscal 2009 capital expenditures by approximately $90 million from our initial plan. Virtually all company-owned domestic new restaurant development in fiscal 2010 has been curtailed; however, we will continue development under our international joint venture arrangements. Enhanced free cash flows resulting from our financial discipline and proceeds from the sale of Macaroni Grill have allowed us to reduce our debt levels and will provide flexibility for further debt reductions.

We are committed to our long term strategies and initiatives centered on our five areas of focus—hospitality; food and beverage excellence; restaurant atmosphere; pace and convenience; and international expansion. These strategic priorities are designed to strengthen our brands and build on the long-term health of the company by engaging and delighting our guests, differentiating our brands from the competition, reducing the costs associated with managing our restaurants and establishing a strong presence in key markets around the world. However, we will monitor the results closely as well as the current business environment in order to pace the implementation of our initiatives appropriately.

We strongly believe investments in these five strategic priorities will strengthen our brands and allow us to improve our competitive position and deliver profitable growth over the long term for our shareholders. For example, we believe that the unique and delicious food and signature drinks; the new flavors and offerings we continue to create at each of our brands; and the warm, welcoming and revitalized atmospheres will give our guests new reasons to dine with us more often. Another top area of focus remains creating a culture of hospitality that will differentiate our brands from all others in the industry. Through our investments in team member training and guest measurement programs, we are gaining traction in this area and providing guests a reason to make our brands their preferred choice when dining out. We have recently combined the Chili's and On the Border leadership teams. This change was made to streamline decision making, enhance sharing of best practices and leverage our talent across the portfolio. We believe this structure will enhance our focus on actions that will improve the guest experience. And, with growing economic pressures in the United States and globally, international expansion allows further diversification of our portfolio, enabling us to build strength in a variety of markets and economic conditions. Our growth will be driven by cultivating relationships with franchisees and joint venture partners. Our growing percentage of franchise operations both domestically and internationally enable us to improve margins as royalty payments impact the bottom line.

The casual dining industry is a competitive business which is sensitive to changes in economic conditions, trends in lifestyles and fluctuating costs. Our top priority remains increasing profitable traffic over time. We believe that this focus, combined with discipline around the use of capital and efficient management of operating expenses, will enable us to maintain our position as an industry leader. We remain confident in the financial health of our company, the long-term prospects of the industry as well as in our ability to perform effectively in a competitive marketplace and a variety of economic environments.

RESULTS OF OPERATIONS FOR FISCAL YEARS 2009, 2008, AND 2007

The following table sets forth income and expense items as a percentage of total revenues for the periods indicated:

	Percentage of Total Revenues Fiscal Years		
	2009	2008	2007
Revenues	100.0%	100.0%	100.0%
Operating Costs and Expenses:			
Cost of sales	27.9%	28.4%	27.9%
Restaurant expenses	56.7%	56.6%	55.7%
Depreciation and amortization	4.5%	3.9%	4.3%
General and administrative	4.2%	4.0%	4.4%
Other gains and charges	3.7%	4.8%	(0.2)%
Total operating costs and expenses	97.0%	97.7%	92.1%
Operating income	3.0%	2.3%	7.9%
Interest expense	0.9%	1.1%	0.7%
Other, net	(0.3)%	(0.1)%	(0.1)%
Income before provision for income taxes	2.4%	1.3%	7.3%
Provision for income taxes	0.2%	0.1%	2.0%
Net income	2.2%	1.2%	5.3%

REVENUES

Revenues for fiscal 2009 decreased to $3,620.6 million, a 14.5% decrease from the $4,235.2 million generated for fiscal 2008. The decrease in revenue was primarily attributable to net declines in capacity at company-owned restaurants as well as a decrease in comparable restaurant sales across all brands as follows:

	Fiscal Year Ended June 24, 2009			
	Capacity	Price Increase	Mix Shift	Comparable Sales
Brinker International	(10.7)%	3.0%	(1.0)%	(6.0)%
Chili's	(1.6)%	3.2%	(0.8)%	(5.6)%
On The Border	(5.1)%	3.4%	(1.4)%	(4.4)%
Maggiano's	3.7%	1.5%	(2.2)%	(7.3)%
Macaroni Grill(1)	(14.6)%	2.8%	(1.1)%	(9.8)%

(1) Macaroni Grill capacity and comparable restaurant sales for the fiscal year ended June 24, 2009 includes the impact through the sale date of December 18, 2008.

Our capacity decreased 10.7% in fiscal 2009 (as measured by average-weighted sales weeks). The reduction in capacity was primarily due to the sale of 198 restaurants (189 of which were Macaroni Grills) and 55 restaurant closures (five of which were Macaroni Grills) during fiscal 2009, partially offset by the development of new company-owned restaurants. Including the impact of the sale of Macaroni Grill and other restaurant sales to franchisees, we experienced a net decrease of 241 company-owned restaurants since June 25, 2008.

Comparable restaurant sales decreased 6.0% in fiscal 2009 compared to fiscal 2008. The decrease in comparable restaurant sales resulted from a decline in guest traffic and unfavorable product mix shifts across all brands, partially offset by an increase in menu prices across all brands.

Revenues for fiscal 2008 decreased to $4,235.2 million, a 3.2% decrease from the $4,376.9 million generated for fiscal 2007. The decrease in revenue was primarily attributable to net declines in capacity at company-owned restaurants as well as a decrease in comparable restaurant sales as follows:

	Fiscal Year Ended June 25, 2008			
	Capacity	Price Increase	Mix Shift	Comparable Sales
Brinker International	(4.3)%	2.9%	0.5%	(0.5)%
Chili's	(5.9)%	3.1%	0.8%	0.8%
On The Border	5.5%	2.5%	(0.2)%	(3.3)%
Maggiano's	6.4%	2.8%	(1.9)%	0.4%
Macaroni Grill	(4.8)%	2.2%	1.1%	(4.4)%

Our capacity decreased 4.3% in fiscal 2008 primarily due to the sale of 95 Chili's restaurants to Pepper Dining, Inc. on June 27, 2007 as well as the sale of 76 Chili's restaurants to ERJ Dining IV, LLC during fiscal 2008. The reduction in capacity was also due to 44 restaurant closures (27 of which were Macaroni Grills) during fiscal 2008, partially offset by the development of new company-owned restaurants. Including the impact of restaurant sales to franchisees, we experienced a net decrease of 47 company-owned restaurants since June 27, 2007.

Comparable restaurant sales decreased 0.5% in fiscal 2008 compared to fiscal 2007. The decrease in comparable restaurant sales resulted from a decline in guest traffic across all brands and unfavorable product mix shifts at On The Border and Maggiano's. These decreases were partially offset by an increase in menu prices at all brands and favorable mix shifts at Chili's and Macaroni Grill.

COSTS AND EXPENSES

Cost of sales, as a percent of revenues, decreased 0.5% in fiscal 2009. Cost of sales was favorably impacted by decreased commodity usage from efforts to reduce waste, menu item changes, menu price increases and favorable product mix shifts, partially offset by unfavorable commodity price changes primarily in beef, poultry, produce and cooking oils. Cost of sales, as a percent of revenues, increased 0.5% in fiscal 2008 primarily due to increased inventory costs, partially offset by an increase in menu prices and an increase in franchise revenues. The cost increase was primarily driven by unfavorable pricing for beef, ribs, chicken, and dairy products. The increase was also due to unfavorable product mix shifts related to new menu items.

Restaurant expenses, as a percent of revenues, increased 0.1% in fiscal 2009 primarily driven by sales deleverage on fixed costs, partially offset by lower restaurant opening expenses due to fewer restaurant openings and lower labor costs due to efficiency improvements. Restaurant expenses, as a percent of revenues, increased 0.9% in fiscal 2008 primarily due to minimum wage increases and higher insurance costs. The increase was partially offset by a decrease in restaurant opening expenses.

Depreciation and amortization decreased $3.4 million in fiscal 2009. The decrease in depreciation expense was primarily driven by restaurant closures and fully depreciated assets, partially offset by an increase in depreciation due to remodel investments and the addition of new restaurants. Depreciation and amortization decreased $23.9 million in fiscal 2008. The decrease in depreciation expense was primarily due to the sale of restaurants to franchisees as well as the classification of Macaroni Grill assets as held for sale in September 2007, at which time the assets were no longer depreciated. These decreases were partially offset by the addition of new restaurants and remodel investments.

General and administrative expenses decreased $18.1 million in fiscal 2009. The decrease was primarily due to reduced salary expense from lower headcount driven by organizational changes and the sale of Macaroni Grill, a decrease in professional fees, and income related to transitional services provided to Macaroni Grill that offset the internal cost of providing the services. The decrease was partially offset by higher annual performance based compensation expense. General and administrative expenses decreased $23.6 million in fiscal 2008. The decrease was primarily due to lower annual performance and stock-based compensation expense as well as reduced salary and team member related expenses subsequent to a corporate restructuring that eliminated certain administrative positions during fiscal 2008.

Other gains and charges in fiscal 2009 includes a $71.2 million charge primarily related to long-lived asset impairments and lease termination charges resulting from the decision to close or decline lease renewals for 43 underperforming restaurants, including eight international restaurants, based on a comprehensive analysis that examined restaurants not performing at required levels of return. We recorded a goodwill impairment charge of $7.7 million as a result of the international restaurant closings. Additionally during fiscal 2009, we incurred a $14.3 million charge related to the impairment of long-lived assets associated with 16 underperforming restaurants based on the excess of the carrying amount of the long-lived assets over the estimated fair value. We also completed the sale of Macaroni Grill to Mac Acquisition and recorded a loss on the sale of $40.4 million. Lastly, we made some organizational changes designed to streamline decision making across our brands resulting in a $6.0 million net charge for severance and other costs. Other gains and charges in fiscal 2008 includes $155.7 million in charges related to the sale of Macaroni Grill primarily due to the write down of the brand's long-lived assets held for sale to estimated fair value less costs to sell. In addition, we made the decision to close or decline lease renewals for 61 restaurants based on a comprehensive analysis that examined restaurants not performing at required levels of return. As a result, we incurred a $51.1 million charge primarily related to the impairment of long-lived assets at these restaurants as well as lease obligation charges for the restaurants that closed in fiscal 2008. Additionally, we recorded a $7.5 million charge related to the impairment of long-lived assets associated with two underperforming restaurants based on the excess of the carrying amount of the long-lived assets over the estimated fair value. During fiscal 2008, we also made the decision to reduce future domestic company-owned restaurant development as well as discontinue certain projects that did not align with our strategic goals. As a result, we incurred a $13.2 million charge related to asset write-offs and a $7.2 million net charge for severance and other benefits. These charges were partially offset by a $29.7 million gain related to the sale of 76 company-owned Chili's restaurants to ERJ Dining IV, LLC. Other gains and charges in fiscal 2007 includes $19.1 million in gains related to the sale of company-owned restaurants to franchisees, including 95 Chili's restaurants to Pepper Dining, Inc. Also included is a $3.2 million gain related to the termination of interest rate swaps on an operating lease commitment. These gains were partially offset by a $12.9 million charge related to the impairment of long-lived assets at 13 restaurants as well as lease obligation charges for seven of the restaurants that closed during fiscal 2007.

Interest expense decreased $12.5 million in fiscal 2009 primarily due to lower average borrowing balances on our credit facilities and lower interest rates on our debt carrying variable interest rates, partially offset by a decrease in capitalized interest due to a reduction in company-owned restaurants developed in fiscal 2009 compared to fiscal 2008. Additionally, we repurchased and retired $10.0 million of the 5.75% notes at a discount in April 2009 and recorded a $1.3 million gain on the extinguishment of debt. Interest expense increased $14.9 million in fiscal 2008 primarily due to outstanding borrowings on our $400 million three-year term loan agreement used to fund share repurchases in fiscal 2007 and for general corporate purposes. The increase was partially offset by a decrease in interest rates on our debt carrying variable interest rates.

Other, net increased $5.8 million in fiscal 2009 primarily due to a gain from insurance proceeds. The increase was also attributed to lease income from Mac Acquisition as part of the sale agreement. Other, net decreased $1.0 million in fiscal 2008 due to the realized gains from the liquidation of our investments in mutual funds in fiscal 2007, partially offset by higher interest income on cash balances in our captive insurance company.

INCOME TAXES

The effective income tax rate was 8.7%, 5.7% and 27.8% for fiscal 2009, 2008 and 2007, respectively. The increase in the tax rate in fiscal 2009 was primarily due to an increase in profits before taxes driven by a decrease in other gains and charges, partially offset by a decline in operating profitability and the impact of nontaxable insurance proceeds. The decrease in the tax rate in fiscal 2008 was primarily due to a decrease in profits before taxes driven by an increase in other gains and charges, partially offset by prior year favorable settlement of certain tax audits and prior year benefits from state income tax planning.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is cash flows generated from our restaurant operations. While our operating cash flows have decreased in the current year, we expect our ability to generate solid cash flows from operations to stabilize and remain strong into the future. Net cash provided by operating activities decreased to $274.5 million for fiscal 2009 from $361.5 million in fiscal 2008 primarily due to a decline in operating profitability as well as the timing of operational payments which was primarily due to the sale of Macaroni Grill, restaurant closures and the reduction of company-owned new restaurant development in the current year. This decrease was partially offset by the cash impact of recognizing the loss on the sale of Macaroni Grill in fiscal 2009 for tax purposes.

Capital expenditures consist of ongoing remodel investments, new restaurants under construction, purchases of new and replacement restaurant furniture and equipment, investments in information technology infrastructure, and purchases of land for future restaurant sites. Capital expenditures were $93.6 million for fiscal 2009 compared to $270.4 million for fiscal 2008. The reduction in capital expenditures is primarily due to a decrease in company-owned restaurants developed in fiscal 2009 compared to the prior year. We estimate that our capital expenditures during fiscal 2010 will be approximately $85 million and will be funded entirely by cash from operations.

In December 2008, we completed the sale of Macaroni Grill for cash proceeds of approximately $88.0 million and contributed $6.0 million for an 18.2% ownership interest in the new entity. In April 2009, we received a $6.0 million distribution representing substantially all of our equity investment in the entity while retaining our ownership interest.

Excluding the impact of assets held for sale, the working capital deficit decreased to $39.7 million at June 24, 2009 from $188.2 million at June 25, 2008 primarily due to the timing of operational payments related to the sale of Macaroni Grill, restaurant closures and the reduction of company-owned new restaurant development in the current year. The decrease was also due to the retention of cash to fund operational needs and the net tax effect of impairment charges and the loss on the sale of Macaroni Grill in fiscal 2009.

In fiscal 2009, we declared and paid quarterly dividends in the amount of $0.11 per share to common stock shareholders. Total dividends paid during fiscal 2009 were $45.4 million.

The Board of Directors has authorized a total of $2,060.0 million in share repurchases, which has been and will be used to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. As of June 24, 2009, approximately $60 million was available under our share repurchase authorizations. We did not repurchase any common shares under our share repurchase plan during fiscal 2009. We have currently placed a moratorium on share repurchases but, in the future, we may consider additional share repurchases under our plan based on several factors, including our cash position, share price, operational liquidity, and planned investment and financing needs.

As of June 25, 2008, we had credit facilities aggregating $550.0 million, consisting of a revolving credit facility of $300 million and uncommitted credit facilities of $250 million. In fiscal 2009, we completed the renewal of our revolving credit facility which was set to expire in October 2009. The new facility was reduced to $250 million, bears interest at LIBOR plus an applicable margin, which is a function of our credit rating at such time, but is subject to a maximum of LIBOR plus 3.75% and expires in February 2012. Based on our current credit rating, the revolving credit facility carries an interest rate of LIBOR plus 3.25%. The decision to downsize our total borrowing capacity under the new revolving credit facility was a result of the Macaroni Grill divestiture, reduced new company-owned restaurant development and our focus on debt repayment.

In fiscal 2009, Standard and Poor's ("S&P") reaffirmed our debt rating of BBB- (investment grade) with a stable outlook. However, Moody's downgraded our corporate family rating to Ba1 (non-investment grade) and our senior unsecured note rating to Ba2 (non-investment grade) with a stable outlook. Under the terms and conditions of our uncommitted credit facility agreements, we had to maintain an investment grade rating with both S&P and Moody's in order to utilize the credit facilities. As a result of our split rating, our uncommitted credit facilities totaling $250 million are no longer available and the spread over LIBOR has increased since prior year-end on our term loan to LIBOR plus 0.95% at June 24, 2009. Outstanding balances on the uncommitted credit facilities were repaid in the second quarter of fiscal 2009 with funds drawn on the revolving credit facility. The balance on the revolving credit facility was paid down to zero by the end of fiscal 2009. As of June 24, 2009, we have $250 million available to us under our revolving credit facility and we are in compliance with all financial debt covenants.

Our balance sheet is a primary focus as we have committed to reducing our leverage allowing us to retain the investment grade rating from S&P and ultimately regain our investment grade rating from Moody's. Cash payments on credit facilities and long-term debt in fiscal 2009 totaled $177.7 million. We currently plan to continue utilizing available free cash flow to pay down debt in fiscal 2010. We have also reduced capital expenditures for fiscal 2009, curtailed virtually all company-owned new restaurant development in fiscal 2010, placed a moratorium on all share repurchase activity, and kept dividends stable to ensure we maintain adequate cash flow to meet our current obligations and continue to pay down debt.

We believe that our various sources of capital, including cash flow from operating activities and availability under our existing credit facility are adequate to finance operations as well as the repayment of current debt obligations. We are not aware of any other event or trend that would potentially affect our liquidity. In the event such a trend develops, we believe that there are sufficient funds available under our credit facility and from our internal cash generating capabilities to adequately manage our ongoing business.

Payments due under our contractual obligations for outstanding indebtedness, purchase obligations as defined by the Securities and Exchange Commission ("SEC"), and the expiration of credit facilities as of June 24, 2009 are as follows:

	Payments Due by Period (in thousands)				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt(a)	$762,628	$ 16,675	$423,350	$322,603	$ —
Capital leases	78,887	5,039	10,363	10,758	52,727
Operating leases	723,659	108,646	199,233	163,565	252,215
Purchase obligations(b)	161,767	36,365	34,769	25,408	65,225

	Amount of Credit Facility Expiration by Period (in thousands)				
	Total Commitment	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
Credit facility	$ 250,000	$ —	$ 250,000	$ —	$ —

(a) Long-term debt consists of amounts owed on the three-year term loan, 5.75% notes, and accrued interest on fixed-rate obligations totaling $83.4 million. No amount was outstanding under the credit facility as of June 24, 2009.

(b) A "purchase obligation" is defined as an agreement to purchase goods or services that is enforceable and legally binding on us and that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Our purchase obligations primarily consist of long-term obligations for the purchase of fountain beverages, energy, and telecommunication services and exclude agreements that are cancelable without significant penalty.

In addition to the amounts shown in the table above, $27.7 million of unrecognized tax benefits have been recorded as liabilities in accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). The timing and amounts of future cash payments related to the FIN 48 liabilities are uncertain.

IMPACT OF INFLATION

We have experienced impact from inflation. Inflation has caused increased food, labor and benefits costs and has increased our operating expenses. To the extent permitted by competition, increased costs are recovered through a combination of menu price increases and reviewing, then implementing, alternative products or processes, or by implementing other cost reduction procedures.

CRITICAL ACCOUNTING ESTIMATES

Our significant accounting policies are disclosed in Note 1 to our consolidated financial statements. The following discussion addresses our most critical accounting estimates, which are those that are most important to the portrayal of our financial condition and results, and that require significant judgment.

Stock Based Compensation

Statement of Financial Accounting Standards ("SFAS") No. 123 (Revised 2004), "Share-Based Payment," ("SFAS 123R"), requires the measurement and recognition of compensation cost at fair value for all share-based payments, including stock options. We determine the fair value of our stock option awards using the Black-Scholes option valuation model. The Black-Scholes model requires judgmental assumptions including expected life and stock price volatility. We base our expected life assumptions on historical experience regarding option life. Stock price volatility is calculated based on historical prices and the expected life of the options. We determine the fair value of our performance shares using a Monte Carlo simulation model. The Monte Carlo method is a statistical modeling technique that requires highly judgmental assumptions regarding our future operating performance compared to our plan designated peer group in the future. The simulation is based on a probability model and market-based inputs that are used to predict future stock returns. We use the historical operating performance and correlation of stock performance to the S&P 500 composite index of us and our peer group as inputs to the simulation model. These historical returns could differ significantly in the future and as a result, the fair value assigned to the performance shares could vary significantly to the final payout. We believe the Monte Carlo simulation model provides the best evidence of fair value at the grant date and is an appropriate technique for valuing share-based awards under SFAS 123R. SFAS 123R also requires that we recognize compensation expense for only the portion of share-based awards that are expected to vest. Therefore, we apply estimated forfeiture rates that are derived from our historical forfeitures of similar awards.

Income Taxes

In determining net income for financial statement purposes, we make certain estimates and judgments in the calculation of tax expense and the resulting tax liabilities and in the recoverability of deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense. When considered necessary, we record a valuation allowance to reduce deferred tax assets to a balance that is more likely than not to be recognized. We use an estimate of our annual effective tax rate at each interim period based on the facts and circumstances available at that time while the actual effective tax rate is calculated at year-end.

In the ordinary course of business, there may be many transactions and calculations where the ultimate tax outcome is uncertain. At the beginning of fiscal 2008, we adopted the provisions of FIN 48. The adoption of this standard was consistent with FASB Staff Position ("FSP") FIN 48-1, "Definition of Settlement in FASB Interpretation No. 48", that was issued in May 2007 and that provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing unrecognized tax benefits.

In addition to the risks related to the effective tax rate described above, the effective tax rate reflected in forward-looking statements is based on current tax law. Any significant changes in the tax laws could affect these estimates.

Property and Equipment

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives of the assets are based upon our expectations for the period of time that the asset will be used to generate revenues. We periodically review the assets for changes in circumstances, which may impact their useful lives.

Impairment of Long-Lived Assets and Goodwill

We review property and equipment for impairment when events or circumstances indicate that the carrying amount of a restaurant's assets may not be recoverable. We test for impairment using historical cash flows and other relevant facts and circumstances as the primary basis for our estimates of future cash flows. This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. In addition, at least annually we assess the recoverability of goodwill related to our restaurant brands. This impairment test requires us to estimate fair values of our restaurant brands by making assumptions regarding future profits and cash flows, expected growth rates, terminal values, and other factors. In the event that these assumptions change in the future, we may be required to record impairment charges related to goodwill.

Self-Insurance

We are self-insured for certain losses related to health, general liability and workers' compensation. We maintain stop loss coverage with third party insurers to limit our total exposure. The self-insurance liability represents an estimate of the ultimate cost of claims incurred and unpaid as of the balance sheet date. The estimated liability is not discounted and is established based upon analysis of historical data and actuarial estimates, and is reviewed on a quarterly basis to ensure that the liability is appropriate. If actual trends, including the severity or frequency of claims, differ from our estimates, our financial results could be impacted.

Recent Accounting Pronouncements

In December 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," ("SFAS 157"). SFAS 157 clarifies the definition of fair value, describes methods used to appropriately measure fair value, and expands fair value disclosure requirements, but does not change existing guidance as to whether or not an instrument is carried at fair value. For financial assets and liabilities, SFAS 157 is effective for fiscal years beginning after November 15, 2007, which required that we adopt these provisions in first quarter fiscal 2009. For nonfinancial assets and liabilities, SFAS 157 is effective for fiscal years beginning after November 15, 2008, which will require us to adopt these provisions in fiscal 2010. We do not expect the adoption of SFAS 157 to have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations," ("SFAS 141R"). Under SFAS 141R, all business combinations will be accounted for by applying the acquisition method. SFAS 141R requires most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at full fair value. SFAS 141R is effective for annual reporting periods beginning on or after December 15, 2008 and will be effective for us beginning in the first quarter of fiscal 2010 for business combinations occurring on or after the effective date.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51," ("SFAS 160"). SFAS 160 will require noncontrolling interests (previously referred to as minority interests) to be treated as a separate component of equity, not as a liability or other item outside of permanent equity. The Statement applies to the accounting for noncontrolling interests and transactions with noncontrolling interest holders in consolidated financial statements. SFAS 160 is effective for periods beginning on or after December 15, 2008, which required that we adopt these provisions beginning in the third quarter of fiscal 2009. The adoption of SFAS 160 did not have a material impact on our financial statements.

In June 2008, the FASB issued FSP EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." FSP EITF 03-6-1 provides that unvested share-based payment awards that contain nonforfeitable rights to dividends that are paid or unpaid are participating securities and shall be included in the computation of earnings per share based on the two-class method. The two-class method is an earnings allocation method for computing earnings per share when an entity's capital structure includes either two or more classes of common stock or common stock and participating securities. FSP EITF 03-6-1 is effective for fiscal years beginning after December 15, 2008, which will require us to adopt these provisions in fiscal 2010. We do not expect the adoption of FSP EITF 03-6-1 to have a material impact on our financial statements.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS 165") which establishes the requirements for evaluating, recording and disclosing events or transactions occurring after the balance sheet date in an entity's financial statements. SFAS 165 is effective for interim and annual periods ending after June 15, 2009, which required that we adopt these provisions beginning in the fourth quarter of fiscal 2009. The adoption of SFAS 165 did not have a material impact on our financial statements.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles" ("SFAS 168"). SFAS 168 provides for the FASB Accounting Standards Codification (the "Codification") to become the single official source of authoritative, nongovernmental U.S. generally accepted accounting principles ("GAAP"). The Codification did not change GAAP but reorganizes the literature. SFAS 168 is effective for interim and annual periods ending after September 15, 2009, which will require us to adopt these provisions in the first quarter of fiscal 2010.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risk on short-term and long-term financial instruments carrying variable interest rates. The variable rate financial instruments consist of the outstanding borrowings on our term loan and revolving credit facility. At June 24, 2009, $390.0 million was outstanding under the term loan and no amount was outstanding under the revolving credit facility. The impact on our annual results of operations of a one-point interest rate change on the outstanding balance of these variable rate financial instruments as of June 24, 2009 would be approximately $3.9 million. We may from time to time utilize interest rate swaps to manage overall borrowing costs and reduce exposure to adverse fluctuations in interest rates.

We purchase certain commodities such as beef, pork, poultry, seafood, produce, and dairy. These commodities are generally purchased based upon market prices established with vendors. These purchase arrangements may contain contractual features that fix the price paid for certain commodities. We do not use financial instruments to hedge commodity prices because these purchase arrangements help control the ultimate cost paid and any commodity price aberrations are generally short-term in nature.

This market risk discussion contains forward-looking statements. Actual results may differ materially from this discussion based upon general market conditions and changes in domestic and global financial markets.

BRINKER INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	Fiscal Years 2009	Fiscal Years 2008	Fiscal Years 2007
Revenues	$3,620,580	$4,235,223	$4,376,904
Operating Costs and Expenses:			
Cost of sales	1,010,515	1,200,763	1,222,198
Restaurant expenses	2,050,653	2,397,908	2,435,866
Depreciation and amortization	161,800	165,229	189,162
General and administrative	152,591	170,703	194,349
Other gains and charges	134,787	203,950	(8,999)
Total operating costs and expenses	3,510,346	4,138,553	4,032,576
Operating income	110,234	96,670	344,328
Interest expense	33,330	45,862	30,929
Other, net	(9,834)	(4,046)	(5,071)
Income before provision for income taxes	86,738	54,854	318,470
Provision for income taxes	7,572	3,132	88,421
Net income	$ 79,166	$ 51,722	$ 230,049
Basic net income per share	$ 0.78	$ 0.50	$ 1.90
Diluted net income per share	$ 0.77	$ 0.49	$ 1.85
Basic weighted average shares outstanding	101,852	103,101	121,062
Diluted weighted average shares outstanding	102,713	104,897	124,116
Cash dividends per share	$ 0.44	$ 0.42	$ 0.34

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	2009	2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 94,156	$ 54,714
Accounts receivable	49,509	52,304
Inventories	36,709	35,377
Prepaid expenses and other	96,436	106,183
Income taxes receivable	41,620	—
Deferred income taxes	50,785	71,595
Assets held for sale	—	135,850
Total current assets	369,215	456,023
Property and Equipment:		
Land	205,483	198,554
Buildings and leasehold improvements	1,577,694	1,571,601
Furniture and equipment	648,677	665,271
Construction-in-progress	10,559	35,104
	2,442,413	2,470,530
Less accumulated depreciation and amortization	(1,042,061)	(940,815)
Net property and equipment	1,400,352	1,529,715
Other Assets:		
Goodwill	130,719	140,371
Deferred income taxes	—	23,160
Other	48,661	43,853
Total other assets	179,380	207,384
Total assets	$ 1,948,947	$ 2,193,122
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current installments of long-term debt	$ 1,815	$ 1,973
Accounts payable	121,483	168,619
Accrued liabilities	285,584	331,878
Income taxes payable	—	5,946
Liabilities associated with assets held for sale	—	18,408
Total current liabilities	408,882	526,824
Long-term debt, less current installments	727,447	901,604
Deferred income taxes	4,295	—
Other liabilities	161,399	169,605
Commitments and Contingencies (Notes 10 and 14)		
Shareholders' Equity:		
Common stock—250,000,000 authorized shares; $.10 par value; 176,246,649 shares issued and 102,124,842 shares outstanding at June 24, 2009, and 176,246,649 shares issued and 101,316,461 shares outstanding at June 25, 2008	17,625	17,625
Additional paid-in capital	463,980	464,666
Accumulated other comprehensive loss	—	(168)
Retained earnings	1,834,307	1,800,300
	2,315,912	2,282,423
Less treasury stock, at cost (74,121,807 shares at June 24, 2009 and 74,930,188 shares at June 25, 2008)	(1,668,988)	(1,687,334)
Total shareholders' equity	646,924	595,089
Total liabilities and shareholders' equity	$ 1,948,947	$ 2,193,122

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balances at June 28, 2006	125,307	$ 17,625	$ 406,626	$ 1,602,786	$ (951,978)	$ 773	$ 1,075,832
Net income	—	—	—	230,049	—	—	230,049
Currency translation adjustment	—	—	—	—	—	(37)	(37)
Change in fair value of investments, net of tax	—	—	—	—	—	181	181
Realized gain on sale of investments, net of tax	—	—	—	—	—	(954)	(954)
Comprehensive income							229,239
Cash dividends ($0.34 per share)	—	—	—	(41,524)	—	—	(41,524)
Stock-based compensation	—	—	31,510	—	—	—	31,510
Purchases of treasury stock	(18,617)	—	—	—	(569,347)	—	(569,347)
Issuances of common stock	3,409	—	(15)	—	66,302	—	66,287
Tax benefit from stock options exercised	—	—	13,092	—	—	—	13,092
Issuance of restricted stock, net of forfeitures	28	—	(548)	—	548	—	—
Balances at June 27, 2007	110,127	17,625	450,665	1,791,311	(1,454,475)	(37)	805,089
Net income	—	—	—	51,722	—	—	51,722
Currency translation adjustment	—	—	—	—	—	(131)	(131)
Comprehensive income							51,591
Adjustment to initially apply FIN 48	—	—	—	847	—	—	847
Cash dividends ($0.42 per share)	—	—	—	(43,580)	—	—	(43,580)
Stock-based compensation	—	—	16,100	—	—	—	16,100
Purchases of treasury stock	(9,130)	—	(465)	—	(240,319)	—	(240,784)
Issuances of common stock	345	—	(2,472)	—	7,749	—	5,277
Tax benefit from stock options exercised	—	—	549	—	—	—	549
Forfeitures of restricted stock, net of issuances	(26)	—	289	—	(289)	—	—
Balances at June 25, 2008	101,316	17,625	464,666	1,800,300	(1,687,334)	(168)	595,089
Net income	—	—	—	79,166	—	—	79,166
Currency translation adjustment	—	—	—	—	—	(2,068)	(2,068)
Realized loss on currency translation	—	—	—	—	—	2,236	2,236
Comprehensive income							79,334
Cash dividends ($0.44 per share)	—	—	—	(45,159)	—	—	(45,159)
Stock-based compensation	—	—	17,518	—	—	—	17,518
Purchases of treasury stock	(30)	—	(3,116)	—	(623)	—	(3,739)
Issuances of common stock	816	—	(13,721)	—	18,371	—	4,650
Tax benefit from stock options exercised	—	—	(769)	—	—	—	(769)
Issuances of restricted stock, net of forfeitures	23	—	(598)	—	598	—	—
Balances at June 24, 2009	102,125	$ 17,625	$ 463,980	$ 1,834,307	$ (1,668,988)	$ —	$ 646,924

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Fiscal Years 2009	Fiscal Years 2008	Fiscal Years 2007
Cash Flows from Operating Activities:			
Net income	$ 79,166	$ 51,722	$ 230,049
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	161,800	165,229	189,162
Restructure charges and other impairments	91,791	225,945	13,812
Deferred income taxes	47,654	(68,064)	(18,823)
Loss (Gain) on sale of assets	37,178	(29,682)	(21,207)
Stock-based compensation	18,054	16,577	29,870
Other	(823)	283	(130)
Changes in assets and liabilities, excluding effects of acquisitions and dispositions:			
Accounts receivable	322	(972)	3,394
Inventories	(2,578)	(6,640)	3,229
Prepaid expenses and other	2,956	1,454	25,541
Other assets	1,545	459	(5,168)
Income taxes payable	(48,886)	2,581	(1,945)
Accounts payable	(43,512)	13,320	(1,978)
Accrued liabilities	(68,237)	(20,458)	19,966
Other liabilities	(1,895)	9,786	19,225
Net cash provided by operating activities	274,535	361,540	484,997
Cash Flows from Investing Activities:			
Payments for property and equipment	(93,613)	(270,413)	(430,532)
Proceeds from sale of assets	82,829	127,780	180,966
Decrease (Increase) in restricted cash	4,688	(34,435)	—
Payments for purchases of restaurants	—	(2,418)	—
Investment in equity method investee	(4,612)	(8,711)	—
Proceeds from sale of investments	—	—	5,994
Net cash used in investing activities	(10,708)	(188,197)	(243,572)
Cash Flows from Financing Activities:			
Net (payments) borrowings on credit facilities	(160,757)	(323,586)	338,188
Net proceeds from issuance of long-term debt	—	399,287	—
Payments on long-term debt	(19,735)	(1,062)	(12,979)
Purchases of treasury stock	(3,739)	(240,784)	(569,347)
Proceeds from issuances of treasury stock	4,650	5,277	66,287
Payments of dividends	(45,355)	(42,914)	(40,906)
Excess tax benefits from stock-based compensation	551	330	7,139
Net cash used in financing activities	(224,385)	(203,452)	(211,618)
Net change in cash and cash equivalents	39,442	(30,109)	29,807
Cash and cash equivalents at beginning of year	54,714	84,823	55,016
Cash and cash equivalents at end of year	$ 94,156	$ 54,714	$ 84,823

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Operations

We are principally engaged in the ownership, operation, development, and franchising of the Chili's Grill & Bar ("Chili's"), On The Border Mexican Grill & Cantina ("On The Border") and Maggiano's Little Italy ("Maggiano's") restaurant brands. At June 24, 2009, we owned, operated, or franchised 1,689 restaurants in the United States and 27 countries and two territories outside of the United States. We sold Romano's Macaroni Grill ("Macaroni Grill") to Mac Acquisition LLC ("Mac Acquisition"), an affiliate of San Francisco-based Golden Gate Capital, in December 2008 and purchased an 18.2% ownership interest in the new entity.

(b) Basis of Presentation

Our consolidated financial statements include the accounts of Brinker International, Inc. and our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

We have a 52/53 week fiscal year ending on the last Wednesday in June. Fiscal years 2009, 2008, and 2007, which ended on June 24, 2009, June 25, 2008, and June 27, 2007, respectively, each contained 52 weeks.

Certain prior year amounts in the accompanying consolidated financial statements have been reclassified to conform with fiscal 2009 presentation. These reclassifications have no effect on our net income or financial position as previously reported.

(c) Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and costs and expenses during the reporting period. Actual results could differ from those estimates.

(d) Revenue Recognition

We record revenue from the sale of food, beverages and alcohol as products are sold. Initial fees received from a franchisee to establish a new franchise are recognized as income when we have performed our obligations required to assist the franchisee in opening a new franchise restaurant, which is generally upon the opening of such restaurant. Continuing royalties, which are a percentage of net sales of franchised restaurants, are accrued as income when earned. Proceeds from the sale of gift cards are recorded as deferred revenue and recognized as income when the gift card is redeemed by the holder or the likelihood of redemption, based upon our historical redemption patterns, becomes remote.

(e) Financial Instruments

Our policy is to invest cash in excess of operating requirements in income-producing investments and to pay down debt. Income-producing investments with original maturities of three months or less are reflected as cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Our financial instruments at June 24, 2009 and June 25, 2008 consist of cash equivalents, accounts receivable, and long-term debt. The fair value of cash equivalents and accounts receivable approximates their carrying amounts reported in the consolidated balance sheets. The fair value of the 5.75% notes, based on quoted market prices, totaled approximately $269.0 million and $283.4 million at June 24, 2009 and June 25, 2008, respectively. The fair value of capital lease obligations is based on the amount of future cash flows discounted using our expected borrowing rate for debt of comparable risk and maturity.

We are required by our insurers to collateralize a part of the self-insured portion of our workers' compensation and liability claims. We have satisfied these collateral requirements by depositing funds into an insurance escrow account and by issuing a cash secured letter of credit. Our total pledged collateral was $29.7 million as of June 24, 2009 and $34.4 million as of June 25, 2008. These cash balances have been classified as restricted and are included within prepaid expenses and other in the consolidated balance sheets (see Note 5).

We entered into interest rate swaps in December 2001 with the intent of hedging exposures to changes in value of certain fixed-rate lease obligations. These fair value hedges changed the fixed-rate interest component of an operating lease commitment for certain real estate properties entered into in November 1997 to variable-rate interest. We terminated our interest rate swaps in fiscal 2007 and recorded a $3.2 million gain, which is included in other gains and charges in the consolidated statements of income. At June 24, 2009 we do not have any outstanding derivative instruments.

(f) Accounts Receivable

Accounts receivable, net of the allowance for doubtful accounts, represents their estimated net realizable value. Provisions for doubtful accounts are recorded based on management's judgment regarding our ability to collect as well as the age of the receivables. Accounts receivable are written off when they are deemed uncollectible.

(g) Inventories

Inventories, which consist of food, beverages, and supplies, are stated at the lower of cost (weighted average cost method) or market.

(h) Property and Equipment

Property and equipment is stated at cost. Buildings and leasehold improvements are depreciated using the straight-line method over the lesser of the life of the lease, including renewal options, or the estimated useful lives of the assets, which range from 5 to 20 years. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years. Routine repair and maintenance costs are expensed when incurred. Major replacements and improvements are capitalized.

We evaluate property and equipment held and used in the business for impairment whenever events or changes in circumstances indicate that the carrying amount of a restaurant's assets may not be recoverable. An impairment is determined by comparing estimated undiscounted future operating cash flows for a restaurant to the carrying amount of its assets. If an impairment exists, the amount of impairment is measured as the excess of the carrying amount over the estimated discounted future operating cash flows of the asset and the expected proceeds upon sale of the asset. Assets held for sale are reported at the lower of the carrying amount or fair value less costs to sell.

(i) Operating Leases

Rent expense for leases that contain scheduled rent increases is recognized on a straight-line basis over the lease term, including cancelable option periods where failure to exercise such options would result in an economic penalty such that the renewal appears reasonably assured. The straight-line rent calculation and rent expense includes the rent holiday period, which is the period of time between taking control of a leased site and the rent commencement date.

Contingent rents are generally amounts due as a result of sales in excess of amounts stipulated in certain restaurant leases and are included in rent expense as they are incurred. Landlord contributions are recorded when received as a deferred rent liability and amortized as a reduction of rent expense on a straight-line basis over the lesser of the lease term, including renewal options, or 20 years.

(j) Capitalized Interest

Interest costs capitalized during the construction period of restaurants were approximately $0.7 million, $3.7 million and $6.0 million during fiscal 2009, 2008, and 2007, respectively.

(k) Advertising

Advertising production costs are expensed in the period when the advertising first takes place. Other advertising costs are expensed as incurred. Advertising costs were $113.2 million, $133.6 million and $135.5 million in fiscal 2009, 2008, and 2007, respectively, and are included in restaurant expenses in the consolidated statements of income.

(l) Goodwill

Goodwill represents the residual purchase price after allocation to all other identifiable net assets acquired. Goodwill is not subject to amortization but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," requires a two-step process for testing impairment of goodwill. First, the fair value of each reporting unit is compared to its carrying value to determine whether an indication of impairment exists. If an impairment is indicated, then the fair value of the reporting unit's goodwill is determined by allocating the unit's fair value to its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The amount of impairment for goodwill is measured as the excess of its carrying value over its implied fair value. See Note 6 for additional disclosures related to goodwill.

(m) Sales Taxes

Sales taxes collected from guests are excluded from revenues. The obligation is included in accrued liabilities until the taxes are remitted to the appropriate taxing authorities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Self-Insurance Program

We utilize a paid loss self-insurance plan for health, general liability and workers' compensation coverage. Predetermined loss limits have been arranged with insurance companies to limit our per occurrence cash outlay. Accrued liabilities include the estimated incurred but unreported costs to settle unpaid claims and estimated future claims.

We utilize a wholly-owned captive insurance company for our general liability and workers' compensation coverage. We make premium payments to the captive insurance company and accrue for claims costs based on the actuarially predicted ultimate losses, and the captive insurance company then pays administrative fees and the insurance claims.

(o) Income Taxes

Income taxes are accounted for under the asset and liability method prescribed by SFAS No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(p) Stock-Based Compensation

Stock-based compensation is accounted for under SFAS No. 123 (Revised 2004), "Share-Based Payment," ("SFAS 123R"), which requires the measurement and recognition of compensation cost at fair value for all share-based payments, including stock options. Stock-based compensation expense for fiscal 2009, 2008 and 2007 includes compensation expense, recognized over the applicable vesting periods, for new share-based awards and for share-based awards granted prior to, but not yet vested, as of June 29, 2005. We record compensation expense using a graded-vesting schedule over the vesting period, or to the date on which retirement eligibility is achieved, if shorter (non-substantive vesting period approach).

Certain employees are eligible to receive stock options, performance shares, restricted stock and restricted stock units, while non-employee members of the Board of Directors are eligible to receive stock options, restricted stock and restricted stock units. Performance shares represent a right to receive shares of common stock upon satisfaction of performance goals or other specified metrics at the end of a three-year cycle. Performance shares are paid out in common stock and will be fully vested upon issuance. The fair value of performance shares is determined on the date of grant based on a Monte Carlo simulation model. The fair value of restricted stock and restricted stock units are based on our closing stock price on the date of grant.

Stock-based compensation expense totaled approximately $17.5 million, $15.6 million and $29.9 million for fiscal 2009, 2008 and 2007, respectively. The total income tax benefit recognized in the consolidated statements of income related to stock-based compensation was approximately $6.5 million, $6.1 million and $10.5 million during fiscal 2009, 2008 and 2007, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The weighted average fair values of option grants were $5.52, $7.18 and $7.37 during fiscal 2009, 2008 and 2007, respectively. The fair value of stock options is estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2009	2008	2007
Expected volatility	37.8%	23.6%	26.1%
Risk-free interest rate	2.9%	4.2%	4.6%
Expected lives	5 years	5 years	5 years
Dividend yield	2.8%	1.2%	1.1%

Expected volatility and the expected life of stock options are based on historical experience. The risk-free rate is based on the yield of a Treasury Note with a term equal to the expected life of the stock options.

(q) Preferred Stock

Our Board of Directors is authorized to provide for the issuance of 1.0 million preferred shares with a par value of $1.00 per share, in one or more series, and to fix the voting rights, liquidation preferences, dividend rates, conversion rights, redemption rights, and terms, including sinking fund provisions, and certain other rights and preferences. As of June 24, 2009, no preferred shares were issued.

(r) Shareholders' Equity

Our Board of Directors has authorized a total of $2,060.0 million of share repurchases. As of June 24, 2009, approximately $60 million was available under our share repurchase authorizations. We did not repurchase any common shares under our share repurchase plan during fiscal 2009. Our stock repurchase plan has been and will be used to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. We have currently placed a moratorium on share repurchases but, in the future, we may consider additional share repurchases under our plan based on several factors, including our cash position, share price, operational liquidity, and planned investment and financing needs. Repurchased common stock is reflected as a reduction of shareholders' equity.

(s) Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Fiscal 2009 comprehensive income consists of net income, currency translation adjustments and a realized loss on currency translation adjustments related to the closure of international company-owned restaurants (see Note 4). Fiscal 2008 comprehensive income consists of net income and currency translation adjustments. Fiscal 2007 comprehensive income consists of net income, currency translation adjustments, and the realized gain on the sale of our investments in mutual funds.

(t) Net Income Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

were exercised or converted into common stock. For the calculation of diluted net income per share, the basic weighted average number of shares is increased by the dilutive effect of stock options and restricted share awards, determined using the treasury stock method. We had approximately 7.4 million stock options and restricted share awards outstanding at June 24, 2009, 5.8 million stock options and restricted share awards outstanding at June 25, 2008, and 28,000 stock options and restricted share awards outstanding at June 27, 2007 that were not included in the dilutive earnings per share calculation because the effect would have been antidilutive.

(u) Segment Reporting

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" permits two or more operating segments to be aggregated into a single operating segment if they have similar economic characteristics and are similar in the following areas:

- The nature of products and services
- Nature of production processes
- Type or class of customer
- Methods used to distribute products or provide services
- The nature of the regulatory environment, if applicable

Our three brands have similar types of products, contracts, customers, and employees and all operate as full-service restaurants offering lunch and dinner in the casual-dining segment of the industry. In addition, we have similar long-term average margins across all of our brands. Therefore, we believe we meet the criteria for aggregating operating segments into a single reporting segment.

(v) Subsequent Events

We evaluated events occurring between the end of our most recent fiscal year and August 24, 2009, the date the financial statements were issued.

2. SALE OF MACARONI GRILL

In August 2008, we entered into an agreement with Mac Acquisition for the sale of Macaroni Grill. The assets and liabilities associated with these restaurants were classified as held for sale in the consolidated balance sheet for the fiscal year ended June 25, 2008. Macaroni Grill operating results were included in continuing operations for fiscal 2009 (through the sale date of December 18, 2008) and prior years in accordance with the reporting provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," as we will have involvement in the ongoing operations of Macaroni Grill. The sale was completed on December 18, 2008. We received cash proceeds of approximately $88.0 million and recorded a loss of $40.4 million in other gains and charges in the consolidated statement of income in fiscal 2009. The net assets sold totaled approximately $110 million and consisted primarily of property and equipment of $105 million. Assets previously held for sale of $21.3 million were retained by us and are included in property, plant and equipment as of June 24, 2009. The land and buildings related to these locations were leased to Mac Acquisition as part of the sale agreement.

2. SALE OF MACARONI GRILL (Continued)

On December 18, 2008, we contributed $6.0 million representing an 18.2% ownership interest in the new entity. We account for the investment under the equity method of accounting and record our share of the net income or loss from the investee within operating income since the operations of Macaroni Grill are similar to our ongoing operations. This amount is included in restaurant expense in our consolidated statements of income due to the immaterial nature of the amount. In April 2009, we received a $6.0 million distribution representing substantially all of our equity investment while retaining our ownership interest.

As part of the sale, we entered into an agreement with Mac Acquisition whereby we provide corporate support services for the new entity for one year following closing with an option for one additional year.

During fiscal 2008, we recorded impairment charges of $152.7 million to write-down the net assets of Macaroni Grill to their estimated fair value less costs to sell in accordance with SFAS 144. This amount has been included in other gains and charges in the consolidated statements of income. Our estimate of fair value was based on the executed purchase agreement.

3. OTHER EQUITY METHOD INVESTMENTS AND RESTAURANT DISPOSITIONS

In November 2007, we entered into an agreement with CMR, S.A.B. de C.V. for a joint venture investment in a new corporation to develop 50 Chili's and Maggiano's restaurants in Mexico. We made a $4.6 million and an $8.7 million capital contribution to the joint venture in fiscal 2009 and fiscal 2008, respectively. We account for the investment under the equity method of accounting and record our share of the net income or loss of the investee within operating income since the operations of the joint venture are similar to our ongoing operations. This amount has been included in restaurant expense in our consolidated statements of income due to the immaterial nature of the amount. At June 24, 2009, 16 Chili's restaurants were operating in the joint venture.

In May 2007, we entered into an agreement with ERJ Dining IV, LLC to sell 76 company-owned Chili's restaurants for approximately $121.9 million. The sale was completed in November 2007 and we recorded a gain of $29.7 million in other gains and charges in the consolidated statement of income in fiscal 2008. The net assets sold totaled approximately $88.2 million and consisted primarily of property and equipment of $86.4 million and goodwill of $2.7 million.

In January 2007, we entered into an agreement with Pepper Dining, Inc. to sell 95 company-owned Chili's restaurants for approximately $155.0 million. The sale was completed in June 2007 and we recorded a gain of $17.1 million in other gains and charges in the consolidated statement of income in fiscal 2007. The net assets sold totaled approximately $127.9 million and consisted primarily of property and equipment of $126.1 million and goodwill of $3.9 million.

4. OTHER GAINS AND CHARGES

	2009	2008	2007
Restaurant closure charges	$ 71,178	$ 51,143	$ 12,854
Charges related to the sale of Macaroni Grill (see Note 2)	40,362	155,661	—
Restaurant impairment charges	14,254	7,450	—
Impairment of goodwill	7,713	—	—
Severance and other benefits	6,047	7,237	—
Gains on the sale of assets, net (also see Note 3)	(3,861)	(29,684)	(19,116)
Development-related costs	—	13,223	—
Other gains and charges, net	(906)	(1,080)	(2,737)
	$134,787	$203,950	$ (8,999)

In fiscal 2009, we recorded $71.2 million in charges primarily related to long-lived asset impairments resulting from the decision to close or decline lease renewals for 43 company-owned restaurants, including eight international restaurants. The charges related to the domestic restaurant closures include $44.2 million of long-lived asset impairments, $14.1 million in lease termination charges and $1.2 million of charges related to the write-off of other assets and liabilities. The charges related to the international restaurant closures include $5.6 million of long-lived asset impairments and $2.1 million of charges related to realized foreign currency translation losses. Additionally, we recorded a goodwill impairment charge of $7.7 million as a result of the international restaurant closings. The decision to close the restaurants and decline lease renewals was based on a comprehensive analysis that examined restaurants not performing at required levels of return.

Additionally, we recorded a $14.3 million charge in fiscal 2009 related to the impairment of long-lived assets associated with 16 underperforming restaurants. The impairment charge was measured as the excess of the carrying amount of the long-lived assets over the fair value based on projected discounted future operating cash flows of the restaurant.

In fiscal 2009, we made organizational changes designed to streamline decision making and maximize our leadership talent while achieving better operational efficiencies across our brands. As a result, we incurred $6.0 million in severance and other benefits, net of income related to the forfeiture of stock-based compensation awards resulting from these actions. We also incurred gains of $3.9 million related to the sale of nine restaurants to a franchisee and other land sales.

In fiscal 2008, we recorded $51.1 million in charges primarily related to long-lived asset impairments resulting from the decision to close or decline lease renewals for 61 company-owned restaurants. The charges include $39.8 million of long-lived asset impairments and $9.3 million in lease obligation charges. The decision to close the restaurants and decline lease renewals was based on a comprehensive analysis that examined restaurants not performing at required levels of return. Also included is a $1.9 million charge related to the decrease in the estimated sales value of land associated with previously closed restaurants. Additionally, we recorded a $7.5 million charge related to the impairment of long-lived assets associated with two underperforming restaurants. The impairment charge was measured as the excess of the carrying amount of the long-lived assets over the fair value based on projected discounted future operating cash flows of the restaurants.

4. OTHER GAINS AND CHARGES (Continued)

In fiscal 2008, we also made the decision to reduce future domestic company-owned restaurant development as well as discontinue certain projects that did not align with our strategic goals. As a result, we evaluated our infrastructure needed to support this evolving business model, which resulted in the restructuring of our Restaurant Support Center and the elimination of certain administrative positions. In connection with these actions, we incurred $13.2 million in charges related to asset write-offs for sites under development and other discontinued projects. In addition, we incurred approximately $7.2 million in severance, vacation and other benefits, net of income related to the forfeiture of stock-based compensation awards.

In fiscal 2007, we recorded $12.9 million in charges resulting from the decision to close 13 restaurants. The charges include $10.7 million of long-lived asset impairments and $2.2 million in lease termination charges.

5. PREPAID EXPENSES AND OTHER

Prepaid expenses and other consist of the following (in thousands):

	2009	2008
Prepaid opening supplies	$40,842	$ 41,543
Restricted cash (see Note 1)	29,749	34,435
Other	25,845	30,205
	$96,436	$106,183

6. GOODWILL

The changes in the carrying amount of goodwill for the fiscal years ended June 24, 2009 and June 25, 2008 are as follows (in thousands):

	2009	2008
Balance at beginning of year	$140,371	$138,876
Impairment of goodwill (see Note 4)	(7,713)	—
Goodwill arising from acquisitions	—	1,357
Other	(1,939)	138
Balance at end of year	$130,719	$140,371

7. ACCRUED AND OTHER LIABILITIES

Accrued liabilities consist of the following (in thousands):

	2009	2008
Payroll	$ 72,510	$ 94,389
Gift cards	74,926	85,897
Property tax	23,160	32,996
Insurance	30,021	32,512
Sales tax	23,991	30,433
Other	60,976	55,651
	$285,584	$331,878

Other liabilities consist of the following (in thousands):

	2009	2008
Straight-line rent	$ 59,198	$ 57,099
Insurance	42,361	43,146
Landlord contributions	31,137	30,907
Unrecognized tax benefits	21,783	23,701
Other	6,920	14,752
	$161,399	$169,605

8. INCOME TAXES

The provision for income taxes consists of the following (in thousands):

	2009	2008	2007
Current income tax expense (benefit):			
Federal	$(40,988)	$ 59,500	$ 94,418
State	(1,166)	10,959	13,259
Foreign	1,808	1,808	1,431
Total current income tax expense (benefit)	(40,346)	72,267	109,108
Deferred income tax expense (benefit):			
Federal	41,878	(62,646)	(18,756)
State	6,040	(6,489)	(1,931)
Total deferred income tax expense (benefit)	47,918	(69,135)	(20,687)
	$ 7,572	$ 3,132	$ 88,421

8. INCOME TAXES (Continued)

A reconciliation between the reported provision for income taxes and the amount computed by applying the statutory Federal income tax rate of 35% to income before provision for income taxes is as follows (in thousands):

	2009	2008	2007
Income tax expense at statutory rate	$ 30,358	$ 19,197	$111,465
FICA tax credit	(21,244)	(23,835)	(23,307)
State income taxes, net of Federal benefit	3,169	2,902	7,363
Tax settlements	—	—	(6,790)
Stock-based compensation	(5)	(289)	576
Other	(4,706)	5,157	(886)
	$ 7,572	$ 3,132	$ 88,421

The income tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities as of June 24, 2009 and June 25, 2008 are as follows (in thousands):

	2009	2008
Deferred income tax assets:		
Leasing transactions	$ 38,936	$ 43,740
Stock-based compensation	19,351	19,601
Restructure charges and impairments	12,317	54,681
Insurance reserves	3,974	4,590
Employee benefit plans	1,055	2,019
Federal credit carryforward	18,188	—
Other, net	22,300	21,385
Total deferred income tax assets	$116,121	$146,016
Deferred income tax liabilities:		
Prepaid expenses	15,197	19,810
Goodwill and other amortization	17,976	15,768
Depreciation and capitalized interest on property and equipment	28,649	5,969
Captive insurance	1,335	2,998
Other, net	6,474	6,716
Total deferred income tax liabilities	69,631	51,261
Net deferred income tax asset	$ 46,490	$ 94,755

At June 24, 2009, we had approximately $18.2 million of U.S. Federal general business credit carryforwards. These tax credits will expire in fiscal 2029. It is anticipated that these credits will be fully utilized prior to their expiration.

Tax reserves are evaluated and adjusted as appropriate, while taking into account the progress of audits of various taxing jurisdictions. At the beginning of fiscal 2008, we adopted the provisions of the Financial Accounting Standards Board's ("FASB") Interpretation No. 48, "Accounting for Uncertainty in

8. INCOME TAXES (Continued)

Income Taxes" ("FIN 48"). The adoption of this standard was consistent with FASB Staff Position FIN 48-1, "Definition of Settlement in FASB Interpretation No. 48", that was issued in May 2007 and that provides guidance on how to determine whether a tax position is effectively settled for the purpose of recording unrecognized tax benefits. As a result of the adoption of FIN 48 we recognized an $847,000 decrease in the liability for unrecognized tax benefits, net of the Federal deferred tax benefit, with a corresponding increase to retained earnings.

A reconciliation of unrecognized tax benefits for the fiscal years ended June 24, 2009 and June 25, 2008 are as follows (in thousands):

	2009	2008
Balance at beginning of year	$27,139	$23,193
Additions based on tax positions related to the current year	4,130	5,587
(Reductions) additions based on tax positions related to prior years	(91)	57
Settlements with tax authorities	(4)	(1,081)
Expiration of statute of limitations	(3,463)	(617)
Balance at end of year	$27,711	$27,139

The total amount of unrecognized tax benefits as of June 24, 2009 was $27.7 million ($20.3 million of which would favorably affect the effective tax rate if resolved in our favor due to the effect of deferred tax benefits). During the next twelve months, we anticipate that it is reasonably possible that the amount of unrecognized tax benefits could be reduced by approximately $5.9 million ($4.7 million of which would affect the effective tax rate due to the effect of deferred tax benefits) either because our tax position will be sustained upon audit or as a result of the expiration of the statute of limitations for specific jurisdictions.

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. In fiscal 2009 we recognized approximately $0.9 million in interest, compared to $1.3 million in fiscal 2008. As of June 24, 2009, we had $6.3 million ($4.5 million net of a $1.8 million deferred tax benefit) of interest and penalties accrued, compared to $5.3 million ($3.8 million net of a $1.5 million deferred tax benefit) at June 25, 2008.

9. DEBT

Long-term debt consists of the following (in thousands):

	2009	2008
Term loan	$390,000	$400,000
Credit facilities	—	158,000
5.75% notes	289,253	299,070
Capital lease obligations (see Note 10)	50,009	46,507
	729,262	903,577
Less current installments	(1,815)	(1,973)
	$727,447	$901,604

9. DEBT (Continued)

As of June 25, 2008, we had credit facilities aggregating $550 million, consisting of a revolving credit facility of $300 million and uncommitted credit facilities of $250 million. In fiscal 2009, we completed the renewal of our revolving credit facility which was set to expire in October 2009. The new facility was reduced to $250 million, bears interest at LIBOR plus an applicable margin, which is a function of our credit rating at such time, but is subject to a maximum of LIBOR plus 3.75% and expires in February 2012. Based on our current credit rating, the revolving credit facility carries an interest rate of LIBOR plus 3.25% (3.56% as of June 24, 2009), although no balance was outstanding under this facility at June 24, 2009. The decision to downsize our total borrowing capacity under the new revolving credit facility was a result of the Macaroni Grill divestiture, reduced new company-owned restaurant development and our focus on debt repayment.

In fiscal 2009, Standard and Poor's ("S&P") reaffirmed our debt rating of BBB- (investment grade) with a stable outlook. However, Moody's downgraded our corporate family rating to Ba1 (non-investment grade) and our senior unsecured note rating to Ba2 (non-investment grade) with a stable outlook. Under the terms and conditions of our uncommitted credit facility agreements, we had to maintain an investment grade rating with both S&P and Moody's in order to utilize the credit facilities. As a result of our split rating, our uncommitted credit facilities totaling $250 million are no longer available. Outstanding balances on the uncommitted credit facilities were repaid in the second quarter of fiscal 2009 with funds drawn on the revolving credit facility. The balance on the revolving credit facility was paid down to zero by the end of fiscal 2009. As of June 24, 2009, we have $250 million available to us under our revolving credit facility.

In October 2007, we entered into a three-year term loan agreement for $400 million. The term loan bears interest at LIBOR plus an applicable margin, which is a function of our credit rating at such time, but is subject to a maximum of LIBOR plus 1.5% and expires in October 2010. At June 24, 2009, $390 million was outstanding and, based on our current credit rating, we are paying interest at a rate of LIBOR plus 0.95% (1.26%).

In May 2004, we issued $300.0 million of 5.75% notes and received proceeds totaling approximately $298.4 million prior to debt issuance costs. The notes require semi-annual interest payments and mature in June 2014. In April 2009, we repurchased and retired $10.0 million of the notes at a discount and recorded a $1.3 million gain on the extinguishment of debt in interest expense in the consolidated statement of income in fiscal 2009.

Our debt agreements contain various financial covenants that, among other things, require the maintenance of certain leverage and fixed charge coverage ratios. We are currently in compliance with all financial covenants.

9. DEBT (Continued)

Excluding capital lease obligations (see Note 10) our long-term debt maturities for the five years following June 24, 2009 are as follows (in thousands):

Fiscal Year	Long-Term Debt
2010	$ —
2011	390,000
2012	—
2013	—
2014	—
Thereafter	289,253
	$679,253

10. LEASES

(a) Capital Leases

We lease certain buildings under capital leases. The asset value of $36.9 million at June 24, 2009 and $32.6 million at June 25, 2008, and the related accumulated amortization of $10.6 million and $9.1 million at June 24, 2009 and June 25, 2008, respectively, are included in property and equipment. Amortization of assets under capital leases is included in depreciation and amortization expense.

(b) Operating Leases

We lease restaurant facilities, office space, and certain equipment under operating leases having terms expiring at various dates through fiscal 2093. The restaurant leases have renewal clauses of 1 to 35 years at our option and, in some cases, have provisions for contingent rent based upon a percentage of sales in excess of specified levels, as defined in the leases. Rent expense for fiscal 2009, 2008, and 2007 was $130.7 million, $145.6 million, and $149.1 million, respectively. Contingent rent included in rent expense for fiscal 2009, 2008, and 2007 was $6.6 million, $9.0 million, and $10.9 million, respectively.

10. LEASES (Continued)

(c) Commitments

As of June 24, 2009, future minimum lease payments on capital and operating leases were as follows (in thousands):

Fiscal Year	Capital Leases	Operating Leases
2010	$ 5,039	$108,646
2011	5,133	103,514
2012	5,230	95,719
2013	5,329	87,266
2014	5,429	76,299
Thereafter	52,727	252,215
Total minimum lease payments	78,887	$723,659
Imputed interest (average rate of 7%)	(28,878)	
Present value of minimum lease payments	50,009	
Less current installments	(1,815)	
	$ 48,194	

As of June 24, 2009, we had entered into other lease agreements for restaurant facilities currently under construction or yet to be constructed. Classification of these leases as capital or operating has not been determined as construction of the leased properties has not been completed.

11. STOCK-BASED COMPENSATION

In November 2005, our shareholders approved the Performance Share Plan, the Restricted Stock Unit Plan, and amendments to the 1998 Stock Option and Incentive Plan and the 1999 Stock Option and Incentive Plan for Non-Employee Directors and Consultants (collectively, the "Plans"). In October 2008, our shareholders approved an amendment to the 1998 Stock Option and Incentive Plan authorizing the issuance of an additional 2.0 million shares of our common stock to employees, bringing the total number of shares authorized for issuance to employees and non-employee directors and consultants under the Plans to 35.3 million. The Plans provide for grants of options to purchase our common stock, restricted stock, restricted stock units, performance shares and stock appreciation rights.

(a) Stock Options

Expense related to stock options issued to eligible employees under the Plans is recognized using a graded-vesting schedule over the vesting period. For options granted after the adoption of SFAS 123R on June 30, 2005, expense is recognized to the date on which retirement eligibility is achieved, if shorter than the vesting period. Stock options generally vest over a period of 1 to 4 years and have contractual terms to exercise of 8 to 10 years. Full or partial vesting of awards may occur upon a change in control (as defined in the Plans), or upon an employee's death, disability or involuntary termination.

11. STOCK-BASED COMPENSATION (Continued)

Transactions during fiscal 2009 were as follows (in thousands, except option prices):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at June 25, 2008	7,614	$ 21.86		
Granted	893	18.94		
Exercised	(427)	10.89		
Forfeited or canceled	(707)	22.49		
Options outstanding at June 24, 2009	7,373	$ 22.08	4.4	$ 289
Options exercisable at June 24, 2009	5,802	$ 21.91	3.8	$ 289

At June 24, 2009, unrecognized compensation expense related to stock options totaled approximately $3.1 million and will be recognized over a weighted average period of 2.0 years. The intrinsic value of options exercised totaled approximately $3.3 million, $1.5 million and $38.8 million during fiscal 2009, 2008 and 2007, respectively.

(b) Restricted Share Awards

Restricted share awards consist of performance shares, restricted stock and restricted stock units. Performance shares and most restricted stock units issued to eligible employees under the Plans generally vest in full on the third anniversary of the date of grant, while restricted stock units issued to eligible employees under our career equity plan generally vest upon each employee's retirement from the Company. Expense is recognized ratably over the vesting period, or to the date on which retirement eligibility is achieved, if shorter. Restricted stock and restricted stock units issued to eligible employees under our long-term incentive plans generally vest one-third per year beginning on the first or third anniversary of the date of grant. Restricted stock and restricted stock units issued to non-employee directors under the Plans vest in full on the fourth anniversary of the date of grant and are expensed when granted. Full or partial vesting of awards may occur upon a change in control (as defined in the Plans), or upon an employee's death, disability or involuntary termination.

Transactions during fiscal 2009 were as follows (in thousands, except fair values):

	Number of Restricted Share Awards	Weighted Average Fair Value Per Award
Restricted share awards outstanding at June 25, 2008	2,754	$ 22.92
Granted	1,026	16.77
Vested	(837)	22.20
Forfeited	(343)	22.52
Restricted share awards outstanding at June 24, 2009	2,600	$ 20.76

At June 24, 2009, unrecognized compensation expense related to restricted share awards totaled approximately $14.4 million and will be recognized over a weighted average period of 2.1 years. The fair

11. STOCK-BASED COMPENSATION (Continued)

value of shares that vested during fiscal 2009, 2008, and 2007 totaled approximately $12.7 million, $3.2 million and $1.8 million, respectively.

12. SAVINGS PLANS

We sponsor a qualified defined contribution retirement plan ("Plan I") covering all employees who have attained the age of twenty-one and have completed one year and 1,000 hours of service. Plan I allows eligible employees to contribute, subject to IRS limitations on total annual contributions, up to 50% of their base compensation and 100% of their eligible bonuses, as defined in the plan, to various investment funds. We match in cash at a rate of 100% of the first 3% an employee contributes and 50% of the next 2% the employee contributes with immediate vesting. In fiscal 2009, 2008, and 2007, we contributed approximately $8.1 million, $8.9 million, and $8.2 million, respectively.

We also sponsor a non-qualified defined contribution plan covering a select group of highly compensated employees, as defined in the plan. Eligible employees are allowed to defer receipt of up to 50% of their base compensation and bonus, as defined in the plan. There is no company match, but employee contributions earn interest based on a rate determined and announced in November prior to the start of the plan year. Employee contributions and earnings thereon vest immediately. A Rabbi Trust is used to fund obligations of the non-qualified plan. The market value of the trust assets is included in other assets and the liability to plan participants is included in other liabilities.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest and income taxes is as follows (in thousands):

	2009	2008	2007
Income taxes, net of refunds	$ 5,219	$62,260	$100,593
Interest, net of amounts capitalized	34,473	48,919	26,167

Non-cash investing and financing activities are as follows (in thousands):

	2009	2008	2007
Retirement of fully depreciated assets	$50,887	$21,778	$40,133

14. CONTINGENCIES

As of June 24, 2009, we remain secondarily liable for lease payments totaling $193.7 million as a result of the sale of Macaroni Grill, the sale of other brands, and the sale of restaurants to franchisees in previous periods. This amount represents the maximum potential liability of future payments under the guarantees. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from fiscal 2010 through fiscal 2023. In the event of default, the indemnity and default clauses in our assignment agreements govern our ability to pursue and recover damages incurred. No material liabilities have been recorded as of June 24, 2009.

Certain current and former hourly restaurant employees filed a lawsuit against us in California Superior Court alleging violations of California labor laws with respect to meal and rest breaks. The lawsuit seeks penalties and attorney's fees and was certified as a class action in July 2006. On July 22, 2008, the California Court of Appeal decertified the class action on all claims with prejudice. On October 22,

14. CONTINGENCIES (Continued)

2008, the California Supreme Court granted a writ to review the decision of the Court of Appeal. We intend to vigorously defend our position. It is not possible at this time to reasonably estimate the possible loss or range of loss, if any.

We are engaged in various other legal proceedings and have certain unresolved claims pending. The ultimate liability, if any, for the aggregate amounts claimed cannot be determined at this time. However, management, based upon consultation with legal counsel, is of the opinion that there are no matters pending or threatened which are expected to have a material adverse effect, individually or in the aggregate, on our consolidated financial condition or results of operations.

15. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following table summarizes the unaudited consolidated quarterly results of operations for fiscal 2009 and 2008 (in thousands, except per share amounts):

	Fiscal Year 2009 Quarters Ended			
	Sept. 24	Dec. 24	March 25	June 24
Revenues	$984,407	$949,425	$857,378	$829,370
Income (loss) before provision for income taxes	$ 32,355	$ (44,498)	$ 49,210	$ 49,671
Net income (loss)	$ 23,781	$ (21,764)	$ 35,003	$ 42,146
Basic net income (loss) per share	$ 0.23	$ (0.21)	$ 0.34	$ 0.41
Diluted net income (loss) per share(a)	$ 0.23	$ (0.21)	$ 0.34	$ 0.41
Basic weighted average shares outstanding	101,630	101,841	101,882	102,051
Diluted weighted average shares outstanding	102,762	102,278	102,752	103,054

	Fiscal Year 2008 Quarters Ended			
	Sept. 26	Dec. 26	March 26	June 25
Revenues	$1,054,686	$1,029,785	$1,077,183	$1,073,569
Income (loss) before provision for income taxes	$ 52,863	$ 78,106	$ (70,158)	$ (5,957)
Net income (loss)	$ 37,600	$ 54,480	$ (38,818)	$ (1,540)
Basic net income (loss) per share	$ 0.35	$ 0.53	$ (0.38)	$ (0.02)
Diluted net income (loss) per share(a)	$ 0.34	$ 0.52	$ (0.38)	$ (0.02)
Basic weighted average shares outstanding	106,464	103,498	101,175	101,267
Diluted weighted average shares outstanding	109,155	105,339	102,377	102,717

(a) Due to the net loss in the second quarter of fiscal 2009 and the third and fourth quarters of fiscal 2008, diluted loss per share is calculated using the basic weighted average number of shares. Using the actual diluted weighted average shares would result in anti-dilution of earnings per share.

Report of Independent Registered Public Accounting Firm

The Board of Directors
Brinker International, Inc.:

We have audited the accompanying consolidated balance sheets of Brinker International, Inc. and subsidiaries ("the Company") as of June 24, 2009 and June 25, 2008, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the years in the three-year period ended June 24, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Brinker International, Inc. and subsidiaries as of June 24, 2009 and June 25, 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended June 24, 2009, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of June 24, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 24, 2009 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

As discussed in Note 8 of the consolidated financial statements, the Company adopted the provisions of the Financial Accounting Standards Board's Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," in fiscal year 2008.

KPMG LLP

Dallas, Texas
August 24, 2009

Report of Independent Registered Public Accounting Firm

The Board of Directors
Brinker International, Inc.:

We have audited Brinker International, Inc.'s ("the Company") internal control over financial reporting as of June 24, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 24, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Brinker International, Inc. and subsidiaries as of June 24, 2009 and June 25, 2008, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years in the three-year period ended June 24, 2009, and our report dated August 24, 2009 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Dallas, Texas
August 24, 2009

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the reliability of the consolidated financial statements and related notes, which have been prepared in conformity with U. S. generally accepted accounting principles and include amounts based upon our estimate and judgments, as required. The consolidated financial statements have been audited and reported on by our independent registered public accounting firm, KPMG LLP, who were given free access to all financial records and related data, including minutes of the meetings of the Board of Directors and Committees of the Board. We believe that the representations made to the independent auditors were valid and appropriate.

We maintain a system of internal controls over financial reporting designed to provide reasonable assurance of the reliability of the consolidated financial statements. Our internal audit function monitors and reports on the adequacy of the compliance with the internal control system and appropriate actions are taken to address significant control deficiencies and other opportunities for improving the system as they are identified. The Audit Committee of the Board of Directors, which is comprised solely of outside directors, provides oversight to the financial reporting process through periodic meetings with our independent auditors, internal auditors, and management. Both our independent auditors and internal auditors have free access to the Audit Committee. Although no cost-effective internal control system will preclude all errors and irregularities, we believe our controls as of and for the year ended June 24, 2009 provide reasonable assurance that the consolidated financial statements are reliable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting. We have assessed the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we concluded that our internal control over financial reporting was effective as of June 24, 2009.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projection of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The effectiveness of our internal control over financial reporting as of June 24, 2009 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in its attestation report which is included herein.

/s/ DOUGLAS H. BROOKS

DOUGLAS H. BROOKS
President and Chief Executive Officer

/s/ CHARLES M. SONSTEBY

CHARLES M. SONSTEBY
Executive Vice President and Chief Financial Officer

QuickLinks

Exhibit 21

BRINKER INTERNATIONAL, INC., A DELAWARE CORPORATION
SUBSIDIARIES

REGISTRANT'S subsidiaries operate full-service restaurants in various locations throughout the United States under the names Chili's Grill & Bar, On The Border Mexican Grill & Cantina, and Maggiano's Little Italy.

BRINKER RESTAURANT CORPORATION, a Delaware corporation
BRINKER INTERNATIONAL PAYROLL COMPANY, L.P., a Delaware limited partnership
BRINKER ALABAMA, INC., a Delaware corporation
BRINKER ARKANSAS, INC., a Delaware corporation
BRINKER CONNECTICUT CORPORATION, a Delaware corporation
BRINKER DELAWARE, INC., a Delaware corporation
BRINKER FLORIDA, INC., a Delaware corporation
BRINKER FREEHOLD, INC., a New Jersey corporation
BRINKER GEORGIA, INC., a Delaware corporation
BRINKER INDIANA, INC., a Delaware corporation
BRINKER IOWA, INC., a Delaware corporation
BRINKER KENTUCKY, INC., a Delaware corporation
BRINKER LOUISIANA, INC., a Delaware corporation
BRINKER MASSACHUSETTS CORPORATION, a Delaware corporation
BRINKER MICHIGAN, INC., a Delaware corporation
BRINKER MISSISSIPPI, INC., a Delaware corporation
BRINKER MISSOURI, INC., a Delaware corporation
BRINKER NEVADA, INC., a Nevada corporation
BRINKER NEW JERSEY, INC., a Delaware corporation
BRINKER NORTH CAROLINA, INC., a Delaware corporation
BRINKER OF BALTIMORE COUNTY, INC., a Maryland corporation
BRINKER OF CARROLL COUNTY, INC., a Maryland corporation
BRINKER OF CHARLES COUNTY, INC., a Maryland corporation
BRINKER OF CECIL COUNTY, INC., a Maryland corporation
BRINKER OF FREDERICK COUNTY, INC., a Maryland corporation
BRINKER OF HOWARD COUNTY, INC., a Maryland corporation
BRINKER OF MONTGOMERY COUNTY, INC., a Maryland corporation
BRINKER OF PRINCE GEORGE'S COUNTY, INC., a Maryland corporation
BRINKER OHIO, INC., a Delaware corporation
BRINKER OKLAHOMA, INC., a Delaware corporation
BRINKER PENN TRUST, a Pennsylvania business trust
BRINKER RHODE ISLAND, INC., a Rhode Island corporation
BRINKER SOUTH CAROLINA, INC., a Delaware corporation
BRINKER TEXAS, INC., a Delaware corporation
BRINKER VIRGINIA, INC., a Delaware corporation
CHILI'S BEVERAGE COMPANY, INC., a Texas corporation
CHILI'S, INC., a Delaware corporation
CHILI'S, INC., a Tennessee corporation
CHILI'S OF BEL AIR, INC., a Maryland corporation
CHILI'S OF KANSAS, INC., a Kansas corporation
CHILI'S OF MARYLAND, INC., a Maryland corporation
CHILI'S OF MINNESOTA, INC., a Minnesota corporation
CHILI'S OF WEST VIRGINIA, INC., a West Virginia corporation
MAGGIANO'S, INC., an Illinois corporation
MAGGIANO'S BEVERAGE COMPANY, a Texas corporation
MAGGIANO'S HOLDING CORPORATION, a Delaware corporation
MAGGIANO'S OF TYSON'S, INC., a Virginia corporation
MAGGIANO'S TEXAS, INC., a Delaware corporation
ROMANO'S OF ANNAPOLIS, INC., a Maryland corporation

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Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Brinker International, Inc.:

We consent to the incorporation by reference in Registration Statement Nos. 33-56491, 333-02201, 333-93755, 333-42224, 333-105720, 333-125289, and 333-157050 on Form S-8, Registration Statement No. 333-74902 on Form S-3 and Registration Statement No. 333-116879 on Form S-4 of Brinker International, Inc. of our reports dated August 24, 2009, with respect to the consolidated balance sheets of Brinker International, Inc. as of June 24, 2009 and June 25, 2008, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended June 24, 2009, and the effectiveness of internal control over financial reporting as of June 24, 2009, which reports appear in the 2009 Annual Report on Form 10-K of Brinker International, Inc.

Our report dated August 24, 2009, with respect to the consolidated balance sheets of Brinker International, Inc. and subsidiaries as of June 24, 2009 and June 25, 2008, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended June 24, 2009 refers to the adoption of the provisions of the Financial Accounting Standards Board's Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," in fiscal year 2008.

KPMG LLP

Dallas, Texas
August 24, 2009

Exhibit 31(a)

CERTIFICATION

I, Douglas H. Brooks, certify that:

1. I have reviewed this Annual Report on Form 10-K of Brinker International, 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 annual 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 annual report;

4. The registrant's other certifying officer(s) 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 acceptable 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(s) 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: August 24, 2009

/s/ DOUGLAS H. BROOKS

Douglas H. Brooks
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

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Exhibit 31(b)

CERTIFICATION

I, Charles M. Sonsteby, certify that:

1. I have reviewed this Annual Report on Form 10-K of Brinker International, 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(s) 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 acceptable 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(s) 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: August 24, 2009

/s/ CHARLES M. SONSTEBY

Charles M. Sonsteby
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

QuickLinks

Exhibit 31(b)

CERTIFICATION

Exhibit 32(a)

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Brinker International, Inc. (the "Company"), hereby certifies that the Company's Annual Report on Form 10-K for the year ended June 24, 2009 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 24, 2009

By:	/s/ DOUGLAS H. BROOKS
Name:	Douglas H. Brooks
Title:	*Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)*

Exhibit 32(b)

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Brinker International, Inc. (the "Company"), hereby certifies that the Company's Annual Report on Form 10-K for the year ended June 24, 2009 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 24, 2009

By:	/s/ CHARLES M. SONSTEBY
Name:	Charles M. Sonsteby
Title:	*Executive Vice President and* *Chief Financial Officer* *(Principal Financial Officer)*