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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended December 26, 2012

Commission File Number 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)**

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

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 January 28, 2013
Common Stock, $0.10 par value	70,781,933 shares

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

BRINKER INTERNATIONAL, INC.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	December 26, 2012 (Unaudited)	June 27, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 93,105	$ 59,103
Accounts receivable	80,486	43,387
Inventories	26,337	25,360
Prepaid expenses and other	62,676	63,023
Income taxes receivable	0	1,055
Deferred income taxes	0	2,918
Total current assets	262,604	194,846
Property and Equipment, at Cost:		
Land	150,220	152,382
Buildings and leasehold improvements	1,407,614	1,399,905
Furniture and equipment	569,089	556,304
Construction-in-progress	17,896	11,211
	2,144,819	2,119,802
Less accumulated depreciation and amortization	(1,106,843)	(1,076,238)
Net property and equipment	1,037,976	1,043,564
Other Assets:		
Goodwill	125,604	125,604
Deferred income taxes	26,932	20,231
Other	48,090	51,827
Total other assets	200,626	197,662
Total assets	$ 1,501,206	$ 1,436,072
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current installments of long-term debt	$ 27,462	$ 27,334
Accounts payable	83,720	100,531
Accrued liabilities	304,456	273,884
Income taxes payable	13,295	0
Deferred income taxes	2,451	0
Total current liabilities	431,384	401,749
Long-term debt, less current installments	684,171	587,890
Other liabilities	132,668	136,560
Commitments and Contingencies (Note 8)		
Shareholders' Equity:		
Common stock—250,000,000 authorized shares; $0.10 par value; 176,246,649 shares issued and 71,893,411 shares outstanding at December 26, 2012, and 176,246,649 shares issued and 74,342,115 shares outstanding at June 27, 2012	17,625	17,625
Additional paid-in capital	468,707	466,781
Retained earnings	2,147,913	2,112,858
	2,634,245	2,597,264
Less treasury stock, at cost (104,353,238 shares at December 26, 2012 and 101,904,534 shares at June 27, 2012)	(2,381,262)	(2,287,391)
Total shareholders' equity	252,983	309,873
Total liabilities and shareholders' equity	$ 1,501,206	$ 1,436,072

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended		Twenty-Six Week Periods Ended	
	December 26, 2012	December 28, 2011	December 26, 2012	December 28, 2011
Revenues:				
Company sales	$ 669,129	$ 661,710	$1,332,797	$1,309,465
Franchise and other revenues	20,635	20,194	40,474	40,841
Total revenues	689,764	681,904	1,373,271	$1,350,306
Operating Costs and Expenses:				
Company restaurants				
Cost of sales	184,591	185,189	369,286	366,807
Restaurant labor	217,177	214,317	436,043	430,262
Restaurant expenses	162,191	160,077	325,244	325,642
Company restaurant expenses	563,959	559,583	1,130,573	1,122,711
Depreciation and amortization	32,979	31,153	65,608	62,336
General and administrative	31,030	31,215	68,303	64,034
Other gains and charges	230	4,033	677	5,718
Total operating costs and expenses	628,198	625,984	1,265,161	1,254,799
Operating income	61,566	55,920	108,110	95,507
Interest expense	7,066	6,509	13,955	13,557
Other, net	(726)	(854)	(1,523)	(1,946)
Income before provision for income taxes	55,226	50,265	95,678	83,896
Provision for income taxes	18,049	14,591	30,637	24,601
Net income	$ 37,177	$ 35,674	$ 65,041	$ 59,295
Basic net income per share	$ 0.51	$ 0.45	$ 0.89	$ 0.73
Diluted net income per share	$ 0.50	$ 0.44	$ 0.86	$ 0.72
Basic weighted average shares outstanding	72,560	79,840	73,232	80,792
Diluted weighted average shares outstanding	74,720	81,655	75,639	82,619
Dividends per share	$ 0.20	$ 0.16	$ 0.40	$ 0.32

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Twenty-Six Week Periods Ended	
	December 26, 2012	December 28, 2011
Cash Flows from Operating Activities:		
Net income	$ 65,041	$ 59,295
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	65,608	62,336
Stock-based compensation	9,314	6,449
Deferred income taxes	(4,404)	13,432
Restructure charges and other impairments	3,027	4,898
Loss on equity investments	997	1,391
Net (gain) loss on disposal of assets	(96)	573
Other	137	606
Changes in assets and liabilities:		
Accounts receivable	(37,011)	(43,811)
Inventories	(992)	(2,027)
Prepaid expenses and other	4,094	3,361
Other assets	(1,277)	1,105
Accounts payable	(15,059)	207
Accrued liabilities	26,400	16,803
Current income taxes	15,666	(9,070)
Other liabilities	(168)	(1,303)
Net cash provided by operating activities	131,277	114,245
Cash Flows from Investing Activities:		
Payments for property and equipment	(69,752)	(53,475)
Proceeds from sale of assets	5,335	4,279
Investment in equity method investee	0	(912)
Net cash used in investing activities	(64,417)	(50,108)
Cash Flows from Financing Activities:		
Purchases of treasury stock	(131,445)	(125,638)
Borrowings on revolving credit facility	110,000	0
Payments of dividends	(27,677)	(25,073)
Proceeds from issuances of treasury stock	22,515	16,649
Payments on long-term debt	(13,190)	(5,625)
Excess tax benefits from stock-based compensation	6,939	792
Proceeds from issuances of long-term debt	0	70,000
Payments for deferred financing costs	0	(1,620)
Net cash used in financing activities	(32,858)	(70,515)
Net change in cash and cash equivalents	34,002	(6,378)
Cash and cash equivalents at beginning of period	59,103	81,988
Cash and cash equivalents at end of period	$ 93,105	$ 75,610

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.
Notes to Consolidated Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION

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

Our consolidated financial statements as of December 26, 2012 and June 27, 2012 and for the thirteen week and twenty-six week periods ended December 26, 2012 and December 28, 2011 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). We are principally engaged in the ownership, operation, development, and franchising of the Chili’s Grill & Bar (“Chili’s”) and Maggiano’s Little Italy (“Maggiano’s”) restaurant brands. At December 26, 2012, we owned, operated or franchised 1,593 restaurants in the United States and 32 countries and two territories outside of the United States.

Beginning in fiscal 2013, revenues are presented in two separate captions on the consolidated statements of income in an effort to provide more clarity around company-owned restaurant revenue and operating expense trends. Company sales includes revenues generated by the operation of company-owned restaurants and gift card redemptions. Franchise and other revenues includes royalties, development fees, franchise fees, Maggiano’s banquet service charge income and certain gift card activity (breakage and discounts). Prior year revenue amounts have been reclassified to conform to the fiscal 2013 presentation. These reclassifications have no effect on total revenue or net income previously reported.

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.

The information furnished herein reflects all adjustments (consisting only of normal recurring accruals and adjustments) which are, in our opinion, necessary to fairly state the interim operating results for the respective periods. However, these operating results are not necessarily indicative of the results expected for the full fiscal year. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to SEC rules and regulations. The notes to the consolidated financial statements (unaudited) should be read in conjunction with the notes to the consolidated financial statements contained in the June 27, 2012 Form 10-K. We believe the disclosures are sufficient for interim financial reporting purposes.

2. EARNINGS 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 were exercised or converted into common stock. For the calculation of diluted earnings 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 851,000 stock options and restricted share awards outstanding at December 26, 2012 and 1.8 million stock options and restricted share awards outstanding at December 28, 2011 that were not included in the dilutive earnings per share calculation because the effect would have been anti-dilutive.

3. LONG-TERM DEBT

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

	December 26, 2012	June 27, 2012
Term loan	$ 225,000	$ 237,500
5.75% notes	289,785	289,709
Revolving credit facility	150,000	40,000
Capital lease obligations	46,848	48,015
	711,633	615,224
Less current installments	(27,462)	(27,334)
	$ 684,171	$ 587,890

During the first two quarters of fiscal 2013, an additional $110 million was drawn on the revolver primarily to fund share repurchases. As of December 26, 2012, $100 million of credit was available under the revolver.

The term loan and revolving credit facility bear interest of LIBOR plus an applicable margin, which is a function of our credit rating and debt to cash flow ratio, but is subject to a maximum of LIBOR plus 2.50%. Based on our current credit rating, we are paying interest at a rate of LIBOR plus 1.63%. One month LIBOR at December 26, 2012 was approximately 0.21%.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. In determining fair value, the accounting standards establish a three level hierarchy for inputs used in measuring fair value, as follows:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3 – inputs are unobservable and reflect our own assumptions.

(a) Non-Financial Assets Measured on a Non-Recurring Basis

During fiscal 2013, long-lived assets with a carrying value of $0.8 million, primarily related to one underperforming restaurant, were written down to their fair value of $0.1 million resulting in an impairment charge of $0.7 million, which was included in other gains and charges in the consolidated statement of income for the period. During fiscal 2012, ten underperforming restaurants with a carrying value of $1.5 million were written down to their fair value of $0.4 million resulting in an impairment charge of $1.1 million, which was included in other gains and charges in the consolidated statement of income for the period. We determined fair value based on projected discounted future operating cash flows of the restaurants over their remaining service life using a risk adjusted discount rate that is commensurate with the risk inherent in our current business model.

The following table presents fair values for those assets measured at fair value on a non-recurring basis at December 26, 2012 and December 28, 2011 (in thousands):

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Long-lived assets held for use				
At December 26, 2012	$ 0	$ 0	$ 140	$140
At December 28, 2011	$ 0	$ 0	$ 369	$369

(b) Other Financial Instruments

Our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The fair value of cash and cash equivalents, accounts receivable and accounts payable approximates their carrying amounts. The fair value of the revolving credit facility borrowing approximates carrying value as the interest rates are adjusted based on LIBOR and the company's credit rating. The fair value of the 5.75% notes is based on quoted market prices. At December 26, 2012, the 5.75% notes had a carrying value of $289.8 million and a fair value of $307.0 million. At June 27, 2012, the 5.75% notes had a carrying value of $289.7 million and a fair value of $310.2 million.

5. OTHER GAINS AND CHARGES

Other gains and charges consist of the following (in thousands):

	Thirteen Week Periods Ended		Twenty-Six Week Periods Ended	
	December 26, 2012	December 28, 2011	December 26, 2012	December 28, 2011
Restaurant impairment charges	$ 661	$ 1,098	$ 661	$ 1,098
Restaurant closure charges	2,148	2,395	2,582	3,122
Gains on the sale of assets, net	(2,349)	4	(2,350)	(1,340)
Other gains and charges, net	(230)	536	(216)	2,838
	$ 230	$ 4,033	$ 677	$ 5,718

We recorded impairment charges of $0.7 million and $1.1 million in fiscal 2013 and 2012, respectively. The impairment charges, which were associated with underperforming restaurants that continue to operate, were measured as the excess of the carrying amount of property and equipment over the fair value. See Note 4 for fair value disclosures related to these charges.

During the first two quarters of fiscal 2013, we recorded $2.6 million in restaurant closure charges, consisting primarily of $1.4 million in lease termination charges and $1.0 million related to long-lived asset impairments. The charges were primarily related to restaurants closed in prior years. Additionally, we recorded year-to-date net gains of $2.4 million primarily related to land sales.

During the first two quarters of fiscal 2012, we recorded $3.1 million in restaurant closure charges, consisting primarily of $2.4 million in lease termination charges associated with restaurants closed in prior years and $0.4 million related to long-lived asset impairments resulting from closures.

Additionally, we recorded $2.5 million in charges related to the pending settlement of a class action lawsuit in the first quarter of fiscal 2012, partially offset by a $1.3 million gain related to the sale of land.

6. SHAREHOLDERS' EQUITY

In August 2012, our Board of Directors authorized a $500.0 million increase to our existing share repurchase program. We repurchased approximately 4.0 million shares of our common stock for $131.4 million during the first two quarters of fiscal 2013. As of December 26, 2012, approximately $534 million was available under our share repurchase authorizations. 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 evaluate potential share repurchases under our plan based on several factors, including our cash position, share price, operational liquidity, proceeds from divestitures, borrowing and planned investment and financing needs. Repurchased common stock is reflected as a reduction of shareholders' equity. During the first quarter of fiscal 2013, we made an annual grant of approximately 223,000 stock options with an exercise price of $34.82 and a fair value of $13.69, and approximately 504,000 restricted share awards with a weighted average fair value of $35.60. Additionally, during the first two quarters of fiscal 2013, approximately 1.0 million stock options were exercised resulting in cash proceeds of $22.5 million.

During the first two quarters of fiscal 2013, we paid dividends of $27.7 million to common stock shareholders, compared to $25.1 million in the prior year. Our Board of Directors approved a 25 percent increase in the quarterly dividend from $0.16 to $0.20 per share effective with the dividend declared in August 2012. Additionally, we declared a quarterly dividend of $14.4 million in November 2012, payable on December 27, 2012.

7. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for income taxes and interest for the first two quarters of fiscal 2013 and 2012 are as follows (in thousands):

	December 26, 2012	December 28, 2011
Income taxes, net of refunds	$ 10,574	$ 15,090
Interest, net of amounts capitalized	13,345	12,199

Non-cash investing activities for the first two quarters of fiscal 2013 and 2012 are as follows (in thousands):

	December 26, 2012	December 28, 2011
Retirement of fully depreciated assets	$ 31,019	$ 55,202

8. CONTINGENCIES

In connection with the sale of restaurants to franchisees and brand divestitures, we have, in certain cases, guaranteed lease payments. As of December 26, 2012 and June 27, 2012, we have outstanding lease guarantees or are secondarily liable for $141.7 million and $142.6 million, respectively. 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 2013 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 December 26, 2012.

In August 2004, certain current and former hourly restaurant team members filed a putative class action lawsuit against us in California Superior Court alleging violations of California labor laws with respect to meal periods and rest breaks. The lawsuit sought penalties and attorney's fees and was certified as a class action by the trial court in July 2006. In July 2008, the California Court of Appeal decertified the class action on all claims with prejudice. In October 2008, the California Supreme Court granted a writ to review the decision of the Court of Appeal and oral arguments were heard by the California Supreme Court on November 8, 2011. On April 12, 2012, the California Supreme Court issued an opinion affirming in part, reversing in part, and remanding in part for further proceedings. The California Supreme Court's opinion resolved many of the legal standards for meal periods and rest breaks in our California restaurants and we intend to vigorously defend our position on the remaining issues upon remand to the trial court. 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. Reserves have been established based on our best estimates of our potential liability in certain of these matters. Based upon consultation with legal counsel, Management 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.

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

The following table sets forth selected operating data as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the accompanying consolidated statements of income.

	Thirteen Week Periods Ended		Twenty-Six Week Periods Ended	
	December 26, 2012	December 28, 2011	December 26, 2012	December 28, 2011
Revenues:				
Company sales	97.0%	97.0%	97.1%	97.0%
Franchise and other revenues	3.0%	3.0%	2.9%	3.0%
Total revenues	100.0%	100.0%	100.0%	100.0%
Operating Costs and Expenses:				
Company restaurants				
Cost of sales (1)	27.6%	28.0%	27.7%	28.0%
Restaurant labor (1)	32.5%	32.4%	32.7%	32.8%
Restaurant expense (1)	24.2%	24.2%	24.4%	24.9%
Company restaurant expenses (1)	84.3%	84.6%	84.8%	85.7%
Depreciation and amortization	4.8%	4.6%	4.8%	4.6%
General and administrative	4.5%	4.6%	5.0%	4.7%
Other gains and charges	0.0%	0.6%	0.0%	0.4%
Total operating costs and expenses	91.1%	91.8%	92.1%	92.9%
Operating income	8.9%	8.2%	7.9%	7.1%
Interest expense	1.0%	0.9%	1.0%	1.0%
Other, net	(0.1)%	(0.1)%	(0.1)%	(0.1)%
Income before provision for income taxes	8.0%	7.4%	7.0%	6.2%
Provision for income taxes	2.6%	2.2%	2.3%	1.8%
Net income	5.4%	5.2%	4.7%	4.4%

(1) As a percentage of company sales.

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The following table details the number of restaurant openings during the second quarter, year-to-date, total restaurants open at the end of the second quarter, and total projected openings in fiscal 2013.

	Second Quarter Openings		Year-to-Date Openings		Total Open at End Of Second Quarter		Projected Openings
	Fiscal 2013	Fiscal 2012	Fiscal 2013	Fiscal 2012	Fiscal 2013	Fiscal 2012	Fiscal 2013
Chili's:							
Company-owned	2	0	2	0	823	821	0
Domestic Franchised	1	1	2	1	452	467	2
Total	3	1	4	1	1,275	1,288	2
Maggiano's:	0	0	0	0	44	44	0
International: (a)							
Company-owned	0	0	0	0	0	0	0
Franchised	10	4	19	11	274	242	30-35
Total	10	4	19	11	274	242	30-35
Grand Total	13	5	23	12	1,593	1,574	32-37

(a) At the end of the second quarter of fiscal 2013, international franchised restaurants included 274 Chili's restaurants.

At December 26, 2012, we owned the land and buildings for 189 of the 867 company-owned restaurants. The net book values of the land and buildings associated with these restaurants totaled $141.1 million and $120.0 million, respectively.

GENERAL

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand Brinker International, our operations, and our current operating environment. For an understanding of the significant factors that influenced our performance during the quarters ended December 26, 2012 and December 28, 2011, the MD&A should be read in conjunction with the consolidated financial statements and related notes included in this quarterly report.

OVERVIEW

We are committed to strategies and initiatives that are centered on long-term sales and profit growth, enhancing the guest experience and team member engagement. These strategies are intended to differentiate our brands from the competition, reduce the costs associated with managing our restaurants and establish a strong presence for our brands in key markets around the world.

Key economic indicators such as total employment, consumer confidence and spending levels were somewhat neutral this quarter; however, soft industry sales late in the quarter suggests that consumers remain cautious. This economic environment has continued to challenge the industry; however, we believe that our strategies and initiatives will provide a solid foundation for earnings growth going forward and are appropriate for all operating conditions.

Our current initiatives are designed to drive profitable sales growth and improve the guest experience in our restaurants. We are investing in new kitchen equipment, operations software and remodel initiatives as the core pieces of our current strategy. We completed the installation of new kitchen equipment in all of our company-owned Chili's restaurants this quarter. The upgraded equipment will consistently provide a high quality product at a faster pace, enhancing both profitability and guest satisfaction. Based on the installations completed earlier in the rollout and our robust testing process, we believe the usability and efficiency of the equipment will allow for significant labor savings over time. Also, the flexibility of our equipment will allow for the development of new menu categories that we believe will result in increased sales and guest traffic.

All company-owned Chili's restaurants are now operating with an integrated point of sale and back office software system that was designed to enhance the efficiency of our restaurant operations and reporting capabilities. Timely and more detailed reporting in our restaurants will result in improved inventory and labor management while reducing software maintenance costs. Additionally, our management team will have timely visibility into operating performance and trends which will enhance decision making and improve profitability. We expect to begin the system installation in Maggiano's restaurants by the end of the calendar year.

We have remodeled a significant number of our company-owned Chili's restaurants and plan to continue the initiative at a brisk pace. The remodel design is intended to revitalize Chili's in a way which enhances the relevance of the brand and raises guest expectations regarding the quality of the experience. The design is contemporary while staying true to the Chili's brand heritage. We believe that these updates will positively impact the guest perception of the restaurant in both the dining room and bar areas and provide a long-term positive impact to traffic and sales.

We continually evaluate our menu at Chili's to improve quality, freshness and value by introducing new items and improving existing favorites. Recently, we introduced some additional lighter choices to the menu with the Mango Chile Chicken and Mango Chile Tilapia entrees. We also expanded the dessert and appetizer selection with a new freshly baked skillet cookie and soft pretzel bread sticks. Our two for twenty and lunch combo offerings have been refreshed with new menu items including Southwestern Mac 'n' Cheese with Grilled Chicken that reflect our southwest positioning. Our new steak selection introduced last year also continues to have a high guest preference and has been enhanced with steak topper add-ons. An emphasis on new products, training and our reimaged bar also resulted in improved bar sales over last year. We believe these changes as well as our ability to develop new and innovative items will further enhance sales and drive incremental traffic. We are committed to offering a compelling everyday menu that provides items our guests prefer at a solid value.

Improvements at Chili's will have the most significant impact on the business; however, our results will also benefit through additional contributions from Maggiano's and our global business. Maggiano's continues to deliver sales growth and strong margin performance. Maggiano's offers a compelling menu and great value with Classic Pasta and Marco's Meal. Kitchen efficiency and inventory controls continue to enhance profitability and strengthen the business model.

Global expansion allows further diversification which will enable us to build strength in a variety of markets and economic conditions. This expansion will come through franchise relationships, joint venture arrangements and equity investments, taking advantage of demographic and eating trends which we believe will accelerate in the international market over the next decade. Our growing 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 priority remains increasing profitable growth over time in all operating environments. We have designed both operational and financial strategies to achieve this goal and in our opinion, improve shareholder value. Success with our initiatives to improve sales trends and operational effectiveness will enhance the profitability of our restaurants and strengthen our competitive position. The effective execution of our financial strategies, including repurchasing shares of our common stock, payment of quarterly dividends, disciplined use of capital and efficient management of operating expenses, will further enhance our profitability and return value to our shareholders. We remain confident in the financial health of our company, the long-term prospects of the industry as well as our ability to perform effectively in a competitive marketplace and a variety of economic environments.

REVENUES

Beginning in fiscal 2013, revenues are presented in two separate captions on the consolidated statements of income in an effort to provide more clarity around company-owned restaurant revenue and operating expense trends. Company sales includes revenues generated by the operation of company-owned restaurants and gift card redemptions. Franchise and other revenues includes royalties, development fees and franchise fees, Maggiano's banquet service charge income, and certain gift card activity (breakage and discounts). Prior year revenue amounts have been reclassified to conform to the fiscal 2013 presentation. These reclassifications have no effect on total revenue or net income previously reported.

Revenues for the second quarter of fiscal 2013 increased to $689.8 million, a 1.2% increase from the $681.9 million generated for the same quarter of fiscal 2012. Revenues for the twenty-six week period ended December 26, 2012 were $1,373.3 million, a 1.7% increase from the $1,350.3 million generated for the same period in fiscal 2012. The increase in revenue was primarily attributable to an increase in comparable restaurant sales as follows:

	Thirteen Week Period Ended December 26, 2012				
	Comparable Sales	Price Increase	Mix Shift	Traffic	Capacity
Company-owned	0.9%	1.8%	1.2%	(2.1)%	0.0%
Chili's	1.0%	1.6%	1.3%	(1.9)%	0.0%
Maggiano's	0.6%	2.3%	0.7%	(2.4)%	0.0%
Franchise (1)	2.4%				
Domestic	2.2%				
International	2.7%				
System-wide (2)	1.5%				

	Thirteen Week Period Ended December 28, 2011				
	Comparable Sales	Price Increase	Mix Shift	Traffic	Capacity
Company-owned	1.7%	1.2%	(0.5)%	1.0%	(0.5)%
Chili's	1.4%	1.1%	(0.8)%	1.1%	(0.5)%
Maggiano's	2.8%	1.8%	0.4%	0.6%	0.0%
Franchise (1)	2.6%				
Domestic	1.7%				
International	4.8%				
System-wide (2)	2.0%				

	Twenty-Six Week Period Ended December 26, 2012				
	Comparable Sales	Price Increase	Mix Shift	Traffic	Capacity
Company-owned	1.8%	1.7%	1.0%	(0.9)%	(0.1)%
Chili's	1.9%	1.5%	1.0%	(0.6)%	(0.1)%
Maggiano's	0.7%	2.5%	0.7%	(2.5)%	0.0%
Franchise (1)	2.6%				
Domestic	2.8%				
International	2.1%				
System-wide (2)	2.1%				

	Twenty-Six Week Period Ended December 28, 2011				
	Comparable Sales	Price Increase	Mix Shift	Traffic	Capacity
Company-owned	1.8%	1.3%	(0.9)%	1.4%	(0.4)%
Chili's	1.6%	1.2%	(1.1)%	1.5%	(0.4)%
Maggiano's	3.1%	1.9%	0.0%	1.2%	0.0%
Franchise (1)	2.3%				
Domestic	1.0%				
International	6.1%				
System-wide (2)	2.0%				

(1) Revenues generated by franchisees are not included in revenues on the consolidated statements of income; however, we generate royalty revenue and advertising fees based on franchise sales, where applicable. We believe including franchise comparable restaurant sales provides investors information regarding brand performance that is relevant to current operations and may impact future restaurant development.

(2) System-wide comparable restaurant sales are derived from sales generated by company-owned Chili's and Maggiano's restaurants in addition to the sales generated at franchisee operated restaurants.

Chili's revenues increased 1.2% to $563.3 million in the second quarter of fiscal 2013 from $556.5 million in the prior year. For the year-to-date period, Chili's revenues increased 2.0% to $1,144.6 million from $1,122.6 million in fiscal 2012. The increases were primarily driven by increased menu pricing and favorable mix shift.

Maggiano's revenues increased 0.6% to $105.8 million in the second quarter of fiscal 2013 from $105.2 million in the same quarter of fiscal 2012. For the year-to-date period, Maggiano's revenues increased 0.7% to $188.2 million from $186.9 million in fiscal 2012. The increases were primarily driven by increased menu pricing and favorable mix shift.

Franchise and other revenues increased 2.0% to $20.6 million in the second quarter of fiscal 2013 compared to $20.2 million in the prior year driven primarily by an increase in royalty revenue. For the year-to-date period, franchise and other revenues decreased 0.7% to $40.5 million compared to $40.8 million in fiscal 2012 primarily due to lower gift card breakage income due to increased gift card usage trends, partially offset by an increase in royalty revenues related to the net addition of 17 franchised restaurants since the second quarter of fiscal 2012. Our franchisees generated approximately $401 million and $800 million in sales for the second quarter and year-to-date period of fiscal 2013.

COSTS AND EXPENSES

Cost of sales, as a percent of company sales, decreased to 27.6% for the second quarter and 27.7% for the year-to-date period of fiscal 2013 from 28.0% for the respective prior year periods. Cost of sales was favorably impacted in the current year by increased menu pricing, favorable commodity pricing on produce, poultry and dairy and decreased commodity usage at Maggiano's from efforts to reduce waste. These changes were partially offset by unfavorable commodity pricing and product mix related to beef and pork.

Restaurant labor, as a percent of company sales, increased to 32.5% for the second quarter from 32.4% in the prior year due to increased employee health insurance claims and increased overtime incurred to support the installation of new kitchen equipment, partially offset by sales leverage related to higher revenue and improved labor productivity from the installation of the equipment. Restaurant labor, as a percent of company sales, decreased to 32.7% for the year-to-date period of fiscal 2013 from 32.8% in the prior year. The year-to-date period was positively impacted by sales leverage and improved labor productivity, partially offset by increased overtime incurred to support the installation of new kitchen equipment.

Restaurant expenses, as a percent of company sales, remained flat at 24.2% for the second quarter of fiscal 2013 as compared to the prior year. For the year-to-date period, restaurant expenses, as a percent of company sales, decreased to 24.4% in the current year from 24.9% in the prior year. The decrease was primarily driven by lower repair and maintenance expenses, utilities expenses and credit card fees, as well as sales leverage on fixed costs related to higher revenue, partially offset by higher workers' compensation insurance expenses.

Depreciation and amortization increased $1.8 million for the second quarter of fiscal 2013 and $3.3 million for the year-to-date period of fiscal 2013 compared to the same periods of the prior year primarily due to investments in existing restaurants and asset replacements, partially offset by an increase in fully depreciated assets.

General and administrative expenses remained flat for the second quarter of fiscal 2013 as compared to the prior year. General and administrative expenses increased $4.3 million for the year-to-date period of fiscal 2013 as compared to the prior year primarily due to an increase in stock-based and other compensation.

Other gains and charges in fiscal 2013 include charges of $0.7 million related to the impairment of long-lived assets held for use associated primarily with one underperforming restaurant. Additionally, we incurred $1.4 million in lease termination charges and $1.0 million related to long-lived asset impairments. The charges were primarily related to restaurants closed in prior years. We also recorded net year-to-date gains of $2.4 million primarily related to land sales.

Other gains and charges in fiscal 2012 include charges of $1.1 million related to the impairment of long-lived assets held for use associated with underperforming restaurants. Additionally, we incurred $2.4 million in lease termination charges associated with restaurants closed in prior periods and $0.4 million related to long-lived asset impairments resulting from closures. We also recorded $2.5 million in charges related to the pending settlement of a class action lawsuit, partially offset by gains of $1.3 million primarily related to land sales.

Interest expense increased to $7.1 million and $14.0 million for the second quarter and year-to-date period of fiscal 2013, respectively, compared to $6.5 million and $13.6 million for the same prior year periods resulting from higher borrowing balances.

INCOME TAXES

The effective income tax rate increased to 32.7% and 32.0% for the second quarter and year-to-date periods of fiscal 2013 compared to 29.0% and 29.3% in the prior year primarily due to increased earnings and the temporary expiration of employment tax credits in the current year.

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LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Cash Flow from Operating Activities

During the first six months of fiscal 2013, net cash flow provided by operating activities was $131.3 million compared to $114.2 million in the prior year. The increase was driven by an increase in earnings in the current year, partially offset by changes in working capital during the first six months of fiscal 2013.

The working capital deficit decreased to $168.8 million at December 26, 2012 from $206.9 million at June 27, 2012 primarily due to an increase in accounts receivable due to third party gift card sales during the holiday season and timing of operational payments, partially offset by the seasonal increase in the gift card liability and increased income taxes payable in the first six months of fiscal 2013.

Cash Flow from Investing Activities

	Twenty-Six Week Periods Ended	
	December 26, 2012	December 28, 2011
Net cash used in investing activities (in thousands):		
Payments for property and equipment	$ (69,752)	$ (53,475)
Proceeds from sale of assets	5,335	4,279
Investment in equity method investee	0	(912)
	$ (64,417)	$ (50,108)

Net cash used in investing activities for the first six months of fiscal 2013 increased to approximately $64.4 million compared to $50.1 million in the prior year. Capital expenditures increased to $69.8 million for the first six months of fiscal 2013 compared to $53.5 million for the prior year driven primarily by investments in the ongoing Chili's reimage program, new equipment related to our kitchen retrofit initiative and purchases of replacement restaurant furniture and equipment. We estimate that our capital expenditures during fiscal 2013 will be approximately $130 million to $140 million and will be funded entirely by cash from operations.

Cash Flow from Financing Activities

	Twenty-Six Week Periods Ended	
	December 26, 2012	December 28, 2011
Net cash used in financing activities (in thousands):		
Purchases of treasury stock	$ (131,445)	$ (125,638)
Borrowings on revolving credit facility	110,000	0
Payments of dividends	(27,677)	(25,073)
Proceeds from issuances of treasury stock	22,515	16,649
Payments on long-term debt	(13,190)	(5,625)
Excess tax benefits from stock based compensation	6,939	792
Proceeds from issuance of long-term debt	0	70,000
Other	0	(1,620)
	$ (32,858)	$ (70,515)

Net cash used in financing activities for the first six months of fiscal 2013 decreased to approximately $32.9 million compared to $70.5 million in the prior year primarily due to borrowing on the credit facility and increased proceeds from issuances of treasury stock related to stock option exercises, partially offset by increased repayments on long-term debt and spending on share repurchases.

In the first six months of fiscal 2013, $110 million was drawn from the revolver primarily to fund share repurchases, none of which was repaid by the end of the quarter. As of December 26, 2012, we had $100 million of credit available under the revolver.

The term loan and revolving credit facility bear interest of LIBOR plus an applicable margin, which is a function of our credit rating and debt to cash flow ratio, but is subject to a maximum of LIBOR plus 2.50%. Based on our current credit rating, we are paying interest at a rate of LIBOR plus 1.63%. One month LIBOR at December 26, 2012 was approximately 0.21%. As of December 26, 2012, we were in compliance with all financial debt covenants.

As of December 26, 2012, our credit rating by Standard and Poor’s (“S&P”) was BBB- (investment grade) with a stable outlook. Our corporate family rating by Moody’s was Ba1 (non-investment grade) and our senior unsecured rating was Ba2 (non-investment grade) with a stable outlook. Our goal is to retain our investment grade rating from S&P and ultimately regain our investment grade rating from Moody’s.

We repurchased approximately 1.5 million shares of our common stock for $45.1 million during the second quarter of fiscal 2013 and a total of 4.0 million shares for approximately $131.4 million year-to-date. Subsequent to the end of the quarter, we repurchased approximately 1.4 million shares for $45.3 million.

We paid dividends of $27.7 million to common stock shareholders in the first six months of fiscal 2013 compared to $25.1 million in dividends paid in same period of fiscal 2012. Our Board of Directors approved a 25 percent increase in the quarterly dividend from $0.16 to $0.20 per share effective with the dividend declared in August 2012 and paid on September 27, 2012. Additionally, we declared a quarterly dividend of $14.4 million in November 2012, payable on December 27, 2012. We will continue to target a 40 percent dividend payout ratio to provide additional return to shareholders through dividend payments.

In August 2012, our Board of Directors authorized a $500.0 million increase to our existing share repurchase program. As of December 26, 2012, approximately $534 million was available under our share repurchase authorizations. 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. Repurchased common stock is reflected as a reduction of shareholders' equity.

During the first six months of fiscal 2013, approximately 1.0 million stock options were exercised resulting in cash proceeds of $22.5 million. We received an excess tax benefit from stock-based compensation of $6.5 million during the first quarter primarily as a result of the normally scheduled distribution of restricted stock grants and increased stock option exercises.

We have evaluated ways to monetize the value of our owned real estate and determined that the alternatives considered are more costly than other financing options currently available due to a combination of the income tax impact and higher effective borrowing rates.

Cash Flow Outlook

We believe that our various sources of capital, including future 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.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2012, the Financial Accounting Standards Board ("FASB") updated its guidance on testing indefinite-lived intangible assets for impairment to allow companies the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. Companies electing to perform a qualitative assessment are no longer required to calculate the fair value of an indefinite-lived intangible asset unless the company determines, based on a qualitative assessment, that it is "more likely than not" that the asset is impaired. The updated guidance is effective for annual and interim impairment tests performed in fiscal years beginning after September 15, 2012, which requires that we adopt these provisions beginning in the first quarter of fiscal 2014; however, early adoption is permitted. We do not expect the adoption of this updated guidance to have a significant impact on our consolidated financial statements.

In September 2011, the FASB updated its guidance on the annual testing of goodwill for impairment to allow companies to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test required under current accounting standards. The updated guidance was applicable to us beginning in fiscal 2013 and did not have a material impact on our consolidated financial statements.

In June 2011 and as updated in December 2011, the FASB updated its guidance regarding comprehensive income to require companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The updated guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in equity. The updated guidance was applicable to us beginning in fiscal 2013 and did not have a material impact on our consolidated financial statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our quantitative and qualitative market risks since the prior reporting period.

Item 4. 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 report, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective.

There were no changes in our internal control over financial reporting during our second quarter ended December 26, 2012, that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

We wish to caution you that our business and operations are subject to a number of risks and uncertainties. We have identified certain factors in Part I, Item IA "Risk Factors" in our Annual Report on Form 10-K for the year ended June 27, 2012 and below in Part II, Item 1A "Risk Factors" in this report on Form 10-Q, 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. We further caution that it is not possible to see all such factors, and you should not consider the identified factors as a complete list of all risks and uncertainties.

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.

The risks related to our business include:

- The effect of competition on our operations and financial results.
- The impact of the global economic crisis on our business and financial results in fiscal 2013 and the material affect of a prolonged economic recovery on our future results.
- The impact of the current weak economic recovery 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.
- The risk inflation may increase our operating expenses.
- The effect of potential changes in governmental regulation on our ability to maintain our existing and future operations and to open new restaurants.
- Increases in energy costs and the impact on our profitability.

- Increased costs or reduced revenues from shortages or interruptions in the availability and delivery of food and other supplies.
- Our ability to consummate successful mergers, acquisitions, divestitures and other strategic transactions that are important to our future growth and profitability.
- The inability to meet our business strategy plan and the impact on our profitability in the future.
- The importance of the success of our franchisees to our future growth.
- The general decrease in sales volumes during winter months.
- Unfavorable publicity relating to one or more of our restaurants in a particular brand tainting public perception of the brand.
- Litigation could have a material adverse impact on our business and our financial performance.
- Dependence on information technology and any material failure of that technology or our ability to execute a comprehensive business continuity plan could impair our ability to efficiently operate our business.
- Outsourcing of certain business processes to third-party vendors that subject us to risk, including disruptions in business and increased costs.
- The impact of disruptions in the global financial markets on the availability and cost of credit and consumer spending patterns.
- Declines in the market price of our common stock or changes in other circumstances that may indicate an impairment of goodwill possibly adversely affecting our financial position and results of operations.
- Changes to estimates related to our property and equipment, or operating results that are lower than our current estimates at certain restaurant locations, possibly causing us to incur impairment charges on certain long-lived assets.
- Failure to protect the integrity and security of individually identifiable data of our guests and teammates possibly exposing us to litigation and damage our reputation.
- Identification of material weakness in internal control may adversely affect our financial results.
- Other risk factors may adversely affect our financial performance, including, pricing, consumer spending and consumer confidence, changes in economic conditions and financial and credit markets, credit availability, increased costs of food commodities, increased fuel costs and availability for our team members, customers and suppliers, increased healthcare costs, health epidemics or pandemics or the prospects of these events, 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 and other acts of God.

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PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Information regarding legal proceedings is incorporated by reference from Note 8 to our consolidated financial statements set forth in Part I of this report.

Item 1A. RISK FACTORS

There has been no material change in the risk factors set forth in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended June 27, 2012.

The above risks and other risks described in this report and our other filings with the SEC could have a material impact on our business, financial condition or results of operations. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our operations. Therefore, the risks identified are not intended to be a complete discussion of all potential risks or uncertainties.

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

Shares repurchased during the second quarter of fiscal 2013 are 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
September 27, 2012 through October 31, 2012	301,476	$30.25	300,000	$ 570,356
November 1, 2012 through November 28, 2012	544,354	$31.07	544,300	$ 553,435
November 29, 2012 through December 26, 2012	640,000	$29.77	640,000	$ 534,370
	1,485,830	$30.34	1,484,300	

(a) These amounts include shares purchased as part of our publicly announced programs and shares owned and tendered by team members 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 team members to satisfy tax withholding obligations were purchased at the average of the high and low prices of the Company's shares on the date of vesting. During the second quarter of fiscal 2013, 1,530 shares were tendered by team members at an average price of $34.59.

Item 6. EXHIBITS

31(a)	Certification by Wyman T. Roberts, Chief Executive Officer and President and President of Chili's Grill and Bar of the Registrant, pursuant to 17 CFR 240.13a – 14(a) or 17 CFR 240.15d – 14(a).
31(b)	Certification by Guy J. Constant, Executive Vice President, Chief Financial Officer and President of Global Business Development of the Registrant, pursuant to 17 CFR 240.13a – 14(a) or 17 CFR 240.15d – 14(a).
32(a)	Certification by Wyman T. Roberts, Chief Executive Officer and President and President of Chili's Grill and Bar of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification by Guy J. Constant, Executive Vice President, Chief Financial Officer and President of Global Business Development of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document

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101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, we have duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

BRINKER INTERNATIONAL, INC.

Date: February 4, 2013

By: /s/ Wyman T. Roberts
Wyman T. Roberts,
Chief Executive Officer and President and
President of Chili's Grill and Bar
(Principal Executive Officer)

Date: February 4, 2013

By: /s/ Guy J. Constant
Guy J. Constant,
Executive Vice President,
Chief Financial Officer and
President of Global Business Development
(Principal Financial Officer)

CERTIFICATIONS

I, Wyman T. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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.

Date: February 4, 2013

/s/ Wyman T. Roberts

Wyman T. Roberts,
Chief Executive Officer and
President and President of Chili's Grill and Bar
(Principal Executive Officer)

CERTIFICATIONS

I, Guy J. Constant, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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.

Date: February 4, 2013

/s/ Guy J. Constant

Guy J. Constant,
Executive Vice President,
Chief Financial Officer and
President of Global Business Development
(Principal Financial Officer)

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 quarterly report on Form 10-Q for the quarter ended December 26, 2012 (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.

Date: February 4, 2013

By: /s/ Wyman T. Roberts

Wyman T. Roberts,
Chief Executive Officer and
President and President of
Chili's Grill and Bar
(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 quarterly report on Form 10-Q for the quarter ended December 26, 2012 (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.

Date: February 4, 2013

By: /s/ Guy J. Constant

Guy J. Constant,
Executive Vice President,
Chief Financial Officer and
President of Global Business Development
(Principal Financial Officer)