

BRINKER INTERNATIONAL INC
Form 10-Q
November 02, 2009
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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 September 23, 2009

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 75240

(Address of principal executive offices)

(Zip Code)

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(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 Smaller reporting company
(Do not check if a 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 October 26, 2009
Common Stock, \$0.10 par value	102,477,429 shares

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****BRINKER INTERNATIONAL, INC.****Consolidated Balance Sheets****(In thousands, except share and per share amounts)**

	September 23, 2009 (Unaudited)	June 24, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 133,834	\$ 94,156
Accounts receivable	36,386	49,509
Inventories	33,775	36,709
Prepaid expenses and other	86,155	96,436
Income taxes receivable	39,172	41,620
Deferred income taxes	41,192	50,785
Total current assets	370,514	369,215
Property and Equipment at Cost:		
Land	203,770	205,483
Buildings and leasehold improvements	1,584,892	1,577,694
Furniture and equipment	623,342	648,677
Construction-in-progress	8,016	10,559
	2,420,020	2,442,413
Less accumulated depreciation and amortization	(1,049,787)	(1,042,061)
Net property and equipment	1,370,233	1,400,352
Other Assets:		
Goodwill	130,719	130,719
Deferred income taxes	1,665	
Other	48,299	48,661
Total other assets	180,683	179,380
Total assets	\$ 1,921,430	\$ 1,948,947
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities:		
Current installments of long-term debt	\$ 1,859	\$ 1,815
Accounts payable	100,206	121,483
Accrued liabilities	274,548	285,584
Total current liabilities	376,613	408,882
Long-term debt, less current installments	726,990	727,447
Deferred income taxes		4,295
Other liabilities	164,177	161,399
Commitments and Contingencies (Note 7)		

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Shareholders' Equity:

Common stock - 250,000,000 authorized shares; \$0.10 par value; 176,246,649 shares issued and 102,463,640 shares outstanding at September 23, 2009, and 176,246,649 shares issued and 102,124,842 shares outstanding at June 24, 2009	17,625	17,625
Additional paid-in capital	458,378	463,980
Retained earnings	1,838,768	1,834,307
	2,314,771	2,315,912
Less treasury stock, at cost (73,783,009 shares at September 23, 2009 and 74,121,807 shares at June 24, 2009)	(1,661,121)	(1,668,988)
Total shareholders' equity	653,650	646,924
Total liabilities and shareholders' equity	\$ 1,921,430	\$ 1,948,947

See accompanying notes to consolidated financial statements.

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

	Thirteen Week Periods Ended	
	September 23, 2009	September 24, 2008
Revenues	\$ 778,081	\$ 984,407
Operating Costs and Expenses:		
Cost of sales	219,477	278,967
Restaurant expenses	455,082	579,127
Depreciation and amortization	38,869	41,156
General and administrative	35,924	39,764
Other gains and charges	2,787	4,953
Total operating costs and expenses	752,139	943,967
Operating income	25,942	40,440
Interest expense	6,948	9,457
Other, net	(2,342)	(1,372)
Income before provision for income taxes	21,336	32,355
Provision for income taxes	5,569	8,574
Net income	\$ 15,767	\$ 23,781
Basic net income per share	\$ 0.15	\$ 0.23
Diluted net income per share	\$ 0.15	\$ 0.23
Basic weighted average shares outstanding	102,243	101,630
Diluted weighted average shares outstanding	103,016	102,762
Cash dividends per share	\$ 0.11	\$ 0.11

See accompanying notes to consolidated financial statements.

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

	Thirteen Week Periods Ended	
	September 23, 2009	September 24, 2008
Cash Flows from Operating Activities:		
Net income	\$ 15,767	\$ 23,781
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38,869	41,156
Restructure charges and other impairments	2,692	5,241
Stock-based compensation	4,860	5,088
Deferred income taxes	3,633	1,858
Changes in assets and liabilities, excluding effects of dispositions:		
Accounts receivable	13,048	8,363
Inventories	2,917	2,233
Prepaid expenses and other	10,275	2,942
Other assets	264	31
Accounts payable	(17,863)	(26,825)
Accrued liabilities	(13,495)	(10,368)
Income taxes payable	2,331	(2,970)
Other liabilities	3,053	2,851
Net cash provided by operating activities	66,351	53,381
Cash Flows from Investing Activities:		
Payments for property and equipment	(13,499)	(31,253)
Proceeds from sale of assets	1,472	934
Increase in restricted cash	(14)	(121)
Net cash used in investing activities	(12,041)	(30,440)
Cash Flows from Financing Activities:		
Net payments on credit facilities		(7,000)
Payments on long-term debt	(272)	(296)
Purchases of treasury stock	(2,819)	(3,625)
Proceeds from issuances of treasury stock		