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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
----- FOR THE QUARTER ENDED NOVEMBER 3, 2002.

----- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT
OF 1934 FOR THE TRANSACTION PERIOD FROM _____ TO _____.

COMMISSION FILE NUMBER: 0-25858

DAVE & BUSTER'S, INC.
(Exact Name of Registrant as Specified in Its Charter)

MISSOURI
(State of Incorporation)

43-1532756
(I.R.S. Employer Identification No.)

2481 MANANA DRIVE
DALLAS, TEXAS
(Address of Principle Executive Offices)

75220
(Zip Code)

Registrant's telephone number, including area code:
(214) 357-9588

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 [X] No []

The number of shares of the Registrant's common stock, \$.01 par value, outstanding as of December 9, 2002 was 13,293,279 shares.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

DAVE & BUSTER'S, INC.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

13 WEEKS ENDED		39 WEEKS ENDED	
NOVEMBER 3, 2002	NOVEMBER 4, 2001	NOVEMBER 3, 2002	NOVEMBER 4, 2001
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Food and beverage revenues	\$ 43,950	\$ 41,171	\$ 138,849	\$ 126,325
Amusements and other revenues	40,600	40,200	135,092	126,878
Total revenues	84,550	81,371	273,941	253,203
Cost of revenues	15,583	15,248	50,414	47,504
Operating payroll and benefits	27,301	26,573	86,173	79,207
Other store operating expenses	28,756	26,426	85,373	75,417
General and administrative expenses	5,952	5,120	19,664	15,374
Depreciation and amortization expense	7,405	7,407	22,520	21,315
Preopening costs	857	1,850	1,258	3,750
Total costs and expenses	85,854	82,624	265,402	242,567
Operating income (loss)	(1,304)	(1,253)	8,539	10,636
Interest expense, net	1,455	1,683	5,256	6,063
Income (loss) before provision for income taxes	(2,759)	(2,936)	3,283	4,573
Provision (benefit) for income taxes	(1,089)	(1,063)	1,116	1,655
Income (loss) before cumulative effect of a change in an accounting principle	\$ (1,670)	\$ (1,873)	\$ 2,167	\$ 2,918
Cumulative effect of a change in an accounting principle	--	--	(7,096)	--
Net income (loss)	\$ (1,670)	\$ (1,873)	\$ (4,929)	\$ 2,918
Net income (loss) per share - basic				
Before cumulative effect of a change in an accounting principle	\$ (0.13)	\$ (0.14)	\$ 0.17	\$ 0.23
Cumulative effect of a change in an accounting principle	--	--	(0.55)	--
Net income (loss) per share - diluted				
Before cumulative effect of a change in an accounting principle	\$ (0.13)	\$ (0.14)	\$ 0.16	\$ 0.22
Cumulative effect of a change in an accounting principle	--	--	(0.53)	--
Basic weighted average shares outstanding	13,003	12,956	12,987	12,955
Diluted weighted average shares outstanding	13,460	12,956	13,431	13,016

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	November 3, 2002 (unaudited)	February 3, 2002
	-----	-----
ASSETS		
Current assets:		
Cash	\$ 5,841	\$ 4,521
Inventories	26,249	25,964
Prepaid expense	5,215	1,442
Other current assets	2,464	2,445
	-----	-----
Total current assets	39,769	34,372
Property and equipment, net	255,252	258,302
Goodwill, net of accumulated amortization of \$2,612	--	7,096
Other assets	8,295	9,364
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Total assets	\$ 303,316	\$ 309,134
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current installments of long-term debt	\$ 7,600	\$ 5,500
Accounts payable	17,688	15,991
Accrued liabilities	14,122	11,085
Income tax payable	2,381	5,054
Deferred income taxes	1,157	1,220
	-----	-----
Total current liabilities	42,948	38,850
Deferred income taxes	8,143	8,143
Other liabilities	9,588	7,099
Long-term debt, less current installments	76,819	84,896
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, 10,000,000 authorized; none issued	--	--
Common stock, \$0.01 par value, 50,000,000 authorized		
13,182,779 and 12,959,209 shares issued and outstanding		
as of November 3, 2002 and February 3, 2002, respectively	131	131
Paid-in-capital	116,139	115,701
Restricted stock awards	545	382
Retained earnings	50,849	55,778
	-----	-----
	167,664	171,992
Less: treasury stock, at cost (175,000 shares)	(1,846)	(1,846)
	-----	-----
Total stockholders' equity	165,818	170,146
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Total liabilities and stockholders' equity	\$ 303,316	\$ 309,134
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See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC. CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (IN THOUSANDS) (UNAUDITED)

	Common Stock		Paid-in-Capital	Restricted Stock Awards	Retained Earnings	Treasury Stock	Total
	Shares	Amount					
Balance, February 3, 2002	12,959	\$ 131	\$ 115,701	\$ 382	\$ 55,778	\$ (1,846)	\$ 170,146
Proceeds from exercising stock options	49	--	376	--	--	--	376
Tax benefit related to stock option exercises	--	--	62	--	--	--	62
Amortization of restricted stock awards	--	--	--	163	--	--	163
Net loss	--	--	--	--	(4,929)	--	(4,929)
	-----	-----	-----	-----	-----	-----	-----
Balance, November 3, 2002	13,008	\$ 131	\$ 116,139	\$ 545	\$ 50,849	\$ (1,846)	\$ 165,818
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See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)
(UNAUDITED)

	39 Weeks Ended November 3, 2002	39 Weeks Ended November 4, 2001
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Cash flows from operating activities		
Income before cumulative change in an accounting principle	\$ 2,167	\$ 2,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,520	21,315
Provision for deferred income taxes	(63)	468
Restricted stock awards	--	93
Gain on sale of assets	(121)	--
Changes in assets and liabilities:		
Inventories	(285)	(2,298)
Prepaid expenses	(3,773)	(1,026)
Other current assets	(19)	--
Other assets	1,060	594
Accounts payable	1,697	7,262
Accrued liabilities	3,037	3,667
Income taxes payable	(2,673)	(43)
Other liabilities	2,489	1,618
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Net cash provided by operating activities	26,036	34,568
	-----	-----
Cash flows from investing activities		
Capital expenditures	(19,937)	(35,211)
Proceeds from sale of property and equipment	597	7,245
	-----	-----
Net cash used by investing activities	(19,340)	(27,966)
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Cash flows from financing activities		
Borrowing under long-term debt	14,352	18,810
Repayments under long-term debt	(20,329)	(25,228)
Proceeds from issuance of common stock	601	16
	-----	-----
Net cash used by financing activities	(5,376)	(6,402)
	-----	-----
Increase in cash and cash equivalents	1,320	200
Beginning cash and cash equivalents	4,521	3,179
	-----	-----
Ending cash and cash equivalents	\$ 5,841	\$ 3,379
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See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 3, 2002

(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 1: RESULTS OF OPERATIONS

The results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year. The information furnished herein reflects all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary to fairly present the results of operations and financial position for the interim periods.

NOTE 2: BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Dave & Buster's, Inc. and wholly-owned subsidiaries. All material intercompany accounts and

transactions have been eliminated in consolidation. The consolidated balance sheet data presented herein for February 3, 2002 was derived from our audited consolidated financial statements for the fiscal year then ended. The preparation of financial statements in accordance with generally accepted accounting principles requires our management to make certain estimates and assumptions for the reporting periods covered by the financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual amounts could differ from these estimates. Our one industry segment is the ownership and operation of restaurant/entertainment Complexes (a "Complex" or "Store") under the name "Dave & Buster's" which are located in the United States.

CHANGE IN ACCOUNTING PRINCIPLE. In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets ("Statements"), effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

We have applied the new standards on accounting for goodwill and other intangible assets during the first quarter of 2002. We performed the required impairment test of goodwill and other intangible assets during the first quarter of 2002, which resulted in a one-time charge of \$7.1 million representing the cumulative effect of a change in accounting principle. The write off of goodwill resulted in a negative \$0.53 per diluted share in the first quarter. If the application of the non-amortization provisions of the Statement had been adopted as of the first quarter of 2001, third quarter net income would have increased by \$0.1 million (\$0.01 per diluted share) or pro forma earnings of negative \$0.13 per diluted share. The year to date income would have increased \$0.3 million (\$0.03 per diluted share) or pro forma earnings of \$0.25 per diluted share. The remaining intangible (trademark) has a net carrying value of \$118,000 and amortization of this intangible is insignificant.

RECENT ACCOUNTING PRONOUNCEMENTS. The FASB recently issued FAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("FAS 144"), which we adopted on February 4, 2002. The FASB's new rules on asset impairment supersede FAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of ("FAS 121").

The adoption of FAS 144 did not have a significant effect on our financial condition or results of operations.

NOTE 3: INVENTORIES

Inventories, which consist of food, beverage and merchandise are reported at the lower of cost or market determined on a first-in, first-out method. Static supplies inventory is capitalized at each store opening date and reviewed periodically for valuation.

NOTE 4: LONG-TERM DEBT

At November 3, 2002, long-term debt consisted of the following:

Long-term debt	\$ 84,419
Less: current installments	(7,600)

	\$ 76,819
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On November 19, 2001, we amended the senior secured revolving credit and term loan facility. The amendment allows proceeds from sale/leaseback transactions to be applied to both the revolving credit and the term loans. On December 6, 2002, Amendment No. 3 was executed to provide for revised financial covenants, thereby enabling us to remain in compliance with the agreement. The amendment also amended the restriction on revolving credit usage, mandatory repayment of revolving credit loans, increase in letter of credit sublimit and consent relating to new leases on existing units. The Company believes it will be in

compliance with all of its financial and other debt covenants during the fiscal year ending February 2, 2003. At November 3, 2002, \$4,360 was available under this facility.

NOTE 5: CONTINGENCIES

EBS Litigation

In March 2000, a class of former shareholders of Edison Brothers Stores, Inc. brought a third party action against us and certain of our directors in Federal district court in Delaware. The third-party plaintiff class consists of former shareholders of EBS who received stock in our company following its spin-off from EBS in 1995. Within five months after the spin-off, EBS filed for protection under the bankrupt laws. The bankruptcy trustee of EBS (through an entity named EBS Litigation LLC) is pursuing fraudulent conveyance claims on behalf of unsecured creditors of EBS against a defendant class of former shareholders arising out of the spin-off distribution of our stock. The former shareholders' third party action against us alleges that, if it is determined that the distribution of our stock to the former shareholders rendered EBS insolvent and was therefore a fraudulent conveyance, then we and certain of our directors (who were our directors at the time of the spin-off) aided and abetted the fraud and are liable for contribution and/or indemnification. We dispute the former shareholders' third party allegations against us and our directors and are vigorously defending this litigation.

In March 2001, the trial court dismissed all of the third party claims against us and rendered judgment in our favor based on a statute of limitations defense. The third-party plaintiffs appealed this ruling. In September 2002, the Third Circuit appellate court reversed the judgment of the district court and remanded the case for further proceedings. In November 2002, our petition for limited rehearing was denied by the Third Circuit.

The underlying case brought by EBS Litigation LLC against the defendant shareholder class was tried before the district court in January 2002, but no verdict has yet been rendered by the court. If the plaintiff

in the underlying case is successful in its case against the former shareholders and we are ultimately unsuccessful in our defense of the shareholders third-party litigation against us on the merits, the outcome could have a material adverse affect on us and our operations.

Shareholder Litigation

We were served with a complaint filed purportedly on behalf of our stockholders alleging breaches of fiduciary duty by our directors in connection with their approval of the transactions contemplated by the Merger Agreement. The purported class action, filed in state district court in Dallas County, Texas on May 31, 2002, purports to seek an injunction preventing consummation of the originally proposed tender offer and merger transaction and unspecified damages. We were also served with four similar complaints filed in the State of Missouri, one in the circuit court of Greene County and three in the circuit court of Cole County, each filed in June 2002. We and each member of our Board of Directors have been named as defendants in each of the complaints. We answered the complaint filed in Dallas County, denying all of the allegations of the plaintiffs. We filed a motion to dismiss for the complaint filed in Greene County for improper venue. In July 2002, the plaintiffs in the Dallas County and one of the Cole County complaints filed amended class action complaints alleging that the cash consideration in the amended merger transaction of \$13.50 per share is inadequate and renewing the initial allegations of their complaints.

Prior to filing answers in the Cole County cases and the commencement of discovery in any of the pending cases, we reached agreement in principle with all plaintiffs for a standstill of all litigation activity and a tentative settlement of all claims against us and our directors, contingent on the consummation of the merger transaction. The Merger Agreement was terminated in October 2002. In November 2002, we were informed by counsel for the plaintiffs that the standstill would continue indefinitely in anticipation of the voluntary dismissal without prejudice of all of the pending actions. Since that time, one of the Cole County cases and the Dallas County case have been dismissed and we are awaiting similar filings in the remaining cases.

DownCity Energy Company LLC v. Dave & Buster's, Inc.

In September 2002, we were served with a Complaint filed in the Providence, Rhode Island Superior Court against us by DownCity Energy Company LLC, a provider of energy services to our store in the Providence Place Mall. DownCity is seeking damages for breach of contract, services rendered and open account in the amount of \$2.3 million, plus interest, costs and attorney's fees. The claim relates to alleged unpaid invoices for HVAC charges for a period from approximately January 2001 through September 2002.

We have disputed the HVAC billing from inception and believe the plaintiff's claims to be without merit, based on our assertion that we successfully exercised a right under our lease with Providence Place Group, L.P. in January 2001 to opt out of the alleged HVAC charges and put DownCity on notice thereof. In addition, in the event that DownCity is successful on the merits of their claims against us, we believe that we have meritorious third party claims against the Landlord for damages, including potential indemnification or contribution. However, if we are ultimately unsuccessful in our defense of DownCity's claims and in the pursuit of our third party action against our Landlord, the result could have a material adverse affect on us and our operations.

Other Legal Proceedings

We are also subject to certain other legal proceedings and claims that arise in the ordinary course of our business, none of which, in the opinion of management, would have a material affect on the consolidated results of operations or our financial condition if adversely determined.

NOTE 6: OTHER MATTERS

On May 30, 2002 we announced that we entered into a definitive Merger Agreement under which a group led by our founders and certain members of our senior executive management, together with Investcorp

S.A., a global investment group, and co-investors organized by Investcorp will acquire the company through a newly-formed holding company, D&B Holdings I, Inc. The transaction was originally structured as a cash tender offer by D&B Acquisition Sub, Inc., a wholly-owned subsidiary of D&B Holdings, for all outstanding shares of our common stock at a price of \$12.00 per share, to be followed by a merger which would result in Dave & Buster's becoming a wholly-owned subsidiary of D&B Holdings. On July 10, 2002, we announced that the tender offer by D&B Acquisition Sub. had expired without sufficient shares being tendered to complete the transaction. On July 12, 2002, we entered into an amendment to the Merger Agreement providing that the consideration proposed to be paid for our common stock was increased to \$13.50 in cash per share and that we would proceed with a single-step, all-cash merger, subject to financing on satisfactory terms and to the approval by a two-thirds vote of our shareholders at a special meeting to be called for such purpose. In October 2002, the purchaser under the Merger Agreement informed us that they would be unable to obtain financing on the terms prescribed by the Merger Agreement, as amended. The Merger Agreement was then terminated by mutual agreement as of October 24, 2002.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (DOLLARS IN THOUSANDS)

Results of Operations -- 13 Weeks Ended November 3, 2002 Compared to 13 Weeks Ended November 4, 2001

Total revenues increased to \$84,550 for the 13 weeks ended November 3, 2002 from \$81,371 for the 13 weeks ended November 4, 2001, an increase of \$3,179 or 3.9%. New stores opened in 2001 increased revenues during the period by \$ 4,121. Revenues at comparable stores decreased 3.5% for the 13 weeks ended November 3, 2002, the decrease is attributable to a continued weak economic environment. In an effort to improve sales, the Company is redirecting marketing funds from media buys towards cost-effective consumer direct marketing for the individual locations. Emphasis is also being placed upon the special events portion of the business, particularly holiday parties and other corporate functions.

Cost of revenues increased to \$15,583 for the 13 weeks ended November 3, 2002 from \$15,248 for the 13 weeks ended November 4, 2001, an increase of \$335 or

2.2%. The increase is attributable to the higher level of revenues, offset by lower food costs and kitchen operation efficiencies. In addition the Company has experienced a 20% increase in special events sales, which have a higher contribution margin. As a percentage of revenues, cost of revenues decreased from 18.7% for the 13 weeks ended November 4, 2001 to 18.4% for the 13 weeks ended November 4, 2002. The new menu introduced earlier in the year is in keeping with the initiatives the Company implemented in 2001 to streamline its kitchen operations and provide greater efficiencies.

Operating payroll and benefits increased to \$27,301 for the 13 weeks ended November 3, 2002 from \$26,573 for the 13 weeks ended November 4, 2001, an increase of \$728 or 2.7%. As a percentage of revenues, operating payroll and benefits decreased to 32.3% in the 13 weeks ended November 3, 2002 from 32.7% in the 13 weeks ended November 4, 2001. The decrease in payroll and benefits as a percentage of revenues is due to the Company eliminating certain store hourly, store management and corporate positions in September and October and continuing to monitor hourly labor costs (down 1% from prior year). However this saving was offset by higher health insurance and fixed management labor costs.

Other store operating expenses increased to \$28,756 for the 13 weeks ended November 3, 2002 from \$26,426 for the 13 weeks ended November 4, 2001, an increase of \$2,330 or 8.8%. As a percentage of revenues, other store operating expenses were 34.0% of revenues in the 13 weeks ended November 3, 2002 as compared to 32.5% of revenues in the 13 weeks ended November 4, 2001. Other store operating expense as a percentage of revenues increased due to the sale/leaseback transactions of the Houston and Atlanta locations and additional equipment leases (games and kitchen equipment for Cleveland and Islandia).

General and administrative expenses increased to \$5,952 for the 13 weeks ended November 3, 2002 from \$5,120 for the 13 weeks ended November 4, 2001, an increase of \$832 or 16.3%. The increase is attributable to higher employee benefits, occupancy costs and one-time transaction costs related to the proposed merger agreement with D&B Holdings and D&B Acquisition Sub. As a percentage of revenues, general and administrative expenses increased to 7.0% in the 13 weeks ended November 3, 2002 from 6.3% in the 13 weeks ended November 4, 2001. This expense category was directly impacted by a reduction in revenue from comparable stores. The Company anticipates cost savings from the reduction in work force which took place during the third quarter and system enhancements to be completed over the next 18 to 24 months.

Depreciation and amortization decreased to \$7,405 for the 13 weeks ended November 3, 2002 from \$7,407 for the 13 weeks ended November 4, 2001. As a percentage of revenues, depreciation and amortization expense decreased to 8.8% of revenues from 9.1% in the 13 weeks ended November 4, 2001. This decrease is attributed to the fourth quarter 2001 sale-leaseback of Houston and Atlanta locations partially offset by 2002 capital expenditures.

Preopening costs decreased to \$857 for the 13 weeks ended November 3, 2002 from \$1,850 for the 13 weeks ended November 4, 2001. Fluctuations are generally due to the number and timing of new store openings. There was one opening during the third quarter of fiscal 2002 as compared to two store openings in prior year.

Interest expense decreased to \$1,455 for the 13 weeks ended November 3, 2002 from \$1,683 for the 13 weeks ended November 4, 2001. The decrease is due to both lower average debt and interest rates in fiscal year 2002.

The year to date effective tax rate was decreased to 34% during the current quarter, resulting in the effective tax rate of 39.5% for the thirteen weeks ended November 3, 2002 as compared to 36.2% for the 13 weeks ended November 4, 2001. The effective tax rate decreased due to the impact of federal tax credits applied against reduced earnings.

Results of Operations - 39 Weeks Ended November 3, 2002 Compared to 39 Weeks Ended November 4, 2001

Total revenues increased to \$273,941 for the 39 weeks ended November 3, 2002 from \$253,203 for the 39 weeks, ended November 4, 2001, an increase of \$20,738 or 8.2%. New stores opened in 2001 increased revenues during the period by \$25,797. Revenues at comparable stores were down by 2.6% for the 39 weeks ended November 3, 2002. The decrease in comparable store revenues is attributable to a continued weak economic environment. Total revenues for the 39 weeks ended November 3, 2002 from licensing agreements were \$318. In an effort to improve sales, the Company is redirecting marketing funds from media buys towards

cost-effective consumer direct marketing for the individual locations. Emphasis is also being placed upon the special events portion of the business, particularly holiday parties and other corporate functions.

Cost of revenues increased to \$50,414 for the 39 weeks ended November 3, 2002 from \$47,504 for the 39 weeks ended November 4, 2001, an increase of \$2,910 or 6.1%. The increase is attributable to the 8.2% increase in revenues, offset by cost savings at comparable stores. As a percentage of revenues, cost of revenues decreased from 18.8% for the 39 weeks ended November 4, 2001 to 18.4% for the 39 weeks ended November 3, 2002 impacted by 1.7% reduction in food costs and beverage and amusement costs flat on prior year. The new menu introduced earlier in the year is in keeping with the initiatives the Company implemented in 2001 to streamline its kitchen operations and provide greater efficiencies.

Operating payroll and benefits increased to \$86,173 for the 39 weeks ended November 3, 2002 from \$79,207 for the 39 weeks ended November 4, 2001, an increase of \$6,966 or 8.8%. As a percentage of revenues, operating payroll and benefits increased to 31.5% in the 39 weeks ended November 3, 2002

from 31.3% in the 39 weeks ended November 4, 2001. The increase in payroll and benefits as a percentage of revenues is due to the decline in comparable store sales and three new store openings in late fiscal year 2001. The Company is monitoring hourly labor costs with a 0.5% of revenue cost savings and adjusting its staffing levels in response to the current economic environment. Certain store hourly, store management and corporate positions were eliminated in September and October. However this saving was offset by higher health insurance costs.

Other store operating expenses increased to \$85,373 for the 39 weeks ended November 3, 2002 from \$75,417 for the 39 weeks ended November 4, 2001, an increase of \$9,956 or 13.2%. As a percentage of revenues, other store operating expenses were 31.2% of revenues in the 39 weeks ended November 3, 2002 as compared to 29.8% of revenues in the 39 weeks ended November 4, 2001. Other store operating expenses as a percentage of revenues increased due to the sale/leaseback transactions of the Houston and Atlanta locations and additional equipment leases (games and kitchen equipment for Cleveland and Islandia).

General and administrative expenses increased to \$19,664 for the 39 weeks ended November 3, 2002 from \$15,374 for the 39 weeks ended November 4, 2001, an increase of \$4,290 or 27.9%. The increase is attributable to higher employee benefits, occupancy costs and one-time transaction costs of \$1.3 million related to our proposed merger agreement with D&B Holdings and D&B Acquisition Sub. As a percentage of revenues, general and administrative expenses increased to 7.2% in the 39 weeks ended November 3, 2002 from 6.1% in the 39 weeks ended November 4, 2001. The Company anticipates cost savings from the reduction in work force which took place in the third quarter and system enhancements to be completed over the next 18 to 24 months.

Depreciation and amortization increased to \$22,520 for the 39 weeks ended November 3, 2002 from \$21,315 for the 39 weeks ended November 4, 2001, an increase of \$1,205 or 5.7%. As a percentage of revenues, depreciation and amortization expense decreased to 8.2% of revenues from 8.4% in the 39 weeks ended November 4, 2001. This decrease is attributed to the fourth quarter 2001 sale-leaseback of Houston and Atlanta partially offset by 2002 capital expenditures.

Preopening costs decreased to \$1,258 for the 39 weeks ended November 3, 2002 from \$3,750 for the 39 weeks ended November 4, 2001. The decrease is due to the timing of new store openings. There was one store opening through the third quarter of fiscal 2002 as compared to three in the prior year.

Interest expense decreased to \$5,256 for the 39 weeks ended November 3, 2002 from \$6,063 for the 39 weeks ended November 4, 2001. The decrease is due to both lower average debt and interest rates in fiscal year 2002.

The effective tax rate for the 39 weeks ended November 3, 2002 was 34.0% as compared to 36.2% for the 39 weeks ended November 4, 2001. The effective tax rate decreased due to the impact of federal tax credits applied against reduced earnings.

Liquidity and Capital Resources

Cash flows from operations was \$26,036 for the 39 weeks ended November 3, 2002 compared to \$34,568 for the 39 weeks ended November 4, 2001. The decrease in cash flow was attributable to an increase in prepaid expenses and decrease in accounts payable and income taxes payable.

Cash used in investing activities was \$19,340 for the 39 weeks ended November 3, 2002 compared to \$27,966 for the 39 weeks ended November 4, 2001. The decrease was the result of one new store opening in the third quarter of 2002 compared to two openings in the third quarter of 2001.

Financing activities resulted in a use of cash of \$5,376 compared to \$6,402 for the 39 weeks ended November 4, 2001. This decreased use of cash was directly attributed to net repayment of long-term debt during the quarter.

We have a \$110,000 senior secured revolving credit and term loan facility. The facility includes a five-year revolver and five and seven-year term debt. The facility agreement calls for quarterly payments of principal on the term debt through maturity. Borrowings under the facility bear interest at a floating rate based on LIBOR (1.80% at November 3, 2002) or, at our option, the bank's prime rate (4.75% at November 3, 2002) plus, in each case, a margin based upon financial performance. The facility is secured by all assets of Dave & Buster's. The facility has certain financial covenants including a minimum consolidated tangible net worth level, a maximum leverage ratio, minimum fixed charge coverage and maximum level of capital expenditures. On December 6, 2002, Amendment No. 3 was executed to provide for revised financial covenants, thereby enabling us to remain in compliance with the agreement. The amendment also amended the restriction on revolving credit usage, mandatory repayment of revolving credit loans, increase in letter of credit sublimit and consent relating to new leases on existing units. The Company believes it will be in compliance with all of its financial and other debt covenants during the fiscal year ending February 2, 2003. At November 3, 2002, \$4,360 was available under this facility.

We have entered into an agreement that expires in 2007, to change a portion of its variable rate debt to fixed-rate debt. Notional amounts aggregating \$48,760 at November 3, 2002 are fixed at 5.44. We are exposed to credit losses for periodic settlements of amounts due under the agreements if LIBOR decreases. A charge of \$440 was incurred in the second quarter of 2002 under the agreement and \$1,335 for the year to date.

The market risks associated with the agreements are mitigated because increased interest payments under the agreement resulting from reductions in LIBOR are effectively offset by a reduction in interest expense under the debt obligation.

We opened one new complex in the third quarter of fiscal 2002. The preopening and construction costs of the new store were provided from internal cash flow. The credit facility, as amended, restricts us from opening any new complexes in fiscal 2003 or in any fiscal year thereafter without the unanimous consent of the bank group. Rather, we will continue to reduce debt and strategically reinvest capital in our stores through game replacement and other projects, which we expect to yield benefits over the long term.

We believe that available cash and cash flow from operations, together with borrowings under the credit facility, will be sufficient to cover our working capital, capital expenditures and debt service needs in the foreseeable future. Our ability to make scheduled payments of principal or interest on, or to refinance, our indebtedness, or to fund planned capital expenditures, will depend on our future performance, which is subject to general economic conditions, competitive environment and other factors. We may not generate sufficient cash flow from operations, realize anticipated revenue growth and operating improvements or obtain future capital in a sufficient amount or on acceptable terms, to enable us to service our indebtedness or to fund our other liquidity needs.

Quarterly Fluctuations, Seasonality and Inflation

As a result of the substantial revenues associated with each new Complex, the timing of new Complex openings will result in significant fluctuations in quarterly results. We expect seasonality to be a factor in the operation or results of our business in the future with anticipated lower third quarter

revenues due to the fall season. While we expect higher fourth quarter revenues associated with the year-end holidays, the continued overall weak economy will impact our business and comparable store revenues may be down three to three and one-half percent in the fourth quarter. The effects of supplier price increases are not expected to be material. We believe that low inflation rates in our market areas have contributed to stable food and labor costs in recent years. However, there is no assurance that low inflation rates will continue or that the Federal minimum wage rate will not increase.

Contingencies

EBS Litigation

In March 2000, a class of former shareholders of Edison Brothers Stores, Inc. brought a third party action against us and certain of our directors in Federal district court in Delaware. The third-party plaintiff class consists of former shareholders of EBS who received stock in our company following its spin-off from EBS in 1995. Within five months after the spin-off, EBS filed for protection under the bankrupt laws. The bankruptcy trustee of EBS (through an entity named EBS Litigation LLC) is pursuing fraudulent conveyance claims on behalf of unsecured creditors of EBS against a defendant class of former shareholders arising out of the spin-off distribution of our stock. The former shareholders' third party action against us alleges that, if it is determined that the distribution of our stock to the former shareholders rendered EBS insolvent and was therefore a fraudulent conveyance, then we and certain of our directors (who were our directors at the time of the spin-off) aided and abetted the fraud and are liable for contribution and/or indemnification. We dispute the former shareholders' third party allegations against us and are vigorously defending this litigation.

In March 2001, the trial court dismissed all of the third party claims against us and rendered judgment in our favor based on a statute of limitations defense. The third-party plaintiffs appealed this ruling. In September 2002, the Third Circuit appellate court reversed the judgment of the district court and remanded the case for further proceedings. In November 2002, our petition for limited rehearing was denied by the Third Circuit.

The underlying case brought by EBS Litigation LLC against the defendant shareholder class was tried before the district court in January 2002, but no verdict has yet been rendered by the court. If the plaintiff in the underlying case is successful in its case against the former shareholders and we are ultimately unsuccessful in our defense of the shareholders third-party litigation against us on the merits, the outcome could have a material adverse affect on us and our operations.

Shareholder Litigation

We were served with a complaint filed purportedly on behalf of our stockholders alleging breaches of fiduciary duty by our directors in connection with their approval of the transactions contemplated by the Merger Agreement. The purported class action, filed in state district court in Dallas County, Texas on May 31, 2002, purports to seek an injunction preventing consummation of the originally proposed tender offer and merger transaction and unspecified damages. We also were served with four similar complaints filed in the State of Missouri, one in the circuit court of Greene County and three in the circuit court of Cole County, each filed in June 2002. We and each member of our Board of Directors have been named as defendants in each of the complaints. We answered the complaint filed in Dallas County, denying all of the allegations of the plaintiffs. We filed a motion to dismiss the complaint filed in Greene County for improper venue. In July 2002, the plaintiffs in the Dallas County and one of the Cole County complaints filed amended class action complaints alleging that the cash consideration in the amended merger transaction of \$13.50 per share is inadequate and renewing the initial allegations of their complaints.

Prior to filing answers in the Cole County cases and the commencement of discovery in any of the pending cases, we reached agreement in principle with all plaintiffs for a standstill of all litigation activity and a tentative settlement of all claims against us and our directors, contingent on the consummation of the merger transaction. The Merger Agreement was terminated in October 2002. In November 2002 we were informed by counsel for the plaintiffs that the standstill would continue indefinitely in anticipation of the voluntary dismissal without prejudice of all of the pending actions. Since that time, one

of the Cole County cases and the Dallas County case have been dismissed and we are awaiting similar filings in the remaining cases.

DownCity Energy Company LLC v. Dave & Buster's, Inc.

In September 2002, we were served with a Complaint filed in the Providence, Rhode Island Superior Court against us by DownCity Energy Company LLC, a provider of energy services to our store in the Providence Place Mall. DownCity is seeking damages for breach of contract, services rendered and open account in the amount of \$2.3 million, plus interest, costs and attorney's fees. The claim relates to alleged unpaid invoices for HVAC charges for a period from approximately January 2001 through September 2002.

We have disputed the HVAC billing from inception and believe the plaintiff's claims to be without merit, based on our assertion that we successfully exercised a right under our lease with Providence Place Group, L.P. in January 2001 to opt out of the alleged HVAC charges and put DownCity on notice thereof. In addition, in the event that DownCity is successful on the merits of their claims against us, we believe that we have meritorious third party claims against the Landlord for damages, including potential indemnification or contribution. However, if we are ultimately unsuccessful in our defense of DownCity's claims and in the pursuit of our third party action against our Landlord, the result could have a material adverse affect on us and our operations.

Other Legal Proceedings

We are also subject to certain other legal proceedings and claims that arise in the ordinary course of our business, none of which, in the opinion of management, would have a material affect on the consolidated results of operations or our financial condition if adversely determined.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

Certain statements in this Report on Form 10-Q are not based on historical facts but are "forward-looking statements" that are based on numerous assumptions made as of the date of this report. Forward looking statements are generally identified by the words "believes", "expects", "intends", "anticipates", "scheduled", and certain similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Dave & Buster's, Inc. to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; competition; availability; locations and terms of sites for Complex development; quality of management; changes in, or the failure to comply with, government regulations; and other risks indicated in this filing and discussed under "Risks" in our Form 10-K filed with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's market risk exposure relates to changes in the general level of interest rates. The Company's earnings are affected by changes in interest rates due to the impact those changes have on its interest expense from variable-rate debt. The Company's agreement to fix a portion of its variable-rate debt mitigates this exposure.

ITEM 4. CONTROLS AND PROCEDURES

Each of our Co-Chief Executive Officers, David O. Corriveau and James W. Corley, and our Chief Financial Officer, W.C. Hammett, Jr. have reviewed and evaluated the disclosure controls and procedures that we have in place with respect to the accumulation and communication of information to management and the recording, processing, summarizing and recording thereof for the purpose of preparing and filing this Quarterly Report on Form 10-Q. Such review was conducted during the week ended December 13, 2002. Based upon their review, these executive officers have concluded that we have an effective system of internal controls and an effective means for timely communication of information required to be disclosed in this Report.

Since December 13, 2002 there have been no significant changes in our internal

controls or in other factors that could significantly affect such controls.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

EBS Litigation

In March 2000, a class of former shareholders of Edison Brothers Stores, Inc. brought a third party action against us and certain of our directors in Federal district court in Delaware. The third-party plaintiff class consists of former shareholders of EBS who received stock in our company following its spin-off from EBS in 1995. Within five months after the spin-off, EBS filed for protection under the bankrupt laws. The bankruptcy trustee of EBS (through an entity named EBS Litigation LLC) is pursuing fraudulent conveyance claims on behalf of unsecured creditors of EBS against a defendant class of former shareholders arising out of the spin-off distribution of our stock. The former shareholders' third party action against us alleges that, if it is determined that the distribution of our stock to the former shareholders rendered EBS insolvent and was therefore a fraudulent conveyance, then we and certain of our directors (who were our directors at the time of the spin-off) aided and abetted the fraud and are liable for contribution and/or indemnification. We dispute the former shareholders' third party allegations against us and are vigorously defending this litigation.

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We have disputed the HVAC billing from inception and believe the plaintiff's claims to be without merit, based on our assertion that we successfully exercised a right under our lease with Providence Place Group, L.P. in January 2001 to opt out of the alleged HVAC charges and put DownCity on notice thereof. In addition, in the event that DownCity is successful on the merits of their claims against us, we believe that we have meritorious third party claims against the Landlord for damages, including potential indemnification or contribution. However, if we are ultimately unsuccessful in our defense of DownCity's claims and in the pursuit of our third party action against our Landlord, the result could have a material adverse affect on us and our operations.

Other Legal Proceedings

We are also subject to certain other legal proceedings and claims that arise in the ordinary course of our business, none of which, in the opinion of management, would have a material affect on the consolidated results of operations or our financial condition if adversely determined.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 10.1.3 Amendment No. 3 to Revolving Credit and Term Loan Agreement dated as of December 6, 2002 by and among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein.
- 99.1 Certification of Co-CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification of Co-CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.3 Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

None

SIGNATURES

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

DAVE & BUSTER'S, INC.

Date: December 17, 2002

by /s/ David O. Corriveau

David O. Corriveau

Co-Chairman of the Board,
Co-Chief Executive Officer
and President

Date: December 17, 2002

by /s/ W. C. Hammett, Jr.

W. C. Hammett, Jr.
Vice President,
Chief Financial Officer

CERTIFICATIONS

I, David O. Corriveau, Co-Chief Executive Officer of Dave & Buster's Inc.,
certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Inc.;

2. Based on my knowledge, this quarterly 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 quarterly
report;

3. Based on my knowledge, the financial statements, and other financial
information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for
establishing and maintaining disclosure controls and procedures (as defined in
Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and
procedures as of a date within 90 days prior to the filing date of this
quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of
the disclosure controls and procedures based on our evaluation as of the
Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our
most recent evaluation, to the registrant's auditors and the audit committee of
registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls
which could adversely affect the registrant's ability to record, process,
summarize and report financial data and have identified for the registrant's
auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other
employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this
quarterly report whether or not there were significant changes in internal
controls or in other factors that could significantly affect internal controls
subsequent to the date of our most recent evaluation, including any corrective
actions with regard to significant deficiencies and material weaknesses.

Date: December 17, 2002

/s/ David O. Corriveau

David O. Corriveau
Co-Chief Executive Officer

I, James W. Corley, Co-Chief Executive Officer of Dave & Buster's Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 17, 2002

/s/ James W. Corley

James W. Corley
Co-Chief Executive Officer

I, W. C. Hammett, Jr., Chief Financial Officer of Dave & Buster's Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 17, 2002

/s/ W. C. Hammett, Jr.

W. C. Hammett, Jr.
Chief Financial Officer

INDEX OF EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

10.1.3	Amendment No. 3 to Revolving Credit and Term Loan Agreement dated as of December 6, 2002 by and among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein.
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- 99.1 Certification of Co-CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification of Co-CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.3 Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

AMENDMENT NO. 3
TO
REVOLVING CREDIT AND TERM LOAN AGREEMENT

This AMENDMENT NO. 3 TO REVOLVING CREDIT AND TERM LOAN AGREEMENT dated as of December 6, 2002 (this "Amendment"), by and among DAVE & BUSTER'S, INC. ("D & B"), the Subsidiaries of D&B (D&B collectively with such subsidiaries, the "Borrowers"), FLEET NATIONAL BANK ("FNB"), the other lending institutions listed on Schedule 1 to the Credit Agreement (together with FNB, the "Banks"), FNB as administrative agent for the Banks (the "Agent") and Bank One, NA as documentation agent (the "Documentation Agent"), amends certain provisions of the Revolving Credit and Term Loan Agreement, dated as of June 30, 2000 among the Borrowers, the Banks, the Agent and the Documentation Agent (as amended and in effect from time to time, the "Credit Agreement"). Each capitalized term used herein without definition shall have the meaning assigned to such term in the Credit Agreement.

WHEREAS, the Borrowers, the Banks and the Agent have agreed to amend certain terms and conditions of the Credit Agreement as specifically set forth in this Amendment;

NOW THEREFORE, in consideration of the mutual agreements contained in the Credit Agreement and herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENT TO SECTION 2.10 - RESTRICTION ON REVOLVING CREDIT USAGE.

(a) By execution of this Amendment, Banks holding in aggregate at least fifty-one percent (51%) of the Total Revolving Credit Commitment consent to the Borrowers ability to reborrow Revolving Credit Loans under the Credit Agreement after the date of this Amendment in excess of the \$4,000,000 limitation set forth in Section 2.10 of the Credit Agreement but subject to the other restrictions set forth in the Credit Agreement.

(b) Section 2 of the Credit Agreement is hereby amended by deleting Section 2.10 therefrom in its entirety.

SECTION 2. AMENDMENT TO SECTION 3 - MANDATORY PREPAYMENT OF REVOLVING CREDIT LOANS. Section 3.2 of the Credit Agreement is hereby amended by deleting the text thereof in its entirety and substituting the following therefor:

If at any time the sum of the Outstanding amount of the Revolving Credit Loans, plus the Maximum Drawing Amount, plus all Unpaid Reimbursement Obligations exceeds the Total Revolving Credit Commitment, then the

Borrowers shall immediately pay the amount of such excess to the Agent for the respective accounts of the Banks for application to the Revolving Credit Loans. Each prepayment of Revolving Credit Loans shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective unpaid principal amount of each Bank's Revolving Credit Note, with adjustments to the extent practicable to equalize any prior payments or repayments not exactly in proportion. Each prepayment pursuant to this Section 3.2 shall be made in accordance with the provisions of Section 6.9. In addition to the mandatory prepayment required by the preceding sentences, the Borrowers shall also prepay the Revolving Credit Loans as required pursuant to Section 4.4.2.

SECTION 3. AMENDMENT OF SECTION 4.4.2.1 - MANDATORY PREPAYMENTS FROM NET CASH PROCEEDS. Section 4.4.2.1 of the Credit Agreement is hereby amended by

deleting the proviso at the end of the third sentence of the last paragraph of Section 4.4.2.1, which paragraph was inserted pursuant to Section 5(c) of Amendment No. 2 to Revolving Credit and Term Loan Agreement dated as of November 10, 2001 among the parties hereto ("Amendment No. 2").

SECTION 4. AMENDMENT TO SECTION 5 - INCREASE IN LETTER OF CREDIT SUBLIMIT. Section 5.1.1 of the Credit Agreement is hereby amended by deleting the amount "\$1,000,000" in clause (a) of the proviso to the first sentence thereof and substituting the amount "\$6,000,000" therefor.

SECTION 5. AMENDMENT OF SECTION 11.4 -NEW LEASES; CONSENT AND WAIVER RELATING TO NEW LEASES ON EXISTING UNITS.

(a) Section 11.4 of the Credit Agreement is hereby amended by deleting the text of clause (g) thereof in its entirety and substituting in place thereof the following clause (g):

(g) sign any new real property leases in respect of Units which open or become operational in or after Fiscal Year 2003 without the prior written unanimous consent of the Banks.

(b) The Banks hereby waive any Events of Default under Section 11.4 of the Credit Agreement as in effect after giving effect to Amendment No. 2 but prior to the amendment contemplated by Section 5(a) of this Amendment which may have resulted as a consequence of a Borrower signing a new lease with respect to the following Units which were subject to Sale-Leaseback transactions: the Unit located in Houston, Texas and identified as Store 003 on Schedule 8.24 of the Credit Agreement, the Unit located in Atlanta, Georgia and identified as Store 004 on Schedule 8.24 of the Credit Agreement and the Borrowers' corporate headquarters in Dallas, Texas.

SECTION 6. AMENDMENT OF SECTION 11.5 - MINIMUM EBITDA REQUIREMENT. Section 11.5 of the Credit Agreement is hereby amended by reducing the required

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minimum Consolidated EBITDA figure set forth for the third fiscal quarter of the 2003 Fiscal Year from "\$9,500,000" to "\$7,500,000.

SECTION 7. AFFIRMATION AND ACKNOWLEDGMENT. Each Borrower hereby ratifies and confirms all of its Obligations to the Banks and the Agent, including, without limitation, the Loans, and the Borrowers hereby affirm their joint and several absolute and unconditional promise to pay to the Banks the Loans, the Reimbursement Obligations, and all other amounts due under the Credit Agreement as amended hereby. Each Borrower hereby confirms that the Obligations are and remain secured pursuant to the Security Documents and pursuant to all other instruments and documents executed and delivered by each Borrower as security for the Obligations.

SECTION 8. REPRESENTATIONS AND WARRANTIES. Each Borrower hereby represents and warrants to the Banks and the Agent as follows:

(a) The execution and delivery by each Borrower of this Amendment and the performance by each Borrower of its obligations and agreements under this Amendment and the Credit Agreement as amended hereby are within the corporate authority of such Borrower, have been duly authorized by all necessary corporate proceedings on behalf of such Borrower, and do not and will not contravene any provision of law, statute, rule or regulation to which such Borrower is subject or any of such Borrower's charter, other incorporation papers, by-laws or any stock provision or any amendment thereof or of any agreement or other instrument binding upon such Borrower.

(b) Each of this Amendment and the Credit Agreement as amended hereby constitutes the legal, valid and binding joint and several obligation of each Borrower, enforceable in accordance with its respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights.

(c) No approval or consent of, or filing with, any governmental agency or authority is required to make valid and legally binding the execution, delivery or performance by each Borrower of this Amendment and the Credit

Agreement as amended hereby.

(d) The representations and warranties contained in Section 8 of the Credit Agreement are true and correct at and as of the date made and as of the date hereof, except to the extent of changes resulting from transactions contemplated or permitted by the Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse, and to the extent that such representations and warranties relate expressly to an earlier date.

(e) Each Borrower has performed and complied in all material respects with all terms and conditions herein required to be performed or complied with by it prior to or at the time hereof, and as of the date hereof, after giving effect to the provisions hereof, there exists no Event of Default or Default.

SECTION 9. EFFECTIVENESS. This Amendment (or if the written consent of each of the Banks is not obtained as specified in Section 9.2, those sections of this Amendment referred to Section 9.1 only) shall

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become effective retroactively to November 3, 2002 upon the satisfaction of the following conditions precedent:

SECTION 9.1. MAJORITY BANK APPROVAL. Each section of this Amendment other than the section specified in Section 9.2 shall become effective upon the written consent of the Borrowers and the written consent of the Majority Banks.

SECTION 9.2. UNANIMOUS BANK APPROVAL. The amendments to the Credit Agreement set forth in Section 5 hereof shall become effective upon the written consent of the Borrowers and the written consent of each of the Banks.

SECTION 9.3. AMENDMENT FEES. The Borrowers shall have paid to the Agent, for the account of each Bank which signs this Amendment, an amendment fee in an amount equal to one eighth of one percent (0.125%) of the sum of such Bank's Revolving Credit Commitment on December 6, 2002 plus the aggregate principal amount of such Bank's Term Loans outstanding on December 6, 2002.

SECTION 9.4. NO MATERIAL ADVERSE CHANGE. The Majority Banks shall be satisfied that there shall have occurred no material adverse change in the business, operations, assets, management, properties, financial condition, income or prospects of the Borrowers and their Subsidiaries taken as a whole since February 3, 2002.

SECTION 9.5. REPRESENTATIONS TRUE; NO EVENT OF DEFAULT.

Each of the representations and warranties of any of the Borrowers and their Subsidiaries contained in this Amendment, the Credit Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with this Amendment or the Credit Agreement shall be true as of the date as of which they were made (except to the extent of changes resulting from transactions contemplated or permitted by this Amendment or the Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse, and to the extent that such representations and warranties relate expressly to an earlier date) and no Default or Event of Default shall have occurred and be continuing.

SECTION 9.6. PROCEEDINGS AND DOCUMENTS. All proceedings in connection with the transactions contemplated by this Amendment and all other documents incident hereto shall be reasonably satisfactory in substance and in form to the Agent.

SECTION 10. MISCELLANEOUS PROVISIONS.

(a) Except as otherwise expressly provided by this Amendment, all of the terms, conditions and provisions of the Credit Agreement shall remain the same. It is declared and agreed by each of the parties hereto that the Credit

Agreement, as amended hereby, shall continue in full force and effect, and that this Amendment and the Credit Agreement shall be read and construed as one instrument.

(b) This Amendment is intended to take effect as an agreement under seal and shall be construed according to and governed by the laws of the Commonwealth of Massachusetts.

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(c) This Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

(d) Each Borrower hereby agrees to pay to the Agent, on demand by the Agent, all reasonable out-of-pocket costs and expenses incurred or sustained by the Agent in connection with the preparation of this Amendment (including legal fees).

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as a document under seal as of the date first above written.

DAVE & BUSTERS, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President,
Chief Financial Officer

DAVE & BUSTER'S I, L.P.

By: DAVE & BUSTER'S, INC., as general
partner

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President,
Chief Financial Officer

DAVE & BUSTER'S OF ILLINOIS, INC.

By: /s/ W.C. Hammett, Jr.

Name: W. C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF GEORGIA, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.

Title: Vice President, Treasurer
DAVE & BUSTER'S OF PENNSYLVANIA, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

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DANB TEXAS, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF MARYLAND, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF CALIFORNIA, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF COLORADO, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF NEW YORK, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF FLORIDA, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

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DAVE & BUSTER'S OF PITTSBURGH, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

DAVE & BUSTER'S OF HAWAII, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

D&B REALTY HOLDING, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

D&B LEASING, INC.

By: /s/ W.C. Hammett, Jr.

Name: W.C. Hammett, Jr.
Title: Vice President, Treasurer

FLEET NATIONAL BANK, individually and
as Agent

By: /s/ Alexander A. Burke

Name: Alexander A. Burke
Title: Vice President

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BANK OF AMERICA, N.A.
For purposes of consenting to
Section 5 hereof only

By: /s/ Mark Henze

Name: Mark Henze
Title: Senior Vice President

BANK ONE, NA
(MAIN OFFICE, CHICAGO, ILLINOIS)

By: /s/ Wyatt Dickson

Name: Wyatt Dickson
Title: Executive Vice President

GUARANTY BANK

By: /s/ Robert S. Hays

Name: Robert S. Hays
Title: Senior Vice President

TRANSAMERICA EQUIPMENT FINANCIAL
SERVICES CORPORATION

By: _____
Name:
Title:

THE FROST NATIONAL BANK

By: /s/ Chris W. Holder

Name: Chris W. Holder
Title: Senior Vice President

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HELLER FINANCIAL LEASING, INC.

By: /s/ Mike Record

Name: Mike Record
Title: Senior Vice President

ORIX FINANCIAL SERVICES, INC.

By: /s/ Terry Standifer

Name: R. Terry Standifer
Title: Vice President

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dave & Buster's, Inc. (the "Company") on Form 10-Q for the period ended November 3, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David O. Corriveau, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: December 17, 2002

/s/ David O. Corriveau

David O. Corriveau
Co-Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dave & Buster's, Inc. (the "Company") on Form 10-Q for the period ended November 3, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James W. Corley, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: December 17, 2002

/s/ James W. Corley

James W. Corley
Co-Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dave & Buster's, Inc. (the "Company") on Form 10-Q for the period ended November 3, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. C. Hammett, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: December 17, 2002

/s/ W. C. Hammett, Jr.

W. C. Hammett, Jr.
Chief Financial Officer