

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 MAY 4, 2003.

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 []

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No []

The number of shares of the Issuer's common stock, \$.01 par value, outstanding as of June 5, 2003 was 13,385,115 shares.

DAVE & BUSTER'S, INC.

FORM 10-Q

TABLE OF CONTENTS

Page ----	PART I FINANCIAL INFORMATION	Item 1 Financial Statements	
.....		3	Item 2
Management's Discussion and Analysis of Financial Condition and Results of Operations.....		11	Item 3 Quantitative and Qualitative Disclosures About Market Risk.....
		15	Item 4 Controls and Procedures.....
		15	PART II
	OTHER INFORMATION	Item 1 Legal Proceedings.....	16
		Item 6 Exhibits and Reports on Form 8-K.....	16
			SIGNATURES
.....			
		17	CERTIFICATIONS
.....			
		18	

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 MAY 4, MAY 5, 2003 2002 ----- -----	
Food and beverage revenues \$	47,664	\$
	48,743	
Amusements and other revenues	43,923	48,499
	-----	-----
Total revenues	91,587	97,242
Cost of revenues	16,671	18,116
Operating payroll and benefits	26,799	30,765
Other store operating expenses	28,192	27,943
General and administrative expenses	5,939	6,111
Depreciation and amortization expense	7,307	7,555
Preopening costs	--	152
	-----	-----
Total costs and expenses	84,908	90,642
Operating income	6,679	6,600
Interest expense, net	2,060	2,008
	-----	-----
Income before provision for income taxes	4,619	4,592
Provision for income taxes	1,570	1,676
	-----	-----
Income before cumulative effect of a change in an accounting principle	3,049	2,916

Cumulative
effect of a
change in an
accounting
principle --
(7,096) -----

----- Net
income (loss)
\$ 3,049 \$
(4,180)

=====
=====

Net income
(loss) per
share - basic

Before
cumulative
effect of a
change in an
accounting
principle \$
0.23 \$ 0.22
Cumulative
effect of a
change in an
accounting
principle --
(0.55) -----

----- \$ 0.23
\$ (0.33)

=====
=====

Net income
(loss) per
share -
diluted

Before
cumulative
effect of a
change in an
accounting
principle \$
0.23 \$ 0.22
Cumulative
effect of a
change in an
accounting
principle --
(0.53) -----

----- \$ 0.23
\$ (0.31)

=====
=====

Basic
weighted
average
shares
outstanding
13,090 12,971
Diluted
weighted
average
shares
outstanding
13,283 13,307

See accompanying notes to consolidated financial statements.

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

ASSETS May
4, February
2, 2003 2003

Current
assets: Cash
\$ 2,934 \$
2,530
Inventories
26,313
26,634
Prepaid
expense
4,021 2,049
Other
current
assets 1,823
2,136 -----

Total
current
assets
35,091
33,349

Property and
equipment,
net 249,324
249,451

Other assets
8,170 8,412

Total assets
\$ 292,585 \$
291,212
=====

LIABILITIES
AND

STOCKHOLDERS'
EQUITY

Current
liabilities:
Current
installments
of long-term
debt \$ 8,300
\$ 8,300
Accounts
payable
14,167
14,952
Accrued
liabilities
13,109
12,201
Income tax
payable
2,008 325
Deferred
income taxes
1,793 1,802

Total
current
liabilities
39,377
37,580
Deferred
income taxes
14,065

14,065 Other liabilities	10,922
10,471 Long-term debt, less current installments	55,369
	59,494
Commitments and contingencies	
Stockholders' equity:	
Preferred stock, 10,000,000 authorized; none issued	
-- -- Common stock, \$0.01 par value, 50,000,000 authorized	13,098,285
and 13,080,117 shares issued and outstanding as of May 4, 2003 and February 2, 2003, respectively	132 132
Paid-in-capital	116,813
Restricted stock awards	674 608
Retained earnings	57,079
54,030 -----	

174,698	
171,448 Less treasury stock, at cost (175,000 shares) (1,846)	(1,846) ----

Total stockholders' equity	172,852
169,602 -----	

Total liabilities and stockholders' equity \$	292,585 \$
291,212	
=====	
=====	

See accompanying notes to consolidated financial statements.

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

Common Stock ----- ----- -----	
Paid-in Restricted Retained Treasury Shares Amount Capital Stock Awards Earnings Stock Total ----- - ----- --- ----- ----- --- ----- - ----- -----	
- Balance, February 2, 2003 13,080 \$ 132 \$ 116,678 \$ 608 \$ 54,030 \$ (1,846) \$ 169,602	
Proceeds from exercising stock options 18 -- 126 -- - - -- 126	
Tax benefit related to stock option exercises - - -- 9 -- - - -- 9	
Amortization of restricted stock awards -- - - -- 66 -- -- 66 Net income -- - - -- -- 3,049 -- 3,049 ----- ----- --- ----- - ----- ----- -----	
Balance May 4, 2003 13,098 \$	

132 \$
116,813 \$
674 \$
57,079 \$
(1,846) \$
172,852

=====
=====
=====
=====
=====
=====
=====

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

13 Weeks Ended
13 Weeks Ended
May 4, 2003 May
5, 2002 -----

Cash flows from
operating
activities
Income before
cumulative
change in an
accounting
principle \$
3,049 \$ 2,916
Adjustments to
reconcile net
income to net
cash provided
by operating
activities:
Depreciation
and
amortization
7,307 7,555
Provision for
deferred income
taxes (9) (15)
Restricted
stock awards 66
-- Gain (loss)
on sale of
assets 160 (87)
Changes in
assets and
liabilities
Inventories 321
(94) Prepaid
expenses
(1,972) (2,134)
Other current
assets 313
(236) Other
assets 239 432
Accounts
payable (785)
(1,910) Accrued
liabilities 908
(494) Income
taxes payable
1,683 (2,074)
Other
liabilities 451
570 -----

----- Net
cash provided
by operating
activities
11,731 4,429
Cash flows from
investing
activities
Capital
expenditures
(7,424) (5,545)
Proceeds from
sale of
property and

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MAY 4, 2003

(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 1: ORGANIZATION AND DESCRIPTION OF BUSINESS

Dave and Buster's, a Missouri corporation, is a leading operator of large format, high-volume regional entertainment complexes. Our one industry segment is the ownership and operation of restaurant/entertainment complexes under the name "Dave and Buster's" which are located in the United States.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying 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. These unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles. These unaudited financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K, as filed with the SEC.

USE OF ESTIMATES

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

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.

CUMULATIVE EFFECT OF A CHANGE IN AN ACCOUNTING PRINCIPLE

Pursuant to SFAS 142, the Company changed its accounting policy related to goodwill effective January 1, 2002. SFAS 142 requires that goodwill no longer be amortized to earnings, but instead should be reviewed for impairment at least annually. Under SFAS 142, impairment is deemed to exist when the carrying value of goodwill is greater than its implied fair value. This methodology differs from the Company's previous policy, as

permitted under accounting standards existing before SFAS 142, of using undiscounted cash flows of the businesses acquired over its estimated life.

As a result of applying the new standards, the initial assessment of fair value of the Company resulted in a one-time charge for the entire write off of goodwill of \$7,100 for the first quarter ended May 5, 2002. This was recorded as a cumulative effect of a change in accounting principle. The write off of goodwill resulted in a negative \$0.53 per diluted share for the first quarter ended May 5, 2002. The remaining intangible asset (trademark) is insignificant and continues to be amortized over its useful life.

STOCK BASED COMPENSATION

We have elected to follow Accounting Principles Board, or APB, Opinion No. 25, Accounting for Stock Issued to Employees, in accounting for our employee stock options. Under APB 25, if the exercise price of an employee's stock options equals or exceeds the market price of the underlying stock on the date of grant, no compensation expense is recognized. At May 4, 2003, we had two stock-based compensation plans covering employees and directors.

Although SFAS 123 allows us to continue to follow the present APB 25 guidelines, we are required to disclose pro forma net income (loss) and net income (loss) per share as if we had adopted SFAS 123. The pro forma impact of applying SFAS 123 for the first quarters ended May 4, 2003 and May 5, 2002 will not necessarily be representative of the pro forma impact in future years. Our pro forma information is as follows (in thousands, except per share data):

13 Weeks ended May 4, May 5, 2003 2002 - ----- -----	
	- Net income (loss), as reported \$ 3,049 \$ (4,180) Pro forma stock compensation expense recorded under the fair value method, net of income taxes (236) (440) ----- -----
	Pro forma net income (loss) \$ 2,813 \$ (4,620) =====

Basic earnings (loss) per common share, as reported \$ 0.23 \$ (0.33)	
Diluted earnings (loss) per common share, as reported \$ 0.23 \$ (0.31) Pro forma basic earnings (loss) per common	

share \$
0.22 \$
(0.36) Pro
forma
diluted
earnings
(loss) per
common
share \$
0.21 \$
(0.35)

NOTE 3: LONG-TERM DEBT

At May 4, 2003, long-term debt consisted of the following:

Long-term debt	\$	63,669
Less current installments		(8,300)

	\$	55,369
		=====

In 2000, the Company secured 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 the maturity date and is secured by all assets of the company.

Borrowing under the facility bears interest at a floating rate based on LIBOR (1.3% at May 4, 2003) or, at the Company's option, the bank's prime rate (4.25% at May 4, 2003) plus, in each case, a margin based upon financial performance. The facility is secured by all assets of the Company. The facility has certain financial

covenants including a minimum consolidated tangible net worth level, a maximum leverage ratio and minimum fixed charge coverage. At May 4, 2003, \$19,745 was available under this facility. The fair value of the Company's long-term debt approximates its carrying value.

The Company has entered into an agreement that expires in 2007, to change a portion of our variable rate debt to fixed-rate debt. Notional amounts aggregating \$46,265 are fixed at 5.44%. The Company is exposed to credit losses for periodic settlements of amounts due under the agreements if LIBOR decreases. A charge of \$456 to interest expense was incurred in the first quarter of 2003 under the agreement.

NOTE 4: 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 bankruptcy 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.

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 5: RECENT ACCOUNTING PRONOUNCEMENTS

In July 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This statement nullifies Emerging Issues Task Force or EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of commitment to an exit or disposal plan. This statement is applicable to exit or disposal activities initiated after December 31, 2002. The adoption of this standard did not have a significant effect on our financial position or results of operations.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates and judgments, including those that relate to depreciable lives, goodwill and debt covenants. The estimates and judgments made by management are based on historical data and on various other factors believed to be reasonable under the circumstances.

The following table sets forth, for the periods indicated, the percentage of total revenues represented by certain items reflected in our consolidated statements of operations:

Fiscal Year		
Ended May 4,		
May 5, 2003		
2002 -----	-----	
----	-----	

Revenues:		
Food and beverage	52.0%	50.1%
Amusements and other	48.0	49.9
	-----	---

Total revenues	100.0	100.0
Costs and expenses:		
Cost of revenues	18.2	18.6
Operating payroll and benefits	29.3	31.6
Other store operating	30.8	28.7
General and administrative	6.5	6.3
Depreciation and amortization	8.0	7.8
Preopening costs	0.0	0.2

Total costs and expenses	92.7	93.2
Operating income	7.3	6.8
Interest expense	2.3	2.1
Income before provision for income taxes	5.0	4.7
Provision for income taxes	1.7	1.7
Income before cumulative effect of a		

change in an
accounting
principle 3.3
3.0
Cumulative
effect of a
change in an
accounting
principle --
7.3 -----

--- Net
income (loss)
3.3% (4.3)%

RESULTS OF OPERATIONS - 13 WEEKS ENDED MAY 4, 2003 COMPARED TO 13 WEEKS ENDED
MAY 5, 2002

Total revenues decreased \$5,655 or 5.8% to \$91,587 for the first quarter ended May 4, 2003 from \$97,242 for the first quarter ended May 5, 2002. The new store opened in fiscal year 2002 contributed \$2,451 in revenues, while comparable store revenues were down \$6,399, or 7.5%, and other non-comparable store revenues were down \$1,990, or 17.8%. The decrease in comparable store revenues is primarily attributed to a continued weak economic environment, the war in Iraq and severe winter weather conditions in some of our markets. Total revenues from licensing agreements were \$158.

Cost of revenues decreased to \$16,671 for the first quarter ended May 4, 2003 from \$18,116 for the first quarter ended May 5, 2002, a decrease of \$1,445, or 8.0%. As a percentage of revenues, cost of revenues were down to 18.2% for the quarter ended May 4, 2003 versus 18.6% for comparable period in prior year. The reduction in cost of revenues is attributed to decreases in amusement and food costs, offset by an increase in beverage costs.

Operating payroll and benefits decreased to \$26,799 for the first quarter ended May 4, 2003 from \$30,765 for the first quarter ended May 5, 2002, a decrease of \$3,966, or 12.9%. As a percentage of revenues, operating payroll and benefits were 29.3% for the quarter ended May 4, 2003, down from 31.6% for the comparable period in prior year. The Company adjusted its staffing levels in response to the current economic environment and eliminated certain store hourly and management positions late in fiscal year 2002. In addition, the Company redesigned some of its benefits programs to reduce the overall cost of the plans while remaining competitive in meeting the needs of its employees.

Other store operating expenses increased to \$28,192 for the first quarter ended May 4, 2003 from \$27,943 for the first quarter ended May 5, 2002, an increase of \$249, or 0.9%. During the quarter, the increase in absolute dollars over prior year is attributed to opening one new store during fiscal year 2002 offset by reductions in marketing expense and cleaning and janitorial costs. As a percentage of revenues, other store operating expense is up to 30.8% for the quarter ended May 4, 2003 as compared to 28.7% for prior year. The increase is primarily attributed to the decline in comparable store sales.

General and administrative expenses decreased to \$5,939 for the first quarter ended May 4, 2003 from \$6,111 for the first quarter ended May 5, 2002, a decrease of \$172, or 2.8%. The increase in absolute dollars in the first quarter of 2003 can be attributed to professional services relating to our cost efficiency studies offset by lower salaries and benefits. The decline in comparable store sales is the predominate factor in the increase in general and administrative expense as a percentage of sales. If comparable store sales had remained flat to prior year, general and administrative expense for the first quarter of fiscal 2003, as a percentage of sales would have declined to 6.1% as compared to 6.3% in prior year.

Depreciation and amortization decreased to \$7,307 for the first quarter ended May 4, 2003 from \$7,555 for the first quarter ended May 5, 2002, a decrease of \$248, or 3.3%. As a percentage of revenues, depreciation and amortization increased to 8.0% for the quarter ended May 4, 2003 as compared to 7.8% for the same period in the prior year, again as a result of the decline in comparable store sales.

There were no preopening costs in the first quarter of fiscal 2003 compared to \$152 for the first quarter ended May 5, 2002. There were no stores opened in the first quarter of fiscal 2003.

Interest expense remained relatively flat at \$2,060 for the first quarter ended May 4, 2003 from \$2,008 for the first quarter ended May 5, 2002, an increase of \$52, or 2.6%. The change is due to an increase in bank fees, offset by a decrease in interest expense associated with lower outstanding debt.

The effective tax rate for the first quarter ended May 4, 2003 remained at 34% as compared to the same period in prior year.

Liquidity and Capital Resources

Cash flows from operations was \$11,731 for the first quarter ended May 4, 2003 compared to \$4,429 for the first quarter ended May 5, 2002, an increase of \$7,302. This was due to changes in components of working capital.

Cash used in investing activities was \$7,337 for the first quarter ended May 4, 2003 compared to \$5,293 for the first quarter ended May 5, 2002. The increase of \$2,044 was principally the result of remodeling and maintenance capital expenditures (which include the costs for new games in the amusement portion of the business).

Financing activities resulted in a use of cash of \$3,990 compared to \$2,033 for the quarter ended May 5, 2002. This increased use of cash was directly attributed to a 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 loans. The facility agreement calls for quarterly payments of principal on the term loans through maturity. Borrowings under the facility bear interest at a floating rate based on LIBOR (1.30% at May 4, 2003) or, at our option, the bank's prime rate (4.25% at May 4, 2003) 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 and minimum fixed charge coverage. The Company believes it will be in compliance with all of its financial and other debt covenants during the fiscal year ending February 1, 2004. At May 4, 2003, \$19,475 was available under this facility.

We have entered into an agreement that expires in 2007, to change a portion of our variable rate debt to fixed-rate debt. Notional amounts aggregating \$46,265 at May 4, 2003 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 \$456 was incurred in the first quarter of 2003.

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.

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. Therefore, since we do not plan to open any new complexes in the current year, 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.

Recent Accounting Pronouncements

In July 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This statement nullifies Emerging Issues Task Force or EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of commitment to an exit or disposal plan. This statement is applicable to exit or disposal activities initiated after December 31, 2002. The adoption of this standard did not have a significant effect on our financial position or results of operations.

Critical Accounting Policies

Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Depreciable lives - expenditures for new facilities and those that substantially increase the useful lives of the property, including interest during construction, are capitalized along with equipment purchases at cost. These costs are depreciated over various methods based on an estimate of the depreciable life, resulting in a charge to the operating results of the Company. The actual results may differ from these estimates under different assumptions or conditions. The depreciable lives are as follows:

Property and Equipment	
Games	5 years
Buildings	40 years
Furniture, fixtures and equipment	5 to 10 years
Leasehold and building improvements	Shorter of 20 years or lease life
Intangible Assets	
Trademarks	Over statutory lives
Lease Rights	Over remaining lease term

Goodwill - Pursuant to SFAS 142, the Company changed its accounting policy related to goodwill effective January 1, 2002. SFAS 142 requires that goodwill no longer be amortized to earnings, but instead should be reviewed for impairment at least annually. Under SFAS 142, impairment is deemed to exist when the carrying value of goodwill is greater than its implied fair value. This methodology differs from the Company's previous policy, as permitted under accounting standards existing before SFAS 142, of using undiscounted cash flows of the businesses acquired over its estimated life. As a result of applying the new standards, the initial assessment of fair value of the Company resulted in a one-time charge for the entire write off of goodwill of \$7,100 for the first quarter ended May 5, 2002. This was recorded as a cumulative effect of a change in accounting principle. The write off of goodwill resulted in a negative \$0.53 per diluted share for the first quarter ended May 5, 2002. The remaining intangible asset (trademark) is insignificant and continues to be amortized over its useful life.

Debt Covenants - The Company's credit facility requires compliance with certain financial covenants including a minimum consolidated tangible net worth level, maximum leverage ratio and minimum fixed charge coverage. The Company believes the results of operations for the fiscal year ending February 1, 2004 and thereafter would enable the Company to remain in compliance with the existing covenants absent any material negative event affecting the U.S. economy as a whole. However, the Company's expectations of future operating results and continued compliance with the debt covenants cannot be assured and the lenders' actions are not controllable by the Company. If the projections of future operating results are not achieved and the debt is placed in default, the Company would experience a material adverse impact on its reported financial position and results of operations.

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. 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.

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

Certain information contained in this 10-Q includes forward-looking statements. Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, projections, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitations, by the use of forward looking terminology such as "may," "will," "anticipates," "expects," "projects," "believes," "intends," "should," or comparable terms or the negative thereof. All forward-looking statements included in this press release are based on information available to us on the date hereof. Such statements speak only as of the date hereof. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, but are not limited to, the following: our ability to open new high-volume restaurant/entertainment complexes; our ability to raise and access sufficient capital in the future; changes in consumer preferences, general economic conditions or consumer discretionary spending; the outbreak or continuation of war or other hostilities involving the United States; potential fluctuation in our quarterly operating result due to seasonality and other factors; the continued service of key management personnel; our ability to attract, motivate and retain qualified personnel; the impact of federal, state or local government regulations relating to our personnel or the sale of food or alcoholic beverages; the impact of

litigation; the effect of competition in our industry; additional costs associated with compliance with the Sarbanes-Oxley Act and related regulations and requirements; and other risk factors described from time to time in our reports filed with the SEC.

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

Our Chief Executive Officer, 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 May 23, 2003. 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 May 23, 2003 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

There have been no material developments in any of the legal proceedings reported in our Annual Report on Form 10-K for the year ended February 2, 2003.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 99.1 Certification of 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 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

We filed the following reports on Form 8-K during the quarter ended May 4, 2003:

- 1. Form 8-K filed on March 10, 2003 to report the formation of a Nominating and Corporate Governance committee of the Board and appointment of a Lead Director.
- 2. Form 8-K filed on March 24, 2003 to report the setting of a date and record date for the annual meeting of shareholders.
- 3. Form 8-K filed on April 10, 2003 to report the results of the fourth quarter and fiscal year ended February 2, 2003.

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: June 10, 2003

by /s/ JAMES W. CORLEY

James W. Corley
Chief Executive Officer

Date: June 10, 2003

by /s/ W. C. HAMMETT, JR.

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

CERTIFICATIONS

I, James W. Corley, 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.

/s/ JAMES W. CORLEY

James W. Corley
Chief Executive Officer

Date: June 10, 2003

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.

/s/ W. C. HAMMETT, JR.

W. C. Hammett, Jr.
Chief Financial Officer

Date: June 10, 2003

INDEX OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
----- 99.1	-----
	Certification of 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 CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.

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 May 4, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James W. Corley, 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: June 10, 2003

/s/ JAMES W. CORLEY

James W. Corley
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 May 4, 2003 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: June 10, 2003

/s/ W. C. HAMMETT, JR.

W. C. Hammett, Jr.
Chief Financial Officer