

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED FEBRUARY 2, 2003

COMMISSION FILE NO. 0-25858

DAVE & BUSTER'S, INC.
(Exact name of registrant as specified in its charter)

MISSOURI
(State or other jurisdiction of
incorporation or organization)

43-1532756
(I.R.S. employer
identification number)

2481 MANANA DRIVE, DALLAS, TEXAS
(Address of principal executive offices)

75220
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE
(214) 357-9588

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE
OF
EACH
CLASS

Common
Stock,
\$0.01
par
value

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
NONE

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 if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant at August 2, 2002 (the last business day of the registrant's second fiscal quarter) was \$150,600,593.

The number of shares of common stock outstanding at April 18, 2003 was 13,362,785 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2003 annual meeting of Stockholders are incorporated by reference into Part III hereof, to the extent indicated herein.

PART I

ITEM 1. BUSINESS

COMPANY OVERVIEW

Dave & Buster's is a leading operator of large format, high-volume, regional entertainment complexes. For the last twenty years, we have successfully operated our entertainment complexes under the Dave & Buster's name. Each entertainment complex offers an extensive array of entertainment attractions such as pocket billiards, shuffleboard, state-of-the-art interactive simulators and virtual reality systems, plus traditional carnival-style games of skill. In addition, our complexes offer a full menu of high quality food and beverages. The layout of our entertainment complexes is designed to promote easy access to, and maximize customer crossover between, the multiple entertainment and dining areas within each Dave & Buster's. We believe that the availability of multiple attractions in one large facility, the high quality food, beverages and service each entertainment complex offers, and our commitment to casual, yet sophisticated fun for adults synergistically drive repeat usage of our complexes and differentiate us from other regional entertainment offerings.

As of February 2, 2003, we operated 32 entertainment complexes across the United States, with an average age of 5.1 years per location. Our entertainment complexes can be separated into two categories: mega entertainment complexes, which are typically between 50,000 and 70,000 square feet in size, and intermediate entertainment complexes, which are typically between 40,000 and 49,000 square feet in size.

As a result of our focus on providing customers with a differentiated entertainment offering, a significant portion of our entertainment complexes is dedicated to amusements. Our entertainment complexes operate seven days a week and are typically open from 11:30 a.m. to 12:00 a.m. on weekdays and 11:30 a.m. to 2:00 a.m. on weekends. Attractions in all of our entertainment complexes are geared toward promoting high levels of customer participation. Attractions include traditional games, like pocket billiards and shuffleboard tables, and a broad selection of interactive, high-energy amusements such as electronic, skill and sports-oriented games in what we call our Million Dollar Midway area.

We believe the Million Dollar Midway, which is the largest component of our entertainment complexes, is a significant reason why we are able to generate high levels of repeat customers. Approximately 13.2% of our 2002 revenues were from private parties, business gatherings and sponsored events. Each entertainment complex has a Show Room and other special event rooms that are designed for hosting these types of functions.

In order to better serve the needs of our customers, we provide full, sit-down food service not only in the restaurant areas, but also throughout the entire entertainment complex. Our menu places special emphasis on quality, well-rounded meals, including gourmet pastas, steaks, seafood, chicken, sandwiches, salads and an outstanding selection of desserts. We constantly update our menus to reflect current trends and guest favorites. Each entertainment complex offers full bar service throughout the entertainment and restaurant areas, including over 50 different beers, an extensive selection of wine and spirits plus a variety of non-alcoholic beverages.

INDUSTRY OVERVIEW

Dave & Buster's is a regional Entertainment Complex ("EC"). Regional ECs offer multiple entertainment options designed to appeal to a broad, regional customer base. Regional ECs, such as Dave & Buster's and theme parks, compete for customers' discretionary entertainment dollars with each other as well as with other providers of out-of-home entertainment, including destination ECs such as Walt Disney World or Universal Studios and localized single attraction facilities such as movie theaters, bowling alleys, nightclubs

and restaurants. These three types of entertainment offerings can be distinguished from each other by factors such as:

- cost;
- breadth of attractions;
- the geographic range from which they draw customers; and
- frequency of customer visits.

Destination ECs can cost \$3,000-\$4,000 per family per visit including airfare and hotel expenses. These destination ECs draw many customers from outside of their geographic region. Regional ECs and localized single attraction facilities typically cost significantly less per visit and draw a majority of their customers from within a local or extended local radius. As a result, we believe that regional ECs are typically less sensitive than destination ECs to the national economy, fuel prices, and disturbances in the transportation markets.

Although our competitors may include any EC located within the same region as one of our Dave & Buster's entertainment complexes, we believe that we compete primarily against localized single attraction facilities. Single attraction venues offer a limited entertainment package. To the extent that regional ECs offer multiple entertainment options that appeal to a broad spectrum of customers, they are distinguishable from single attraction venues. We believe that the regional EC market is underdeveloped relative to other entertainment concepts and that attractive unpenetrated geographic markets remain available.

OUR COMPETITIVE STRENGTHS

We attribute our leading position in the regional EC market to the following competitive strengths:

Twenty-Year Operating History. The operation of a large-format, high volume entertainment complex like Dave & Buster's requires significant management expertise. We opened our first entertainment complex in Dallas, Texas in 1982. Since then, that location, which remains popular with its customers today, has been joined by 31 additional entertainment complexes across the country. We have never closed any of our entertainment complexes. Our 20-year operating history gives us strong insights into our customer base and enables us to continue to provide a fresh entertainment environment, both at existing and new entertainment complexes. The average tenure of our corporate managers, regional operators and general managers are eight, eight and six years, respectively. We believe that the experience of our employees, our expertise at site selection and layout, our atmosphere, our employee training programs, and our scale and reputation with game suppliers and customers give us competitive advantages that potential competitors do not enjoy.

Distinctive, Unique Concept with Strong Brand-Name. The large scale of each operation, together with the numerous entertainment, food and beverage options offered, is designed to attract a diverse customer base and consolidate multiple-destination entertainment customer spending into one location. The scale of our operations and attendant cost to develop also provide a barrier to entry to many would-be competitors. We believe that our distinctive concept, widespread entertainment complex locations and recognizable name and logo provide a strong and recurring revenue base of loyal, local customers that drives our revenue and profitability.

Power Card System. During fiscal 1996, we introduced Dave & Buster's Power Card, at the time, a technologically advanced card capable of storing currency value. Power Cards are purchased by customers at all locations to activate most of the Million Dollar Midway games. By replacing coin or token activation, the Power Card enables customers to activate games more easily and encourages extended play of games. Since the introduction of the Power Card, customers have increased their initial purchases of game credits and frequency of play, resulting in higher total revenues and an increase in the percentage of our revenues derived from amusements, which have greater operating margins than food and beverages revenues.

Local, Frequent-Visiting Customer Base. We target customers aged 21 to 50. Our latest research shows that a typical Dave & Buster's customer is a male, age 25 to 44 with a \$61,000 annual household income. We believe our customers to be local residents, rather than tourists, and they tend to live within 20-25 miles of our

entertainment complexes. As such, we believe our business model can continue to generate business independent of the local tourist economy. Our data shows that our average customer visits four times a year and spends \$19.00 to \$21.00 per visit on some combination of amusements, food and beverages, with our most frequent customers visiting multiple times per week.

Commitment to Customer Satisfaction. We recognize that a differentiated entertainment environment and customer satisfaction are critical to our ongoing success. To that end, we make a significant investment in each entertainment complex, and our facilities are designed with attention to detail. The customer-participation entertainment attractions are tastefully presented in an atmosphere that we define as "ideal playing conditions." Through intensive personnel training, constant monitoring of operations, and stringent operational controls, we strive to maintain a consistently high standard of amusement, food and beverage service. Our commitment to customer service is evidenced by service staff in each of the entertainment areas who offer assistance in playing and enjoying the games and who provide food and beverage service. We believe our customer service is enhanced by a strong commitment to employee motivation and appreciation programs. We also believe that high service standards are critical to promoting customer loyalty and to generating frequent visiting patterns and referrals by customers. In our most recent commissioned customer survey, approximately 75% of our customers rated each of our amusement, food and beverage offerings as either outstanding or very good.

BUSINESS STRATEGY

Our business strategy is to:

Continue to Optimize Existing Operations. Through the use of detailed management reports and other cost control tools, we continually monitor our costs. In addition, we utilize performance-based compensation practices to encourage effective cost control. We have recently undertaken a number of strategic initiatives aimed at increasing cash flow including maximizing capacity utilization, optimizing game contribution and reducing expenses. Through rigorous operational reviews, we intend to implement these initiatives and to continue to discover more efficient ways to run our business going forward.

Some of these initiatives implemented in fiscal 2002, which will have a continuing impact on the company's operations and performance are:

- 1) The elimination of certain hourly and management positions at the store level and certain positions at the corporate level.
- 2) The implementation of new programs to boost corporate party and special event business.
- 3) The realignment of our marketing efforts to be more cost-effective.

For 2003, we intend to:

- 1) Continue our focus on marketing by recruiting a new Senior Vice President -- Marketing to direct the efforts going forward. We are conducting both quantitative and qualitative research to increase our knowledge about our concept and our customer base. We will test the effectiveness of various advertising media with the intent of utilizing the most efficient media to present our message. In addition, we expect to institute a customer loyalty program, which we believe will increase the frequency of visits to our entertainment complexes.

- 2) Undertake a thorough examination of all our operations to identify efficiencies and cost savings. As part of this, we engaged PriceWaterhouseCoopers to review our purchasing functions. We expect that as we implement the recommendations of this study, we can achieve a \$2 to \$3 million annualized cost savings by increasing efficiency, leveraging our purchasing power and removing duplication in this effort.

- 3) Continue our management focus on labor cost by instituting our labor scheduling initiative which we believe will enable us to realize additional variable labor cost reductions in the range of \$3 to \$4 million annually.

Continue to Refine Entertainment Offerings. We will continue to emphasize customer satisfaction and promote customer loyalty by continuously seeking to provide an enhanced entertainment experience. Our entertainment complexes are regularly maintained and our entertainment is frequently evaluated and refreshed to provide customers with the most satisfying experience. We anticipate:

1) Adding a number of new game packages as well as updated versions of some existing games to enhance the entertainment experience for our guests. We expect capital expenditures to be over \$9 million in the amusements portion of our business during fiscal 2003.

2) Continue to evaluate and implement our "Winner's Store" concept where appropriate, which we believe improves guest satisfaction and reduces labor costs.

3) Test and evaluate other initiatives in the amusements area with a focus on guest satisfaction and profitability improvements.

Our food and drink menu places special emphasis on quality, well-rounded fare and is updated to reflect current trends and guest favorites.

Pursue a Disciplined Growth Strategy. As a pioneer in the regional EC market, we will continue to evaluate attractive site opportunities. We typically select new sites on the basis of demographic and transportation trends. In September 2002, we opened a new entertainment complex in Islandia, New York. We do not plan to open a new complex in 2003, but with adequate capital availability we anticipate opening a minimum of one complex in 2004. We believe we will be able to open a minimum of two complexes annually thereafter, depending upon the availability of capital.

ENTERTAINMENT COMPLEXES

ENTERTAINMENT

The entertainment attractions in each Dave & Buster's are geared toward customer participation and offer both traditional entertainment and Million Dollar Midway entertainment.

Traditional Entertainment. Each Dave & Buster's entertainment complex offers a number of traditional entertainment options. These traditional offerings include pocket billiards, shuffleboard tables, and the Show Room or other special event rooms, which are designed for hosting private social parties and business gatherings as well as our sponsored events. Traditional entertainment games are rented by the hour.

Million Dollar Midway Games. The largest area in each Dave & Buster's entertainment complex is the Million Dollar Midway, which is designed to provide high-energy entertainment through a broad selection of electronic, skill and sports-oriented games. A Power Card activates most midway games and can be recharged for additional play. The Power Card enables customers to activate games more easily and encourages extended play of games. By replacing coin-activation, the Power Card has eliminated the technical difficulties and maintenance issues associated with coin activated equipment. Furthermore, the Power Card feature has increased our flexibility in pricing and promoting our games.

The Million Dollar Midway includes both fantasy/high technology games and classic midway entertainment. High-technology attractions vary among the entertainment complexes and may include simulation theaters, interactive electronic battlefield games, fantasy environment attractions, motion simulation theaters, large-screen interactive electronic games and state-of-the-art golf simulators. We also contract for exclusive games designed to build customer loyalty and repeat customer visits.

Classic midway entertainment includes sports-oriented games of skill, carnival-style games, which are intended to replicate the atmosphere found in many local county fairs, and D&B Downs, which is one of several multiple-player race games offered in each entertainment complex. At the Winner's Circle or Winner's Store, players can redeem coupons won from selected games of skill for a wide variety of prizes, many of which display the Dave & Buster's logo. The prizes include stuffed animals, clothing, electronic equipment and small novelty items.

FOOD AND BEVERAGE

The Dave & Buster's menu is offered from early lunch until late night and features moderately priced food designed to appeal to a wide variety of customers. This well-rounded fare includes gourmet pastas, steaks, seafood, chicken, sandwiches, salads and an outstanding selection of desserts. We constantly update our menu to reflect current trends and guest favorites. It places special emphasis on quality products such as the Nebraska Corn Fed Beef program. All steaks and burgers are produced under these guidelines, which ensures a consistently superior product. Other items among our guests' favorites are the Classic BBQ Ribs, the Philly Cheesesteak sandwich, Chicken Scallopini and our Grilled Mahi-Mahi. We also feature lunch specials with an emphasis on quality food done quickly and an extensive offering of buffets for special events and private parties. We now offer Sunday brunch with a separate menu featuring a variety of breakfast favorites.

In order to better serve the needs of our customers, we provide full, sit-down food service not only in the restaurant areas, but also throughout the entire entertainment complex. Each entertainment complex offers full bar service throughout the entertainment and restaurant areas, including over 50 different beers, an extensive selection of wine and spirits and a variety of non-alcoholic beverages.

LOCATION AND DEVELOPMENT

We believe that the location of our entertainment complexes is critical to our long-term success. Significant time and resources are devoted to analyzing each prospective site. In general, we target high-profile sites within metropolitan areas between 500,000 and one million people for intermediate-size models and over one million people for mega-size models. We carefully analyze demographic information such as average income levels for each prospective site, and we also consider other factors including the following:

- visibility;
- accessibility to regional highway systems;
- zoning; regulatory restrictions; and
- proximity to shopping areas, office complexes, tourist attractions, theaters and other high traffic venues.

We also carefully study the entertainment and restaurant competition in prospective areas. In addition, we must select a site of sufficient size to accommodate our prototype facility with ample, convenient customer parking.

We continually seek to identify and evaluate new locations for expansion. In October 2001, we signed a 20-year lease for our newest entertainment complex, which opened in September 2002 in Islandia, New York; and in September 2001, we signed a 20-year lease for an entertainment complex anticipated to open in fiscal 2004 in Fort Worth, Texas.

The typical cost of opening a mega-size Dave & Buster's ranges from approximately \$7.5 million to \$13.0 million, excluding pre-opening expenses and developer allowances, depending upon the location and condition of the premises. For intermediate-size models, the typical cost ranges from approximately \$6.5 million to \$12.5 million, excluding pre-opening expenses and developer allowances, depending upon the location and condition of the premises. We base our decision of owning or leasing a site on the projected unit economics and availability of the site for purchase.

All of the entertainment complexes we opened in 2001 and 2002 are leased facilities. Opening a leased facility reduces our capital investment in an entertainment complex because we do not incur land and site improvement costs and may also receive a construction allowance from the landlord for improvements. The exterior and interior layout of an entertainment complex is flexible and can be readily adapted to different types of buildings. We open entertainment complexes in both new and existing structures, and in both urban and suburban areas.

INTERNATIONAL DEVELOPMENT

We have pursued territorial development and license agreements with independent licensees located in various countries outside of the United States. Under these agreements, we license the Dave & Buster's name and concept for a specified territory in exchange for an initial development fee and a commitment to develop a minimum number of entertainment complexes. A typical development agreement requires the developer/ licensee to construct and open five to seven new entertainment complexes in a specified geographic area over a several-year period. Once a site is identified and approved, the area developer enters into a separate license agreement for the individual property and agrees to pay an initial license fee and continuing royalties to us based on the gross revenues of that location. In exchange, we provide certain proprietary materials and supervisory services to help ensure the quality of the Dave & Buster's concept. All costs of building, opening and operating the licensed entertainment complexes are borne by the licensees. Each license agreement also contains strict operating covenants to promote the consistency of the menu and entertainment offerings between international locations and the entertainment complexes that we operate ourselves. If a licensee fails to meet the conditions and covenants in the development and license agreements, we may terminate or renegotiate the development and license agreements. Currently, we have executed development and license agreements with licensees in Korea, Mexico, certain countries in the Middle East, Canada and the Pacific Rim. At present there are entertainment complexes open in Toronto, Canada, Taipei, Taiwan and Mexico City, Mexico. We will continue to consider opportunities to license the "Dave & Buster's" name and concept to qualified parties in additional foreign countries. We do not have any current plans to invest our own capital in any foreign operations.

MARKETING, ADVERTISING AND PROMOTION

We operate our marketing, advertising, and promotional programs through our corporate marketing department with the assistance of an external advertising agency, a media planning/buying service and a national public relations firm. Our corporate marketing department is also responsible for controlling media and production costs. During fiscal 2002, our expenditures for advertising and promotions were approximately 3.7% of our revenues.

In order to expand our customer base, we focus marketing efforts in three key areas:

- advertising and system-wide promotions;
- field marketing and local promotions; and
- special events for corporate and group customers.

We are currently conducting a search for a new Senior Vice President of Marketing to direct our efforts going forward. We are doing significant quantitative and qualitative research to find out more about our concept and our customer to better market to them. We are testing various media to better understand the effectiveness of each alternative in delivering our message. Our "Serious Food, Outrageous Fun" line is being delivered through radio, movie theatre, print and outdoor advertising in this test arena. In addition we are continuing to focus much of our efforts in programs that are directed specifically to the local store markets. We continue to utilize in-store promotions to increase visit frequency and check average.

Our corporate and group sales programs are initiated and controlled by our business development department, which provides direction, training, and support to our Special Events Managers and their team within each entertainment complex. Primary focus for the Special Events Sales team is to identify and contact corporations, associations, organizations, and community groups within the team's marketplace for the purposes of booking group events. The Special Events Sales teams pursue corporate and social group bookings through a variety of sales initiatives including outside sales calls and cultivation of repeat business. We develop and maintain a database of corporate and group bookings. Each Dave & Buster's location hosts events for many multi-national, national and regional businesses. Many of our corporate and group customers schedule repeat events.

SUPPLIERS

The principal goods used by us are games, prizes and food and beverage products, which are available from a number of suppliers. Federal and state mandated increases in the minimum wage could have the repercussion of increasing our expenses, as our suppliers may be severely impacted by higher minimum wage standards.

COMPETITION

The out-of-home entertainment market is highly competitive. There are a great number of businesses that compete directly and indirectly with us. Many of these entities are larger and have significantly greater financial resources and a greater number of units than we have. Although we believe most of our competition comes from localized single attraction facilities that offer a limited entertainment package, we may encounter increased competition in the future, which may have an adverse effect on our profitability. In addition, the legalization of casino gambling in geographic areas near any current or future entertainment complex would create the possibility for entertainment alternatives, which could have a material adverse effect on our business.

INTELLECTUAL PROPERTY

We have registered the trademarks "Dave & Buster's" and "Power Card" with the United States Patent and Trademark Office and in various foreign countries. We have also registered and/or applied for certain additional trademarks with the United States Patent and Trademark Office and in various foreign countries. We consider our trade name and our signature "bulls-eye" logo to be important features of our goodwill and seek to actively monitor and protect our interest in this property in the various jurisdictions where we operate.

GOVERNMENT REGULATION AND ENVIRONMENTAL MATTERS

We are subject to various federal, state, and local laws affecting our business. Each entertainment complex is subject to licensing and regulation by a number of governmental authorities, which may include alcoholic beverage control, amusement, health and safety, and fire agencies in the state, county or municipality in which the entertainment complex is located. Each entertainment complex is required to obtain a license to sell alcoholic beverages on the premises from a state authority and, in certain locations, county and municipal authorities. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of the daily operations of each entertainment complex, including minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling, and storage and dispensing of alcoholic beverages. We have not encountered any material problems relating to alcoholic beverage licenses to date. The failure to receive or retain a liquor license, or any other required permit or license, in a particular location, or to continue to qualify for or renew our licenses, could materially adversely affect our operations and our ability to obtain such a license or permit in other locations. The failure to comply with other applicable federal, state or local laws, such as federal and state minimum wage and overtime pay laws may also adversely affect our business.

We are also subject to "dram-shop" statutes in the states in which our entertainment complexes are located. These statutes generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated individual. We carry liquor liability coverage as part of our existing comprehensive general liability insurance, which we believe is consistent with coverage carried by other entities in our industry. Although we are covered by insurance, a judgment against us under a dram-shop statute in excess of our liability coverage could have a material adverse effect on our operations.

As a result of operating certain entertainment games and attractions, including operations that offer redemption prizes, we are subject to amusement licensing and regulation by the states, counties and municipalities in which we have entertainment complexes. Certain entertainment attractions are heavily regulated and such regulations vary significantly between communities. From time to time, existing entertainment complexes may be required to modify certain games, alter the mix of games, or terminate the

use of specific games as a result of the interpretation of regulations by state or local officials. We have, in the past, had to seek changes in state or local regulations to enable us to open a given location. To date, we have been successful in obtaining all such regulatory changes.

We are subject to federal and state environmental regulations, but these have not had a materially negative effect on our operations. More stringent and varied requirements of local and state governmental bodies with respect to zoning, land use, and environmental factors could delay or prevent development of new complexes in particular locations. We are subject to the Fair Labor Standards Act, which governs such matters as minimum wages, overtime and other working conditions, along with the American With Disabilities Act and various family-leave mandates. Although we expect increases in payroll expenses as a result of federal and state mandated increases in the minimum wage, such increases are not expected to be material. However, we are uncertain of the repercussion, if any, of increased minimum wages on our other expenses, as our suppliers may be more severely impacted by higher minimum wage standards.

EMPLOYEES

As of February 2, 2003, we employed approximately 6,300 persons, approximately 150 of whom served in administrative or executive capacities, approximately 460 of whom served as entertainment complex management personnel, and the remainder of whom were hourly entertainment complex personnel.

None of our employees are covered by collective bargaining agreements, and we have never experienced an organized work stoppage, strike, or labor dispute. We believe our working conditions and compensation packages are competitive with those offered by our competitors and consider relations with our employees to be good.

EXECUTIVE OFFICERS

David O. Corriveau, 51, a co-founder of the Dave & Buster's concept in 1982, has served as President since June 1995 and as a director of the Company since May 1995. He previously served as Co-Chief Executive Officer and as Co-Chairman of the Board from February 1996 to April 2003. Mr. Corriveau served as President and Chief Executive Officer of D&B Holding (a predecessor of the Company) from 1989 through June 1995. From 1982 to 1989, Messrs. Corriveau and Corley operated the Company's business.

James W. Corley, 52, a co-founder of the Dave & Buster's concept in 1982, has served as Chief Executive Officer since April 2003, as Chief Operating Officer since June 1995, and as a director of the Company since May 1995. He previously served as Co-Chief Executive Officer and as Co-Chairman of the Board from February 1996 to April 2003. Mr. Corley served as Executive Vice President and Chief Operating Officer of D&B Holding from 1989 through June 1995. From 1982 to 1989, Messrs. Corley and Corriveau operated the Company's business.

John S. Davis, 46, has served as Senior Vice President of the Company since December 2002 and as General Counsel and Secretary of the Company since April 2001. Mr. Davis served as Vice President and General Counsel of Cameron Ashley Building Products, Inc., a NYSE-listed building products distributor, from 1994 to 2000 and as Associate Counsel -- Mergers and Acquisitions for Electronic Data Systems Corp. (EDS), a technology services firm, from 1990 to 1994. Prior to 1990, Mr. Davis was engaged in the private practice of law.

Nancy J. Duricic, 48, has served as Senior Vice President of Human Resources of the Company since December 2002. Previously, she served as Vice President of Human Resources from December 1997 to December 2002. From June 1989 to June 1997, she served in human resources positions of increasing responsibilities in other companies, most recently as Vice President of Human Resources for Eljer Industries, Inc.

William C. Hammett, Jr., age 56, has served as Senior Vice President of the Company since December 2002 and as Chief Financial Officer of the Company since December 2001. He has served as Vice Chairman of the Board of Directors of Pegasus Solutions, Inc. since March 2001 and as a Director of Pegasus since October 1995. From May 1998 to March 2001, he served as Chairman of the Board of Directors of Pegasus.

From October 1995 to May 1998, he served as Vice Chairman of the Board of Directors of Pegasus. From August 1996 through September 1997, he served as Senior Vice President and Chief Financial Officer of La Quinta Inns, Inc. From June 1992 through August 1996, he served as Senior Vice President, Accounting and Administration of La Quinta Inns, Inc.

Deborah A. Inzer, 52, has served as Vice President of Accounting and Controller of the Company since January 2002. She served as Assistant Vice President, Assistant Controller from November 2000 to January 2002 and as Assistant Controller from July 1999 to November 2000. Ms. Inzer served as Senior Vice President of Finance at AmBrit Energy Corporation from 1989 to 1999.

Sterling R. Smith, 50, has served as Senior Vice President of Operations of the Company since December 2002. Previously, he served as Vice President of Operations from June 1995 to December 2002 and as Vice President and Director of Operations of D&B Holding from November 1994 to June 1995. From 1983 to November 1994, Mr. Smith served in operating positions of increasing responsibility for the Company and its predecessors.

Bryan L. Spain, 54, has served as Senior Vice President of Procurement and Development of the Company since December 2002. Previously, he served as Vice President of Real Estate from March 1997 to December 2002. From 1993 until joining the Company in March 1997, Mr. Spain managed the Real Estate Acquisition and Development Program for Incredible Universe and Computer City Divisions of Tandy Corporation. In addition, from 1991 to 1993, Mr. Spain served as Director, Real Estate Financing for Tandy Corporation.

RISK FACTORS

OUR RESULTS OF OPERATIONS ARE DEPENDENT UPON CONSUMER DISCRETIONARY SPENDING.

Our results of operations are dependent upon discretionary spending by consumers, particularly by consumers living in communities in which the entertainment complexes are located. A significant weakening in any of the local economies in which we operate may cause our customers to curtail discretionary spending, which in turn could materially affect our profitability. Our operations during fiscal 2001 were adversely affected by a number of factors, including the overall decline in the U.S. economy and levels of consumer spending. Additionally, the terrorist attacks that took place in the United States on September 11, 2001 were unprecedented events that created economic and business uncertainties, especially for consumer spending. The current war with Iraq, potential for future terrorist attacks, the national and international responses, and other acts of war or hostility may create economic and political uncertainties that could materially adversely affect our business, results of operations and financial condition in ways we currently cannot predict. In addition, seasonality is a factor in our results of operations due to typically lower third quarter revenues in the fall season and higher fourth quarter revenues associated with the year-end holidays.

WE OPERATE A SMALL NUMBER OF ENTERTAINMENT COMPLEXES AND NEW ENTERTAINMENT COMPLEXES REQUIRE SIGNIFICANT INVESTMENT.

As of February 2, 2003, we operated 32 entertainment complexes. The combination of the relatively small number of locations and the significant investment associated with each new entertainment complex may cause our operating results to fluctuate significantly. Due to this relatively small number of locations, poor results of operations at any single entertainment complex could materially affect our profitability. Historically, new entertainment complexes experience a drop in revenues after their first year of operation, and we do not expect that, in subsequent years, any increases in comparable revenues will be meaningful. Additionally, because of the substantial up-front financial requirements to open new entertainment complexes, the investment risk related to any single entertainment complex is much larger than that associated with most other companies' restaurant or entertainment venues.

WE MAY NOT BE ABLE TO COMPETE FAVORABLY IN THE HIGHLY COMPETITIVE OUT-OF-HOME ENTERTAINMENT MARKET.

The out-of-home entertainment market is highly competitive. There are a great number of businesses that compete directly and indirectly with us. Many of these entities are larger and have significantly greater financial resources and a greater number of units than we have. Although we believe most of our competition comes from localized single attraction facilities that offer a limited entertainment package, we may encounter increased competition in the future, which may have an adverse effect on our profitability. In addition, the legalization of casino gambling in geographic areas near any current or future entertainment complex would create the possibility for entertainment alternatives, which could have a material adverse effect on our business.

OUR OPERATIONS ARE SUBJECT TO MANY GOVERNMENT REGULATIONS THAT COULD AFFECT OUR OPERATIONS.

Various federal, state and local laws and permitting and license requirements affect our business, including alcoholic beverage control, amusement, health and safety and fire agencies in the state, county or municipality in which each entertainment complex is located. For example, each entertainment complex is required to obtain a license to sell alcoholic beverages on the premises from a state authority and, in certain locations, county and municipal authorities. The failure to receive or retain a liquor license, or any other required permit or license, in a particular location, or to continue to qualify for or renew our licenses, could adversely affect our operations and our ability to obtain such a license or permit in other locations. The failure to comply with other applicable federal, state or local laws, such as federal and state minimum wage and overtime pay laws, may also adversely affect our business.

WE MAY FACE DIFFICULTIES IN ATTRACTING AND RETAINING QUALIFIED EMPLOYEES FOR OUR ENTERTAINMENT COMPLEXES.

The operation of our business requires qualified executives, managers and skilled employees. From time to time there may be a shortage of skilled labor in certain of the communities in which our entertainment complexes are located. While we believe that we will continue to be able to attract, train and retain qualified employees, shortages of skilled labor will make it increasingly difficult and expensive to attract, train and retain the services of a satisfactory number of qualified employees.

OUR GROWTH DEPENDS UPON OUR ABILITY TO OPEN NEW ENTERTAINMENT COMPLEXES.

We opened one new entertainment complex in fiscal 2002. Our ability to expand depends upon our access to sufficient capital, locating and obtaining appropriate sites, hiring and training additional management personnel, and constructing or acquiring, at reasonable cost, the necessary improvements and equipment for these complexes. We do not intend to open any new complexes in 2003. Based on our current liquidity and capital resources and operating performance, we may not be able to generate sufficient cash flow or obtain sufficient additional funding to open any new complexes in fiscal 2004 or thereafter. In particular, the capital resources required to develop each new entertainment complex are significant. There is no assurance that we will be able to expand or that new entertainment complexes, if developed, will perform in a manner consistent with our most recently opened entertainment complexes or make a positive contribution to our operating performance.

LOCAL CONDITIONS, EVENTS AND NATURAL DISASTERS COULD ADVERSELY AFFECT OUR BUSINESS.

Certain of the regions in which our entertainment complexes are located, including five in California, have been, and may in the future be, subject to adverse local conditions, events or natural disasters, such as earthquakes. Depending upon its magnitude, an earthquake could severely damage our entertainment complexes, which could adversely affect our business and operations. We currently maintain earthquake insurance through our aggregate property policy for each of our entertainment complexes. However there is no assurance that our coverage will be sufficient if there is a major earthquake. In addition, upon the expiration of our current policies, we cannot assure you that adequate coverage will be available at economically justifiable rates, if at all.

AVAILABLE INFORMATION

We post on our website at www.daveandbusters.com our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

ITEM 2. PROPERTIES

Dave & Buster's operates a total of 32 entertainment complexes located in 14 states. We are currently utilizing all available land at our owned locations. Our real estate leases are with unaffiliated third parties except as noted in "Certain relationships and related transactions." A list of all domestic entertainment complexes, indicating whether such location is owned or leased, and the term of the lease is set forth below:

OWNED OR LEASE EXPIRATION DATE	LOCATION STATE LEASED	EXPIRATION DATE WITH OPTIONS(1)

	Dallas	
(I).....	TX	
	Owned -- -- Dallas	
(II).....	TX	
	Leased December 2007 --	
Houston.....		
	TX Leased November 2021	
	November 2041 Atlanta	
(I).....	GA	
	Leased December 2021 November	
	2041	
Philadelphia.....		
	PA Leased January 2015(2)	
	January 2024 Chicago	
(I).....	IL	
	Owned -- -- Chicago	
(II).....	IL	
	Leased January 2016 January	
	2026	
Hollywood.....		
	FL Leased(3) April 2016 April	
	2031 North	
Bethesda.....	MD	
	Leased January 2018 January	
	2033	
Ontario.....		
	CA Leased January 2018 January	
	2028	
Cincinnati.....		
	OH Leased January 2018 January	
	2038	
Denver.....		
	CO Leased December 2017	
	December 2032	
Utica.....		
	MI Leased June 2018 June 2033	
Irvine.....		
	CA Leased July 2018 July 2028	
	Rockland County (West	
	Nyack).... NY Leased January	
	2019 January 2034	
Orange.....		
	CA Leased January 2019 January	
	2029	
Columbus.....		
	OH Owned -- -- San	
Antonio.....	TX	
	Leased September 2018 September	
	2028 Atlanta	
(II).....	GA	
	Leased March 2019 March 2034	
	St.	
Louis.....	MO	
	Leased June 2019 June 2034	
Austin.....		
	TX Leased December 2019	

December 2034

Jacksonville.....
FL Owned -- --
Providence.....
RI Leased December 2019
December 2034 Milpitas (San
Jose)..... CA Leased
January 2021 January 2031
Westminster
(Denver)..... CO Leased
January 2021 January 2031
Pittsburgh.....
PA Leased June 2020 June 2055
San
Diego..... CA
Leased December 2020 April 2055
Miami.....
FL Leased March 2021 March 2031
Frisco.....
TX Leased August 2021 August
2036
Honolulu.....
HI Leased October 2021 October
2036
Cleveland.....
OH Leased(3) November 2021
November 2036
Islandia.....
NY Leased August 2022 August
2037

-
- (1) Renewal options may be subject to certain conditions and prior notice requirements under the terms of each lease.
 - (2) We also lease additional parking facilities at this location, which lease expires in January 2014.
 - (3) We own the building at these locations, but lease the underlying real property.

We also lease a 47,000 square foot office building and 30,000 square foot warehouse facility in Dallas, Texas, for use as our corporate headquarters and distribution center. This lease expires in October 2021, with options to renew until October 2041. The rent for these facilities is \$896,000 per year for the first year of the lease and increases annually at 1.35%. In addition, we lease a 15,000 square foot warehouse facility in Dallas, Texas. This lease expires in March 2004, with two one-year options to renew until March 2006. The rent for this facility is \$44,250 per year.

ITEM 3. LEGAL PROCEEDINGS

EBS LITIGATION (UPDATE)

In March 2000, the 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. The trial court judge recently ruled that the third-party action should be stayed pending the court reaching a verdict in the underlying action. The court conducted a mandatory mediation session among the parties on March 28, 2003, and although no resolution was achieved, the court has set a date for further discussions in late April. While we do not believe the plaintiff in this case will be successful, 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 effect on us and our operations.

SHAREHOLDER LITIGATION (UPDATE)

We previously reported the filing of a purported class action on behalf of our stockholders in state district court in Dallas County, Texas and the filing of four similar actions in the State of Missouri. All of such actions have been dismissed without prejudice by the plaintiffs.

DOWNCITY ENERGY COMPANY LLC V. DAVE & BUSTER'S, INC. (UPDATE)

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 claims relate to unpaid invoices for HVAC charges for a period from approximately January 2001 through September 2002. In January 2003, we filed a counterclaim against DownCity and a Third-Party Complaint against Providence Place Group, L.L., our landlord, alleging, among other things, fraudulent inducement, conspiracy, breach of contract and breach of duty of good faith. We have disputed the excessive HVAC billings from inception and believe the plaintiff's claims to be without merit, based primarily on our assertion that we 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. Nevertheless, in order to forestall a threat by DownCity to interrupt utility services to our store, in December 2002, we entered into an Interim Agreement with DownCity, pursuant to which we agreed to pay a lump sum of \$450,000 plus the "actual costs" of monthly HVAC services billed by DownCity from January 2003 forward. Such agreement did not settle the pending litigation, but did provide for such payments to offset any potential settlement or judgment in favor of DownCity. DownCity answered our counterclaim and Providence Place answered our third-party claim in March 2003, but there have been no other recent developments in the case. We also believe that we have meritorious counterclaims against DownCity and third party claims against the Landlord to counter any further action by DownCity for damages.

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

There were no matters submitted for a vote of security holders during the fourth quarter ended February 2, 2003.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock trades on the New York Stock Exchange ("NYSE") under the symbol DAB. The following table summarizes the high and low sales prices per share of Common Stock for the applicable periods indicated, as reported on the Nasdaq National Market and by the NYSE.

HIGH	LOW	FISCAL YEAR 2001	
Quarter.....		First	
	\$10.80	\$7.75	Second
Quarter.....		Third	
	9.15	7.61	Fourth
Quarter.....		First	
	8.25	5.45	Second
Quarter.....		Third	
	8.65	6.10	Fourth
Quarter.....		First	
	\$11.26	\$7.80	Second
Quarter.....		Third	
	13.25	9.78	Fourth
Quarter.....		First	
	13.23	7.90	Second
Quarter.....		Third	
	8.83	7.40	Fourth

At April 18, 2003 there were approximately 1,834 holders of record of the Common Stock.

The Company has never paid cash dividends on its Common Stock and does not currently intend to do so as cash flows are reinvested into the Company to further pay down debt and fund capital expenditures for the entertainment complex business. Payment of dividends in the future will depend upon the Company's growth, profitability, financial condition and other factors, which the Board of Directors may deem relevant.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial data for the Company. This data should be read in conjunction with the Consolidated Financial Statements of the Company and the Notes thereto included in Item 8 hereof and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 hereof.

INCOME STATEMENT DATA

FISCAL YEAR ENDED -----	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,	JANUARY 30,
-----	JANUARY 31,	2003	2002	2001
-----	2000	2000	2001	2000
-----	1999	-----	-----	-----
-----	(IN	-----	-----	-----
THOUSANDS EXCEPT PER SHARE AMOUNTS	-----	-----	-----	-----
AND STORE DATA) Food and beverage	-----	-----	-----	-----
revenues.....	\$192,882	-----	-----	-----
\$181,358	\$168,085	\$121,390	\$ 89,378	-----
Amusements and other	-----	-----	-----	-----
revenues.....	180,870	176,651	-----	-----
164,218	125,744	92,906	-----	-----
-----	-----	-----	-----	-----
Total revenues.....	-----	-----	-----	-----
373,752	358,009	332,303	247,134	-----
182,284	Cost of	-----	-----	-----
revenues.....	-----	-----	-----	-----
68,752	66,939	61,547	45,720	35,582
Operating payroll and	-----	-----	-----	-----
benefits.....	114,904	110,478	-----	-----
101,143	76,242	52,206	Other store	-----
operating expenses.....	117,666	-----	-----	-----
106,971	90,581	65,292	45,862	-----
General and administrative	-----	-----	-----	-----
expenses... 25,640	20,653	20,019	-----	-----
14,988	10,579	Depreciation and	-----	-----
amortization	-----	-----	-----	-----
expense.....	-----	-----	-----	-----
30,056	28,693	25,716	19,884	12,163
Preopening	-----	-----	-----	-----
costs.....	1,488	-----	-----	-----
4,578	5,331	6,053	4,539	-----
-----	-----	-----	-----	-----
Total costs and expenses.....	-----	-----	-----	-----
358,506	338,312	304,337	228,179	-----
160,931	Operating	-----	-----	-----
income.....	15,246	-----	-----	-----
19,697	27,966	18,955	21,353	-----
Interest income (expense),	-----	-----	-----	-----
net.....	(7,143)	(7,820)	(8,712)	-----
(3,339)	194	-----	-----	-----
-----	-----	-----	-----	-----
Income before	-----	-----	-----	-----
provision for income taxes and	-----	-----	-----	-----
cumulative effect of a change in an	-----	-----	-----	-----
accounting principle... 8,103	-----	-----	-----	-----
11,877	19,254	15,616	21,547	-----
Provision for income	-----	-----	-----	-----
taxes.....	2,755	4,299	7,009	-----
5,724	7,969	-----	-----	-----
-----	-----	-----	-----	-----
Income before	-----	-----	-----	-----
cumulative effect of a change in an	-----	-----	-----	-----
accounting principle... 5,348	7,578	-----	-----	-----
12,245	9,892	13,578	Cumulative	-----
effect of a change in an accounting	-----	-----	-----	-----
principle, net of income tax	-----	-----	-----	-----
benefit of \$0 in 2002 and \$2,928 in	-----	-----	-----	-----
1999.....	-----	-----	-----	-----
(7,096)	--	--	(4,687)	-----
-----	-----	-----	-----	-----
Net income (loss).....	\$	-----	-----	-----
(1,748)	\$ 7,578	\$ 12,245	\$ 5,205	-----
13,578	Net income (loss) per share	-----	-----	-----
-- basic	-----	-----	-----	-----
Before cumulative effect	-----	-----	-----	-----
- change in an accounting	-----	-----	-----	-----
principle.....	\$.41	\$.58	\$.95	-----
\$.76	\$ 1.04	Cumulative effect	--	-----

change in an accounting principle.....	(.55)	--	--
(.36)		--	--

-----	\$ (.14)	\$.58	\$
.95	\$.40	\$ 1.04	Net income (loss)
per share	--	diluted	Before
cumulative effect	--	change in an	
accounting principle.....	\$.40	\$	
.58	\$.94	\$.75	\$ 1.03
Cumulative effect	--	change in an	accounting
principle.....	(.53)	--	--
(.36)		--	--

-----	\$ (.13)	\$.58	\$
.94	\$.39	\$ 1.03	

FISCAL YEAR ENDED	FEBRUARY 2,			
	FEBRUARY 3,	FEBRUARY 4,	JANUARY 30,	JANUARY 31,
	2003	2002	2001	2000
1999				
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS AND STORE DATA) Weighted average shares outstanding			
Basic.....	12,997	12,956	12,953	13,054
Diluted.....	13,404	13,016	12,986	13,214

BALANCE SHEET DATA

FISCAL YEAR ENDED	FEBRUARY 2,			
	FEBRUARY 3,	FEBRUARY 4,	JANUARY 30,	JANUARY 31,
	2003	2002	2001	2000
1999				
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS AND STORE DATA) Working capital (deficit).....			
	\$ (4,231)	\$ (4,478)	\$ 5,126	\$ 8,957
	Total			
assets.....	291,212	309,134	303,875	268,184
216,592 Long-term obligations, less current portion.....	59,494	84,896	103,860	91,000
	Stockholders' equity.....			
	170,146	162,387	149,899	145,502
Complexes Open at End of Period Company operated.....	32	31	27	23
	17			

ITEM 7. 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	FEBRUARY 2,			FEBRUARY 3,		
	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,
	2003	2002	2001	2003	2002	2001
	Revenues: Food and beverage.....					
	51.6%	50.7%	50.6%	Amusements and other.....	48.4	49.3
	Total					
revenues.....	100.0	100.0	100.0	Costs and expenses: Cost of revenues.....	18.4	18.7
	Operating payroll and benefits.....					
	30.7	30.8	30.4	Other store		
operating.....	31.5					

	29.9	27.3	General and	
administrative.....				6.9
	5.8	6.0	Depreciation and	
amortization.....				8.0 8.0 7.8
			Preopening	
costs.....				0.4
1.3 1.6 -----			Total costs and	
expenses.....				95.9
	94.5	91.6	Operating	
income.....				
	4.1	5.5	8.4 Interest	
expense.....				
	1.9	2.2	2.6	

FISCAL YEAR ENDED -----			
----- FEBRUARY 2, FEBRUARY 3, FEBRUARY 4, 2003			
2002	2001	-----	
Income before provision for income			
taxes.....	2.2	3.3	5.8
Provision for			
income taxes.....	0.7	1.2	
2.1	Income before cumulative effect of a change		
	in an accounting		
principle.....	1.4	2.1	
3.7	Cumulative effect of a change in an		
	accounting		
principle.....			
(1.9)	--	--	-----
Net income			
(loss).....	(0.5)	%	
	2.1%	3.7%	

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 -- The Company applied the Financial Accounting Standards Board 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 in the first quarter of 2002. 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. Applying the new standards resulted in a one-time charge of \$7,100, representing the cumulative effect of a change in accounting principle. The write-off of goodwill resulted in a charge to earnings of \$.53 per diluted share for the year. Our adoption of SFAS 142 resulted in approximately \$349 less gross amortization expense for fiscal 2002. See the discussion in Note 1 of the Consolidated Financial Statements for additional information about the effect of adopting SFAS 142. The remaining intangible asset, the trademark, is insignificant.

Debt Covenants -- The Company's credit facility requires compliance with certain financial covenants including a minimum consolidated tangible net worth level, maximum leverage ratio, minimum fixed charge coverage and maximum level of capital expenditures. On March 18, 2003, Amendment No. 4 was executed to provide revised financial covenants, thereby enabling the Company to remain in compliance with the agreement. The Amendment further amended the fixed charge coverage ratio for the remaining term of the agreement.

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.

FISCAL 2002 COMPARED TO FISCAL 2001

Total revenues increased from \$358,009 for fiscal 2001 to \$373,752 for fiscal 2002, an increase of \$15,743 or 4.4%. New stores opened in fiscal 2002 increased revenues by \$4,029 and three stores opened in the second half of 2001 were up \$22,597 on prior year revenues. Revenues from comparable stores decreased by 3.2% in fiscal 2002. The decrease in comparable stores revenues is primarily attributed to a continued weak economic environment. Total revenues from licensing agreements were \$564.

Costs of revenues were \$68,752 in fiscal 2002 and \$66,939 in fiscal 2001, an increase of \$1,813 or 2.7%. During fiscal 2002, the increase in absolute dollars over prior year was due to opening one new store during fiscal 2002 and a full year of operations on three stores opened in second half of fiscal 2001 mitigated by a reduction in food costs and the impact of menu changes. As a percentage of revenues, cost of revenues were down .3% to 18.4% for fiscal 2002 versus 18.7% in fiscal 2001 attributed to a 1.6% reduction in food costs with beverage and amusement costs constant on the prior year.

Operating payroll and benefits were \$114,904 in fiscal 2002 and \$110,478 in fiscal 2001, representing 30.7% and 30.9% of revenues respectively, an increase of \$4,426 or 4.0%. During fiscal 2002, the increase in absolute dollars over prior year is attributed to opening one new store during fiscal 2002 and a full year of operations for the three stores opened in the second half of fiscal 2001 offset by reduction in store hourly and management costs at all stores. As a percentage of revenue, operating payroll and benefits were 30.7% in fiscal 2002, down .2% from 30.9% in fiscal 2001. The Company adjusted its staffing levels in response to the current economic environment and eliminated certain store hourly and management positions in the third quarter of 2002. During the fourth quarter of fiscal 2002, these adjustments resulted in a labor savings of approximately 0.7% as a percent of revenues.

Other store operating expenses were \$117,666 in fiscal 2002 and \$106,971 in fiscal 2001, representing 31.5% and 29.9% respectively, an increase of \$10,695 or 10.0%. During fiscal 2002, the increase in absolute dollars over prior year is attributed to opening one new store during fiscal 2002 and a full year of operations for the three stores opened in the second half of fiscal 2001 and increase in occupancy expense related to sales-leaseback transactions of the Houston and Atlanta locations. The 1.6% increase in other store operating expenses as a percentage of revenues can be attributed to higher occupancy costs, additional equipment leases (games, IT and kitchen equipment for the last four stores opened in 2001-2002) along with decline in comparable store sales.

General and administrative expenses were \$25,640 in fiscal 2002 and \$20,653 in fiscal 2001, representing 6.9% of total revenues in fiscal year 2002 and 5.8% of total revenues in fiscal year 2001, an increase of \$4,987 or 24.1%. The increase in absolute dollars in fiscal 2002, can be attributed to employee compensation and benefits (particularly medical and dental costs), occupancy costs, transaction costs related to the proposed merger agreements with D&B Holdings and D&B Acquisition Sub, legal and professional fees other than those related to the transaction costs and an increase in director and officer insurance coverage. The 1.1% increase in general and administrative expenses as a percentage of revenues is due to higher costs coupled with the decline in comparable store sales.

Depreciation and amortization expense increased \$1,363 to \$30,056 in fiscal 2002 from \$28,693 in fiscal 2001. As a percentage of revenues, depreciation and amortization remained constant at 8.0%. The increase in depreciation expense from the 2002 capital expenditures was offset by the asset retirements from the fourth quarter 2001 sale-leaseback of Houston and Atlanta.

Preopening costs decreased to \$1,488 for fiscal 2002 from \$4,578 for fiscal 2001, a decrease of \$3,090 or 67.5%. As a percentage of revenues, preopening costs were .4% for fiscal 2002 as compared to 1.3% for fiscal 2001. This decrease is due to the Company opening only one store in fiscal 2002 compared to four store openings in fiscal 2001.

Interest expense -- net decreased to \$7,143 for fiscal 2002 from \$7,820 for fiscal 2001. The decrease was due to a lower outstanding debt balance in fiscal year 2002.

The effective tax rate for fiscal 2002 was 34.0% as compared to 36.2% for fiscal 2001 and was the result of a lower effective state tax rate.

FISCAL 2001 COMPARED TO FISCAL 2000

Total revenues increased to \$358,009 for fiscal 2001 from \$332,303 for fiscal 2000, an increase of \$25,706, or 7.7%. New stores opened in fiscal 2001 increased revenues by \$28,431. Revenues from comparable stores decreased by 2.8% in fiscal 2001. The decrease in comparable store revenues is primarily attributed to the attack on New York and Washington, D.C. on September 11, 2001 resulting in a decline in corporate events of 15.4%. Total revenues from licensing agreements were \$537.

Costs of revenues increased to \$66,939 for fiscal 2001 from \$61,547 for fiscal 2000, an increase of \$5,392, or 8.8%. The increase was principally attributed to opening four new stores during the year. As a percentage of revenues, cost of revenues were up .2% to 18.7% for fiscal 2001 versus 18.5% in fiscal 2000 due to freight costs and higher amusement costs associated with redemption, offset by lower food costs.

Operating payroll and benefits increased to \$110,478 for fiscal 2001 from \$101,143 for fiscal 2000, an increase of \$9,335, or 9.2%. As a percentage of revenue, operating payroll and benefits were 30.9% in fiscal 2001, up .5% from 30.4% in fiscal 2000 due to higher store fixed labor and benefits.

Other store operating expenses increased to \$106,971 for fiscal 2001 from \$90,581 for fiscal 2000, an increase of \$16,390, or 18.1%. As a percentage of revenues, other store operating expenses were 29.9% in fiscal 2001 as compared to 27.3% in fiscal 2000. The increase in other store operating expenses is due to increases in utilities, marketing and occupancy costs.

General and administrative expenses increased to \$20,653 in fiscal 2001 from \$20,019 for fiscal 2000, an increase of \$634, or 3.2%. As a percentage of revenues, general and administrative expenses were 5.8% and 6.0% for fiscal 2001 and fiscal 2000, respectively.

Depreciation and amortization expense increased \$2,977 to \$28,693 in fiscal 2001 from \$25,716 in fiscal 2000. As a percentage of revenues, depreciation and amortization increased to 8.0% from 7.7% for the comparable period due to new store openings.

Preopening costs decreased to \$4,578 for fiscal 2001 from \$5,331 for fiscal 2000, a decrease of \$753, or 14.1%. As a percentage of revenues, preopening costs were 1.3% for fiscal 2001 as compared to 1.6% for fiscal 2000. This decrease is due to timing of store openings and only one store scheduled to open in fiscal 2002.

Interest expense -- net decreased to \$7,820 for fiscal 2001 from \$8,712 for fiscal 2000. The decrease was due to lower interest rates in fiscal year 2001.

The effective tax rate for fiscal 2001 was 36.2% as compared to 36.4% for fiscal 2000 and was the result of a lower effective state tax rate.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities decreased to \$40,604 in 2002 compared to \$49,701 in 2001 and \$36,778 in 2000. Operating cash flows in 2002 decreased due to reduced revenue per store, one time transaction costs related to our proposed merger agreement with an affiliate of Investcorp and the timing of accounts payable disbursements at the end of the year. The increase in 2001 was affected by the opening of three stores late in the year.

Cash used in investing activities was \$20,970 in 2002 and \$30,813 in 2001 compared to \$53,674 in 2000. All investing expenditures for 2002 are related to the opening of one new store and normal recurring maintenance capital expenditures at previously existing stores. The 2001 expenditures of \$49,761 included four new stores opened during the year and normal and recurring maintenance capital expenditures at previously existing stores, which were offset by \$18,948 proceeds from the sales/leasebacks and sales of equipment.

Financing activities use of cash was \$21,625 in 2002 and \$17,546 in 2001 compared to providing cash of \$16,984 in 2000. Net use of cash by financing activities in 2002 and 2001 was directly attributed to repayment

of long-term debt in excess of borrowings from long-term debt. In 2000, borrowings under long-term debt exceeded any repayments during the year.

The Company has 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 and is secured by all assets of the company. Borrowing under the facility bears interest at a floating rate based on LIBOR (1.35% at February 2, 2003) or, at the Company's option, the bank's prime rate (4.25% at February 2, 2003) plus, in each case, a margin based upon financial performance. 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. At February 2, 2003, \$16,995 was available under this facility.

On November 19, 2001, the Company amended the facility to allow proceeds from sale/leaseback transactions to be applied to both the revolving credit and the term loans for a limited period. On December 6, 2002, Amendment No. 3 was executed to provide for revised financial covenants. 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.

On March 18, 2003, Amendment No. 4 was executed to provide revised financial covenants, thereby enabling us to remain in compliance with the agreement. The Amendment further amended the fixed charge coverage ratio for the remaining term of the agreement.

The Company has entered into an agreement that expires in 2007, to change a portion of its variable rate debt to fixed-rate debt. Notional amounts aggregating \$47,513 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 \$1,803 to interest expense was incurred in fiscal 2002 under the agreement. The market risks associated with the agreement 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 Company does not plan to open a new complex in 2003 but with adequate capital availability, expects to open a minimum of one complex in 2004.

SALE/LEASEBACK TRANSACTIONS

During the year ended February 3, 2002, the Company completed the sale/leaseback of two stores (Atlanta and Houston) and the corporate headquarters in Dallas. Cash proceeds of \$18,474 were received along with \$5,150 in twenty-year interest bearing notes receivable at 7-7.5%. The locations were sold to non-affiliated entities. No revenue or profit was recorded at the time of the transaction.

Upon execution of the sale/leaseback transactions, property costs of \$27,360 and accumulated depreciation of \$3,832 were removed from the Company's books resulting in a loss of \$272 that was recognized in 2001 and a gain of \$713 on one facility being amortized over the term of the operating lease.

Future operating lease obligations under the lease agreements are as follows: \$3,962 in 2003, \$4,002 in 2004, \$4,051 in 2005, \$4,184 in 2006, \$4,225 in 2007 and \$62,860 thereafter. Future minimum note collections and interest income associated with the sale/leasebacks at Houston and Atlanta are as follows: \$652 in 2003, \$652 in 2004, \$652 in 2005, \$652 in 2006 and \$8,935 thereafter.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following tables set forth the Company's contractual obligations and commercial commitments (in thousands):

PAYMENTS DUE BY PERIOD -----				
----- 1 YEAR				
	2-3	4-5	AFTER 5	
OBLIGATIONS TOTAL OR LESS YEARS				
YEARS	YEARS	-----		

--- ----- Long-term				
debt.....				\$ 67,794
	\$ 8,300	\$29,751	\$29,743	\$ --
	Operating			
leases.....				324,373
	21,814	40,361	37,309	224,889
	Operating leases under			
	sale/leaseback transactions.....			
	83,284	3,962	8,053	8,409 62,860 --

Total.....				
	\$475,451	\$34,076	\$78,165	\$75,461
		\$287,749		

AMOUNT OF COMMITMENT				
EXPIRATION PER				
PERIOD -----				

----- 1 YEAR				
	2-3	4-5	AFTER 5	
OTHER COMMERCIAL				
COMMITMENTS TOTAL OR				
LESS YEARS	YEARS	-----		
YEARS	-----			

--- ----- Letters				
of				
Credit.....				
	\$3,555	\$3,555	\$ --	\$ --
	--	\$ --		

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. The Company expects seasonality to be a factor in the operation or results of its business in the future due to expected lower third quarter revenues due to the fall season, and expects higher fourth quarter revenues associated with the year-end holidays. The effects of supplier price increases are not expected to be material. The Company believes low inflation rates in its 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.

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.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements in this Annual Report 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 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 of capital; 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.

ITEM 7A. 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 14(a) (1).

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set under the caption "Director and Nominee Information" appearing in the Company's Proxy Statement for the 2003 Annual Meeting of Stockholders, is incorporated herein by reference. Certain information with respect to the executive officers of the Company is included under Item 1 of Part I hereof under the caption "Executive Officers".

ITEM 11. EXECUTIVE COMPENSATION

The information set under the caption "Compensation of Directors and Executive Officers" appearing in the Company's Proxy Statement for the 2003 Annual Meeting of Stockholders is incorporated herein by reference.

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

The following table sets forth information concerning the shares of the Company's Common Stock that may be issued upon exercise of options, warrants and rights under all of the Company's equity compensation plans as of February 2, 2003 consisting of the Dave & Buster's, Inc. 1995 Stock Incentive Plan and the Dave & Buster's 1996 Stock Option Plan for Outside Directors. All of such plans have been approved by the shareholders of the Company.

NUMBER OF SECURITIES WEIGHTED-AVERAGE REMAINING AVAILABLE NUMBER OF SECURITIES EXERCISE PRICE OF FOR FUTURE ISSUANCE TO BE ISSUED UPON OUTSTANDING UNDER EQUITY EXERCISE OF OPTIONS, COMPENSATION PLANS OUTSTANDING OPTIONS, WARRANTS AND (EXCLUDING SECURITIES WARRANTS AND RIGHTS RIGHTS REFLECTED IN COLUMN (A)) ----- ----- -----			
Plan category Equity compensation plans approved by security			
holders.....	2,638,164	\$11.51	246,869
Equity compensation plans not approved by security holders.....	None	None	None
Total.....	2,638,164	\$11.51	246,869

The information set under the caption "Stock Ownership by Certain Beneficial Owners" appearing in the Company's Proxy Statement for the 2003 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set under the captions "Compensation Committee Interlocks and Insider Participation" and "Certain Transactions" appearing in the Company's Proxy Statement for the 2003 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the periodic reports we file with the Securities and Exchange Commission, or SEC, is recorded, processed, summarized and reported within the time periods specified in the rules of the SEC. Within 90 days prior to the filing of this Annual Report on Form 10-K, we carried out an evaluation, under the supervision and the participation of our management, including our chief executive officer and chief financial officer, of the design and operation of these disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to the company (including our consolidated subsidiaries) required to be included in our periodic SEC filings.

There have been no significant changes in internal controls or other factors that could significantly affect our internal controls subsequent to the date of our evaluation.

ITEM 15. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young, LLP served as the Company's independent accountants for the fiscal years ended February 2, 2003 and February 3, 2002 and has been selected, subject to the ratification of such selection by the Company's stockholders, to serve in such capacity for the current year. For the fiscal years ended February 2, 2003 and February 3, 2002, the Company paid Ernst & Young, the following amounts:

FISCAL 2002	FISCAL 2001	Audit Fees
\$175,400	\$138,000	Audit-Related Fees (includes transaction due diligence).....
		205,105
		0
		Tax Fees (tax compliance and preparation).....
215,499	140,074	All Other Fees (includes special projects; tax advice and services outside the scope of tax compliance and preparation; other miscellaneous matters).....
		246,620
		145,921

In March 2003, the Audit Committee established a policy whereby Ernst & Young would be required to seek pre-approval by the Committee of all tax and other non-audit related services by providing a prior description of the services to be performed and specific fee estimates for each such service. Prior to the adoption of such policy, the Audit Committee pre-approved 100% of estimated audit-related and tax fees and 0% of all other fees of Ernst & Young for fiscal 2002 and 2001.

PART IV

ITEM 16. EXHIBITS, FINANCIAL STATEMENTS AND REPORTS ON FORM 8-K

(a)(1) Financial Statements

PAGE ----	Consolidated Balance Sheets -- February 2, 2003 and February 3, 2002.....
	F-1 Consolidated Statement of Operations -- Fiscal years ended February 2, 2003, February 3, 2002 and February 4, 2001... F-2 Consolidated Statements of Stockholders' Equity -- Fiscal years ended February 2, 2003, February 3, 2002 and February 4, 2001.....
	F-3 Consolidated Statements of Cash Flows -- Fiscal years ended February 2, 2003, February 3, 2002 and February 4, 2001... F-4 Notes to Consolidated Financial Statements.....
	F-5 through F-14 Report of Independent Auditors.....
	F-15

(a)(2) Financial Statement Schedules

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

(a)(3) Exhibits Incorporated by Reference or Filed with this Report

The exhibits listed below filed with or incorporated by reference into this Annual Report on Form 10-K. Exhibits noted by an asterisk are filed with this report. Exhibits denominated with numbered footnotes are incorporated by reference to the other filings with the Commission set forth below. Unless otherwise indicated, the exhibit number below corresponds to the exhibit number incorporated by reference. **ITEMS LISTED IN BOLDFACE ARE MANAGEMENT CONTRACTS OR COMPENSATORY PLANS OR ARRANGEMENTS REQUIRED TO BE FILED PURSUANT TO ITEM 16(C) OF THIS REPORT.**

- 3.1 Restated Articles of Incorporation of the Company.(1)
- 3.2 Amended and restated Bylaws of the Company.*
- 10.1 Revolving Credit and Term Loan Agreement, dated June 30, 2000, among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein.(2)
- 10.1.1 Amendment No. 1 to Revolving Credit and Term Loan Agreement dated May 31, 2001 by and among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein. (7)
- 10.1.2 Amendment No. 2 to Revolving Credit and Term Loan Agreement dated November 19, 2001 by and among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein.(8)
- 10.1.3 Amendment No. 3 to Revolving Credit and Term Loan Agreement dated December 6, 2002 by and among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein.(10)
- 10.1.4 Amendment No. 4 to Revolving Credit and Term Loan Agreement dated March 18, 2003 by and among the Company and its subsidiaries, Fleet National Bank (as agent) and the financial institutions named therein.*
- 10.2-10.6 Intentionally omitted.
- 10.7 Rights Agreement between the Company and Rights Agent, dated June 16, 1995.(1)
- 10.8 1995 STOCK OPTION PLAN (AS AMENDED AND RESTATED APRIL 26, 2000).(3)
- 10.9 STOCK OPTION PLAN FOR OUTSIDE DIRECTORS.(4)
- 10.11 EMPLOYMENT AND EXECUTIVE RETENTION AGREEMENTS FOR CO-CHIEF EXECUTIVE OFFICERS, DATED JUNE 16, 1995.(5)
- 10.12 FORM OF INDEMNITY AGREEMENTS WITH EXECUTIVE OFFICERS AND DIRECTORS.(6)
- 10.13 Intentionally Omitted.
- 10.14 EXECUTIVE RETENTION AGREEMENT BETWEEN THE COMPANY AND STERLING R. SMITH DATED JUNE 11, 2001(8)
- 10.15 Intentionally Omitted.
- 10.16 Agreement of Sale and Purchase dated October 1, 2001 between the Company, as seller, and General Electric Capital, Business Asset Funding Corporation, as purchaser, for the Company's corporate headquarters in Dallas, Texas.(8)
- 10.17 Lease Agreement dated October 1, 2001 between General Electric Capital Business Asset Funding Corporation, as landlord, and the Company, as tenant for the Company's corporate headquarters in Dallas, Texas.(8)
- 10.18 Agreement of Sale and Purchase dated November 12, 2001 between D&B Realty Holding, Inc., as seller, and KAZA I, Ltd., as purchaser for Houston, Texas property.(9)
- 10.19 Lease Agreement dated December 14, 2001 between KAZA I L.P. as landlord, and Dave & Buster's I, L.P. as tenant for Houston, Texas property.(9)
- 10.20 Agreement of Sale and Purchase dated as of December 17, 2001 between D&B Realty Holding, Inc., as seller, and Landfair, LLC as purchaser for Marietta, Georgia property.(9)

- 10.21 Lease Agreement dated December 17, 2001 between Landfair LLC, as landlord, and Dave & Buster's I, L.P., as tenant, for Marietta, Georgia property.(9)
- 10.22 EXECUTIVE RETENTION AGREEMENT DATED JUNE 7, 2001 BETWEEN THE COMPANY AND JOHN S. DAVIS.(9)
- 10.23 EXECUTIVE RETENTION AGREEMENT DATED DECEMBER 3, 2001 BETWEEN THE COMPANY AND W. C. HAMMETT, JR.(9)
- 21.1 Subsidiaries of the Company.*
- 23 Independent Auditors' Consent.*
- 24 Power of Attorney (included on the Signature page of this report).*
- 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 of Form 8-K

No reports on Form 8-K were filed during the fourth quarter ended February 2, 2003.

(c) Exhibits.

The Index of Exhibits filed or incorporated by reference pursuant to Item 601 of Regulation S-K and the Exhibits being filed with this Report are included following the financial statement pages of this Form 10-K.

(d) Financial Statements of Subsidiaries or Affiliates.

Not applicable.

-
- (1) Filed as an Exhibit to the registrant's Form 10-Q for the 13-week period ended April 30, 1995.
 - (2) Filed as an Exhibit to the registrant's Form 10-Q for the 13-week period ended July 30, 2000.
 - (3) Filed as an Exhibit to the registrant's Schedule 14A definitive Proxy Statement dated April 28, 2000.
 - (4) Filed as an Exhibit to the registrant's Form 10-K for the fiscal year ended February 1, 1997.
 - (5) Filed as an Exhibit to the registrants Form 10-K for the fiscal year ended February 4, 2001.
 - (6) Filed as an Exhibit to the registrant's Form 10 filed April 11, 1995.
 - (7) Filed as an Exhibit to the registrant's Form 10-Q for the 13 week period ended August 5, 2001.
 - (8) Filed as an Exhibit to the registrant's Form 10-Q for the 13 week period ended November 4, 2001.
 - (9) Filed as an Exhibit to the registrant's Form 10-K for the fiscal year ended February 3, 2002.
 - (10) Filed as an Exhibit to the registrant's Form 10-Q for the 13 week period ended November 3, 2002.

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DAVE & BUSTER'S, INC.
A MISSOURI CORPORATION

By: /s/ W. C. HAMMETT, JR.

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

Date: April 23, 2003

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints W. C. Hammett, Jr. and John S. Davis, jointly and severally, his attorneys-in-fact, each with full power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on April 23, 2003.

NAME TITLE

/s/ PETER
A. EDISON
Chairman
of the
Board - --

Peter A.
Edison /s/
JAMES W.
CORLEY
Chief
Executive
Officer
and
Director -

(Principal
Executive
Officer)
James W.
Corley /s/
DAVID O.
CORRIVEAU
President
and
Director -

David O.
Corriveau
/s/ W. C.
HAMMETT,
JR. Senior
Vice
President
and Chief
Financial
Officer -

(Principal
Financial
Officer)
W. C.
Hammett,
Jr. /s/
DEBORAH A.
INZER Vice
President
and
Controller

(Principal
Accounting
Officer)
Deborah A.
Inzer /s/
ALLEN J.
BERNSTEIN
Director -

Allen J.
Bernstein
Director -

Walter J.
Humann /s/
MARK A.
LEVY
Director -

Mark A.
Levy /s/
CHRISTOPHER
C. MAGUIRE
Director -

Christopher
C. Maguire
Director -

David B.
Pittaway
Director -

Patricia
P. Priest

CERTIFICATIONS

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

1. I have reviewed this annual report on Form 10-K of Dave & Buster's, Inc.;

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

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying 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 annual 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 annual report (the "Evaluation Date"); and

c) presented in this annual 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 annual 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: April 23, 2003

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

1. I have reviewed this annual report on Form 10-K of Dave & Buster's, Inc.;

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

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying 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 annual 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 annual report (the "Evaluation Date"); and

c) presented in this annual 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 annual 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: April 23, 2003

DAVE & BUSTER'S, INC.

CONSOLIDATED BALANCE SHEETS

FEBRUARY 2, FEBRUARY 3, 2003	2002	-----	-----
-- (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)			
ASSETS Current assets: Cash and cash			
equivalents.....		\$ 2,530	\$
	4,521		
Inventories.....	26,634	25,964	Prepaid
expenses.....			2,049
	1,442		Other current
assets.....		2,136	2,445
	----- Total current		
assets.....		33,349	34,372
	Property and equipment, net (Note		
2).....	249,451	258,302	Goodwill, net
of accumulated amortization of \$2,612.....			-- 7,096
	Other		
assets.....			
	8,412	9,364	----- Total
assets.....			
\$291,212	\$309,134	LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities: Current installments of long-term			
debt (Note 4).....	\$ 8,300	\$ 5,500	Accounts
payable.....			14,952
	15,991 Accrued liabilities (Note		
3).....	12,201	11,085	Income
taxes payable (Note 5).....			325
	5,054 Deferred income taxes (Note		
5).....	1,802	1,220	-----
	--- Total current		
liabilities.....		37,580	38,850
	Deferred income taxes (Note		
5).....	14,065	8,143	Other
liabilities.....			
10,471	7,099	Long-term debt, less current installments	
(Note 4).....	59,494	84,896	Commitments and
contingencies (Notes 4, 6 and 11) Stockholders' equity	(Note 7): Preferred stock, 10,000,000 authorized; none		
issued.....	--	--	Common stock, \$0.01 par value,
50,000,000 authorized; 13,080,117 and 12,959,209 shares	issued and outstanding as of February 2, 2003 and		
February 3, 2002,	respectively.....		
	132	131	Paid-in
capital.....			
	116,678	115,701	Restricted stock
awards.....			608 382
	Retained		
earnings.....			54,030
55,778	-----	171,448	171,992 Less: treasury
stock, at cost (175,000 shares).....			1,846 1,846 -
	----- Total stockholders'		
equity.....		169,602	170,146
	----- Total liabilities and stockholders'		
equity.....		\$291,212	\$309,134

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

FISCAL YEAR ENDED	-----	-----	-----	-----
---	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,	2003 2002 2001 --
	----- (IN THOUSANDS,			
	EXCEPT PER SHARE AMOUNTS)			
revenues.....				\$192,882
	\$181,358	\$168,085		Amusement and other
revenues.....			180,870	176,651
	164,218			Total
revenues.....				373,752
	358,009	332,303		Cost of
revenues.....				
	68,752	66,939	61,547	Operating payroll and
benefits.....				114,904 110,478
		101,143		Other store operating
expenses.....				117,666 106,971
		90,581		General and administrative
expenses.....				25,640 20,653 20,019
				Depreciation and amortization
expense.....				30,056 28,693 25,716
				Preopening
costs.....				1,488
	4,578	5,331		Total costs and
expenses.....				358,506 338,312
				304,337 Operating
income.....				15,246
	19,697	27,966		Interest expense,
net.....				7,143 7,820
	8,712			Income before provision
				for income taxes and cumulative effect of a change in an
				accounting principle..... 8,103 11,877 19,254
				Provision for income taxes (Note
5).....				2,755 4,299 7,009
				Income before cumulative effect of a
				change in an accounting
principle.....				
	5,348	7,578	12,245	Cumulative effect of a change in an
				accounting principle (Note
1).....				
	(7,096)			Net income
(loss).....				\$
	(1,748)	\$ 7,578	\$ 12,245	Net income (loss) per share --
				basic Before cumulative effect of a change in an
				accounting
principle.....				\$
	.41	\$.58	\$.95	Cumulative effect of a change in an
				accounting
principle.....				
	(.55)			\$ (.14) \$.58 \$
	.95			Net income (loss) per share -- diluted Before
				cumulative effect of a change in an accounting
principle.....				\$
	.40	\$.58	\$.94	Cumulative effect of a change in an
				accounting
principle.....				
	(.53)			\$ (.13) \$.58 \$
	.94			Weighted average shares outstanding
Basic.....				
	12,997	12,956	12,953	
Diluted.....				
	13,404	13,016	12,986	

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

COMMON STOCK	PAID IN	RESTRICTED	RETAINED	TREASURY SHARES	AMOUNT	CAPITAL	STOCK AWARDS	EARNINGS	STOCK	TOTAL

----- (IN THOUSANDS) Balance,										
January 30, 2000.....										
12,953	\$131	\$115,659	\$ --							
\$35,955	\$(1,846)	\$149,899								
Amortization of restricted stock										
awards.....										
--	--	243	--	--	243	Net				
income.....										
--	--	12,245	--	12,245	--					

----- Balance,										
February 4, 2001.....										
12,953	\$131	\$115,659	\$243							
\$48,200	\$(1,846)	\$162,387								
Amortization of restricted stock										
awards.....										
--	--	139	--	--	139	Proceeds				
from exercising stock										
options.....										
6	--	40	--	--	40	Tax benefit				
related to stock option										
exercises.....										
		2	--	--	2	Net				
income.....										
--	--	7,578	--	7,578	----					

----- Balance,										
February 3, 2002.....										
12,959	\$131	\$115,701	\$382							
\$55,778	\$(1,846)	\$170,146								
Amortization of restricted stock										
awards.....										
--	--	226	--	--	226	Proceeds				
from exercising stock										
options.....										
121	1	870	--	--	871	Tax				
benefit related to stock option										
exercises.....										
		107	--	--	107	Net				
(loss).....										
--	--	(1,748)	--	(1,748)						

----- Balance,										
February 2, 2003.....										
13,080	\$132	\$116,678	\$608							
\$54,030	\$(1,846)	\$169,602								

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FISCAL YEAR ENDED -----				
---	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,	2003 2002 2001
	----- (IN THOUSANDS)			
Cash flows from operating activities: Income before cumulative effect of change in an accounting principle.....	\$ 5,348	\$ 7,578	\$ 12,245	Adjustments to reconcile net income to net cash provided by operating activities:
Depreciation and amortization.....			30,056	28,693
Provision for deferred income taxes.....	6,504	467	1,182	Restricted stock awards.....
			226	139
(Gain) loss on sale of assets.....	(223)	(505)	100	Changes in assets and liabilities
Inventories.....	(670)	(4,206)	(5,515)	Prepaid expenses.....
				(607)
Other assets.....	1,249	693	(671)	Accounts payable.....
				(1,039)
Accrued liabilities.....	6,700	(2,577)		1,116
Income taxes payable.....	4,035	2,192		(4,729)
Other liabilities.....	1,487	3,567		
				3,373
Net cash provided by operating activities.....	40,604	49,701	36,778	Cash flows from investing activities: Capital expenditures.....
				(21,720)
Proceeds from sale of property and equipment.....	750	474	770	Proceeds from sales/leasebacks.....
				-- 18,474
Net cash used in investing activities.....	(30,813)	(53,674)		Cash flows from financing activities: Borrowings under long-term debt.....
				12,000
Repayments of long-term debt.....	24,060	131,292		(34,602)
				(41,648)
Proceeds from issuance of common stock, net.....	977	42		--
Net cash (used in) provided by financing activities.....	(21,625)	(17,546)	16,984	Increase (decrease) in cash and cash equivalents.....
				(1,991)
Beginning cash and cash equivalents.....	4,521	3,179	3,091	Ending cash and cash equivalents.....
				\$ 2,530
Supplemental disclosures of cash flow information: Cash paid for income taxes -- net of refunds.....	\$ 679	\$ 2,590	\$ 1,941	Cash paid for interest, net of amounts capitalized.....
				\$ 7,353
				\$ 7,261
				\$ 8,363

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
IN THOUSANDS EXCEPT PER SHARE AMOUNTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation -- The consolidated financial statements include the accounts of Dave & Buster's, Inc. and all wholly-owned subsidiaries (the "Company"). All material intercompany accounts and transactions have been eliminated in consolidation. The Company's one industry segment is the ownership and operation of restaurant/entertainment complexes (a "Complex" or "Store") under the name "Dave & Buster's," which are principally located in the United States. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fiscal Year -- The Company's fiscal year ends on the Sunday after the Saturday closest to January 31. References to 2002, 2001 and 2000 are to the 52 weeks ended February 2, 2003 and February 3, 2002 and to the 53 weeks ended February 4, 2001, respectively.

Inventories -- Food, beverage and merchandise, are reported at the lower of cost or market determined on a first-in, first-out method. Static supplies inventories are capitalized at the store opening date and reviewed periodically for valuation. Static supplies inventories were \$16,274 and \$15,553 for 2002 and 2001, respectively.

Preopening Costs -- All start-up and preopening costs are expensed as incurred.

Property and Equipment -- Expenditures for new facilities and those that substantially increase the useful lives of the property, including interest during construction, are capitalized. Interest capitalized in 2002, 2001 and 2000 was \$361, \$892 and \$1,555, respectively. Equipment purchases are capitalized at cost. Property and equipment lives are estimated as follows: buildings, 40 years; leasehold and building improvements, shorter of 20 years or lease life; furniture, fixtures and equipment, 5 to 10 years; games, 5 years.

Reviews are regularly performed to determine whether facts or circumstances exist that indicate the carrying values of our fixed assets are impaired. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with those assets to their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair market value of those assets.

Long-Lived Assets and Goodwill -- Prior to January 1, 2002, we reviewed all of our long-lived assets, including identifiable intangible assets, for impairment when changes in circumstances indicated that the carrying amount of an asset may not be recoverable. If we determined that such indicators were present, we prepared an undiscounted future net cash flow projection for the asset. If our projection of undiscounted future net cash flows was in excess of the carrying value of the recorded asset, no impairment was recorded. If the carrying value of the asset exceeded the projected undiscounted net cash flows, an impairment was recorded. The amount of the impairment charge was determined by discounting the projected net cash flows.

Through the end of 2001, we evaluated goodwill for impairment based on undiscounted projected future cash flows. If the carrying value of the goodwill was less than the undiscounted projected future cash flows, no impairment would be recognized. Upon adoption of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS No. 142") on January 1, 2002, we began to evaluate our goodwill for impairment on an annual basis or whenever indicators of impairment exist. The evaluation is based upon a comparison of the estimated fair value of the unit of our business to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities of that unit. The fair values used in this evaluation are estimated based upon discounted future cash flow projections for the unit. These cash flow

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

projections are based upon a number of assumptions, as discussed above. Other tangible assets will continue to be amortized over their useful lives.

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. This was recorded as a cumulative effect of a change in accounting principle. The write off of goodwill resulted in a negative \$.53 per diluted share for the year. The remaining intangible (trademark) is insignificant.

Upon adoption of SFAS 142, we no longer amortize goodwill. Other intangible assets continue to be amortized over their useful lives. The following table reflects income from continuing operations and net income adjusted to exclude amortization expense (including related tax effects) recognized in the periods presented related to goodwill (in thousands):

FISCAL YEAR ENDED -----	FEBRUARY 2,		
-----	FEBRUARY 3,	FEBRUARY 4,	2003 2002 2001

Reported income before cumulative effect of a change in an accounting principle.....	\$ 5,348	\$7,578	\$12,245
Goodwill amortization, net of income taxes.....	-- 223	222	-----
Adjusted income before cumulative effect of a change in an accounting principle.....	\$ 5,348	\$7,801	\$12,467
Reported net income (loss).....	-----	-----	-----
Goodwill amortization, net of income taxes.....	-- 223	222	-----
Adjusted net income (loss).....	-----	-----	-----
	\$ (1,748)	\$7,578	\$12,245
----- EARNINGS PER SHARE Basic:			
Reported income before cumulative effect of a change in an accounting principle.....	\$.41	\$.58	\$.95
Goodwill amortization, net of income taxes.....	-- .02	.02	-----
Adjusted income before cumulative effect of a change in an accounting principle.....	\$.41	\$.60	\$.97
Reported net income (loss).....	-----	-----	-----
Goodwill amortization, net of income taxes.....	-- .02	.02	-----
Adjusted net income (loss).....	-----	-----	-----
	\$ (.14)	\$.58	\$.95
----- Diluted: Reported income before cumulative effect of a change in an accounting principle.....			
Goodwill amortization, net of income taxes.....	-- .02	.02	-----
Adjusted income before cumulative effect of a change in an accounting principle.....	\$.40	\$.58	\$.94
Reported net income (loss).....	-----	-----	-----
Goodwill amortization, net of income taxes.....	-- .02	.02	-----
Adjusted net income (loss).....	-----	-----	-----
	\$ (.13)	\$.58	\$.94

taxes..... -- .02 .02 -----
----- Adjusted net income
(loss)..... \$
(.13) \$.60 \$.96 -----
--

Depreciation and Amortization -- Property and equipment, excluding most games, are depreciated on the straight-line method over the estimated useful life of the assets. Games are generally depreciated on the 150%-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

double-declining-balance method over the estimated useful lives of the assets. Intangible assets are amortized on the straight-line method over estimated useful lives as follows: trademarks over statutory lives and lease rights over remaining lease terms.

Income Taxes -- The Company uses the liability method which recognizes the amount of current and deferred taxes payable or refundable at the date of the financial statements as a result of all events that are recognized in the financial statements and as measured by the provisions of enacted tax laws.

Stock Option Plan -- 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 February 2, 2003, we had two stock-based compensation plans covering employees and directors. These plans are described more fully in Note 7.

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 in fiscal 2002, 2001 and 2000 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):

FISCAL YEAR ENDED -----	----- FEBRUARY 2, FEBRUARY 3, FEBRUARY 4, 2003			2002	2001	----- Net
income (loss), as reported.....	\$(1,748)	\$ 7,578	\$12,245	Pro forma stock		
compensation expense recorded under the fair				value method, net of income taxes.....	(1,509)	
(loss).....	(1,647)	(2,227)	Pro forma net income			
\$10,018 Basic earnings (loss) per common share,			as			
reported.....	\$ (0.14)	\$ 0.58	\$ 0.95	Diluted earnings (loss)		
			per common share, as			
reported.....	\$ (0.13)	\$ 0.58	\$ 0.94	Pro forma basic earnings		
(loss) per common share....	\$ (0.25)	\$ 0.46	\$			
0.77 Pro forma diluted earnings (loss) per common						
share.....	\$ (0.24)	\$ 0.46	\$ 0.77			

Inputs used for the fair value method for our employee stock options are as follows:

FISCAL YEAR ENDED -----	----- FEBRUARY 2, FEBRUARY 3, FEBRUARY 4, 2003			2002	2001	-----
Volatility.....	0.62	0.65	0.74	Weighted-average expected		
lives.....	5.00	3.20	2.70	Weighted-		
average risk-free interest rates.....	3.89%					
4.59% 6.30% Weighted-average fair value of options						
granted.....	3.74	3.28	3.96			

Revenue Recognition -- Food, beverage and amusement revenues are recorded at point of service. Foreign license revenues are deferred until the Company fulfills its obligations under license agreements, which is upon the opening of the Complex. The license agreements provide for continuing royalty fees based on a percentage of gross revenues and are recognized when assured.

Advertising Costs -- Advertising costs are recorded as expense in the period in which the costs are incurred or the first time the advertising takes place. These expenses are 3.7%, 3.7% and 3.3% of revenue for 2002, 2001 and 2000, respectively.

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Treasury Stock -- During fiscal 1999, the Company's Board of Directors approved a plan to repurchase up to 1,000 shares of the Company's common stock. Pursuant to the plan, as of February 2, 2003, the Company is authorized to purchase an additional 825 shares.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	FISCAL YEAR ENDED ----- FEBRUARY 2,	
	FEBRUARY 3, 2003 2002 -----	
Land.....	\$ 6,706	\$ 6,706
Buildings.....	44,824	34,232
Leasehold and building		
improvements.....	148,332	143,114
Games.....	80,207	79,673
Furniture, fixtures and		
equipment.....	97,635	92,033
Construction in		
progress.....	1,458	3,711
cost.....	379,162	359,469
Accumulated		
depreciation.....	(129,711)	(101,167)
	\$ 249,451	\$ 258,302

NOTE 3: ACCRUED LIABILITIES

Accrued liabilities consist of the following (in thousands):

	FISCAL YEAR ENDED ----- FEBRUARY 2,	
	FEBRUARY 3, 2003 2002 -----	
Payroll.....	\$ 2,545	\$ 2,393
Sales and use		
tax.....	1,374	1,387
Real estate		
tax.....	2,551	2,620
Other.....	5,731	4,685
Total accrued		
liabilities.....	\$12,201	\$11,085

NOTE 4: LONG-TERM DEBT

In 2000, the Company secured a \$110,000 senior secured revolving credit and term loan facility. The senior secured revolving credit and term loan facility as amended provides for the proceeds from sale/leaseback transactions to be applied to both the revolving credit and term loans. 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. At February 2, 2003 long-term debt payments under the debt agreement are \$8,300 in 2003; \$11,400 in 2004; \$18,351 in 2005; \$19,200 in 2006; \$10,543 in 2007 and none thereafter.

Borrowing under the facility bears interest at a floating rate based on LIBOR (1.35% at February 2, 2003) or, at the Company's option, the bank's prime rate (4.25% at February 2, 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, minimum fixed charge coverage and maximum level of capital expenditures. At February 2, 2003,

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

\$16,995 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 its variable rate debt to fixed-rate debt. Notional amounts aggregating \$47,513 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 \$1,803 to interest expense was incurred in 2002 under the agreement.

NOTE 5: INCOME TAXES

The provision for income taxes is as follows (in thousands):

FISCAL YEAR ENDED	-----		
-----	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,
2002	2001	-----	
	Current expense (benefit)		
Federal.....	.....	
	\$(3,876)	\$3,149	\$5,077
State and local.....	.....	
		235	504
	750 Deferred tax		
expense.....	.....	
	6,396	646	
1,182	----- Total provision for		
income taxes.....	.....	
	\$ 2,755	\$4,299	
	\$7,009		

As a result of the 2001 tax act, the Company amended its 2001 tax return, which resulted in a tax refund of approximately \$2,900. The changes have been reflected in the current year.

Significant components of the deferred tax liabilities and assets in the consolidated balance sheets are as follows (in thousands):

FISCAL YEAR ENDED	-----		
-----	FEBRUARY 2,	FEBRUARY 3,	FEBRUARY 4,
2002	2001	-----	
	Accelerated		
depreciation.....	.....	
	\$ 15,482		
	\$11,399	\$ 9,474	Static inventory
(Smallwares).....	.....	
	3,313	--	--
	Preopening		
costs.....	.....	
	(3,298)		
	(1,378)	--	Prepaid
expenses.....	.....	
	18	152	
	129 Capitalized interest		
costs.....	.....	
	1,750	1,740	1,281
-----	----- Total deferred tax		
liabilities.....	.....	
	17,265	11,913	
	10,884 Worker's		
compensation.....	.....	
	484	281	
	304 Leasing		
transactions.....	.....	
	1,365		
	2,288	1,500	
Other.....	.....	
	(451)	(19)	184
-----	----- Total		
deferred tax assets.....	.....	
	1,398		
2,550	1,988	----- Net deferred	
tax liability.....	.....	
	\$(15,867)		
	\$(9,363)	\$(8,896)	

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Reconciliation of federal statutory rates to effective income tax rates:

FISCAL YEARS ENDED -----		
----- FEBRUARY 2, FEBRUARY 3, FEBRUARY 4, 2003		
2002 2001 -----		
Federal corporate statutory		
rate.....	35.0%	35.0%
and local income taxes, net of federal income tax benefit.....	6.7%	
3.1%	2.2%	Goodwill amortization and other nondeductible expenses.....
6.0%	1.0%	2.1%
FICA tip		
credits.....	(15.7)%	
(4.3)%	(2.0)%	Effect of change in deferred tax rate.....
	--	--
(1.9)%		
Other.....		
2.0%	1.4%	1.0%
----- Effective tax		
rate.....	34.0%	36.2%
36.4%		

NOTE 6: LEASES

The Company leases certain properties and equipment under operating leases. Some of the leases include options for renewal or extension on various terms. Most leases require the Company to pay property taxes, insurance and maintenance of the leased assets. Some leases have provisions for additional percentage rentals based on revenues, which we classify as contingent rentals. For 2002, 2001 and 2000, rent expense for operating leases was \$23,828, \$19,469 and \$14,295, respectively including contingent rentals of \$624, \$1,448 and \$1,210, respectively. At February 2, 2003, future minimum lease payments required under operating leases (including the sale/leaseback transactions described below) are \$25,776 in 2003; \$24,825 in 2004; \$23,589 in 2005; \$23,164 in 2006; \$22,554 in 2007 and \$287,749 thereafter.

During the year ended February 3, 2002, the Company completed the sale/leaseback of two stores (Atlanta and Houston) and the corporate headquarters in Dallas. Cash proceeds of \$18,474 were received along with \$5,150 in twenty year interest bearing notes receivable at 7-7.5%. The locations were sold to non-affiliated entities. Upon execution of the sale/leaseback transactions for Atlanta and Houston, property costs of \$27,360 and accumulated depreciation of \$3,832 were removed from the Company's books resulting in a loss of \$272 which was recognized in 2001 and a gain of \$713 on one facility being amortized over the term of the operating lease.

Future operating lease obligations under the sale/leaseback agreements are as follows: \$3,962 in 2003, \$4,002 in 2004, \$4,051 in 2005, \$4,184 in 2006, \$4,225 in 2007 and \$62,860 thereafter. Future minimum note payments and interest income associated with the sale/leasebacks at San Diego, Houston and Atlanta are as follows: \$652 in 2003, \$652 in 2004, \$652 in 2005, \$652 in 2006, \$652 in 2007 and \$8,935 thereafter.

NOTE 7: COMMON STOCK

In 1995, the Company adopted the Dave & Buster's, Inc. 1995 Stock Option Plan (the "Plan") covering 675 shares of common stock. In 1997, 1998 and 2001, the Company increased the shares of common stock covered by the Plan to 1,350, 2,350 and 2,950 respectively. The Plan provides that incentive stock options may be granted at option prices not less than fair market value at date of grant (110% in the case of an incentive stock option granted to any person who owns more than 10% of the total combined voting power of all classes of stock of the Company). Non-qualified stock options may not be granted for less than 85% of the fair market value of the common stock at the time of grant and are primarily exercisable over a three to five year period from the date of the grant.

In 1996, the Company adopted a stock option plan for outside directors (the "Directors' Plan"), covering a total of 150 shares of common stock. The options granted under the Directors' Plan vest ratably over a three

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

year period. In 2001, the Company increased the shares of common stock subject to the Directors' Plan from 150 shares to 190 shares.

In 2000, the Company amended and restated the Dave & Buster's, Inc. 1995 Stock Incentive Plan to allow the Company to grant restricted stock awards. These restricted stock awards will fully vest at the end of the vesting period or the attainment of one or more performance targets established by the Company. Recipients are not required to provide consideration to the Company other than render service and have the right to vote the shares and to receive dividends. The Company issued in 2001 and 2000, 63.5 and 267 shares of restricted stock at a market value of \$6.45-\$7.90 and \$6.75, respectively, which vest at the earlier of attaining certain performance targets or seven years. The total market value of the restricted shares, as determined at the date of issuance, is treated as unearned compensation and is charged to expense over the vesting period. The charge to expense for the unearned compensation was \$226, \$139 and \$243 in 2002, 2001 and 2000, respectively.

A summary of the Company's stock option activity and related information is as follows (in thousands except share data):

FISCAL YEAR ENDED	-----		-----		-----	
	FEBRUARY		FEBRUARY		FEBRUARY	
	2,	3,	4,	2003	2002	2001
	-----		-----		-----	
	- - - - -		- - - - -		- - - - -	
	WEIGHTED-		WEIGHTED-		WEIGHTED-	
	WEIGHTED-		WEIGHTED-		WEIGHTED-	
	AVERAGE		AVERAGE		AVERAGE	
	AVERAGE		AVERAGE		AVERAGE	
	EXERCISE		EXERCISE		EXERCISE	
	EXERCISE		EXERCISE		EXERCISE	
	OPTIONS		OPTIONS		OPTIONS	
	PRICE		PRICE		PRICE	
	PRICE		PRICE		PRICE	
	-----		-----		-----	
	-----		-----		-----	
Outstanding -- beginning of year.....	2,925	\$11.56	1,932	\$14.78	1,666	\$17.24
Granted.....	112	8.62	1,233	6.82	674	7.49
Exercised.....	(121)	7.20	(6)	6.80	--	--
Forfeited.....	(278)	12.76	(234)	13.16	(408)	12.77
Outstanding -- end of year.....	2,638	11.51	2,925	11.56	1,932	14.78
Exercisable -- end of year.....	1,484	13.90	1,178	15.26	642	17.37
Weighted-average fair value of options granted during the year.....	\$ 3.74	\$ 3.28	\$ 3.96			

As of February 2, 2003, exercise prices for 2,638 options ranged from \$6.10 to \$8.38 for 1,429 options and \$8.39 to \$25.32 for 1,209 options. The weighted-average remaining contractual life of the options is 6.8 years.

Under a Shareholder Protection Rights Plan adopted by the Company, each share of outstanding common stock includes a right which entitles the holder to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock for seventy five dollars. Rights attach to all new shares of commons stock whether newly issued or issued from treasury stock and become exercisable only under certain conditions involving actual or potential acquisitions of the Company's common stock. Depending on the circumstances, all holders except the acquiring person may be entitled to 1) acquire such number of shares of Company common stock as have a market value at the time of twice the exercise price of each right, or 2) exchange a right for one share of Company common stock or one one-hundredth of a share of the Series A Junior Participating Preferred Stock, or 3) receive shares of the acquiring company's common stock having a market value equal to twice the exercise price of each right. The rights remain in existence until ten years after the Distribution, unless they are redeemed (at one cent per right).

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 8: EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in thousands except share data):

FISCAL YEAR ENDED -----			
----- FEBRUARY 2, FEBRUARY 3, FEBRUARY 4, 2003			
2002	2001	-----	
Numerator -- Net income			
(loss).....	\$(1,748)	\$ 7,578	
\$12,245	-----	-----	Denominator:
Denominator for basic net income per share --			
Weighted average			
shares.....	12,997	12,956	
12,953	Effect of dilutive securities -- employee		
	stock		
options.....			
407 60 33	-----	-----	Denominator for
diluted earnings per share -- adjusted Weighted			
average shares.....	13,404	13,016	12,986
Basic net income (loss) per share before			
cumulative effect of accounting			
change.....	\$ (.14)	\$.58	\$.95
Cumulative effect of a change in accounting			
principle.....			
(.53) Diluted net income (loss) per			
share.....	\$ (.13)	\$.58	\$.94

Options to purchase 992, 1,529 and 1,346 shares of common stock for 2002, 2001 and 2000, respectively, were not included in the computation of diluted net income per share because the options would have been antidilutive.

NOTE 9: RELATED PARTY ACTIVITY

Pursuant to a consulting agreement between the Company and Mr. Henrion, the Company pays consulting fees of \$12.5 per month to Mr. Henrion, a director of the Company, for advisory services relating to international licensing activities, expansion and site selection, marketing analysis, improvement and enhancement of the Company's business and other similar activities. The consulting agreement expires in January 2005.

On December 29, 2000, the Company entered into a sale/leaseback transaction with Cypress Equities, Inc. for its San Diego, California location, whereby the Company received \$8,000 in exchange for committing to lease payments of approximately \$22,300 over 20 years with options for renewal. A director of the Company is the managing member of Cypress Equities, Inc. Lease payments to Cypress Equities, Inc. in 2002, 2001 and 2000 were \$1,000, \$1,000 and \$83, respectively.

As of February 2, 2003 and February 3, 2002 the balance due Cypress Equities, Inc. was \$20,235 and \$21,235, respectively.

In addition, the Company from time to time has engaged Cypress Equities, Inc. to provide brokerage services in connection with the sale and leaseback of other properties owned by the Company. The amount of broker's commissions paid to Cypress Equities for such services in fiscal 2001 was \$332.

Hallett & Perrin, P.C. provides legal services to the Company from time to time. Mr. Hallett, a shareholder of Hallett & Perrin, is a director of the Company. Total fees paid by the Company to Hallett & Perrin in fiscal 2002 were \$158.

As of February 2, 2003, an officer owed the Company \$100, under the terms of a personal loan, which is non-interest bearing and payable on demand. The loan was paid down to \$50 in March of 2003.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 10: EMPLOYEE BENEFIT PLAN

The Company sponsors a plan to provide retirement benefits under the provision of Section 401(k) of the Internal Revenue Code (the "401(k) Plan") for all employees who have completed a specified term of service. Company contributions may range from 0% to 100% of employee contributions, up to a maximum of 6% of eligible employee compensation, as defined. Employees may elect to contribute up to 15% of their eligible compensation on a pretax basis. Benefits under the 401(k) Plan are limited to the assets of the 401(k) Plan.

NOTE 11: CONTINGENCIES

The Company is subject to certain legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to all actions will not materially affect the consolidated results of operations or financial condition of the Company.

NOTE 12: QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

FISCAL YEAR 2002 -- ENDED FEBRUARY 2, 2003 -

FIRST SECOND THIRD FOURTH -----

----- (IN THOUSANDS, EXCEPT
PER SHARE AMOUNTS) Total

revenues.....

\$97,242 \$92,150 \$84,550 \$99,810 Income
(loss) before provision for income taxes and
cumulative effect of a change in an
accounting

principle(2)..... 4,592

1,451 (2,759) 4,820 Income (loss) before
cumulative effect of a change in an
accounting principle..... 2,916 921

(1,670) 3,181 Cumulative effect of a change
in an accounting

principle.....

7,096 -- -- -- Net income (loss)

(1)..... (4,180) 921

(1,670) 3,181 Basic income (loss) per share
before cumulative effect of a change in an
accounting

principle.....

\$.22 \$.07 \$ (.13) \$.25 Basic net (loss)

from cumulative effect of a change in an
accounting principle..... \$ (.55) --

-- -- Basic net income

(loss)..... \$ (.32) \$.07

\$ (.13) \$.25 Basic weighted average shares

outstanding..... 12,971 12,986 13,003

13,029 Diluted income (loss) per share

before cumulative effect of a change in an
accounting

principle..... \$.22 \$

.07 \$ (.13) \$.24 Diluted net (loss) from

cumulative effect of a change in an
accounting principle..... \$ (.53) --

-- -- Diluted net income

(loss)..... \$ (.31) \$.07 \$

(.13) \$.24 Diluted weighted average shares

outstanding.... 13,307 13,435 13,460 13,219

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

FISCAL YEAR 2001 -- ENDED FEBRUARY 3, 2002

	FIRST	SECOND	THIRD	FOURTH	

	(IN THOUSANDS, EXCEPT				
	PER SHARE AMOUNTS) Total				
revenues.....	\$88,210	\$83,622	\$81,371	\$104,806	Income
(loss) before provision for income					
taxes.....	4,834	2,675	(2,936)	7,304	Net income
(loss).....					3,084
	1,707	(1,873)	4,660		Basic net income (loss)
per share.....					\$.24 \$.13 \$ (.14)
					\$.36 Basic weighted average shares
					outstanding..... 12,953 12,954 12,956
					12,957 Diluted net income per
share.....					\$.24 \$.13 \$ (.14)
					\$.36 Diluted weighted average shares
outstanding...	13,068	13,028	12,956	12,992	

-
- (1) In the first quarter, the Company adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, which resulted in a one-time charge of \$7,100 representing the cumulative effect of a change in accounting principle.
 - (2) In the second quarter, as part of general and administrative expenses, the Company incurred \$1,200 of transaction costs related to a proposed merger agreement with D&B Holdings and D&B Acquisition Sub.

REPORT OF INDEPENDENT AUDITORS

Stockholders and Board of Directors
Dave & Buster's, Inc.

We have audited the accompanying consolidated balance sheets of Dave & Buster's, Inc. as of February 2, 2003 and February 3, 2002, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended February 2, 2003. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Dave & Buster's, Inc. at February 2, 2003 and February 3, 2002 and the consolidated results of its operations and its cash flows for each of the three years in the period ended February 2, 2003, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets.

ERNST & YOUNG LLP

Dallas, Texas
March 25, 2003

INDEX OF EXHIBITS

EXHIBIT
NUMBER
DESCRIPTION

3.2 Amended
and restated
Bylaws of
the Company
10.1.4
Amendment
No. 4 to
Revolving
Credit and
Term Loan
Agreement by
and among
the Company
and its
subsidiaries,
Fleet
National
Bank (as
agent) and
the
financial
institutions
named
therein.

21.1
Subsidiaries
of the
Company. 23
Independent
Auditors'
Consent. 24
Power of
Attorney
(included on
the
Signature
page of this
report).

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.

AMENDED AND RESTATED

BYLAWS

OF

DAVE & BUSTER'S, INC.

AS OF

APRIL 21, 2003

INDEX

ARTICLE ONE - OFFICES.....1
ARTICLE TWO - SHAREHOLDERS' MEETINGS.....1
ARTICLE THREE - BOARD OF DIRECTORS.....5
ARTICLE FOUR - OFFICERS.....7
ARTICLE FIVE - CAPITAL STOCK.....10
ARTICLE SIX - CORPORATE SEAL.....11
ARTICLE SEVEN - FISCAL YEAR.....11

AMENDED AND RESTATED

BYLAWS

OF

DAVE & BUSTER'S, INC.

ARTICLE ONE - OFFICES

SECTION 1.1 REGISTERED OFFICE. The registered office of the Corporation in Missouri shall be located within the State of Missouri as the Board of Directors may from time to time authorize by duly adopted resolution.

SECTION 1.2 OTHER OFFICES. The Corporation may maintain such other offices both within and without the State of Missouri as the business of the Corporation may from time to time require or as the Board of Directors may determine.

ARTICLE TWO - SHAREHOLDERS' MEETINGS

SECTION 2.1 ANNUAL MEETINGS. The annual meeting of shareholders for the election of Directors and for the transaction of such other business as properly may come before such meeting shall be held at such place within or without the State of Missouri as the Board of Directors may direct in the notice of such meeting, on the second Tuesday of June in each year if not a legal holiday or, if a legal holiday, on the next succeeding business day not a legal holiday, commencing with June 11, 1996; provided, however, the day fixed for such meeting in any year may be changed, by resolution of the Board of Directors, to such other day which is not a legal holiday, as the Board of Directors may deem to be desirable or appropriate, subject to any applicable limitations of law. Every meeting of the shareholders shall be convened at the hour stated in the notice for the meeting and continue until declared adjourned by a vote of the shareholders present or declared adjourned by the presiding officer.

SECTION 2.2 SPECIAL MEETING. Special meetings of shareholders or of the holders of any special class of stock of the Corporation, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called only by the affirmative vote of a majority of the entire Board of Directors or by the Chairman of the Board of Directors or the President. Such request shall be delivered to the Secretary of the Corporation and shall state the purpose or purposes of the proposed meeting. Upon such direction or request, subject to any requirements or limitations imposed by the Corporation's Articles of Incorporation, by these Bylaws or by law, it shall be the duty of the Secretary to call a special meeting of the shareholders to be held at such time as is specified in the request.

SECTION 2.3 NOTICE OF MEETINGS. Written or printed notice of each meeting of shareholders, stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or given not less than ten (10), nor more than seventy (70) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary to each shareholder of record entitled to vote at such meeting. Attendance of a shareholder at any meeting shall constitute a waiver of notice of such meeting except where such shareholder attends the meeting for the sole and express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any notice of a shareholders' meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with first class postage thereon prepaid, addressed to the shareholder at such shareholder's address as it appears on the records of the Corporation.

SECTION 2.4 QUORUM; ADJOURNMENT. A majority of the outstanding shares entitled to vote at any meeting, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders; provided, that if a quorum is not present at any meeting, less than a quorum shall have the right to adjourn the meeting to a specified date not longer than 90 days after such adjournment, and no notice need be given of such adjournment to shareholders not present at the meeting.

SECTION 2.5 VOTING. Subject to the rights of any holders of preferred stock, each outstanding share entitled to vote under the provisions of the Articles of Incorporation shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders and, if a quorum is present, the affirmative vote of a majority of the shares represented at the meeting shall be the act of the shareholders unless the vote of a greater number of shares is required by the Corporation's Articles of Incorporation, by these Bylaws or by law. No person shall be admitted to vote on any shares belonging or hypothecated to the Corporation. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact.

SECTION 2.6 ACTION BY CONSENT. Unless otherwise prescribed by the Articles of Incorporation, any action required or permitted to be taken by the shareholders of the Corporation, may, if otherwise allowed by law, be taken without a meeting of shareholders only if consents in writing, setting forth the action so taken, are signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

SECTION 2.7 ADVANCE NOTICE OF NOMINATIONS AND SHAREHOLDER PROPOSALS. All nominations of individuals for election to the Board and proposals of business to be considered at any meeting of the shareholders shall be made as set forth in this Section 2.7.

(a) Annual Meeting of Shareholders. (1) Nominations of individuals for election to the Board and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Directors or (iii) by any shareholder of the Corporation who was a shareholder of record at the time of the giving of the notice provided for in this Section 2.7(a),

who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 2.7(a)(2).

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) of paragraph (a)(1) of this Section 2.7, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting or not less than 60 days nor more than 90 days prior to June 11, 1996 in the case of the next annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall set forth (i) as to each person whom the shareholder proposes to nominate for election or reelection as a Director (a) the name, age, business and residential addresses, and principal occupation or employment of each proposed nominee, (b) the class and number of shares of capital stock of the Corporation that are beneficially owned by such nominee on the date of such notice, (c) a description of all arrangements or understandings between each nominee and any other person or persons (naming such person(s)) pursuant to which the nomination or nominations are to be made by the shareholder, (d) all other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors or is otherwise required pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (e) the written consent of each proposed nominee to being named as a nominee and to serve as a Director of the Corporation if so elected; (ii) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such shareholder, as they appear on the Corporation's books, and of such beneficial owner, (y) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner, and (z) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice or to propose such other business. The Corporation may require any proposed nominee to furnish any information, in addition to that furnished pursuant to clause (i) above, it may reasonably require to determine the eligibility of the proposed nominee to serve as a Director of the Corporation.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 2.7 to the contrary, in the event that the number of Directors to be elected to the Board is increased and there is no public announcement naming all of the nominees for Director or specifying the size of the increased Board made by the Corporation at least 70 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by

this Section 2.7(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meeting of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Company's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of shareholders at which Directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board, or (iii) provided that the Board has determined that Directors shall be elected at such special meeting, by any shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section 2.7, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 2.7(b). In the event the Corporation calls a special meeting of shareholders for the purpose of electing one or more Directors to the Board, any such shareholder may nominate a person or persons (as the case may be) for election to such position, if the shareholder's notice required by paragraph (a)(2) of these Section 2.7 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. Except for the nomination of persons for election to the Board requested by a shareholder pursuant to this Section 2.7(b), no proposals of business requested by a shareholder may be considered at a special meeting of the shareholders.

(c) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.7 shall be eligible to serve as Directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.7. The Board of Directors shall reject any nomination or shareholder proposal submitted for consideration at the annual meeting which is not made in accordance with the terms of this Section 2.7 or which is not a proper subject for shareholder action in accordance with provisions of applicable law. Alternatively, if the Board of Directors fails to consider the validity of any nomination or shareholder proposal, the presiding officer of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 2.7 and, if any proposed nomination or business is not in compliance with this Section 2.7, to declare that such defective nomination or proposal be disregarded. This provision shall not prevent the consideration and approval or disapproval at the meeting of reports of officers, Directors and committees of the Board of Directors, but, in connection with such reports, no new business shall be acted upon at the meeting unless stated, filed and received as herein provided.

(2) For purposes of this Section 2.7, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or

comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 2.7, a shareholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.7. Nothing in this Section 2.7 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE THREE - BOARD OF DIRECTORS

SECTION 3.1 NUMBER, ELECTION AND TERM.

(a) The Board of Directors shall consist of three or more directors, the actual number of directors to be fixed from time to time by the affirmative vote of a majority of the Board of Directors. The Corporation shall give written notice to the Secretary of the State of Missouri within 30 days of any change in the number of directors as so fixed by the Board of Directors. Vacancies in the Board of Directors shall be filled in accordance with the terms of the Articles of Incorporation.

(b) The Board of Directors shall be divided into three classes, as nearly equal in number as possible. In the event of any increase in the number of Directors, any additional Directors shall be added to such classes as may be necessary so that all classes shall be as nearly equal in the number as possible. In the event of any decrease in the number of Directors, all classes of Directors shall be decreased as nearly equally as may be possible. No reduction in the number of Directors shall affect the term of office of any incumbent Director. Subject to the foregoing, the Board of Directors shall determine the class or classes to which any additional Directors shall be added and the class or classes which shall be decreased in the event of any decrease in the number of Directors.

(c) With respect to the Board of Directors of the Corporation in place on May 25, 1995, the first class of Directors shall hold office until the annual meeting of shareholders in 1996, the second class of Directors shall hold office until the annual meeting of shareholders in 1997, and the third class of Directors shall hold office until the annual meeting of shareholders in 1998. Thereafter, Directors shall be elected to hold office for a term of three years, and at each annual meeting of shareholders, the successors to the class of Directors whose terms shall then expire shall be elected for a term expiring at the third succeeding annual meeting after that election.

SECTION 3.2 POWERS. The property and business of the corporation shall be managed and controlled by or under the direction of the Board of Directors, which shall exercise or direct the exercise of all of the powers of the Corporation and do or cause to be done all acts and things as are not, by the Corporation's Articles of Incorporation, by these Bylaws or by law, directed or required to be done or exercised by the shareholders.

SECTION 3.3 MEETINGS; QUORUM. Regular meetings of the Board of Directors shall be held at such places, within or without the State of Missouri, and on such days and at such times as shall be fixed from time to time by the Board of Directors. Rules of procedure for the conduct of such meetings may be adopted by resolution of the Board of Directors. Notice of such regular meetings need not be given. A majority of members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a lesser number may adjourn a meeting to another time or day if a quorum is not present. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Corporation's Articles of Incorporation, by these Bylaws or by law. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Missouri, upon the call of the Chairman of the Board of Directors, the President or Secretary of the Corporation by oral, written, telefax or telegraphic notice duly given, sent or mailed to each Director, at such Director's last known address, not less than two days before such meeting with respect to written and mailed notice and six hours before such meeting with respect to oral, telefax or telegraphic notice; provided, however, that any Director may, at any time, in writing or by telegram, waive notice of any meeting at which he may not be or may not have been present. Attendance of a Director at any meeting shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the sole and express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

SECTION 3.4 ACTION BY CONSENT. Any action which is required to be or may be taken at a meeting of the Directors may be taken without a meeting if consent in writing, setting forth the action so taken, are signed by all the Directors. Any action which is required to be or may be taken at a meeting of a committee of Directors may be taken without a meeting if consent in writing, setting for the action so taken, are signed by all the members of the committee.

SECTION 3.5 RESIGNATION OF DIRECTORS. Any Director of the Corporation may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman of the Board of Directors, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors or one of the above-named Officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.6. COMPENSATION OF DIRECTORS. Directors, as such, may receive such compensation and be reimbursed for expenses of attendance at any meeting of the Board of Directors, or any committee thereof, as shall be determined by resolution of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 3.7 COMMITTEES; GENERAL RULES. The Board of Directors, by resolution adopted by a majority of the whole Board of Directors, may designate two or more Directors to constitute a committee. Each committee, to the extent provided in such resolution, shall have and may exercise the authority of the Board of Directors, as so delegated in the resolution, in the management of the Corporation. Each committee of the Board of Directors shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. Vacancies in the membership of each committee shall be filled by the Board of Directors at any regular or special meeting of the Board of Directors. At all meetings of a committee, a majority of the committee members then in office shall constitute a quorum for the purpose of transacting business, and the acts of a majority of the committee members present at any meeting at which there is a quorum shall be the acts of the committee. A Director who may be disqualified, by reason of personal interest, from voting on any particular matter before a meeting of a committee may nevertheless be counted for the purpose of constituting a quorum of the committee.

SECTION 3.8 QUALIFICATIONS. No person shall be qualified to hold office as a Director if such person's conduct in connection with his or her duties as a Director has been adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct.

SECTION 3.9 DIRECTORS EMERITUS AND ADVISORY DIRECTORS. The Board of Directors may from time to time create one or more positions of Director Emeritus and Advisory Director, and may fill such position or positions for such terms as the Board of Directors deems proper. Each Director Emeritus and Advisory Director shall, upon the invitation of the Board of Directors, have the privilege of attending meetings of the Board of Directors but shall do so solely as an observer. Notice of meetings of the Board of Directors to a Director Emeritus or Advisory Director shall not be required under any applicable law, the Articles of Incorporation or these Bylaws. Each Director Emeritus and Advisory Director shall be entitled to receive such compensation as may be fixed from time to time by the Board of Directors. No Director Emeritus or Advisory Director shall be entitled to vote on any business coming before the Board of Directors, nor shall they be counted as members of the Board of Directors for the purpose of determining the number of Directors necessary to constitute a quorum or for any other purpose whatsoever. In the case of a Director Emeritus or Advisory Director, the occurrence of any event which in the case of a Director would create a vacancy on the Board of Directors, shall be deemed to create a vacancy in such position; but the Board of Directors may declare the position terminated until such time as the Board of Directors shall again deem it proper to create and to fill the position.

ARTICLE FOUR - OFFICERS

SECTION 4.1 NUMBER, ELECTION AND TERM. The officers of the Corporation shall be a Chairman of the Board, one or two Chief Executive Officers, a President and a Secretary who shall be chosen by the Board of Directors at its first meeting after each annual meeting of shareholders. The Board of Directors may also choose one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers and such other officers as

the Board of Directors may deem appropriate. Any two or more offices may be held by the same person. Officers of the Corporation may be given distinctive designations such as Chief Operating Officer, Executive Vice President, Group Vice President, Senior Vice President, Chief Administrative Officer and Chief Financial Officer. All officers, unless sooner removed, shall hold their respective offices until the first meeting of the Board of Directors after the next succeeding election of the Board of Directors and until their successors shall have been duly elected and qualified.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause whenever, in its judgement, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

SECTION 4.2 CHAIRMAN OF THE BOARD. Unless otherwise determined by the Board of Directors, the Chairman or Chairmen of the Board shall be, ex-officio, a member of all standing Committees of the Board of Directors, shall preside at all meetings of the shareholders and Directors at which he shall be present and shall perform all of the duties prescribed by the Board of Directors or these bylaws. If at any time there shall be more than one Chairman of the Board, then each Chairman of the Board shall individually possess all authority provided in this Section 4.2 and the authorized action of any Chairman of the Board shall be the action of the Chairman of the Board pursuant to the authority granted by this Section 4.2.

SECTION 4.3 CHIEF EXECUTIVE OFFICER. The Chief Executive Officer or Officers shall be responsible for the general and active management of the business and affairs of the Corporation, subject only to the control of the Board of Directors, and shall have full authority in respect to the signing and execution of deeds, bonds, mortgages, contracts and other instruments of the Corporation. The Chief Executive Officer or Officers shall perform any duties prescribed by the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried into effect. If at any time there shall be more than one Chief Executive Officer, then each Chief Executive Officer shall individually possess all authority provided in this Section 4.3 and the authorized action of any Chief Executive Officer shall be the action of the Chief Executive Officer pursuant to the authority granted by this Section 4.3.

SECTION 4.4 PRESIDENT AND VICE PRESIDENTS. The President and the Vice Presidents, if any, shall perform any other duties prescribed by the Chief Executive Officer(s) or the Board of Directors. In the absence of the Chairman of the Board of Directors, the President shall preside at all meetings of the shareholders at which he is present. In the absence of the Chairman of the Board of Directors, the President (if the President is also a Director) shall preside at all meetings of the directors at which he is present.

SECTION 4.5 SECRETARY AND ASSISTANT SECRETARIES. The Secretary shall keep or cause to be kept a record of all meetings of the shareholders and the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of

Directors, and shall perform any other duties prescribed by the Board of Directors or the President. He shall keep in safe custody the seal of the Corporation and shall affix the same to any instrument requiring it.

The Assistant Secretaries, if any, in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform any other duties prescribed by the President or the Board of Directors.

SECTION 4.6 CHIEF FINANCIAL OFFICER. The Chief Financial Officer, if one is elected by the Board of Directors, shall have charge of the financial and accounting records and procedures of the Corporation and shall perform such other duties as directed by the President or Board of Directors.

SECTION 4.7 TREASURER AND ASSISTANT TREASURER. The Treasurer, if any, shall have the custody of the corporate funds, and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and shall perform any other duties prescribed by the President, the Chief Financial Officer or the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of this death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

The Assistant Treasurers, if any, in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform any other duties prescribed by the President or the Board of Directors.

SECTION 4.8 APPOINTED OFFICERS. In addition to the corporate officers elected by the Board of Directors, the Chairman may, from time to time, appoint one or more other persons as appointed officers who shall not be deemed to be corporate officers, but may, respectively, be designation with such titles as the Chairman may deem appropriate. The Chairman may prescribe the powers to be exercised and the duties to be performed by each such appointed officer, may designate the term for which each such appointment is made, and may, from time to time, terminate any or all of such appointments with or without cause. Such appointments and termination of appointments shall be reported periodically to the Board of Directors.

ARTICLE FIVE - CAPITAL STOCK

SECTION 5.1 STOCK CERTIFICATES. Every holder of stock in the Corporation shall be entitled to have a certificate, in any form approved by the Board of Directors, certifying the number and class of shares owned by the shareholder in the Corporation. Each stock certificate shall be signed by the Chairman, the Chief Executive Officer, the President or a Vice President. If at any time there shall be more than one Chief Executive Officer and the stock certificate is signed by one Chief Executive Officer, each Chief Executive Officer shall sign the stock certificate. In addition, each stock certificate shall be signed by the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer of the Corporation and sealed with the seal of the Corporation. If the certificate is countersigned by a transfer agent other than the Corporation or its employee, or by a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile signature, or may be engraved or printed. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on the certificate shall have ceased to be an officer, transfer agent or registrar before the certificate is issued, the certificate may nevertheless be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

SECTION 5.2 TRANSFER OF STOCK. The shares of stock of the Corporation shall be transferable only upon its books by the holder of record thereof or by his duly authorized attorney or legal representative. Upon transfer, the old certificates shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other persons as the Board of Directors may designate, by whom they shall be cancelled and new certificates shall thereupon be issued. Except as otherwise expressly provided by the statutes of the State of Missouri, the Corporation shall be entitled to treat the holder of record of any share or shares of stock as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to or interest in such share or shares on the part of any other person whether or not the Corporation shall have express or other notice thereof.

SECTION 5.3 CLOSING OF TRANSFER BOOKS AND FIXING OF RECORD DATE. The Board of Directors shall have the power to close the transfer books of the Corporation for a period not exceeding 70 days prior to the date of any meeting of shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect. In lieu of so closing the transfer books, the Board of Directors may fix in advance a record date for the determination of the shareholders entitled to notice of and to vote at any meeting and any adjournment thereof, or entitled to receive payment of any dividend or any allotment of rights, or entitled to exercise the rights in respect of any change, conversion or exchange of shares, up to 70 days prior to the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect. In such case only the shareholders who are shareholders of record on the date of closing of the transfer books or on the record date so fixed shall be entitled to receive notice of and to vote at such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such

allotment or rights, or to exercise such rights as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the date of closing of the transfer books or the record date fixed as aforesaid. If the Board of Directors does not close the transfer books or set a record date for the determination of the shareholders entitled to notice of and to vote at any meeting of shareholders, only the shareholders who are shareholders of record at the close of business on the 20th day preceding the date of the meeting shall be entitled to notice of and to vote at the meeting and any adjournment of the meeting, except that, if prior to the meeting written waivers of notice of the meeting are signed and delivered to the Corporation by all of the shareholders of record at the time the meeting is convened, only the shareholders who are shareholders of record at the time the meeting is convened shall be entitled to vote at the meeting, and any adjournment of the meeting.

SECTION 5.4 LOST OR DESTROYED CERTIFICATES. The Corporation may issue a new certificate in place of any certificate theretofore issued by it which is alleged to have been lost or destroyed and the Board of Directors may require the owner of the lost or destroyed certificate or the owner's legal representative to give the Corporation a bond in a sum and in a form approved by the Board of Directors, and with a surety or sureties which the Board of Directors finds satisfactory, to indemnify the Corporation and its transfer agents and registrars, if any, against any claim or liability that may be asserted against or incurred by it or any transfer agent or registrar on account of the alleged loss or destruction of any certificate or the issuance of a new certificate. A new certificate may be issued without requiring any bond when, in the judgement of the Board of Directors, it is proper so to do. The Board of Directors may delegate to any Officer or Officers of the Corporation any of the powers and authorities contained in this section.

SECTION 5.5 TRANSFER AGENTS AND REGISTRARS. The Board of Directors may appoint one or more transfer agents or transfer clerks and one or more registrars which may be banks, trust companies or other financial institutions located within or without the State of Missouri; may define the authority of such transfer agents and registrars of transfers; may require all stock certificates to bear the signature of a transfer agent or a registrar of transfers, or both; and may change or remove any such transfer agent or registrar of transfers.

ARTICLE SIX - CORPORATE SEAL

The corporate seal shall be circular in form and shall bear the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "Missouri" and otherwise shall be such form as shall be approved from time to time by the Board of Directors.

ARTICLE SEVEN - FISCAL YEAR

The Fiscal year of the Corporation shall end on the Sunday after the Saturday closest to January 31 of each year.

AMENDMENT NO. 4
TO
REVOLVING CREDIT AND TERM LOAN AGREEMENT

This AMENDMENT NO. 4 TO REVOLVING CREDIT AND TERM LOAN AGREEMENT dated as of March 18, 2003 (this "Amendment"), by and among DAVE & BUSTER'S, INC. ("D & B"), the Subsidiaries of D&B signatories hereto (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 OF SECTION 11.2 - FIXED CHARGE COVERAGE RATIO.

Section 11.2 of the Credit Agreement is hereby amended by deleting the text thereof in its entirety and substituting in place thereof the following:

"11.2. FIXED CHARGE COVERAGE RATIO. The Borrowers will not permit the Fixed Charge Coverage Ratio, determined for any period of four consecutive fiscal quarters ending on the last day of any fiscal quarter of the Borrowers, to be less than 1.25:1.00."

SECTION 2. AMENDMENT OF SECTION 11.5 - MINIMUM EBITDA REQUIREMENT.

Section 11.5 of the Credit Agreement is hereby amended by reducing the required minimum Consolidated EBITDA figure set forth for the fourth fiscal quarter of the 2003 Fiscal Year (ending February 2, 2003) from "\$16,000,000" to "\$14,750,000".

SECTION 3. 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 4. 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 5. EFFECTIVENESS. This Amendment shall become effective retroactively to February 2, 2003 upon the satisfaction of the following conditions precedent:

SECTION 5.1. MAJORITY BANK APPROVAL. This Amendment shall have been duly executed and delivered to the Agent by the Borrowers and the Majority Banks.

SECTION 5.2. AMENDMENT FEES. The Borrowers shall have paid to the Agent, for the account of each Bank which signs this Amendment on or prior to March 18, 2003, an amendment fee in an amount equal to 0.20% of the sum of such Bank's Revolving Credit Commitment on March 18, 2003 plus the aggregate principal amount of such Bank's Term Loans outstanding on March 18, 2003.

SECTION 5.3. 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 5.4. 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 6. 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.

(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).

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: Senior Vice President, CFO

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: Senior Vice President, CFO

DAVE & BUSTER'S OF ILLINOIS, INC.

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

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

DAVE & BUSTER'S OF GEORGIA, INC.

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

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

DAVE & BUSTER'S OF PENNSYLVANIA, INC.

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

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

DANB TEXAS, INC.

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

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

DAVE & BUSTER'S OF MARYLAND, INC.

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

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

DAVE & BUSTER'S OF CALIFORNIA, INC.

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

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

DAVE & BUSTER'S OF COLORADO, INC.

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

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

DAVE & BUSTER'S OF NEW YORK, INC.

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

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

DAVE & BUSTER'S OF FLORIDA, INC.

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

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

DAVE & BUSTER'S OF PITTSBURGH, INC.

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

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

DAVE & BUSTER'S OF HAWAII, INC.

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

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

D&B REALTY HOLDING, INC.

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

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

D&B LEASING, INC.

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

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

FLEET NATIONAL BANK, individually and as Agent

By: /s/ J. Nicholas Cole

Name: J. Nicholas Cole
Title: Managing Director

BANK OF AMERICA, N.A.

By: /s/ Mark Henze

Name: Mark Henze
Title: Senior Vice President

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

By: /s/ Alan L. Miller

Name: Alan L. Miller
Title: First Vice President

GUARANTY BANK

By: /s/ Robert S. Hays

Name: Robert S. Hays
Title: Senior Vice President

TRANSAMERICA EQUIPMENT FINANCIAL SERVICES
CORPORATION

By: /s/ Randall L. Allemang

Name: Randall L. Allemang
Title: Vice President

THE FROST NATIONAL BANK

By: /s/ Stephanie Stover

Name: Stephanie Stover
Title: Vice President

HELLER FINANCIAL LEASING, INC.

By:

Name:
Title:

ORIX FINANCIAL SERVICES, INC.

By: /s/ Mark A. Kassis

Name: Mark A. Kassis
Title: Senior Vice President

ELF FUNDING TRUST I

By: Highland Capital Management, L.P.
as Collateral Manager

By: /s/ Todd Travers

Name: Todd Travers
Title: Senior Portfolio Manager

RESTORATION FUNDING CLO, LTD.

By: Highland Capital Management, L.P.
as Collateral Manager

By: /s/ Todd Travers

Name: Todd Travers
Title: Senior Portfolio Manager

KZH HIGHLAND - 2 LLC

By:

By:

Name:
Title:

SUBSIDIARIES OF THE COMPANY

1. Dave & Buster's of Illinois, Inc., an Illinois corporation
2. Dave & Buster's of Georgia, Inc., a Georgia corporation
3. Dave & Buster's of Pennsylvania, Inc., a Pennsylvania corporation
4. Dave & Buster's of Maryland, Inc., a Maryland corporation
5. Dave & Buster's of California, Inc., a California corporation
6. Dave & Buster's of Colorado, Inc., a Colorado corporation
7. Dave & Buster's of New York, Inc., a New York corporation
8. Dave & Buster's of Florida, Inc., a Florida corporation
9. Dave & Buster's of Pittsburgh, Inc., a Pennsylvania corporation
10. Dave & Buster's of Hawaii, Inc., a Hawaii corporation
11. Dave & Buster's I, L.P., a Texas limited partnership
12. D&B Realty Holding, Inc., a Missouri corporation
13. D&B Leasing, Inc., a Texas corporation
14. DANB Texas, Inc., a Texas corporation

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 Nos. 333-87248, 333-80537 and 333-88183) pertaining to Dave & Buster's Inc. 1995 Stock Option Plan and Employee 401(k) Savings Plan of our report dated March 21, 2003 with respect to the consolidated financial statements of Dave & Buster's, Inc. included in this Annual Report (Form 10-K) for the year ended February 2, 2003.

Ernst & Young LLP

Dallas, Texas

April 25, 2003

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 Annual Report of Dave & Buster's, Inc. (the "Company") on Form 10-K for the year ended February 2, 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: April 23, 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 Annual Report of Dave & Buster's, Inc. (the "Company") on Form 10-K for the year ended February 2, 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: April 23, 2003

/s/ W. C. Hammett, Jr.

W. C. Hammett, Jr.
Chief Financial Officer