SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT FOR THE QUARTER ENDED OCTOBER 31, 2004.

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

Commission file number: 0-25858

DAVE & BUSTER'S, INC.

(Exact Name of Registrant as Specified in Its Charter)

MISSOURI (State of Incorporation)	**43-1532756** (I.R.S. Employer Identification No.)
2481 Manana Drive **Dallas, Texas** (Address of Principle Executive Offices)	**75220** (Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑ **Yes No o**

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

☑ **Yes No o**

The number of shares of the Issuer's common stock, $.01 par value, outstanding as of December 7, 2004 was 13,755,116 shares.

Dave & Buster's, Inc.

Form 10-Q

TABLE OF CONTENTS

Table of Contents

Part I. FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

DAVE & BUSTER'S, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(unaudited)

	13 Weeks Ended		39 Weeks Ended	
	October 31, 2004	November 2, 2003	October 31, 2004	November 2, 2003
Food and beverage revenues	$45,395	$44,446	$141,446	$137,723
Amusements and other revenues	38,648	38,436	127,407	125,054
Total revenues	84,043	82,882	268,853	262,777
Cost of revenues	16,027	15,901	51,031	49,116
Operating payroll and benefits	24,703	25,570	77,176	78,322
Other store operating expenses	28,074	27,346	86,789	83,591
General and administrative expenses	6,257	5,595	18,353	17,931
Depreciation and amortization expense	7,333	7,441	22,216	22,142
Preopening costs	876	—	1,015	—
Total costs and expenses	83,270	81,853	256,580	251,102
Operating income	773	1,029	12,273	11,675
Interest expense, net	832	1,802	3,412	5,610
Income (loss) before provision for income taxes	(59)	(773)	8,861	6,065
Provision (Benefit) for income taxes	(21)	(263)	3,057	2,062
Net income (loss)	$ (38)	$ (510)	$ 5,804	$ 4,003
Net income (loss) per share — basic	$ 0.00	$ (0.04)	$ 0.44	$ 0.31
Net income (loss) per share — diluted	$ 0.00	$ (0.04)	$ 0.42	$ 0.31
Weighted average shares outstanding:				
Basic	13,381	13,144	13,302	13,117
Diluted	13,381	13,144	16,460	14,218

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	October 31, 2004	February 1, 2004
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 5,593	$ 3,897
Inventories	27,871	26,233
Prepaid expenses	4,168	2,709
Other current assets	1,301	2,518
Total current assets	38,933	35,357
Property and equipment, net	253,202	247,161
Other assets and deferred charges	16,469	13,371
Total assets	$308,604	$295,889
Liabilities and Stockholders' Equity		
Current liabilities:		
Current installments of long-term debt	$ 3,333	$ 3,333
Accounts payable	13,700	13,346
Accrued liabilities	15,546	12,898
Income taxes payable	356	2,889
Deferred income taxes	2,586	3,111
Total current liabilities	35,521	35,577
Deferred income taxes	12,115	13,620
Other liabilities	17,763	13,602
Long-term debt, less current installments	51,406	50,201
Stockholders' equity:		
Preferred stock, 10,000,000 authorized; none issued	—	—
Common stock, $0.01 par value, 50,000,000 authorized; 13,387,116 and 13,181,284 shares issued and outstanding as of October 31, 2004 and February 1, 2004, respectively	134	132
Paid-in capital	121,299	118,669
Restricted stock awards	1,291	905
Accumulated other comprehensive income	98	–
Retained earnings	70,823	65,029
	193,645	184,735
Less treasury stock, at cost (175,000 shares)	1,846	1,846
Total stockholders' equity	191,799	182,889
Total liabilities and stockholders' equity	$308,604	$295,889

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
DAVE & BUSTER'S, INC.
(In thousands)

	Common Shares	Stock Amount	Paid-in Capital	Retained Earnings	Restricted Stock	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, February 1, 2004	13,181	$132	$118,669	$65,029	$ 905	—	$(1,846)	$182,889
Net income	—	—	—	5,804	—	—	—	5,804
Stock option exercises	206	2	2,104	—	—	—	—	2106
Tax benefit related to stock option exercises	—	—	525	—	—	—	—	525
Amortization of restricted stock awards	—	—	—	—	386	—	—	386
Unrealized foreign currency translation gain	—	—	—	—	—	98	—	98
Other	—	—	1	(10)	—	—	—	-9
Balance, October 31, 2004	**13,387**	**$134**	**$121,299**	**$70,823**	**$1,291**	**$ 98**	**$(1,846)**	**$191,799**

See accompanying notes to consolidated financial statements.

DAVE & BUSTER’S, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	39 Weeks Ended	
	October 31, 2004	November 2, 2003
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 5,804	$ 4,003
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,216	22,142
Deferred income tax benefit	(2,029)	(66)
Tax benefit related to stock options	525	—
Restricted stock awards	386	237
Warrants related to convertible debt	191	—
Gain on sale of assets	(68)	(3)
Other	208	—
Changes in operating assets and liabilities Inventories		
Inventories	(1,638)	95
Prepaid expenses	(1,459)	(1,260)
Other current assets	1,303	863
Other assets and deferred charges	1,549	(3,946)
Accounts payable	354	(3,082)
Accrued liabilities	2,647	557
Income taxes payable	(2,533)	1,387
Other liabilities	4,161	2,262
Net cash provided by operating activities	31,617	23,189
Cash flows from investing activities:		
Capital expenditures	(28,721)	(18,919)
Business acquisition	(4,742)	(3,600)
Proceeds from sales of property and equipment	519	439
Other investing activities	86	—
Net cash used in investing activities	(32,858)	(22,080)
Cash flows from financing activities:		
Borrowings under long-term debt	7,250	40,560
Repayments of long-term debt	(6,417)	(43,350)
Proceeds from exercises of stock options	2,104	533
Convertible debt warrants net of amortization		1,102
Net cash provided by (used in) financing activities	2,937	(1,155)
Increase (decrease) in cash and cash equivalents	1,696	(46)
Beginning cash and cash equivalents	3,897	2,530
Ending cash and cash equivalents	$ 5,593	$ 2,484
Supplemental disclosures of cash flow information:		
Cash paid for income taxes — net of refunds	$ 6,992	$ 675
Cash paid for interest, net of amounts capitalized	$ 3,063	$ 4,676

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2004

(unaudited)
(dollars in thousands, except per share amounts and number of complexes)

Note 1: Organization and Description of Business

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

Note 2: 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 and Canada. In our opinion, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair statement of the results for the interim periods presented have been included. Our quarterly financial data should be read in conjunction with our consolidated financial statements for the year ended February 1, 2004 (including the notes thereto), set forth in Dave & Buster's, Inc.'s Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 14, 2004.

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.

Inventories -Food, beverage and merchandise inventories are reported at the lower of cost or market determined on a first-in, first-out method. Smallware supplies inventories, consisting of china, glassware and kitchen utensils are capitalized at the store opening date, or when additions to the smallware inventory are necessary due to changes in our menu, and are reviewed periodically for valuation. Smallware replacements are expensed as incurred. Inventories consist of the following:

	October 31, 2004	February 1, 2004
Food and beverage	$ 1,924	$ 1,809
Merchandise	2,502	2,393
Smallware supplies	17,372	16,715
Other	6,073	5,316
	$27,871	$26,233

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

Property and Equipment - Property and equipment are recorded at cost. Expenditures that substantially increase the useful lives of the property and equipment are capitalized, whereas costs incurred to maintain the appearance and functionality of such assets are charged to repair and maintenance expense. Interest costs capitalized during the construction of facilities in the third quarter of 2004 and 2003 were $494 and $115, respectively. Property and equipment, excluding most games are depreciated on the straight-line method over the estimated useful life of the assets. Games are depreciated on an accelerated method over the estimated useful life of the assets. Reviews are performed regularly to determine whether facts or circumstances exist that indicate the carrying values of our property and equipment are impaired. We assess the recoverability of our property and equipment by comparing the projected future undiscounted net cash flows associated with these assets to their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the estimated fair market value of the assets.

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	
Buildings	40 years
Leasehold and building improvements	Shorter of 20 years or lease term
Furniture, fixtures and equipment	5 to 10 years
Games	5 years

Income Taxes - We use 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-Based Compensation - At October 31, 2004, we had two stock-based compensation plans covering employees and directors. We have elected to follow recognition and measurement principles of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB No. 25), in accounting for stock-based awards to our employees and directors. Under APB No. 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.

Although SFAS No. 123, *Accounting for Stock-Based Compensation*, allows us to continue to follow APB No. 25 guidelines, we are required to disclose pro forma net income (loss) and net income (loss) per share as if we had adopted the fair value based method prescribed by SFAS No. 123. Our pro forma information is as follows:

	13 Weeks Ended		39 Weeks Ended	
	October 31, 2004	November 2, 2003	October 31, 2004	November 2, 2003
Net income (loss) as reported	$ (38)	$ (510)	$5,804	$4,003
Stock compensation expenses recorded under the intrinsic method, net of income taxes	109	58	253	156
Pro forma stock compensation expense recorded under the fair value method, net of income taxes	(210)	(228)	(601)	(632)
Pro forma net income (loss)	$ (139)	$ (680)	$5,456	$3,527
Basic earnings (loss) per common share, as reported	$ 0.00	$(0.04)	$ 0.44	$ 0.31
Diluted earnings (loss) per common share, as reported	$ 0.00	$(0.04)	$ 0.42	$ 0.31
Pro forma basic earnings (loss) per common share	$(0.01)	$(0.05)	$ 0.41	$ 0.27
Pro forma diluted earnings (loss) per common share	$(0.01)	$(0.05)	$ 0.40	$ 0.25

Foreign Currency Translation - The financial statements related to the operations of our Toronto complex are prepared in Canadian dollars. Income statement amounts are translated at average exchange rates for each period, while the assets and liabilities are translated at period-end exchange rates. Translation adjustments are included as a component of stockholders' equity. Total currency adjustments recorded for the quarter and the year ended October 31, 2004 were $86 and $3, respectively.

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 or upon resolution of any outstanding accounts receivable from the licensee. The license agreements provide for continuing royalty fees based on a percentage of gross revenues, which are recognized when realization is assured. Revenue from international licensees for the third quarter of 2004 and 2003 was $200 and $47, respectively. Revenue from international licensees for year-to-date 2004 and 2003 was $479 and $284, respectively.

Note 3: Long-term Debt

On August 7, 2003 we closed a $30 million private placement of 5.0 percent convertible subordinated notes due 2008 and warrants to purchase 574,691 shares of our common stock at $13.46 per share. The investors may convert the notes into our common stock at any time prior to the scheduled maturity date of August 7, 2008. The conversion price is $12.92 per share, which represents a 20 percent premium over the closing price of our common stock on August 5, 2003. If fully converted, the notes will convert into 2,321,981 shares of our common stock. After August 7, 2006, we have the right to redeem the notes and we may also force the exercise of the warrants if our common stock trades above a specified price during a specific period of time. The convertible subordinated notes have a maximum leverage ratio, which is significantly less restrictive than the senior bank credit facility covenant. And in the event we were to pay a cash dividend to common stockholders, the convertible subordinated notes would be included in the distribution as if converted. The fair value of the warrants of $1,276 was recorded as a discount on the notes and is being amortized over the term of the notes. As a result, the effective annual interest rate on the notes is 7.5 percent. We used the net proceeds of the offering to reduce the outstanding balances of our term and revolving loans under our senior bank credit facility.

On October 29, 2003, we amended our senior bank credit facility. The current facility includes a $45 million revolving credit facility and a $15 million term debt facility. The revolving credit facility may be used for borrowings or letters of credit. At October 31, 2004, we had $5,780 letters of credit outstanding, leaving $26,022 available for additional borrowings or letters of credit. Borrowings under the revolving credit facility and term debt facility bear interest at a floating rate based on the bank's prime interest rate (4.25 percent at October 31, 2004) or the one-month EuroDollar (1.84 percent at October 31, 2004), plus, in each case, a margin based on financial performance. The interest rate was 3.94 percent at October 31, 2004.

The fair market value of our long-term debt approximates its carrying value. On November 1, 2004, we closed on the second amendment to our restated senior bank credit facility. See Note 6.

In 2001, we entered into an interest rate swap agreement that expires in 2007, to change a portion of our variable rate debt to fixed-rate debt. Pursuant to the swap agreement, the interest rate on notional amounts aggregating $33,605 at October 31, 2004 is fixed at 5.44 percent. The agreement has not been designated as a hedge and adjustments are recorded to mark the instrument to its fair market value through current operations. As a result of the swap agreement, we recorded additional interest expense of $394 and $459 in the third quarter of 2004 and 2003, respectively. The recorded additional interest expense was $1,255 for the thirty-nine weeks ended October 31, 2004 compared to $1,393 for the thirty-nine weeks ended November 2, 2003.

Note 4:Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	13 Weeks Ended		39 Weeks ended	
	October 31, 2004	November 2, 2003	October 31, 2004	November 2, 2003
Numerator for basic earnings per common share – net income (loss)	$ (38)	$ (510)	$ 5,804	$ 4,003
Impact of convertible debt interest and fees	—	—	991	369
Amortization of convertible debt warrants	—	—	126	—
Income (loss) applicable to common shareholders	$ (38)	$ (510)	$ 6,921	$ 4,372
Denominator for basic earnings per common share — weighted average shares	13,381	13,144	13,302	13,117
Dilutive securities:				
Employee stock options/restricted stock	—	—	722	327
Convertible debt	—	—	2,322	774
Warrant shares	—	—	114	—
Denominator for diluted earnings per common share — adjusted weighted average shares	13,381	13,144	16,460	14,218
Basic earnings (loss) per common share	$ 0.00	$ (0.04)	$ 0.44	$ 0.31
Diluted earnings (loss) per common share	$ 0.00	$ (0.04)	$ 0.42	$ 0.31

Note 5: 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 currently pending and any potential claims of which management has received notice will not materially affect the consolidated results of operations or financial condition of the Company.

On September 30, 2004, we opened a new Dave & Buster's entertainment complex located at the Santa Anita Mall in Arcadia, California. In addition, on November 1, 2004, we assumed the lease obligations for the nine acquired Jillian's complexes described in Note 6. The complexes are leased under operating leases. The following table sets forth our operating lease commitments as of November 1. 2004, and reflects the lease obligations for our new Santa Anita complex and the nine acquired Jillian's complexes.

	Payments Due by Period				
	1 Year or less	2-3 Years	4-5 Years	After 5 Years	Total
Operating leases under sale/leaseback transactions	4,040	8,365	8,558	55,357	76,320
Other operating leases	22,549	43,686	41,547	211,541	319,323
Total	$26,589	$52,051	$50,105	$266,898	$395,643

Note 6: Subsequent Events

Acquisition of Certain Assets of Jillian's Entertainment Holdings, Inc.

On November 1, 2004, we completed the acquisition of nine Jillian's locations pursuant to an asset purchase agreement for $45 million in cash and the assumption of certain liabilities. We also funded an additional $1 million to be held in escrow pending the possible acquisition of the Jillian's restaurant/entertainment complex in Gwinnett, Georgia. In addition, we expect to incur approximately $3.6 million in transaction costs related to the acquisition. Through October 31, 2004, we had incurred approximately $4.7 million in costs related to this acquisition. The cash requirements of the acquisition were funded from the deposits and borrowings under our amended senior bank credit facility described below.

The nine Jillian's complexes acquired are located in the metropolitan areas of: Minneapolis, Minnesota; Philadelphia, Pennsylvania: Concord, North Carolina; Farmingdale, New York; Nashville, Tennessee; Houston, Texas: Arundel, Maryland; Scottsdale, Arizona and Westbury, New York. The assets acquired consist principally of the intellectual property rights and the leasehold interests, as well as the related improvements and furniture, fixtures and equipment. The results of the acquired complexes will be included in our consolidated results beginning on the date of acquisition. The historical results of operations of the acquired complexes were not significant compared to our historical consolidated results of operations.

Amendment to Senior Bank Credit Facility

On November 1, 2004, we closed on the second amendment to our restated senior bank credit facility. The amended facility includes a $60 million revolving credit facility and a $55 million term debt facility. The revolving credit facility is secured by all assets of the Company and may be used for borrowings or letters of credit. On November 1, 2004, borrowings under the revolving credit facility and term debt facility were $15 million and $55 million, respectively. In addition, at November 1, 2004, we had $7,780 letters of credit outstanding, leaving $7,220 available for additional borrowings or letters of credit. The additional borrowings were utilized to fund the Jillian's transaction, pay all fees and expenses incurred with the acquisition, and the costs related to the amended facility. Borrowings under the revolving credit facility and term debt facility bear interest at a Eurodollar base rate of 2.08% plus a margin as prescribed in the amended facility of 2.50% for a total rate of 4.58% at November 1, 2004.

The amended facility has certain financial covenants including a maximum leverage ratio, a minimum fixed charge coverage ratio, a minimum consolidated tangible net worth ratio and a maximum capital expenditures ratio. Any outstanding borrowings under the revolving credit facility are due at maturity on September 30, 2009. Borrowings under the term debt facility are repayable in 20 consecutive quarterly payments starting at $1.8 million and increasing each calendar year. The fair market value of our long-term debt approximates its carrying value.

Long-term debt consists of the following:

	October 31, 2004	November 1, 2004	February 1, 2004
Revolving credit facility	$13,198	$15,000	$10,517
Term loan	12,500	55,000	14,167
Convertible subordinated notes	29,041	29,041	28,850
	54,739	99,041	53,534
Less current installments	3,333	7,333	3,333
Long-term debt, less current installments	$51,406	$91,708	$50,201

The following table sets forth the Company's debt payments and convertible debt commitments (excluding interest), as of November 1, 2004:

	Payments Due by Period				
	1 Year or less	2-3 Years	4-5 Years	After 5 Years	Total
Convertible debt	$ —	$ —	$30,000	$—	$ 30,000
Long-term debt	7,333	20,167	42,500	—	70,000
Total debt	**$7,333**	**$20,167**	**$72,500**	**$—**	**$100,000**

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (dollars in thousands).

Overview

Our management monitors and analyzes a number of key performance indicators in order to manage our business and evaluate our financial and operating performance. Those indicators include:

Revenues – We derive revenues from food, beverage and amusement sales. Comparable store sales are a key performance indicator used within our industry and are indicative of acceptance of our initiatives as well as local economic and consumer trends.

The food component of our business represents approximately 35 percent of our revenue with a gross margin (revenues less cost of revenues) of around 74 percent. We continually monitor the market for new menu options and evaluate our ability to adjust prices where competitively appropriate. In the beverage component, we offer fully licensed facilities, which means that we have full beverage service throughout the complex. This component is approximately 18 percent of our revenue with a gross margin of around 77 percent. The promotional activity around the beverage component continues to result in positive same store beverage sales.

The amusement component offers traditional games of skill such as billiards and shuffleboard and the million dollar midway features high-energy technology games and classic redemption games that dispense tickets, which may be redeemed for prizes. This component represents approximately 45 percent of our revenue with a gross margin of around 89 percent. We invested $1.4 million in new games in the third quarter of 2004 and $5.4 million for 2004 year-to-date. We will continue to add the latest in new games as they become available and prove to be attractive to our guests.

Special event business is a very important component in that we believe over 30 percent of the guests attending a special event are in a Dave & Buster's for the first time. This is a very advantageous way to introduce the concept to new guests. Accordingly, we place considerable emphasis on this segment through our in-store sales teams.

Cost of revenues – Cost of revenues includes the cost of food, beverages and Winner's Circle amusement items and currently averages 19.0 percent of revenues year to date. We strive to control our cost of revenues and thereby maintain or improve our gross margins. Our cost of revenues is driven by product mix and pricing movements from third party suppliers. In the first quarter of 2004, we began purchasing a number of our Winner's Circle items direct from Asia, which we expect to reduce our overall amusement cost of revenues in the future.

Operating payroll and benefits – Operating payroll and benefits were approximately 29 percent of revenue for the third quarter of 2004 and year-to-date 2004, respectively. Operating payroll and benefits consist of wages, employer taxes and benefits for our store personnel. We continually review the opportunity for cost reductions principally through variable labor scheduling refinements.

Other store operating expenses – Other store operating expenses consist of store-related occupancy, restaurant expenses, utilities, repair and maintenance and marketing costs.

Liquidity and cash flows – Our primary source of cash flow is from net income and availability under our revolving credit facility.

Quarterly Fluctuations, Seasonality, and Inflation — As a result of the substantial revenues associated with each new complex, the timing of new complex openings will result in significant fluctuations in quarterly results. We expect seasonality to be a factor in the operation and results of our business in the future with historically anticipated lower third quarter revenues and higher fourth quarter revenues associated with the year-end holidays. The effects of supplier price increases are expected to be partially offset by selected menu price increases. We believe that low inflation rates in our market areas have contributed to reasonably 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.

Results of Operations

Revenues

The following table sets forth, for the periods indicated, a year-over-year comparison of our revenues:

	13 weeks ended		2004 vs. 2003		39 weeks ended		2004 vs. 2003	
	October 31, 2004	November 2, 2003	$	%	October 31, 2004	November 2, 2003	$	%
Food and beverage	$45,395	$44,446	$ 949	2.1%	$141,446	$137,723	$3,723	2.7%
Amusement and other	38,648	38,436	212	0.6%	127,407	125,054	2,353	1.9%
Total revenues	$84,043	$82,882	$1,161	1.4%	$268,853	$262,777	$6,076	2.3%
Number of stores	34	33			34	33		
Revenue from international licensees	$ 200	$ 47			$ 479	$ 284		

The absolute dollar increase in revenues for the thirteen weeks ended October 31, 2004 is attributed to price increases, the Santa Anita store opening in September 2004 and the acquisition of the Toronto complex in October 2003. Our revenue mix was 54.0 percent for food and beverage and 46.0 percent for amusements and other for the third quarter of 2004. This compares to 53.6 and 46.4 percent, respectively, for the third quarter of 2003.

Comparable store sales are down 1.6 percent for the thirteen-week period. We believe we were impacted by 55 basis points due to the flooding and hurricanes in Florida.

Our revenue mix for the thirty-nine week period ending October 31, 2004 was 52.6 percent for food and beverage and 47.4 percent for amusements and other. This compares to 52.4 percent and 47.6 percent, respectively, for the thirty-nine weeks ended November 2, 2003. The absolute dollar increase in revenues for 2004 year-to-date is primarily attributed to the acquisition of the Toronto complex in October 2003 contributing $5.6 million and for selected menu price increases instituted during the period.

Cost of Revenues
The following table sets forth, for the periods indicated, a year-over-year comparison of our cost of revenues:

	13 weeks ended				39 weeks ended			
	October 31, 2004	November 2, 2003	2004	vs. 2003	October 31, 2004	November 2, 2003	2004 vs. 2003	
			$	%			$	%
Total cost of revenues	$16,027	$15,901	$126	0.8%	$51,031	$49,116	$1,915	3.9%
Percentage of total revenues	19.1%	19.2%			19.0%	18.7%		

In absolute dollars, cost of revenues was essentially flat for the thirteen-week period and as a percentage of revenues was 19.1% compared to 19.2% in 2003. Food and beverage costs were up 110 and 20 basis points, respectively, while amusement costs were down 70 basis points.

The absolute dollar increase of $1.9 million for the thirty-nine week period ended October 31, 2004 includes $1.3 million of additional costs related to the acquisition of the Toronto complex in October 2003 and $0.2 million related to the new store opening in September 2004. For the thirty-nine week period, food costs were up 100 basis points, beverage costs were up 80 basis points and amusement costs were up 40 basis points. The food cost increase as a percent of revenue was driven by higher dairy and vegetable oil based product costs. Our beverage cost increase continues to be driven by the promotional aspects of our happy hour activities.

Operating Payroll and Benefits
The following table sets forth, for the periods indicated, a year-over-year comparison of our operating payroll and benefits:

	13 weeks ended				39 weeks ended			
	October 31, 2004	November 2, 2003	2004 vs. 2003		October 31, 2004	November 2, 2003	2004 vs. 2003	
			$	%			$	%
Total operating payroll and benefits	$24,703	$25,570	$(867)	(3.4)%	$77,176	$78,322	$(1,146)	(1.5)%
Percentage of total revenues	29.4%	30.9%			28.7%	29.8%		

For the thirteen and thirty-nine week periods ending October 31, 2004, the decrease in operating payroll and benefits both as a percentage of total revenues and in absolute dollars is due to results from our continued variable labor scheduling refinements. The Toronto complex acquired in October 2003 incurred additional payroll and benefit costs of $0.4 million and $1.7 million for the thirteen and thirty-nine week periods, respectively.

Other Store Operating Expenses
The following table sets forth, for the periods indicated, a year-over-year comparison of our other store operating expenses:

	13 weeks ended				39 weeks ended			
	October 31, 2004	November 2, 2003	2004 vs. 2003		October 31, 2004	November 2, 2003	2004 vs. 2003	
			$	%			$	%
Total store operating expenses	$28,074	$27,346	$728	2.7%	$86,789	$83,591	$3,198	3.8%
Percentage of total revenues	33.4%	33.0%			32.3%	31.8%		

For the thirteen-week period ending October 31, 2004, the increase in both absolute dollars and as a percentage of revenues was impacted by additional costs attributed to the acquisition of the Toronto complex in October 2003 and the new store opening in September 2004. The absolute dollar increase of $3.2 million for the thirty-nine week period includes $2.0 million of additional costs related to the acquisition of the Toronto complex in October 2003 and a $1.9 million increase in marketing costs.

General and Administrative Expenses

The following table sets forth, for the periods indicated, a year-over-year comparison of our general and administrative expenses:

	13 weeks ended				39 weeks ended			
	October 31, 2004	November 2, 2003	2004 vs. 2003		October 31, 2004	November 2, 2003	2004 vs. 2003	
			$	%			$	%
Total general and administrative expenses	$6,257	$5,595	$662	11.8%	$18,353	$17,931	$422	2.4%
Percentage of total revenues	7.5%	6.7%			6.8%	6.8%		
Average headcount	161	148	13	8.8%	159	150	9	6.0%

The increase in absolute dollars and as a percentage of revenues was primarily attributed to higher employee compensation and benefits for the thirteen-week period ending October 31, 2004. As a percentage of total revenues, general and administrative expense for the thirty-nine week period remained flat year over year. In absolute dollars, the increase of $0.4 million represents higher employee compensation and benefits offset by lower professional services.

Depreciation and Amortization Expenses

The following table sets forth, for the periods indicated, a year-over-year comparison of our depreciation and amortization expenses:

	13 weeks ended				39 weeks ended			
	October 31, 2004	November 2, 2003	2004 vs. 2003		October 31, 2004	November 2, 2003	2004 vs. 2003	
			$	%			$	%
Total depreciation and amortization expenses	$7,333	$7,441	$(108)	(1.5)%	$22,216	$22,142	$74	0.3%
Percentage of total revenues	8.7%	9.0%			8.2%	8.4%		

Depreciation and amortization expenses in absolute dollars are relatively flat for both the thirteen and thirty-nine week periods ending October 31, 2004.

Preopening Costs

The following table sets forth, for the periods indicated, a year-over-year comparison of our preopening expenses:

	13 weeks ended				39 weeks ended			
	October 31, 2004	November 2, 2003	2004 vs. 2003		October 31, 2004	November 2, 2003	2004 vs. 2003	
			$	%			$	%
Preopening expense	$876	$ —	$876	0.0%	$1,015	$ —	$1,015	0.0%
Percentage of total revenues	1.0%	0.0%			0.4%	0.0%		

The increase in absolute dollars for both the thirteen and thirty-nine week periods represent all start-up and preopening costs related to the new store opening at Santa Anita, California in September 2004. There were no new store openings in prior year.

Interest Expenses
The following table sets forth, for the periods indicated, a year-over-year comparison of our interest expenses:

	13 weeks ended		2004 vs. 2003		39 weeks ended		2004 vs. 2003	
	October 31, 2004	November 2, 2003	$	%	October 31, 2004	November 2, 2003	$	%
Interest expense	$832	$1,802	$(970)	(53.8)%	$3,412	$5,610	$(2,198)	(39.2)%
Percentage of total revenues	1.0%	2.1%			1.3%	2.1%		

The decrease in interest expense in both absolute dollars and as a percentage of revenues is directly attributed to amending our senior debt credit facility in October 2003 and the reduction of the outstanding debt for both the thirteen and thirty-nine week periods ending October 31, 2004.

Provision for Income Taxes
The following table sets forth, for the periods indicated, a year-over-year comparison of our provision for income taxes:

	13 weeks ended		2004 vs. 2003		39 weeks ended		2004 vs. 2003	
	October 31, 2004	November 2, 2003	$	%	October 31, 2004	November 2, 2003	$	%
Income tax expense	$ (21)	$ (263)	$242	(92.0)%	$3,057	$2,062	$995	48.3%
Percentage of total revenues	(0.02)%	(0.32%)			1.1%	0.8%		
Effective tax rate	34.5%	34.0%			34.5%	34.0%		

The effective tax rate for the thirteen and thirty-nine weeks ended October 31, 2004 increased 0.5 percent to 34.5 percent representing an increase in the estimated annual effective tax rate due to higher state taxes.

Liquidity and Capital Resources

Operating cash flows

39 weeks ended		2004 vs. 2003	
October 31, 2004	November 2, 2003	$	%
$31,617	$23,189	$8,428	36.3%

The movement in net cash provided by operating activities is attributed to an increase in income before non-cash charges and lower cash requirements for the funding of operating assets and liabilities for the thirty-nine week period.

Investing cash flows

39 weeks ended		2004 vs. 2003	
October 31, 2004	November 2, 2003	$	%
$(32,858)	$(22,080)	$(10,778)	(48.8)%

The $10.8 million increase in investing activities for 2004 consists primarily of $9.5 million of costs for the new store in Santa Anita, California (opened in September 2004) and $4.7 million related to Jillian's transaction costs, less the costs of acquiring the Toronto location in October 2003.

Financing cash flows	39 weeks ended		2004 vs. 2003	
	October 31, 2004	November 2, 2003	$	%
	$2,937	$(1,155)	$4,092	354.3%

The movement in net cash used in financing activities in 2004 compared to 2003 is attributable to a reduction of $3.6 million in net long-term debt payments, $1.6 million additional proceeds from the exercise of stock options less $1.1 million in convertible debt warrants issued in 2003.

FINANCING ACTIVITIES

On August 7, 2003 we closed a $30 million private placement of 5.0 percent convertible subordinated notes due 2008 and warrants to purchase 574,691 shares of our common stock at $13.46 per share. The investors may convert the notes into our common stock at any time prior to the scheduled maturity date of August 7, 2008. The conversion price is $12.92 per share, which represents a 20 percent premium over the closing price of our common stock on August 5, 2003. If fully converted, the notes will convert into 2,321,981 shares of our common stock. After August 7, 2006, we have the right to redeem the notes and we may also force the exercise of the warrants if our common stock trades above a specified price during a specific period of time. The fair value of the warrants of $1,276 was recorded as a discount on the notes, which is amortized over the term of the notes. As a result, the effective annual interest rate on the notes is 7.5 percent. We used the net proceeds of the offering to reduce the outstanding balances of our term and revolving loans under our senior bank credit facility. We agreed with the bank that up to $4,000 of the repaid balance could be borrowed to fund the purchase of the complex in Toronto.

On November 1, 2004 (the beginning of our fourth quarter), we closed on the second amendment to our restated senior bank credit facility. The amended facility now includes a $60 million revolving credit facility and a $55 million term debt facility. On November 1, 2004, borrowings under the revolving credit facility and term debt facility were $15 million and $55 million, respectively. In addition, at November 1, 2004, we had $7,780 letters of credit outstanding, leaving $7,220 available for additional borrowings or letters of credit. The borrowings were utilized to fund the Jillian's transaction, pay all fees and expenses incurred with the acquisition, and the costs related to the amended facility. Borrowings under the revolving credit facility and term debt facility bear interest at a Eurodollar base rate of 2.08 percent plus a margin as prescribed in the amended facility of 2.50 percent for a total rate of 4.58 percent at November 1, 2004.

The amended facility is secured by all assets of the Company. The amended facility has certain financial covenants including a maximum leverage ratio, a minimum fixed charge coverage ratio, a minimum consolidated tangible net worth ratio and a maximum capital expenditures ratio. Any outstanding borrowings under the revolving credit facility are due at maturity on September 30, 2009. Borrowings under the term debt facility are repayable in 20 consecutive quarterly payments starting at $1.8 million and increasing each calendar year.

In 2001, we entered into an interest rate swap agreement that expires in 2007, to change a portion of our variable rate debt to fixed-rate debt. Pursuant to the swap agreement, the interest rate on notional amounts aggregating $33,605 at October 31, 2004 is fixed at 5.44 percent. We are exposed to credit losses for periodic settlements of amounts due under the agreements if LIBOR decreases. As a result of the swap agreement, we recorded additional interest expense of $394 and $459 in the third quarter of 2004 and 2003, respectively. The recorded additional interest expense of $1,255 was incurred for the thirty-nine weeks ended October 31, 2004 compared to $1,393 for the thirty-nine weeks ended November 2, 2003.

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

Investing Activities
On September 30, 2004, we opened a new Dave & Buster's entertainment complex located at the Santa Anita Mall in Arcadia, California. The location is leased under an operating lease. As of October 31, 2004, we have expended approximately $9.5 million for improvements and furniture and equipment for the new complex.

On November 1, 2004, we completed the acquisition of nine Jillian's locations pursuant to an asset purchase agreement for $45 million in cash and the assumption of certain liabilities. We also funded an additional $1 million to be held in escrow pending the possible acquisition of the Jillian's restaurant/entertainment complex in Gwinnett, Georgia. In addition, we expect to incur approximately $1.3 million in transaction costs related to the acquisition. Through October 31, 2004, we had incurred approximately $4.7 million in costs related to this acquisition. The cash requirements of the acquisition were funded from the deposits and borrowings under our amended senior bank credit facility described below.

The nine Jillian's complexes acquired are located in the metropolitan areas of: Minneapolis, Minnesota; Philadelphia, Pennsylvania: Concord, North Carolina; Farmingdale, New York; Nashville, Tennessee; Houston, Texas: Arundel, Maryland; Scottsdale, Arizona and Westbury, New York. The assets acquired consist principally of the intellectual property rights and the leasehold interests, as well as the related improvements and furniture, fixtures and equipment. The results of the acquired complexes will be included in our consolidated results beginning on the date of acquisition. The historical results of operations of the acquired complexes were not significant compared to our historical consolidated results of operations.

We plan to use the cash flow generated by our operations to reduce debt and strategically reinvest capital in our stores through game replacement and other projects, which we expect to yield benefits over he long term. We believe that available cash and cash flow from operations, together with borrowings under our amended credit facility, will be sufficient to cover our working capital, capital expenditures and debt service needs in the foreseeable future. Our ability to make scheduled payments or principal or interest on, or to refinance, our indebtedness, or to fund planned capital expenditures, will depend on our future performance, which is subject to general economic conditions, competitive environment and other factors. We may not generate sufficient cash flow from operations, realize anticipated revenue growth and operating improvements or obtain future capital in a sufficient amount or on acceptable terms, to enable us to service our indebtedness or to fund our other liquidity needs.

We expect the nine Jillian's complexes acquired to have similar capital expenditure requirements as one of our existing locations, after our initial investment in maintenance capital expenditures, which we estimate to be approximately $8 million. We believe that available cash and cash flow from operations (after the Jillian's acquisition) will be sufficient to cover our working capital, capital expenditures and debt service needs in the foreseeable future.

Contractual Obligations and Commercial Commitments

The following tables set forth the Company's contractual obligations and commercial commitments (excluding interest) as of November 1, 2004, and reflects the additional borrowings under the amended senior bank credit facility and the lease obligations for our new Santa Anita complex and the nine Jillian's complexes:

	Payments Due by Period				
	1 Year or less	2-3 Years	4-5 Years	After 5 Years	Total
Long-term convertible debt	$ ¾	$ ¾	$ 30,000	$ ¾	$ 30,000
Long-term debt	7,333	20,167	42,500	¾	70,000
Operating leases under sale/leaseback transactions	4,040	8,365	8,558	55,357	76,320
Other operating leases	22,549	43,686	41,547	211,541	319,323
Other	126	¾	¾	¾	126
Total	$34,048	$72,218	$122,605	$266,898	$495,769

The above table assumes that the convertible debt is not converted into common stock prior to its maturity in August 2008. As of November 1, 2004, we have $7,780 in letters of credit commitments associated with our insurance program.

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

Certain information contained in this quarterly report on Form 10-Q constitutes forward-looking statements within the Private Securities Litigation Reform Act of 1995. Forward-looking statements set forth information regarding our expectations, beliefs, intentions, plans, projections, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitations, by the use of forward looking terminology such as "may," "will," "anticipates," "expects," "projects," "believes," "intends," "should," or comparable terms or the negative thereof. All forward-looking statements included in this quarterly report are based on information available to us on the date hereof. Such statements speak only as of the date hereof. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, but are not limited to: our ability to open new high-volume restaurant/ entertainment complexes; our ability to raise and access sufficient capital in the future; changes in consumer preferences, general economic conditions or consumer discretionary spending; the outbreak or continuation of war or other hostilities involving the United States; potential fluctuation in our quarterly operating results due to seasonality and other factors; the continued service of key management personnel; our ability to attract, motivate and retain qualified personnel; the impact of federal, state or local government regulations relating to our personnel or the sale of food or alcoholic beverages; the impact of litigation; the effect of competition in our industry; additional costs associated with compliance with the Sarbanes-Oxley Act and related regulations and requirements; and other risk factors described from time to time in our reports filed with the SEC.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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

We are also subject to market risk related to our complex in Canada. We have $4.7 million of debt, which is denominated in Canadian dollars and have market risk exposure to fluctuations in foreign exchange rates, but that risk has not been material. The result of an immediate 10 percent devaluation of the U.S. dollar in 2004 from February 1, 2004 levels relative to our foreign currency translation would result in a decrease in the U.S. dollar equivalent of foreign currency denominated net income and would be insignificant.

Item 4. CONTROLS AND PROCEDURES.

Our Chief Executive Officer, James W. Corley, and our Chief Financial Officer, William C. Hammett, Jr. have reviewed and evaluated the disclosure controls and procedures that we have in place with respect to the accumulation and communication of information to management and the recording, processing, summarizing and recording thereof for the purpose of preparing and filing this Quarterly Report on Form 10-Q. Such review was made as of October 31, 2004. Based upon their review, these executive officers have concluded that we have an effective system of disclosure controls and procedures and an effective means for timely communication of information required to be disclosed in this Report.

As of October 31, 2004 Mr. Corley and Mr. Hammett also evaluated whether there were any material changes in the Company's internal control over financial reporting that may have occurred during the Company's fiscal quarter ended October 31, 2004. Based on such evaluation, such officers have determined that there was no change that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 6. EXHIBITS, FINANCIAL STATEMENTS AND REPORTS ON FORM 8-K.

(a) Exhibits

12 Computation of Ratio of Earnings to Fixed Charges.

31 Rule 13a-14(a)/15d-14(a) Certifications.

32 Section 1350 Certifications.

(b) Reports on Form 8-K

We filed the following reports on Form 8-K during the third quarter ended October 31, 2004:

Form 8-K filed on September 9, 2004, reporting the Company's issuance of a news release regarding the results of its second quarter and 26 weeks ended August 1, 2004.

Form 8-K filed on September 27, 2004, reporting (i) the Company's issuance of a news release regarding it being the apparent winner of an auction to acquire certain of the assets operated by Jillian's Entertainment Holdings, which was held on September 21 in the United States Bankruptcy Court for the Western District of Kentucky and (ii) the Company's issuance of a news release regarding the execution by the Company and certain of its subsidiaries of a definitive agreement to purchase the assets and business of nine Jillian's stores from various subsidiaries of Jillian's Entertainment Holding, Inc. for approximately $47 million.

SIGNATURE

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

	Dave & Buster's, Inc. a Missouri corporation
Date: December 10, 2004	By: /s/ William C. Hammett, Jr. William C. Hammett, Jr., Senior Vice President and Chief Financial Officer

Table of Contents

INDEX OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
12	Dave & Buster’s, Inc. Computation of Ratio of Earnings to Fixed Charges
31	Rule 13a-14(a)/15d-14(a) Certifications.
32	Section 1350 Certifications.

Exhibit 12

DAVE & BUSTER'S, INC.
COMPUTATION OF RATIO OF EARNINGS
TO FIXED CHARGES
(dollars in thousands, except ratios)

	39 Weeks Ended October 31, 2004
Income before provision for income taxes	$ 8,861
Add: Total fixed charges (per below)	10,787
Less:Capitalized interest	756
Total income before provision for income taxes, plus fixed charges, less capitalized interest	$18,892
Ratio of earnings to fixed charges	1.75
Fixed charges:	
Interest expense **	3,848
Capitalized interest	756
Estimate of interest included in rental expense ***	6,183
Total fixed charges	$10,787

** Interest expense includes interest in association with debt and amortization of debt issuance costs.

*** Fixed charges include our estimate of interest included in rental payments (one-third of rent expense under operating leases).

Exhibit 31

CERTIFICATION

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

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 10, 2004

/s/ James W. Corley
James W. Corley,
Chief Executive Officer

CERTIFICATION

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

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 10, 2004

/s/ William C. Hammett, Jr.
William C. Hammett, Jr.,
Chief Financial Officer

Exhibit 32

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Dave & Buster's, Inc. (the "Company") on Form 10-Q for the period ended October 31, 2004 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: December 10, 2004

/s/ James W. Corley
James W. Corley,
Chief Executive Officer

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Dave & Buster’s, Inc. (the “Company”) on Form 10-Q for the period ended October 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William C Hammett, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: December 10, 2004	/s/ William C. Hammett, Jr.
	William C. Hammett, Jr., Chief Financial Officer