

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the Quarterly Period Ended April 28, 1995

Commission file number 0-7536

CRACKER BARREL OLD COUNTRY STORE, INC.

Incorporated in Tennessee I.R.S. Employer Identification  
No. 62-0812904

Hartmann Drive, P.O. Box 787  
Lebanon, Tennessee 37087

615-444-5533

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

59,973,197 Shares of Common Stock  
Issued and Outstanding

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PART I

Item 1. Financial Statements

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED BALANCE SHEETS	(Unaudited) April 28, 1995	(Audited) July 29, 1994
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ASSETS		
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Cash and cash equivalents	\$ 6,644,968	\$ 13,050,523
Short-term investments	48,792,674	65,530,819
Receivables	3,079,202	2,993,735
Inventories	46,146,753	41,989,546
Prepaid expenses	484,101	1,094,862
Deferred income taxes	3,220,016	3,220,016
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Total current assets	108,367,714	127,879,501
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Property and equipment	544,700,981	460,134,481
Accumulated depreciation and amortization	94,553,100	74,174,676

Property and equipment-net	450,147,881	385,959,805
Long-term investments	6,303,432	15,690,799
Other assets	697,284	533,622
Total assets	<u>\$565,516,311</u>	<u>\$530,063,727</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$ 22,773,093	\$ 25,766,024
Other current liabilities	41,142,031	41,391,982
Total current liabilities	63,915,124	67,158,006
Long-term debt	19,500,000	23,500,000
Capital lease obligations	1,638,283	1,708,619
Deferred income taxes	7,851,185	7,851,185
Stockholders' equity:		
Common stock	29,982,330	29,950,658
Additional paid-in capital	194,727,330	194,073,393
Retained earnings	247,902,059	205,821,866
Total stockholders' equity	472,611,719	429,845,917
Total liabilities and stockholders' equity	<u>\$565,516,311</u>	<u>\$530,063,727</u>

Note: The balance sheet as of July 29, 1994 has been taken from the audited financial statements at that date, and condensed.

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Quarters Ended	
	April 28, 1995	April 29, 1994
Net sales	\$188,306,113	\$155,368,895
Cost of goods sold	60,831,162	50,758,879
Gross profit on sales	127,474,951	104,610,016
Expenses:		
Store operations	92,908,040	75,310,682
General and administrative	11,155,961	9,368,754
Total expenses	104,064,001	84,679,436
Operating income	23,410,950	19,930,580
Interest expense	200,073	429,275
Interest income	727,704	719,853
Income before income taxes and cumulative effect of change in accounting principle	23,938,581	20,221,158
Provision for income taxes	8,881,214	7,623,377
Income before cumulative effect of change in accounting principle	15,057,367	12,597,781
Cumulative effect on prior years of changing method of accounting for income taxes	--	--
Net income	\$ 15,057,367	\$ 12,597,781
Earnings per share:		
Before cumulative effect of change in accounting principle	\$ .25	\$ .21
Cumulative effect on prior years of changing method of accounting for income taxes	--	--
Net earnings per share	\$ .25	\$ .21
Average common and common equivalent shares outstanding	60,549,557	60,730,647
Dividends per common share	\$ 0.00500	\$ 0.00500

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Nine Months Ended	
	April 28, 1995	April 29, 1994
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Net sales	\$561,876,795	\$458,699,470
Cost of goods sold	190,370,141	155,208,363
	-----	-----
Gross profit on sales	371,506,654	303,491,107
	-----	-----
Expenses:		
Store operations	270,841,131	218,829,289
General and administrative	34,089,259	27,935,491
	-----	-----
Total expenses	304,930,390	246,764,780
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Operating income	66,576,264	56,726,327
Interest expense	722,479	1,802,995
Interest income	2,475,602	2,665,909
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Income before income taxes and cumulative effect of change in accounting principle	68,329,387	57,589,241
Provision for income taxes	25,350,203	21,711,144
	-----	-----
Income before cumulative effect of change in accounting principle	42,979,184	35,878,097
Cumulative effect on prior years of changing method of accounting for income taxes	--	988,262
	-----	-----
Net income	\$ 42,979,184	\$ 36,866,359
	=====	=====
Earnings per share:		
Before cumulative effect of change in accounting principle	\$ .71	\$ .59
Cumulative effect on prior years of changing method of accounting for income taxes	--	.02
	-----	-----
Net earnings per share	\$ .71	\$ .61
	=====	=====
Average common and common equivalent shares outstanding	60,543,029	60,604,140
	=====	=====
Dividends per common share	\$ 0.01500	\$ 0.01500
	=====	=====

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Nine Months Ended	
	April 28, 1995	April 29, 1994
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Cash flows from operating activities:		
Net income	\$42,979,184	\$36,866,359
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	20,611,087	16,160,577
(Gain)loss on disposition of property and equipment	(101,414)	21,766
Increase in inventories	(4,157,207)	(8,242,029)
(Increase)decrease in other assets	(163,662)	139,903
Decrease in accounts payable	(2,992,931)	(1,670,585)
(Decrease)increase in other current assets and liabilities	(224,657)	3,586,340
Decrease in deferred income taxes	--	(838,262)
Net cash provided by operating activities	55,950,400	46,024,069
Cash flows from investing activities:		
Decrease in short-term and long-term investments	26,125,512	5,705,248
Purchase of property and equipment	(85,594,398)	(69,160,849)
Proceeds from sale of property and equipment	896,649	74,120
Net cash used in investing activities	(58,572,237)	(63,381,481)
Cash flows from financing activities:		
Proceeds from exercise of stock options	685,609	4,473,099
Principal payments under long-term debt and capital lease obligations	(3,570,336)	(13,457,152)
Dividends on common stock	(898,991)	(895,647)
Net cash used in financing activities	(3,783,718)	(9,879,700)
Net decrease in cash and cash equivalents	(6,405,555)	(27,237,112)
Cash and cash equivalents, beginning of year	13,050,523	38,552,111
Cash and cash equivalents, end of quarter	\$ 6,644,968	\$11,314,999
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during the nine months for:		
Interest	\$ 1,380,585	\$ 2,260,533
Income taxes	29,315,781	19,989,599

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.  
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NOTES TO CONDENSED FINANCIAL STATEMENTS  
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1. Condensed Financial Statements  
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The condensed balance sheet as of April 28, 1995 and the related condensed statements of income and cash flows for the quarters and nine-month periods ended April 28, 1995 and April 29, 1994, have been prepared by the Company, without audit; in the opinion of management, all adjustments for a fair presentation of such condensed financial statements have been made.

These condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's annual report for the year ended July 29, 1994.

Deloitte & Touche LLP, the Company's independent accountants, have performed a limited review of the financial information included herein. Their report on such review accompanies this filing.

2. Income Taxes  
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The provision for income taxes for the quarter and nine-month period ended April 28, 1995 has been computed based on management's estimate of the tax rate for the entire fiscal year of 37.1%. The variation between the statutory tax rate and the effective tax rate is due primarily to employer tax credits for FICA taxes paid on tip income, targeted jobs tax credits and non-taxable interest income.

3. Seasonality  
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The sales and profits of the Company are affected significantly by seasonal travel and vacation patterns because of its interstate highway locations. Historically, the Company's greatest sales and profits have occurred during the period of June through August. Early December through the last part of February, excluding the Christmas holidays, has historically been the period of lowest sales and profits. Therefore, the results of operations for the quarter and nine-month period ended April 28, 1995 cannot be considered indicative of the operating results for the full fiscal year.

Item 2. Management's Discussion and Analysis of Financial Condition and Results  
of Operations

Results of Operations

The following table highlights operating results for the third quarter of fiscal 1995 as compared to the fiscal 1994 third quarter:

	Relationship to Net Sales Quarters Ended		Period to Period Increase(Decrease)
	04/28/95	04/29/94	
Net sales:			
Restaurant	80.5%	80.4%	21%
Gift shop	19.5%	19.6%	21%
	-----	-----	
Total sales	100.0%	100.0%	21%
Cost of goods sold	32.3%	32.7%	20%
Expenses:			
Store operations	49.3%	48.5%	23%
General and administrative	5.9%	6.0%	19%
	-----	-----	
Total expenses	55.3%	54.5%	23%
Operating income	12.4%	12.8%	17%
Interest expense	0.1%	0.3%	(53%)
Interest income	0.4%	0.5%	1%
Income before income taxes and cumulative effect of change in accounting principle	12.7%	13.0%	18%
Provision for income taxes	4.7%	4.9%	16%
Income before cumulative effect of change in accounting principle	8.0%	8.1%	20%
Cumulative effect on prior years of changing method of accounting for income taxes	--	--	--
Net income	8.0%	8.1%	20%

	Same Store Sales Analysis 152 Store Average (\$000)		
	04/28/95	04/29/94	
Restaurant	\$743.5	\$717.4	4%
Gift shop	178.1	174.1	2%
	-----	-----	
Restaurant & gift shop	\$921.6	\$891.5	3%
	=====	=====	

The following table highlights operating results for the nine months ended April 28, 1995 as compared to the same period last year:

	Relationship to Net Sales Year to Date		Period to Period Increase(Decrease)
	04/28/95	04/29/94	
Net sales:			
Restaurant	77.5%	77.9%	22%
Gift shop	22.5%	22.1%	25%
	-----	-----	
Total sales	100.0%	100.0%	22%
Cost of goods sold	33.9%	33.8%	23%
Expenses:			
Store operations	48.2%	47.7%	24%
General and administrative	6.1%	6.1%	22%
	-----	-----	
Total expenses	54.3%	53.8%	24%
Operating income	11.8%	12.4%	17%
Interest expense	0.1%	0.4%	(60%)
Interest income	0.4%	0.6%	(7%)
Income before income taxes and cumulative effect of change in accounting principle	12.2%	12.6%	19%
Provision for income taxes	4.5%	4.7%	17%
Income before cumulative effect of change in accounting principle	7.6%	7.8%	20%
Cumulative effect on prior years of changing method of accounting for income taxes	--	.2%	(100%)
Net income	7.6%	8.0%	17%

	Same Store Sales Analysis 152 Store Average (\$000)		
	04/28/95	04/29/94	
Restaurant	\$2,228.1	\$2,145.2	4%
Gift shop	640.3	607.2	5%
	-----	-----	
Restaurant & gift shop	\$2,868.4	\$2,752.4	4%
	=====	=====	



Net sales for the third quarter of fiscal 1995 increased 21% over last year's third quarter. Same store restaurant sales increased 3.6%, including .1% in real terms; same store gift shop sales increased 2.3%. Total same store sales (restaurant and gift shop) increased 3.4%. Net sales for the nine months ended April 28, 1995, increased 22% over the nine-month period ended April 29, 1994. Same store restaurant sales increased 3.9%, including .3% in real terms and same store gift shop sales increased 5.5%. Total same store sales (restaurant and gift shop) increased 4.2%. Sales from new stores accounted for the remainder of the increases in the quarter and nine month periods ended April 28, 1995.

Cost of goods sold as a percentage of net sales was 32.3% in the third quarter of this year compared to 32.7% in the third quarter of last year. The primary reason for the decrease was higher menu prices. Cost of goods sold as a percentage of net sales was 33.9% for the nine months ended this year compared to 33.8% for the same period last year. The primary reasons for the increase was an increase in the mix of gift shop sales, which carry a higher cost of goods, from 22.1% last year to 22.5% this year, and higher markdowns this year than last year to move out seasonal merchandise. These increases were partially offset by a decrease in restaurant cost of goods sold as a percentage of net sales for the nine-month period primarily due to higher menu prices.

Total operating expenses as a percentage of net sales were 55.3% and 54.3% in the quarter and nine-month period ended April 28, 1995 compared to 54.5% and 53.8%, respectively, in the same periods a year ago. The primary reason for the increase in store operating expenses as a percent of net sales was an increase in labor costs due to the higher costs to hire and retain employees as a result of low unemployment rates.

Interest expense decreased to \$200,073 and \$722,479 for the quarter and nine-month period ended April 28, 1995 from \$429,275 and \$1,802,995, respectively, in the same periods a year ago. The decrease was due to lower average debt outstanding during the quarter and nine-month period ended April 28, 1995. Interest income increased to \$727,704 for the third quarter of this year compared to \$719,853 in the same period last year. The primary reason for the increase was higher interest rates in 1995. Interest income decreased to \$2,475,601 for the nine months ended this year compared to \$2,665,909 for the same period a year ago. The primary reason for the decrease in interest income was lower average funds available for investment, which was partially offset by higher interest rates in fiscal 1995.

## Liquidity and Capital Resources

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The Company's operating activities provided net cash of \$56.0 million for the nine months ended April 28, 1995. Net income adjusted by depreciation and amortization provided most of the cash. Increases in inventories and decreases in accounts payable partially offset the cash provided by net income adjusted by depreciation and amortization.

Capital expenditures were \$26.5 million in the third quarter of fiscal 1995 and \$85.6 million for the nine months ended April 28, 1995. Land purchases and cost of new stores accounted for substantially all of these expenditures, except for \$1.5 million in the third quarter of fiscal 1995 and \$5.1 million for the nine months ended April 28, 1995 for the renovation of the old gift shop warehouse into office space.

The Company's internally generated cash and short-term and long-term investments were sufficient to finance all of its growth in the first nine months of fiscal 1995.

The Company estimates that its capital expenditures for fiscal 1995 will be approximately \$120 million, substantially all of which will be land purchases and cost of new stores, except for \$6 million relating to the renovation of the old gift shop warehouse into office space. Management believes that cash and short-term and long-term investments at April 28, 1995, along with cash generated from the Company's operating activities, will be sufficient to finance its continued expansion in fiscal 1995 and its continued expansion plans through fiscal 1997. Presently, the Company has an unused revolving credit line of \$15 million.

INDEPENDENT ACCOUNTANTS' REPORT

Cracker Barrel Old Country Store, Inc.

We have reviewed the accompanying condensed balance sheet of Cracker Barrel Old Country Store, Inc. as of April 28, 1995, the related condensed statements of income for the quarters and nine-month periods ended April 28, 1995 and April 29, 1994, and the related condensed statements of cash flows for the nine-month periods ended April 28, 1995 and April 29, 1994. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the balance sheet of Cracker Barrel Old Country Store, Inc. as of July 29, 1994, and the related statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated September 7, 1994, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed balance sheet as of July 29, 1994 is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

DELOITTE & TOUCHE LLP

Nashville, Tennessee  
June 7, 1995

PART II

Item 1. Legal Proceedings  
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None.

Item 2. Changes in Securities  
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None.

Item 3. Defaults Upon Senior Securities  
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None.

Item 4. Submission of Matters to a Vote of Security Holders  
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A. The annual meeting of shareholders was held November 22, 1994.

B. Election of Directors: Previously reported.

C. Other matters: Previously reported.

Item 5. Other Information  
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None.

Item 6. Exhibits and Reports on Form 8-K  
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Letter regarding unaudited financial information.



June 7, 1995

Cracker Barrel Old Country Store, Inc.  
Hartmann Drive  
Lebanon, Tennessee 37088-0787

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim financial information of Cracker Barrel Old Country Store, Inc. for the quarters and nine-month periods ended April 28, 1995 and April 29, 1994, as indicated in our report dated June 7, 1995; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which was included in your Quarterly Report on Form 10-Q for the quarter ended April 28, 1995, is incorporated by reference in Registration Statement Nos. 2-86602, 33-15775, 33-37567 and 33-45482 on Forms S-8 and Registration Statement No. 33-59582 on Form S-3.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

DELOITTE & TOUCHE LLP

Nashville, Tennessee

This schedule contains summary financial information extracted from the financial statement of Cracker Barrel for the 9 months ended April 28, 1995, and is qualified in its entirety by reference to such financial statements.

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9-MOS		
	JUL-28-1995	
	JUL-30-1994	
	APR-28-1995	6,645
		48,793
		3,079
		0
		46,147
	108,368	544,701
		94,553
		565,516
	63,915	
		19,500
		29,982
	0	
		0
		442,629
565,516		561,877
	561,877	
		190,370
		270,841
		34,089
		0
		722
		68,329
		25,350
	42,979	
		0
		0
		0
		42,979
		.71
		.71