Dave & Buster's Entertainment, Inc.
Form 424B4
February 06, 2015
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Filed pursuant to Rule 424(b)(4)
SEC File No. 333-201646

PROSPECTUS

6,600,000 Shares

Dave & Buster s Entertainment, Inc.

Common Stock

The selling stockholders named in this prospectus are offering 6,600,000 shares of our common stock. We will not receive any proceeds from the sale of common stock to be offered by the selling stockholders. See Use of Proceeds. Our common stock is listed on The NASDAQ Stock Market LLC (NASDAQ) under the symbol PLAY. On February 4, 2015, the last sale price of our common stock as reported on NASDAQ was $30.21 per share.

Dave & Buster s Entertainment, Inc. is an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). After completion of this offering, certain stockholders will continue to beneficially own a majority of the voting power of all outstanding shares of our common stock. As a result, we will continue to be a controlled company within the meaning of NASDAQ corporate governance standards.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 21 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL

Public offering price	$29.50	$194,700,000
Underwriting discounts and commissions [1]	$ 1.25	$ 8,250,000
Proceeds to the selling stockholders, before expenses	$28.25	$186,450,000

[1] We refer you to Underwriting beginning on page 122 of this prospectus for additional information regarding total underwriter compensation.

Delivery of the shares of common stock is expected to be made on or about February 11, 2015. The selling stockholders named in this prospectus have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase an additional 990,000 shares of our common stock.

Jefferies **Piper Jaffray**

William Blair **Raymond James** **Stifel**

LOYAL3 Securities

Prospectus dated February 5, 2015.

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You should rely only on the information contained in this prospectus. Neither we, the selling stockholders nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we, the selling stockholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is only accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

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BASIS OF PRESENTATION

Certain financial measures presented in this prospectus, such as Adjusted EBITDA, Adjusted EBITDA Margin, Store-level EBITDA and Store-level EBITDA margin, are not recognized terms under accounting principles generally accepted in the United States (GAAP). These measures exclude a number of significant items, including our interest expense and depreciation and amortization expense. For a discussion of the use of these measures and a reconciliation to the most directly comparable GAAP measures, see pages 15-20 Summary Historical Financial and Other Data. We define high-volume dining and entertainment venues as those open for at least one full year and with average store revenues in excess of $5.0 million and define year one cash-on-cash return as year one Store-level EBITDA exclusive of allocated national marketing costs divided by net development costs. Net development costs include equipment, building, leaseholds and site costs, net of tenant improvement allowances received or receivable from landlords and excludes pre-opening costs and capitalized interest.

We operate on a 52 or 53 week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except in a 53 week year when the fourth quarter has 14 weeks. All fiscal years presented herein consist of 52 weeks, except fiscal year 2012, which consisted of 53 weeks. All references to 2014, fiscal 2014, fiscal year 2014 or similar references relate to the 52 week period ended February 1, 2015. All references to 2013, fiscal 2013, fiscal year 2013 or similar references relate to the 52 week period ended February 2, 2014. All references to 2012, fiscal 2012, fiscal year 2012 or similar references relate to the 53 week period ended February 3, 2013. All references to 2011, fiscal 2011, fiscal year 2011 or similar references relate to the 52 week period ended January 29, 2012. All references to 2010, fiscal 2010, fiscal year 2010 or similar references relate to the combined results of the 244 day period ended January 30, 2011 and the 120 day period ended May 31, 2010. All references to 2009, fiscal 2009, fiscal year 2009 or similar references relate to the 52 week period ended January 31, 2010.

In October 2014, we completed our initial public offering of our common stock to the public. We sold a total of 6,764,705 shares (including the full exercise of the underwriters option to purchase additional shares) at a price to the public of $16.00. Our common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY on October 10, 2014. In connection with our initial public offering, our Board of Directors and shareholders approved a 224.9835679 to 1 stock split of our common stock. This stock split was effective on October 9, 2014. Unless otherwise noted herein, historic share data has been adjusted to give effect to this stock split.

On June 1, 2010, Dave & Buster s Entertainment, Inc. (D&B Entertainment), a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) acquired all of the outstanding common stock of Dave & Buster s Holdings, Inc. (D&B Holdings). GAAP requires operating results prior to the acquisition completed on June 1, 2010 to be presented as Predecessor s results in the historical financial statements. Operating results subsequent to the acquisition are presented or referred to as Successor s results in the historical financial statements. The presentation of combined Predecessor and Successor operating results (which is simply the arithmetic sum of the Predecessor and Successor amounts) is a non-GAAP presentation, which is provided as a convenience solely for the purpose of facilitating comparisons of the combined results with other annual periods presented.

Comparable store data presented in this prospectus relate to stores open at least 18 months as of the beginning of each of the relevant fiscal years and excludes information for our one franchised store located in Canada, which ceased operation as a Dave & Buster s on May 31, 2013. Our store count data also excludes the one franchised store located in Canada. See Management s Discussion and Analysis of Financial Condition and Results of Operations.

This prospectus also contains information regarding customer feedback, customer satisfaction, customer demographics and other similar items. This information is based upon data collected by us during the periods

presented. This information is reported voluntarily by our customers and thus represents responses from only a portion of the total number of our customers. We have not independently verified any of the demographic information collected from our customers. Over the periods presented, we have changed the form of reward for completing a survey, which resulted in an increase in the percentage of completed surveys, but we do not believe this has materially impacted the results. In addition, over the periods presented, we have added and deleted questions from the questionnaires, but have not made any changes to questions eliciting responses relating to the results presented in the prospectus. We use the information collected as one measure of the performance of our stores and use it to assess the success of our initiatives to improve the quality of the product we offer.

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TRADEMARKS, SERVICE MARKS AND TRADE NAMES

Our registered trademarks include Dave & Buster ®s, Power Card®, Eat Drink Play®, Eat Drink Play Watch® and Eat & Play Combo®. Other trademarks, service marks and trade names used in this prospectus are the property of their respective owners.

Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights (or the rights of the applicable licensors) to these trademarks, service marks and trade names.

INDUSTRY AND MARKET DATA

This prospectus includes industry and market data that we derived from internal company records, publicly available information and industry publications and surveys such as reports from KNAPP-TRACK. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. We believe this data is accurate in all material respects as of the date of this prospectus. You should carefully consider the inherent risks and uncertainties associated with the industry and market data contained in this prospectus.

KNAPP-TRACK is a monthly sales and customer count tracking service for the full-service restaurant industry in the United States, which tracks over 10,400 restaurants with over $32.1 billion in total sales. Each monthly KNAPP-TRACK report aggregates the change in comparable restaurant sales and customer counts compared to the same month in the preceding year from the competitive set of participants in the full service restaurant industry. We, as well as other restaurants, use the data included in the monthly KNAPP-TRACK report as one way of benchmarking our performance.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and may not contain all of the information that may be important to you. Before making an investment decision, you should read this entire prospectus, including our consolidated financial statements and the related notes included elsewhere herein. You should also carefully consider the information set forth under Risk Factors. In addition, certain statements include forward-looking information that is subject to risks and uncertainties. See Cautionary Statement Regarding Forward-Looking Statements. In this prospectus, unless the context otherwise requires, we, us, our, the Company and Dave & Buster s refers to Dave & Buster s Entertainment, Inc., its subsidiaries and any predecessor companies, collectively.

Company Overview

We are a leading owner and operator of high-volume venues in North America that combine dining and entertainment for both adults and families. The core of our concept is to offer our customers the opportunity to *Eat Drink Play and Watch* all in one location. *Eat and Drink* are offered through a full menu of *Fun American New Gourmet* entrées and appetizers and a full selection of non-alcoholic and alcoholic beverages. Our *Play and Watch* offerings provide an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Our customers are a balanced mix of men and women, primarily between the ages of 21 and 39, and we believe we also serve as an attractive venue for families with children and teenagers. We believe we appeal to a diverse customer base by providing a highly customizable experience in a dynamic and fun setting.

As of January 29, 2015, we owned and operated 73 stores in 30 states and Canada. For the twelve months ended November 2, 2014, we generated total revenues of $711.1 million, Adjusted EBITDA of $153.8 million (representing an Adjusted EBITDA margin of 21.6%) and a net loss of $2.1 million. For the thirty-nine weeks ended November 2, 2014 and November 3, 2013, we generated total revenues of $539.7 million and $464.2 million, respectively, Adjusted EBITDA of $113.6 million and $94.6 million, respectively, and net losses of $7.0 million and $2.7 million, respectively. For fiscal 2013, we generated total revenues of $635.6 million, Adjusted EBITDA of $134.8 million (representing an Adjusted EBITDA margin of 21.2%) and net income of $2.2 million. For fiscal 2012 and fiscal 2011, we generated total revenues of $608.1 million and $541.5 million, respectively, Adjusted EBITDA of $120.5 million and $98.4 million, respectively, and net income (loss) of $8.8 million and $(7.0) million, respectively. From fiscal 2011 to fiscal 2013, total revenues and Adjusted EBITDA grew at a compound annual growth rate (CAGR) of 8.3% and 17.1%, respectively. We generated comparable store sales increases of 6.2%, 1.0%, 3.0% and 2.2% in the thirty-nine weeks ended November 2, 2014 and fiscal 2013, 2012 and 2011, respectively.

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As a key feature of our business model, 51.2% of our total revenues for fiscal 2013 were from our amusement offerings, which have a relatively low variable cost component and contributed a gross margin of 85.4%. Combined with our food and beverage revenues, which comprised 48.8% of our total revenues and contributed a gross margin of 75.0% for fiscal 2013, we generated a total gross margin of 80.3%.

The formats and square footage of our stores are flexible, which we believe allows us to size new stores appropriately for each market as we grow. Our stores average 44,000 square feet and range in size between 16,000 and 66,000 square feet. We believe we have an attractive store economic model that enables us to generate high average store revenues and Store-level EBITDA. For our 55 comparable stores in fiscal 2013, our average revenues per store were $10.1 million, average Store-level EBITDA was $2.6 million and average Store-level EBITDA margin was 25.9%. Furthermore, for that same period, all of our comparable stores had positive Store-level EBITDA, with 89.1% of our stores generating more than $1.0 million of Store-level EBITDA each and 61.8% of our stores generating more than $2.0 million of Store-level EBITDA each.

Eat Drink Play and Watch All Under One Roof

When our founders opened our first location in Dallas, Texas in 1982, they sought to create a brand with a fun, upbeat atmosphere providing interactive entertainment options for adults and families, while serving high-quality food and beverages. Since then we have followed the same principle for each new store, and in doing so we believe we have developed a distinctive brand based on our customer value proposition: *Eat Drink Play and Watch*. The interaction between playing games, watching sports, dining and enjoying our full-service bar areas is the defining feature of the Dave & Buster s customer experience, and the layout of each store is designed to promote crossover between these activities. We believe this combination creates an experience that cannot be easily replicated at home or elsewhere without having to visit multiple destinations. Our locations are also designed to accommodate private parties, business functions and other corporate-sponsored events.

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Eat

We seek to distinguish our food menu from other casual dining concepts with our strategy of offering *Fun American New Gourmet* entrées and appetizers. Our *Fun American New Gourmet* menu is intended to appeal to a broad spectrum of customers and include classic American offerings with a fun twist. We believe we offer high-quality meals, including gourmet pastas, choice-grade steaks, premium sandwiches, decadent desserts and health-conscious entrée options that compare favorably to those of other higher end casual dining operators. We believe our broad menu offers something for everyone and captures full meal, snacking and sports-viewing occasions. We plan to introduce new menu items three times per year that we believe reinforce the fun of the Dave & Buster s brand. Our food revenues, which include non-alcoholic beverages, accounted for 33.6% of our total revenues during fiscal 2013.

Drink

Each of our locations also offers full bar service, including a variety of beers, signature cocktails, premium spirits and non-alcoholic beverages. We continually strive to innovate our beverage offering, adding new beverages three times per year, including the introduction of fun beverage platforms such as our adult Snow Cones, CoronaRitas and Berry Blocks cocktails. Beverage service is typically available throughout the entire store, allowing for multiple sales opportunities. We believe that our high margin beverage offering is complementary to each of the *Eat, Play and Watch* aspects of our brand. Our alcoholic beverage revenues accounted for 31.1% of our total food and beverage revenues and 15.2% of our total revenues during fiscal 2013.

Play

The games in our Midway are a key aspect of the Dave & Buster s entertainment experience, which we believe is the core differentiating feature of our brand. The Midway in each of our stores is an area where we offer a wide array of amusement and entertainment options, typically with over 150 redemption and simulation games. Our amusement and other revenues accounted for 51.2% of our total revenues during fiscal 2013. Redemption games, which represented 78.7% of our amusement and other revenues in fiscal 2013, offer our customers the opportunity to win tickets that are redeemable at our Winner s Circle, a retail-style space in our stores where customers can redeem the tickets won through play of our redemption games for prizes ranging from branded novelty items to high-end electronics. We believe this opportunity to win creates a fun and highly energized social experience that is an important aspect of the Dave & Buster s in-store experience and cannot be easily replicated at home. Our video and simulation games, many of which can be played by multiple customers simultaneously and include some of the latest high-tech games commercially available, represented 16.7% of our amusement and other revenues in fiscal 2013. Other traditional amusements represented the remainder of our amusement and other revenues in fiscal 2013.

Watch

Sports-viewing is another key component of the entertainment experience at Dave & Buster s. All of our stores have multiple large screen televisions and high quality audio systems providing customers with a venue for watching live sports and other televised events. In fiscal 2010, we initiated a program that evolved into D&B Sports, which is a more immersive viewing environment that provides customers with an average of 40 televisions, including 100+ inch high definition televisions, to watch televised events and enjoy our full bar and extensive food menu. We believe that we have created an attractive and comfortable environment that includes a differentiated and interactive viewing experience that offers a new reason for customers to visit Dave & Buster s. Through continued development of the D&B Sports concept in new stores and additional renovations of existing stores, our goal is to build awareness of D&B Sports as the best place to watch sports and the only place to watch the games and play the games.

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Our Company s Core Strengths

We believe we benefit from the following strengths:

Strong, Distinctive Brand With Broad Customer Appeal. We believe that the multi-faceted customer experience of *Eat Drink Play and Watch* at Dave & Buster s, supported by our national marketing, has helped us create a widely recognized brand with no direct national competitor that combines all four elements in the same way. In markets where we have stores, over 95% of casual dining consumers stated that they are aware of our brand as a dining and entertainment venue. Our customer research shows that our brand appeals to a balanced mix of male and female adults, primarily between the ages of 21 and 39, as well as families and teenagers. Based on customer survey results, we also believe that the average household income of our customers is approximately $80,000, which we believe represents an attractive demographic.

Multi-Faceted Customer Experience Highlights Our Value Proposition. We believe that our combination of interactive games, attractive television viewing areas, high-quality dining and full-service beverage offerings, delivered in a highly-energized atmosphere, provides a multi-faceted customer experience that cannot be easily replicated at home or elsewhere without having to visit multiple destinations. We aim to offer our customers a value proposition comparable or superior to many of the separately available dining and entertainment options. We are continuously working with game manufacturers and food providers to create new games and food items at compelling price points to retain and generate customer traffic and improve the customer experience. Our value proposition is enhanced by what we consider to be innovative marketing initiatives, including our Eat & Play Combo (a promotion that provides a discounted Power Card in combination with select entrées), Super Charge Power Card offerings (when purchasing or adding value to a Power Card, the customer is given the opportunity to add 25% more chips to the Power Card for a small upcharge), Half-Price Game Play (every Wednesday, from open to close, we reduce the price of every game in the Midway by one-half), Everyone s a Winner (a limited-time offer providing a prize to every customer that purchases or adds value to a Power Card in the amount of $10 or more) and free game play promotions to feature the introduction of our new games. We believe these initiatives have helped increase customer visits and encourage customers to participate more fully across our broad range of food, beverage and entertainment offerings.

Vibrant, Contemporary Store Design That Integrates Entertainment and Dining. We believe we continue to benefit from enhancements to the Dave & Buster s brand through our store design and D&B Sports initiatives, which began in fiscal 2011. Our new store design provides a contemporary, engaging atmosphere for our customers that includes clearly differentiated spaces, which are sub-branded as *Eat at Buster s, Gamebar, Dave s Arcade*, *WIN!* and *D&B Sports*, designed to convey each component of our customer value proposition: *Eat Drink Play and Watch*. These store design changes include a modern approach to the finishes and layout of the store, which we believe encourages participation across each of the store s elements. The oversized graphics and images throughout the store are intended to communicate our brand personality by being fun, contemporary and larger-than-life. The dining room décor includes booth seating and table seating and colorful artwork, often featuring local landmarks. Our Winner s Circle provides a retail-like environment where customers can redeem their tickets for prizes. All of our new locations opened since the beginning of fiscal 2011 incorporate our new store design. We believe the introduction and continued expansion of our D&B Sports concept, currently incorporated in approximately half of our store base, provides an attractive opportunity to market our broader platform to new and existing customers through a year-round calendar of programming and promotions tied to popular sporting events and sport-related activities. The large television screens, comfortable seating, a full menu of food and beverages and artwork often featuring images of local sports teams and sports icons help create what we believe to be an exciting environment for watching sports programming. We have also strategically invested over $54.1 million since the beginning of fiscal 2011 to introduce D&B Sports and modernize the exteriors, front lobbies, bars, dining areas and Winner s Circles of select locations. As of January 29, 2015, we have remodeled three stores during fiscal 2014 and by the end of fiscal 2014, approximately

65% of our stores will either be new or remodeled to adopt our new store design. All of the new or remodeled stores contain an upgraded venue for watching live sports and other televised events, and approximately 87% of these stores contain the D&B Sports concept.

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History of Margin Improvement. We have a proven track record of identifying operational efficiencies and implementing cost saving initiatives and have increased our Adjusted EBITDA margins by approximately 510 basis points from fiscal 2010 to the twelve months ended November 2, 2014. We expect our continued focus on operating margins at individual locations and the deployment of best practices across our store base to yield incremental margin improvements, although there is no guarantee that this will occur. We believe we are well-positioned to continue to increase margins and remain focused on identifying additional opportunities to reduce costs. We are currently testing an eTicket initiative, which is a paperless ticket distribution system that we plan to roll out to all of our stores during fiscal 2015. We estimate that our eTicket initiative will result in annual savings in excess of $3.0 million. We leverage our investments in technology, such as our labor scheduling system and our proprietary technology linking games with Power Cards, to increase the overall performance of our stores while also enhancing the customer experience. Power Cards are magnetic stripe cards that enable a customer to play our games. A customer purchases chips that are used to play our games and are loaded to a Power Card at an automated kiosk or by an employee. Our business model has a relatively lower proportion of variable costs versus fixed costs compared to our competitors. We believe this creates operating leverage and gives us the potential to further improve margins and deliver greater earnings from expected future increases in comparable store sales and new store growth. Under our current cost structure, we estimate that we will realize more than 50% flow through to Adjusted EBITDA from any comparable store sales growth.

Store Model Generates Favorable Store Economics and Strong Returns. We believe our store model offering entertainment, food and beverages provides certain benefits in comparison to traditional restaurant concepts, as reflected by our average store revenues of $10.1 million and average Store-level EBITDA margins of 25.9% for comparable stores in fiscal 2013. Our entertainment offerings have low variable costs and produced gross margins of 85.4% for fiscal 2013. With approximately half of our revenues from entertainment, we have less exposure than traditional restaurant concepts to food costs, which represented only 8.6% of our revenues in fiscal 2013. Our business model generates strong cash flow that we can use to execute our growth strategy. We believe the combination of our Store-level EBITDA margins, our refined new store formats and the fact that our stores open with high volumes that drive margins in year one will help us achieve our targeted average year one cash-on-cash returns of approximately 35% and five-year average cash-on-cash returns in excess of 25% for both our large format and small format store openings, although there is no guarantee such results will occur. The 19 stores that we have opened since the beginning of 2008 (that have been open for more than 12 months as of January 29, 2015) have generated average year one cash-on-cash returns of 45.1%. For stores opened since 2009 that have been open for more than 12 months, we have also experienced an increase in average year one cash-on-cash returns, by vintage, including all of our 11 stores opened in fiscal 2011, fiscal 2012 and fiscal 2013, which have generated average year one cash-on-cash returns of 56.1%.

Commitment to Customer Satisfaction. We aim to enhance our combination of food, beverage and entertainment offerings through our service philosophy of providing a high quality and consistent customer experience through dedicated training and development of our team members and a corporate culture that encourages employee engagement. As a result, we have experienced significant improvement in our Guest Satisfaction Survey results since we began the surveys in 2007. In 2013, 82.0% of respondents to our Guest Satisfaction Survey rated us Top Box (score of 5 out of a possible 5) in Overall Experience and 83.8% of respondents rated us Top Box in Intent to Recommend. By comparison, in 2007, 44.0% of respondents rated us Top Box in Overall Experience and 64.8% of respondents rated us Top Box in Intent to Recommend. We utilize our loyalty program to market directly to members with promotional emails and location-based marketing. Through our loyalty program, we email offers and coupons to members and notify them of new games, food, drinks and local events. In addition, members can earn game play credits based on the dollar amount of qualifying purchases at our stores. We expect that as our loyalty program grows it will be an important method of maintaining customers connection with our brand and further drive customer satisfaction.

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Experienced Management Team. We believe we are led by a strong senior management team averaging over 25 years of experience with national brands in all aspects of casual dining and entertainment operations. In 2006, we hired our Chief Executive Officer, Stephen King. From fiscal 2006 to the twelve months ended November 2, 2014, under the leadership of Mr. King, Adjusted EBITDA has grown by 118.2%, Adjusted EBITDA margins have increased by approximately 780 basis points and employee turnover and customer satisfaction metrics have improved significantly. Our management team has invested approximately $4.0 million of cash in the equity of Dave & Buster s and currently owns 2.7% of our outstanding common stock. We believe that our management team s prior experience in the restaurant and entertainment industries combined with its experience at Dave & Buster s provides us with insights into our customer base and enables us to create the dynamic environment that is core to our brand.

Our Growth Strategies

The operating strategy that underlies the growth of our concept is built on the following key components:

Pursue New Store Growth. We will continue to pursue what we believe to be a disciplined new store growth strategy in both new and existing markets where we feel we are capable of achieving consistently high store revenues and Store-level EBITDA margins as well as strong cash-on-cash returns. We believe that the Dave & Buster s brand is currently significantly under-penetrated, as internal studies and third-party research suggests a total store potential in the United States and Canada in excess of 200 stores (including our 73 existing stores), approximately three times our current store base. We believe our new store opportunity is split fairly evenly between large format and small format stores. We have opened eight stores in fiscal 2014, all of which were financed with available cash and operating cash flows. In 2015 and thereafter, we believe that we can continue opening new stores at an annual rate of approximately 10% of our then existing store base.

Our new store expansion strategy is driven by a site selection process that allows us to evaluate and select the location, size and design of our stores based on consumer research and analysis of operating data from sales in our existing stores. Our site selection process and flexible store design enable us to customize each store with the objective of maximizing return on capital given the characteristics of the market and the location. Our large format stores are 30,001 to 45,000 square feet in size and our small format stores span 25,000 to 30,000 square feet, which provides us the flexibility to enter new smaller markets and further penetrate existing markets. These formats also provide us with the ability to strategically choose between building new stores and converting existing space, which can be more cost efficient for certain locations. We are targeting average year one cash-on-cash returns of approximately 35% for both our large format and small format stores. To achieve this return for large format stores, we target average net development costs of approximately $8.3 million and first year store revenues of approximately $11.6 million. For small format stores, we target average net development costs of approximately $6.0 million and average first year store revenues of approximately $7.5 million. Additionally, we target average year one Store-level Adjusted EBITDA margins, excluding allocated national marketing costs, of approximately 28%, for both large format and small format stores.

Grow Our Comparable Store Sales. We intend to grow our comparable store sales by seeking to differentiate the Dave & Buster s brand from other food and entertainment alternatives, through the following strategies:

- *Provide our customers the latest exciting games.* We believe that our Midway games are the core differentiating feature of the Dave & Buster s brand, and staying current with the latest offerings creates new content and excitement to drive repeat visits and increase length of customer stay. We plan to continue to update approximately 10% of our games each year and seek to buy games that will resonate with our

customers and drive brand relevance due to a variety of factors, including their large scale, eye-catching appearance, virtual reality features, association with recognizable brands or the fact that they cannot be easily replicated at home. We aim to leverage our investment in games by packaging our new game introductions and focusing our marketing spending to promote these events. We also plan to continually elevate the redemption experience in our Winner s Circle with prizes that

we believe customers will find more attractive, which we expect will favorably impact customer visitation and game play.

- *Leverage D&B Sports.* In 2010, we initiated a program to improve our sports-viewing as part of our strategy to enhance our entertainment offering and increase customer traffic and frequency by creating another reason to visit Dave & Buster s. This initiative evolved into the D&B Sports concept, which has been incorporated into all new stores opened since the beginning of fiscal 2013 and will continue to be incorporated into all new stores. In the fall of 2013, we launched a national advertising campaign for D&B Sports promoting Dave & Buster s as the only place to watch the games and play the games. We intend to continue leveraging our investments in D&B Sports by building awareness of Dave & Buster s as the best place to watch sports through national cable advertising. In addition, we are strategically expanding our year-round sporting and pay-per-view content to drive increased traffic and capture a higher share of the sports-viewing customer base.

- *Serve food and beverage offerings with broad appeal.* We offer a variety of items, from hamburgers to steaks to seafood, that represent our *Fun American New Gourmet* strategy. We aim to ensure a pipeline for three new product launches each year, aligning with the timing of our new game launches. This strategy has been well received by our customers as the percentage of customers rating our food quality as Excellent was 79.6% in fiscal 2013, an increase of 480 basis points compared to fiscal 2011, and an increase of 4,170 basis points since fiscal 2007. Similarly, the percentage of customers rating our beverage quality as Excellent in fiscal 2013 was 82.3%, an increase of 490 basis points compared to fiscal 2011, and an increase of 4,250 basis points since fiscal 2007.

- *Grow our special events usage.* The special events portion of our business represented 12.3% of our total revenues in fiscal 2013. We believe our special events business is an important sampling and promotional opportunity for our customers because many customers are experiencing Dave & Buster s for the first time. We plan to leverage our existing special events sales force and call center to attract new corporate customers. In addition, we introduced online booking for social parties in order to provide additional convenience in booking events for our customers and look to expand its functionality over time.

- *Enhance brand awareness and generate additional visits to our stores through marketing and promotions.* We believe offering new items from each of the *Eat Drink Play and Watch* pillars will keep the brand relevant to customers and drive traffic and frequency. We have identified five key promotional periods throughout the year when we feature this New News in national advertising. To increase national awareness of our brand, we plan to continue to invest a significant portion of our marketing expenditures in national cable television and radio advertising focused on promoting our capital investments in new games, D&B Sports and new food and beverage offerings. We also have customized local store marketing programs to increase new visits and repeat visits to individual locations. We will continue to utilize our loyalty program and digital efforts to communicate promotional offers directly to our most passionate brand fans, and we are aggressively optimizing our search engine and social marketing efforts. We also leverage our investments in technology across our marketing platform, including in-store marketing initiatives to drive incremental sales throughout the store.

- *Drive customer frequency through greater digital and mobile connectivity*. We believe that there is a significant potential to increase customer frequency by enhancing the in-store and out-of-store customer experience via digital and mobile strategic initiatives as well as through implementing enhanced technology. We intend to leverage our growing loyalty database as well as continue to invest in mobile game systems (game applications for mobile devices, such as smartphones and tablets), second screen sports-watching apps (applications for mobile devices, allowing our customers to enhance their sports-watching experience by, for example, accessing information about the live sporting event being watched or by playing along with the live sporting event) and social games (game applications that allow our customers to play online together, whether competitively or cooperatively) to create customer connections and drive recurring customer visitation.

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Expand the Dave & Buster s Brand Internationally. We believe that in addition to the growth potential that exists in North America, the Dave & Buster s brand can also have significant appeal in certain international markets. We are currently assessing these opportunities while maintaining a conservative and disciplined approach towards the execution of our international development strategy. As such, we have retained the services of a third-party consultant to assist in identifying and prioritizing potential markets for expansion as well as potential franchise or joint venture partners. Thus far, we have identified our international market priorities and begun the process of identifying potential international partners within select markets. The market priorities were developed based on a specific set of criteria to ensure we expand our brand into the most attractive markets. Our goal is to sign an agreement with our first international partner in early 2015 and we are targeting our first international opening outside of Canada in 2016.

Our Initial Public Offering

On October 9, 2014, we completed our initial public offering (the IPO) of 5,882,353 shares of common stock at a price to the public of $16.00 per share. On October 10, 2014, our common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY. We granted the underwriters an option for a period of 30 days to purchase an additional 882,352 shares of our common stock which was exercised in full on October 21, 2014. After underwriting discounts and commissions and offering expenses, we received net proceeds from the IPO of approximately $98.6 million. We used these proceeds and other available cash to prepay a portion of the principal amount of term loan debt outstanding under our new senior secured credit facility.

The Refinancing

On July 25, 2014, we entered into a new senior secured credit facility that provides a $530.0 million term loan facility and a $50.0 million revolving credit facility. The proceeds of the new senior secured credit facility were used to refinance in whole the prior senior secured credit facility (of which $143.5 million was outstanding as of July 25, 2014), repay in full $200 million aggregate principal amount of the 11.0% senior notes due June 1, 2018, repay all outstanding 12.25% senior discount notes due February 15, 2016 ($150.2 million accreted value as of July 25, 2014) and pay related premiums, interest and expenses. In connection with the IPO, we prepaid $100 million principal amount of our new senior secured credit facility. We refer to these transactions collectively as the Refinancing.

Recent Developments

Our financial results for the thirteen weeks and fiscal year ended February 1, 2015 are not yet available. Set forth below are certain preliminary estimates of the results of operations that we expect to report for our fourth quarter and full fiscal year. Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for our fourth quarter are finalized.

We estimate that total revenues will range between $203.8 million and $204.8 million and between $743.5 million and $744.5 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. This represents sales growth of 19.2% for the thirteen weeks and 17.1% for the full year over the same periods in fiscal 2013, assuming the mid-point of the estimated ranges. We estimate that our comparable store sales growth will range between 10.0% and 10.2% and between 7.1% and 7.2% for the thirteen weeks and fiscal year ended February 1, 2015, respectively.

We estimate that our Adjusted EBITDA will range between $48.4 million and $49.4 million and between $162.0 million and $163.0 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. This represents Adjusted EBITDA growth of 21.7% for the thirteen weeks and 20.6% for the full year over the same periods in fiscal 2013, assuming the mid-point of the estimated ranges. We estimate that our operating income will

range between $25.2 million and $26.2 million and between $71.0 million and $72.0 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. Based on these

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estimations, Adjusted EBITDA Margin is expected to range between 23.7% and 24.1% and between 21.8% and 21.9% for the thirteen weeks and fiscal year ended February 1, 2015, respectively. Assuming the mid-point of the range, this represents a 50 basis point improvement and 60 basis point improvement over the same periods of the prior year, respectively.

We opened three stores during the fourth quarter, bringing our total number of stores to 73 as of January 29, 2015. One store was opened using our large store format and the other two were opened using our small store format. These three stores marked our initial entry into three additional states and collectively added 36 store weeks to our operating results. Included in our year-end 2014 store count is our location in Farmingdale (Long Island), New York which we expect to close in mid-February 2015 due to the expiration of our lease. With past store closures, we have experienced customer migration to stores within the same market. We currently have two other stores in the Long Island market.

The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of our management. Neither our independent registered public accounting firm nor any other independent registered public accounting firm has audited, reviewed or compiled, examined or performed any procedures with respect to the estimated results, nor have they expressed any opinion or any other form of assurance on the preliminary estimated financial results. This preliminary information reflects management s estimates based solely upon information available as of the date of this prospectus and is not a comprehensive statement of our financial results for the thirteen weeks or fiscal year ended February 1, 2015. The information presented herein should not be considered a substitute for the full unaudited fourth quarter financial statements or the audited financial statements for the fiscal year ended February 1, 2015 once they become available.

The ranges for the preliminary estimated financial results described above constitute forward-looking statements. We have provided a range for the preliminary estimated financial results described above primarily because our financial closing procedures for the thirteen weeks and fiscal year ended February 1, 2015 are not yet complete and will not be publicly available until after the completion of this offering, approximately mid-April 2015. There is a possibility that actual results will vary materially from these preliminary estimates. Accordingly, you should not place undue reliance upon these preliminary financial results. Please refer to Cautionary Statement Regarding Forward-Looking Statements in this prospectus for additional information. These preliminary results should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes thereto included elsewhere in this prospectus. For additional information, please see Risk Factors.

Adjusted EBITDA and Adjusted EBITDA Margin Description and Reconciliation

For the definition of Adjusted EBITDA and Adjusted EBITDA margin, see Summary Historical Financial and Other Data.

Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our senior secured credit facility and our presentation of Adjusted EBITDA is consistent with that reported to our lenders to allow for leverage-based assessments. By reporting Adjusted EBITDA, we provide a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers. Although we use Adjusted EBITDA to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs.

Some of these limitations are further described in Summary Historical Financial and Other Data.

Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows us to evaluate our overall operating performance over time by excluding items that we do not believe are indicative of our core operating performance.

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The following table sets forth a reconciliation of our estimated fourth quarter and fiscal year 2014 Adjusted EBITDA to estimated fourth quarter and fiscal year 2014 income before provision for income taxes:

(in millions)	THIRTEEN WEEKS ENDED FEBRUARY 1, 2015 (Unaudited)		FISCAL YEAR ENDED FEBRUARY 1, 2015 (Unaudited)	
Estimated income before provision for income taxes	$20.2	$21.2	$8.6	$9.6
Interest expense, net	5.0		34.8	
Loss on debt retirement			27.6	
Estimated operating income	$25.2	$26.2	$71.0	$72.0
Depreciation and amortization expense	18.4		70.8	
Loss on asset disposal [1]	0.5		1.7	
Share-based compensation [2]	0.3		2.2	
Currency transaction loss (gain) [3]	0.1		0.1	
Pre-opening costs [4]	1.9		9.8	
Reimbursement of affiliate and other expenses [5]			0.5	
Change in deferred amusement revenue and ticket liability [6]	1.4		3.8	
Transaction and other costs [7]	0.6		2.1	
Estimated Adjusted EBITDA	$48.4	$49.4	$162.0	$163.0

(1) Represents the estimated net book value (less proceeds received) of assets disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.

(2) Represents estimated stock compensation expense under our 2010 Stock Incentive Plan and our 2014 Stock Incentive Plan.

(3) Represents the estimated effect of foreign currency transaction (gains) or losses related to our store in Canada.

(4) Represents estimated costs incurred prior to the opening of our new stores.

(5) Represents estimated fees and expenses paid directly to our Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC (see Certain Relationships and Related Transactions Expense Reimbursement Agreement).

(6) Represents estimated quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on our redemption games.

(7) Primarily represents estimated costs related to store closures and capital market transactions, including approximately $0.6 million and $0.9 million of non-capitalized costs related to our IPO and this offering, in the thirteen weeks and fiscal year ended February 1, 2015, respectively.

Corporate History

We opened our first store in Dallas, Texas in 1982 and since then we have expanded our portfolio nationally to 73 company-owned stores across 30 states and Canada as of January 29, 2015.

From 1997 to early 2006, we operated as a public company under the leadership of our founders, David Dave Corriveau and James Buster Corley. In March 2006, Dave & Buster s, Inc. was acquired by Dave & Buster s Holdings, Inc. (D&B Holdings), a holding company controlled by affiliates of Wellspring Capital Partners III, L.P. (Wellspring) and HBK Main Street Investors L.P. (HBK). In connection with the acquisition of Dave & Buster s, Inc. by Wellspring and HBK, Dave & Buster s, Inc. s common stock was delisted from the New York Stock Exchange. In addition, since 2006, our management team has been led by our Chief Executive Officer, Stephen King.

On June 1, 2010, Dave & Buster s Entertainment, Inc., a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds and together with their manager, Oak Hill Capital Management, LLC, and its related funds, Oak Hill Capital Partners), acquired all of the outstanding common stock (the Acquisition) of D&B Holdings from Wellspring and HBK. In connection therewith, Games Merger Corp., a newly-formed Missouri corporation and an indirect wholly owned subsidiary of Dave & Buster s Entertainment, Inc., merged (the Merger) with and into D&B Holdings wholly owned, direct subsidiary, Dave & Buster s, Inc. (with Dave & Buster s, Inc. being the surviving corporation in the Merger).

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Prior to this offering, the Oak Hill Funds beneficially own 79.2% of our outstanding common stock and have the right to appoint certain members of our Board of Directors. Certain members of our Board of Directors and management control approximately 3.7% of our outstanding common stock. The remaining 17.1% is owned by the public.

Upon completion of this offering, the Oak Hill Funds will beneficially own approximately 64.3% of our outstanding common stock, or 62.1% if the underwriters exercise their option to purchase additional shares in full, and certain members of our Board of Directors and our management will beneficially own approximately 2.3% of our common stock, or 2.2% if the underwriters exercise their option to purchase additional shares in full. The Oak Hill Funds will continue to own a majority of the voting power of our outstanding common stock. As a result, we will be a controlled company within the meaning of the corporate governance standards of NASDAQ. See Principal and Selling Stockholders.

Ownership Structure

The following chart gives effect to our ownership structure after this offering:

Oak Hill Capital Partners

Oak Hill Capital Partners is a private equity firm managing funds with more than $8 billion of initial capital commitments from leading entrepreneurs, endowments, foundations, corporations, pension funds and global financial institutions. Since its inception 28 years ago, the professionals at Oak Hill Capital Partners and its predecessors have invested in over 75 significant private equity transactions across broad segments of the U.S. and global economies. Oak Hill Capital Partners applies an industry-focused, theme-based approach to investing across four core sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill Capital Partners works actively in partnership with management teams to implement strategic and operational initiatives to create franchise value. Dave & Buster s represents a core investment theme of the firm s Consumer, Retail & Distribution team, which has experience investing in the restaurant and specialty retail sectors, including prior investments in Duane Reade, Caribbean Restaurants, The Container Store, NSA International and TravelCenters of America, and a current investment in Earth Fare.

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After completion of this offering, the Oak Hill Funds will continue to own a majority of the voting power of our outstanding common stock. Under the stockholders agreement with the Oak Hill Funds, the Oak Hill Funds hold the power to elect a majority of the seats on our Board of Directors and have certain designation and nomination rights. The Oak Hill Funds are entitled to designate directors to serve on the Board of Directors proportionate to the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership of the outstanding shares of our common stock, at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have such proportionate number of director designees then serving on the Board of Directors; provided that for so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, own 5% or more of the voting power of the outstanding shares of our common stock, the Oak Hill Funds are entitled to designate one director designee to serve on the Board of Directors at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have a director designee then serving on the Board of Directors. Such proportionate number of director designees is determined by taking the product of the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership interest in our Company multiplied by the then current number of directors on our Board of Directors (rounded up to the next whole number to the extent the product does not equal a whole number). The Oak Hill Funds director designees are currently J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram and, therefore, the Oak Hill Funds are entitled to designate additional directors in order for Oak Hill to have its proportionate number of director designees. We will expand the size of our Board of Directors if necessary to provide for such proportionate representation. Subject to applicable law and applicable NASDAQ rules, the stockholders agreement also provides that the Oak Hill Funds are entitled to nominate the members of the Nominating and Corporate Governance Committee up to a number of nominees not to exceed the number of directors designated by the Oak Hill Funds on the Board of Directors, and the remaining members are to be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. In addition, subject to applicable law and applicable NASDAQ rules, each other committee of our Board of Directors, other than the Audit Committee, consists of at least one member designated by the Oak Hill Funds. When conflicts arise between the interests of the Oak Hill Funds or their affiliates and the interests of our stockholders, these directors may not be disinterested. The representatives of the Oak Hill Funds on our Board of Directors, by the terms of our amended and restated certificate of incorporation and stockholders agreement, are not required to offer us any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as our directors (and therefore may be free to compete with us in the same business or similar business). Pursuant to the stockholders agreement, the Oak Hill Funds and their affiliates will be reimbursed for certain costs and expenses. See Principal and Selling Stockholders, Certain Relationships and Related Transactions Stockholders Agreement and Risk Factors Risks Related to our Capital Structure Conflicts of interest may arise because some of our directors are principals of our principal stockholder.

Corporate Information

Our corporate headquarters is located at 2481 Mañana Drive, Dallas, Texas, and our telephone number is (214) 357-9588. Our website is www.daveandbusters.com. Information contained on our website does not constitute a part of this prospectus.

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THE OFFERING

Shares of Common Stock Offered by the Selling Stockholders	6,600,000 shares (7,590,000 shares if the underwriters option to purchase additional shares is exercised in full).
Option to Purchase Additional Shares	The underwriters have an option to purchase from the selling stockholders up to a maximum of 990,000 additional shares of our common stock. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Common Stock to be Outstanding After This Offering	39,969,228 shares (without giving effect to the completion of the Concurrent Option Exercise (as defined below) under the 2010 Management Incentive Plan (the 2010 Stock Incentive Plan) to be sold in this offering).
Use of Proceeds	We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. However, we will receive approximately $1.1 million in proceeds from the Concurrent Option Exercise, which we will use for general corporate purposes ($1.3 million if the underwriters option to purchase additional shares is exercised in full). See Use of Proceeds.
Dividend Policy	We do not anticipate paying any dividends on our common stock, however, we may change this policy in the future. See Dividend Policy.
NASDAQ Symbol	PLAY
LOYAL3 Platform	At the selling stockholders request, the underwriters have reserved 2.5% of the common stock to be sold by us in this offering to be offered through the LOYAL3 platform at the public offering price. See Underwriting.
Risk Factors	You should carefully read and consider the information set forth under Risk Factors beginning on page 21 of this prospectus and all other information set forth in this prospectus before investing in our common stock.

Unless otherwise indicated, the number of shares of common stock outstanding:

- excludes 3,994,048 shares of our common stock issuable upon exercise of outstanding stock options under the 2010 Stock Incentive Plan (including up to 254,117 shares to be issued upon exercise of vested stock options by certain directors, officers and employees sold in this offering (the Concurrent Option Exercise)); and

- excludes 3,100,000 shares of our common stock reserved for issuances under our 2014 Omnibus Incentive Plan (the 2014 Stock Incentive Plan), including 444,969 shares issuable upon the exercise of options that were granted to certain executive officers, including the named executive officers as described in Executive Compensation Compensation Discussion and Analysis Elements of Compensation Long-term Incentive Plan.

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Unless otherwise noted, the information in this prospectus assumes no exercise of the underwriters option to purchase from the selling stockholders up to 990,000 additional shares.

Risks Associated With Our Business

Our business is subject to numerous risks, which are highlighted in the section entitled Risk Factors. These risks represent challenges to the successful implementation of our strategy and the growth of our business. Some of these risks are:

- our ability to open new stores and operate them profitably;
- changes in discretionary spending by consumers and general economic conditions;
- our ability to compete favorably in the out-of-home and home-based entertainment and restaurant markets;
- unauthorized use of our intellectual property;
- potential claims for infringing the intellectual property right of others and the costs related to such claims;
- damage to our brand or reputation;
- failure or destruction of our information systems and other technology that support our business;
- seasonality of our business and the timing of new openings and other events;
- availability and cost of food and other supplies; and
- our ability to operate our stores and obtain and maintain licenses and permits necessary for such operation in compliance with applicable laws and regulations.

For a discussion of these and other risks you should consider before making an investment in our common stock, see the section entitled Risk Factors.

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SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

Set forth below are our summary consolidated historical and as adjusted financial and other data for the periods ending on and as of the dates indicated.

Dave & Buster s Entertainment, Inc. has no material assets or operations other than 100% ownership of the outstanding common stock of D&B Holdings. D&B Holdings has no material assets or operations other than 100% ownership of the outstanding common stock of Dave & Buster s, Inc.

The statement of operations and cash flows data for each of the fiscal years ended February 2, 2014, February 3, 2013 and January 29, 2012 were derived from our audited consolidated financial statements included elsewhere in this prospectus. The statement of operations and cash flows data for each of the thirty-nine week periods ended November 2, 2014 and November 3, 2013 and the balance sheet data as of November 2, 2014 were derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited consolidated financial statements include all normal recurring adjustments necessary to present fairly the data for such periods and as of such dates.

We operate on a 52 or 53 week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except in a 53 week year when the fourth quarter has 14 weeks. All fiscal years presented herein consist of 52 weeks, except fiscal year 2012, which consisted of 53 weeks.

Our historical results are not necessarily indicative of future results of operations. The summary of historical financial and other data should be read in conjunction with Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the notes related thereto, included elsewhere in this prospectus. All dollar amounts are presented in thousands except per share amounts.

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	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
Statement of Operations Data:					
Revenues:					
Food and beverage revenues	$ 256,077	$ 222,508	$ 310,111	$ 298,421	$ 272,606
Amusement and other revenues	283,605	241,700	325,468	309,646	268,939
Total revenues	539,682	464,208	635,579	608,067	541,545
Operating costs:					
Cost of products:					
Cost of food and beverage	65,939	55,988	77,577	73,019	65,751
Cost of amusement and other	39,335	35,255	47,437	46,098	41,417
Total cost of products	105,274	91,243	125,014	119,117	107,168
Operating payroll and benefits	126,357	108,716	150,172	145,571	130,875
Other store operating expenses	170,440	150,107	199,537	192,792	175,993
General and administrative expenses	31,462	26,905	36,440	40,356	34,896
Depreciation and amortization expense	52,321	49,333	66,337	63,457	54,277
Pre-opening costs	7,942	5,175	7,040	3,060	4,186
Total operating costs	493,796	431,479	584,540	564,353	507,395
Operating income	45,886	32,729	51,039	43,714	34,150
Interest expense, net	29,826	35,879	47,809	47,634	44,931
Loss on debt retirement	27,578				
Income (loss) before provision (benefit) for income taxes	(11,518)	(3,150)	3,230	(3,920)	(10,781)
Provision (benefit) for income taxes	(4,494)	(442)	1,061	(12,702)	(3,796)

Net income (loss)	$ (7,024)	$ (2,708)	$ 2,169	$ 8,782	$ (6,985)
Net income (loss) per share of common stock:					
Basic	$ (0.21)	$ (0.08)	$ 0.07	$ 0.26	$ (0.20)
Diluted	$ (0.21)	$ (0.08)	$ 0.06	$ 0.26	$ (0.20)
Weighted average number of shares outstanding:					
Basic	33,763,436	33,186,273	33,187,776	33,186,426	34,478,732
Diluted	33,763,436	33,186,273	34,030,115	33,747,535	34,478,732

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	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
As Adjusted Consolidated Statements of Operations Data [1]:					
As adjusted net income	$ 18,647		$ 17,769		
As adjusted net income per share:					
Basic	$ 0.47		$ 0.44		
Diluted	$ 0.44		$ 0.42		
As adjusted weighted average shares outstanding:					
Basic	39,969,233		39,952,619		
Diluted	42,760,660		42,744,046		
Statement of Cash Flow Data:					
Cash provided by (used in):					
Operating activities	$ 36,713	$ 86,294	$ 109,878	$ 82,796	$ 72,777
Investing activities	(91,610)	(75,100)	(105,677)	(78,488)	(70,502)
Financing activities	75,763	(1,943)	(2,238)	(1,875)	(2,998)

	AS OF NOVEMBER 2, 2014
Balance Sheet Data:	
Cash and cash equivalents	$ 58,946
Net working capital deficit [2]	(5,601)
Property and equipment, net	427,235
Total assets	923,511
Total debt, net of unamortized discount	428,976
Stockholders equity	244,121

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
Store-level Data:					
Stores open at end of period [3]	70	64	66	61	58
Comparable stores [4]	57	55	55	54	52
Comparable store sales increase [5]	6.2%	1.0%	1.0%	3.0%	2.2%
Store-level EBITDA [6]	$ 137,611	$ 114,142	$ 160,856	$ 150,587	$ 127,509
Store-level EBITDA margin [7]	25.5%	24.6%	25.3%	24.8%	23.5%

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	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
Other Data:					
Adjusted EBITDA [8]	$ 113,642	$ 94,612	$ 134,790	$ 120,478	$ 98,372
Adjusted EBITDA margin [9]	21.1%	20.4%	21.2%	19.8%	18.2%
Capital additions [10]:					
New stores	$ 63,033	$ 50,576	$ 72,301	$ 32,795	$ 43,951
Operating initiatives, including remodels	11,955	16,032	21,930	21,946	10,380
Games	8,162	7,770	11,413	10,090	7,196
Maintenance	8,717	8,389	14,238	13,858	11,419
Total capital additions	$ 91,867	$ 82,767	$ 119,882	$ 78,689	$ 72,946

(1) As adjusted consolidated statement of operations data gives effect to (i) the 224.9835679 for 1 stock split of our common stock prior to the IPO, (ii) the issuance of 6,764,705 shares in our IPO and (iii) the Refinancing as described in The Refinancing, as if they had occurred on February 4, 2013 with respect to fiscal year 2013 and February 3, 2014 with respect to the thirty-nine weeks ended November 2, 2014. As adjusted net income reflects (i) net decreases in interest expense of (a) $10,494 and $22,188 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, respectively, resulting from the Refinancing pursuant to which our then outstanding debt (which bore interest at a weighted average effective rate of 10.1%) was refinanced with new debt under our new senior secured credit facility bearing interest at a 4.8% effective rate and (b) $4,408 and $5,850 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, respectively, resulting from the reduction in debt under our new senior secured credit facility following the prepayment of $100,000 principal amount thereunder; (ii) the elimination of $27,578 loss on debt retirement in the thirty-nine weeks ended November 2, 2014 related to the premiums, interest and expense incurred in connection with the Refinancing; (iii) the increase in compensation expense in fiscal 2013 related to the acceleration of certain performance-based options as a result of our initial public offering, effective October 9, 2014, consisting of $813 relating to the acceleration of unamortized expense and $630 of additional compensation reflecting an increase in valuation as a result of the modification of the options to remove the performance-based conditions; (iv) the increase in compensation expense of $701 and $1,020 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013 respectively, relating to the grants of 444,969 options issued in connection with the initial public offering; (v) the elimination of $307 expenses incurred during the thirty-nine weeks ended November 2, 2014 related to the initial public offering, which were not capitalized as part of Stockholders equity; and (vi) the tax effects of these changes on income before taxes, assuming a statutory tax rate of 39%. The as adjusted consolidated statements of operations data is not necessarily indicative of what our results of operations would have been if the transaction had been completed as of the date indicated, such as increased stock-based compensation payments or public company expenses, nor is such data necessarily indicative of our

results of operations for any future period.

The table below provides a summary of net income (loss) used in the calculation of basic and diluted net income per common share calculated on an as adjusted basis (in thousands).

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014	FISCAL YEAR ENDED FEBRUARY 2, 2014
Net income (loss)	$ (7,024)	$ 2,169
Net reduction of interest expense	14,902	28,038
Elimination of loss on debt retirement	27,578	
Elimination of non-capitalized IPO costs	307	
Increase in compensation expense acceleration of options	(701)	(2,463)
Increase in income tax expense	(16,415)	(9,975)
As adjusted net income	$ 18,647	$ 17,769

(2) Defined as total current assets minus total current liabilities.

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(3) Our location in Nashville, Tennessee, which temporarily closed from May 2, 2010 to November 28, 2011 due to flooding, is included in our store count for all periods presented. Our Kensington/Bethesda, Maryland location (which permanently closed on August 12, 2014) is included in store counts for all periods presented prior to the thirty-nine weeks ended November 2, 2014. Also included in the store counts as of January 29, 2012 is a store in Dallas, Texas which permanently closed on December 17, 2012.

(4) Comparable stores are stores open at least 18 months as of the beginning of each of the relevant fiscal years, excluding our one franchised store located in Canada, which ceased operation as a Dave & Buster s on May 31, 2013. Our fiscal 2014 comparable stores exclude the Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

(5) Comparable store sales increases reflect the year-over-year changes, on a calendar week basis, for the stores as defined as comparable in footnote (4) above.

(6) Store-level EBITDA is defined by us as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, general and administrative expenses and pre-opening costs, as shown in the table below. We use Store-level EBITDA to measure operating performance and returns from opening new stores. Similar to Adjusted EBITDA, Store-level EBITDA is not defined under GAAP and does not purport to be an alternative to net income as a measure of operating performance.

We believe that Store-level EBITDA is another useful measure in evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store level, and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store-level EBITDA is a useful measure in evaluating our operating performance within the entertainment and dining industry because it permits the evaluation of store-level productivity, efficiency and performance, and we use Store-level EBITDA as a means of evaluating store financial performance compared with our competitors. However, because this measure excludes significant items such as general and administrative expenses and pre-opening costs, as well as our interest expense and depreciation and amortization expense, which are important in evaluating our consolidated financial performance from period to period, the value of this measure is limited as a measure of our consolidated financial performance. Our calculation of Store-level EBITDA for the periods is presented below:

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
Net income (loss)	$ (7,024)	$ (2,708)	$ 2,169	$ 8,782	$ (6,985)
Interest expense, net	29,826	35,879	47,809	47,634	44,931
Loss on debt retirement	27,578				
Provision (benefit) for income taxes	(4,494)	(442)	1,061	(12,702)	(3,796)
Depreciation and amortization expense	52,321	49,333	66,337	63,457	54,277

General and administrative expenses	31,462	26,905	36,440	40,356	34,896
Pre-opening costs	7,942	5,175	7,040	3,060	4,186
Store-level EBITDA	$ 137,611	$ 114,142	$ 160,856	$ 150,587	$ 127,509

(7) Store-level EBITDA margin represents Store-level EBITDA divided by total revenues. Store-level EBITDA margin allows us to evaluate operating performance of each store across stores of varying size and volume.

(8) Adjusted EBITDA is calculated as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss on asset disposal, share-based compensation, currency transaction (gain) loss, pre-opening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction and other costs.

Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our senior secured credit facility and our presentation of Adjusted EBITDA is consistent with that reported to our lenders to allow for leverage-based assessments. By reporting Adjusted EBITDA, we provide a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers.

Adjusted EBITDA, however, is not defined by GAAP and should not be considered in isolation or as an alternative to other financial data prepared in accordance with GAAP or as an indicator of the Company s operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined in accordance with GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. Although we use Adjusted EBITDA as a measure to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, Adjusted EBITDA and Adjusted EBITDA margin do not take into account a number of significant items, including our interest expense

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and depreciation and amortization expense. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. In addition, Adjusted EBITDA excludes pre-opening costs and adjustments for changes in the accruals for deferred amusement revenue and ticket liability, which we expect customers to redeem in future periods and which may be important in analyzing our GAAP results. Our calculations of Adjusted EBITDA adjust for these amounts because they vary from period to period and do not directly relate to the ongoing operations of the current underlying business of our stores and therefore complicate comparisons of the underlying business between periods. Nevertheless, because of the limitations described above management does not view Adjusted EBITDA in isolation and also uses other measures, such as net sales, gross margin, operating income and net income (loss), to measure operating performance.

Our calculation of Adjusted EBITDA for the periods presented is set forth below:

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
Net income (loss)	$ (7,024)	$ (2,708)	$ 2,169	$ 8,782	$ (6,985)
Interest expense, net	29,826	35,879	47,809	47,634	44,931
Loss on debt retirement	27,578				
Provision (benefit) for income taxes	(4,494)	(442)	1,061	(12,702)	(3,796)
Depreciation and amortization expense	52,321	49,333	66,337	63,457	54,277
Loss on asset disposal [(a)]	1,267	2,183	2,631	2,640	1,279
Share-based compensation [(b)]	1,864	908	1,207	1,099	1,038
Currency transaction loss (gain) [(c)]	(4)	184	622	(13)	103
Pre-opening costs [(d)]	7,942	5,175	7,040	3,060	4,186
Reimbursement of affiliate and other expenses [(e)]	472	552	722	799	854
Change in deferred amusement revenue and ticket liability [(f)]	2,378	3,371	4,936	2,470	1,539
Transaction and other costs [(g)]	1,516	177	256	3,252	946
Adjusted EBITDA	$ 113,642	$ 94,612	$ 134,790	$ 120,478	$ 98,372

(a) Represents the net book value of assets (less proceeds received) disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.

(b) Represents stock compensation expense under our 2010 Stock Incentive Plan.

(c) Represents the effect of foreign currency transaction (gains) or losses related to our store in Canada.

(d) Represents costs incurred prior to the opening of our new stores.

(e) Represents fees and expenses paid directly to our Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC in the amount of $41, $115, $115, $76 and $297 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012 and 2011, respectively. See Certain Relationships and Related Transactions Expense Reimbursement Agreement.

(f) Represents quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on our redemption games.

(g) Primarily represents costs related to capital markets transactions, severance costs associated with the departure of key executives/organizational restructuring initiatives and store closure costs.

(9) Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows us to evaluate our overall operating performance over time by excluding items that we do not believe are indicative of our core operating performance.

(10) Capital additions is defined as total accrual based additions to property and equipment. Capital additions do not include any reductions for tenant improvement allowances received or receivable from landlords. Tenant improvement allowances received from landlords totaled $14,855, $5,587, $15,786, $10,882 and $6,911 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012 and 2011, respectively.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risks, as well as the other information contained in this prospectus, before making an investment in our company. If any of the following risks actually occur, our business, results of operations or financial condition may be materially adversely affected. In such an event, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Business

The economic uncertainty in the United States and Canada impacts our business and financial results and a renewed recession could materially affect us in the future.

Any significant decrease in consumer confidence, or periods of economic slowdown or recession, could lead to a curtailing of discretionary spending, which in turn could reduce our revenues and results of operations and adversely affect our financial position. Our business is dependent upon consumer discretionary spending and therefore is affected by consumer confidence as well as the future performance of the United States and global economies. As a result, our results of operations are susceptible to economic slowdowns and recessions. Increases in job losses, home foreclosures, investment losses in the financial markets, personal bankruptcies, credit card debt and home mortgage and other borrowing costs, declines in housing values and reduced access to credit, amongst other factors, may result in lower levels of customer traffic in our stores, a decline in consumer confidence and a curtailing of consumer discretionary spending. We believe that consumers generally are more willing to make discretionary purchases during periods in which favorable economic conditions prevail. If economic conditions worsen, whether in the United States or in the communities in which our stores are located, we could see deterioration in customer traffic or a reduction in the average amount customers spend in our stores. A reduction in revenues will result in sales de-leveraging (spreading our fixed costs across the lower level of sales) and will in turn cause downward pressure on our profit margins. This could result in reduction of staff levels, asset impairment charges and potential store closures, a deceleration of new store openings and an inability to comply with the covenants under our senior secured credit facility.

Future economic downturns similar to the economic crisis that began in 2008 could have a material adverse impact on our landlords or other tenants in shopping centers in which we are located, which in turn could negatively affect our financial results.

If we experience another economic downturn in the future, our landlords may be unable to obtain financing or remain in good standing under their existing financing arrangements, resulting in failures to pay required tenant improvement allowances or satisfy other lease covenants to us. In addition, tenants at shopping centers in which we are located or have executed leases, or to which our locations are near, may fail to open or may cease operations. Decreases in total tenant occupancy in shopping centers in which we are located, or to which our locations are near, may affect traffic at our stores. All of these factors could have a material adverse impact on our operations.

Our growth strategy depends on our ability to open new stores and operate them profitably.

As of January 29, 2015, there were 73 company-owned locations in the United States and Canada. A key element of our growth strategy is to open additional stores in locations that we believe will provide attractive returns on investment. We have identified a number of additional sites for potential future Dave & Buster s stores. Our ability to open new stores on a timely and cost-effective basis, or at all, is dependent on a number of factors, many of which are beyond our control, including our ability to:

- find quality locations;
- reach acceptable agreements regarding the lease or purchase of locations;
- comply with applicable zoning, licensing, land use and environmental regulations;
- raise or have available an adequate amount of cash or currently available financing for construction and opening costs;
- timely hire, train and retain the skilled management and other employees necessary to meet staffing needs;
- obtain, for acceptable cost, required permits and approvals, including liquor licenses; and
- efficiently manage the amount of time and money used to build and open each new store.

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If we succeed in opening new stores on a timely and cost-effective basis, we may nonetheless be unable to attract enough customers to new stores because potential customers may be unfamiliar with our stores or concept, or our entertainment and menu options might not appeal to them. Our new large and small format stores may not meet or exceed the performance of our existing stores or meet or exceed our performance targets, including target cash-on-cash returns. New stores may even operate at a loss, which could have a significant adverse effect on our overall operating results. If the expected future cash flows for a store are less than the asset carrying amount (an indication that the carrying amount may not be recoverable), we may recognize an impairment loss in an amount equal to the excess of the asset carrying amount over the fair value. Opening a new store in an existing market could reduce the revenue at our existing stores in that market. In addition, historically, new stores experience a drop in revenues after their first year of operation. Typically, this drop has been temporary and has been followed by increases in comparable store revenue in line with the rest of our comparable store base, but there can be no assurance that this will be the case in the future or that a new store will succeed in the long term.

Our expansion into new markets may present increased risks due to our unfamiliarity with the area.

Some of our new stores will be located in areas where we have little or no meaningful experience. Those markets may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets, which may cause our new stores to be less successful than stores in our existing markets. In addition, our national advertising program may not be successful in generating brand awareness in all local markets, and the lack of market awareness of the Dave & Buster s brand can pose an additional risk in expanding into new markets. Stores opened in new markets may open at lower average weekly revenues than stores opened in existing markets, and may have higher store-level operating expense ratios than stores in existing markets. Sales at stores opened in new markets may take longer to reach average store revenues, if at all, thereby adversely affecting our overall profitability.

In addition, we may in the future establish stores outside of the United States and Canada. In addition to the risks posed by new markets generally, the operating conditions in overseas markets may vary significantly from those we have experienced in the past, including in relation to consumer preferences, regulatory environment, currency risk, the presence and cooperation of suitable local partners and availability of vendors or commercial and physical infrastructure, among others. There is no guarantee that we will be successful in integrating these new stores into our operations, achieving market acceptance, operating these stores profitably, and maintaining compliance with the rapidly changing business and regulatory requirements of new markets. If we are unable to do so, we could suffer a material adverse effect on our business, financial condition and results of operations.

We may not be able to compete favorably in the highly competitive out-of-home and home-based entertainment and restaurant markets, which could have a material adverse effect on our business, results of operations or financial condition.

The out-of-home entertainment market is highly competitive. We compete for customers discretionary entertainment dollars with theme parks, as well as with providers of out-of-home entertainment, including localized attraction facilities such as movie theatres, sporting events, bowling alleys, nightclubs and restaurants. Many of the entities operating these businesses are larger and have significantly greater financial resources, a greater number of stores, have been in business longer, have greater name recognition and are better established in the markets where our stores are located or are planned to be located. As a result, they may be able to invest greater resources than we can in attracting customers and succeed in attracting customers who would otherwise come to our stores. The legalization of casino gambling in geographic areas near any current or future store would create the possibility for entertainment alternatives, which could have a material adverse effect on our business and financial condition. We also face competition from local establishments that offer entertainment experiences similar to ours and restaurants that are highly competitive with respect to price, quality of service, location, ambience and type and quality of food. We also

face competition from increasingly sophisticated home-based forms of entertainment, such as internet and video gaming and home movie delivery. Our failure to compete favorably in the competitive out-of-home and home-based entertainment and restaurant markets could have a material adverse effect on our business, results of operations and financial condition.

Our quarterly results of operations are subject to fluctuations due to the seasonality of our business and other events.

Our operating results fluctuate significantly from quarter to quarter as a result of seasonal factors. Typically, we have higher first and fourth quarter revenues associated with the spring and year-end holidays. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

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We expect seasonality will continue to be a factor in our results of operations. As a result, factors affecting peak seasons could have a disproportionate effect on our results. For example, the number of days between Thanksgiving and New Year s Day and the days of the week on which Christmas and New Year s Eve fall affect the volume of business we generate during the December holiday season and can affect our results for the full fiscal year. In addition, adverse weather during the winter and spring seasons can have a significant impact on our first and fourth quarters, and therefore our results for the full fiscal year. See Management s Discussion and Analysis of Financial Condition and Results of Operations Key Line Item Descriptions Store-level variability, quarterly fluctuations, seasonality and inflation.

Our operating results may also fluctuate significantly because of non-seasonal factors. Due to our relatively limited number of locations, poor results of operations at any single store could materially affect our overall profitability.

Our quarterly results of operations are subject to fluctuations due to the timing of new store openings.

The timing of new store openings may result in significant fluctuations in our quarterly performance. We typically incur most cash pre-opening costs for a new store within the two months immediately preceding, and the month of, the store s opening. In addition, the labor and operating costs for a newly opened store during the first three to six months of operation are materially greater than what can be expected after that time, both in aggregate dollars and as a percentage of revenues. We expect to spend approximately $80 million to $85 million ($60 million to $65 million net of tenant improvement allowances from landlords) for new store construction in fiscal 2014. A portion of the fiscal 2014 new store expenditures is related to stores that will be under construction in fiscal 2014 and are not expected to open until 2015. Due to these substantial up-front financial requirements to open new stores, the investment risk related to any single store is much larger than that associated with many other restaurants or entertainment venues.

We may not be able to maintain profitability.

Maintaining profitability depends upon numerous factors, including our ability to generate increased revenues and our ability to control expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this prospectus and our ongoing depreciation and amortization expense, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. Accordingly, we can make no assurances that we will be able to achieve, sustain or increase profitability in the future. Failure to achieve and maintain profitability could have an adverse impact on the trading prices of our common stock.

Our operations are susceptible to the availability and cost of food and other supplies, in most cases from a limited number of suppliers, which subject us to possible risks of shortages, interruptions and price fluctuations.

Our profitability depends in part on our ability to anticipate and react to changes in product costs. Cost of food and beverage as a percentage of food and beverage revenue was 25.0% in fiscal 2013, 24.5% in fiscal 2012 and 24.1% in fiscal 2011. Cost of food as a percentage of total revenue was approximately 8.6% in fiscal 2013. Cost of amusement and other costs as a percentage of amusement and other revenue was 14.6% in fiscal 2013, 14.9% in fiscal 2012 and 15.4% in fiscal 2011. If we have to pay higher prices for food or other supplies, our operating costs may increase, and, if we are unable or unwilling to pass such cost increases on to our customers, our operating results could be adversely affected.

The unplanned loss of a major distributor could adversely affect our business by disrupting our operations as we seek out and negotiate a new distribution contract. We also have multiple short-term supply contracts with a limited number of suppliers. If any of these suppliers do not perform adequately or otherwise fail to distribute products or supplies to our stores, we may be unable to replace the suppliers in a short period of time on acceptable terms, which

could increase our costs, cause shortages of food and other items at our stores and cause us to remove certain items from our menu. Other than forward purchase contracts for certain food items, we currently do not engage in futures contracts or other financial risk management strategies with respect to potential price fluctuations in the cost of food and other supplies.

We may not be able to anticipate and react to changing food, beverage and amusement costs by adjusting purchasing practices or menu and game prices, and a failure to do so could have a material adverse effect on our operating results.

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Our procurement of games and amusement offerings is dependent upon a few suppliers.

Our ability to continue to procure new games, amusement offerings, and other entertainment-related equipment is important to our business strategy. The number of suppliers from which we can purchase games, amusement offerings and other entertainment-related equipment is limited. To the extent that the number of suppliers declines, we could be subject to the risk of distribution delays, pricing pressure, lack of innovation and other associated risks.

In addition, any increase in cost or decrease in availability of new amusement offerings that appeal to customers could adversely impact the cost to acquire and operate new amusements which could have a material adverse effect on our operating results. We may not be able to anticipate and react to changing amusement offerings cost by adjusting purchasing practices or game prices, and a failure to do so could have a material adverse effect on our operating results.

Instances of foodborne illness and outbreaks of disease, as well as negative publicity relating thereto, could result in reduced demand for our menu offerings and reduced traffic in our stores and negatively impact our business.

We cannot guarantee that our supply chain and food safety controls and training will be fully effective in preventing all food safety issues at our stores, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. In addition, we rely on third-party vendors, making it difficult to monitor food safety compliance and increasing the risk that foodborne illness would affect multiple locations rather than a single store. Some foodborne illness incidents could be caused by third-party vendors and distributors outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of foodborne illness in any of our stores or markets or related to food products we sell could negatively affect our store sales nationwide if highly publicized on national media outlets or through social media. This risk exists even if it were later determined that the illness was wrongly attributed to us or one of our stores. A number of restaurant chains have experienced incidents related to foodborne illnesses that have had a material adverse effect on their operations. The occurrence of a similar incident at one or more of our stores, or negative publicity or public speculation about an incident, could reduce customer visits to our stores and negatively impact demand for our menu offerings.

We may not be able to operate our stores, or obtain and maintain licenses and permits necessary for such operation, in compliance with laws, regulations and other requirements, which could adversely affect our business, results of operations or financial condition.

We are subject to various federal, state and local laws affecting our business. Each store 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 store is located. Each store 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. In the past, we have had licenses temporarily suspended. The most recent example is our license to sell alcoholic beverages was suspended for two days in 2011 in our Maple Grove, Minnesota store, due to violations of the terms of our licenses. In some states, the loss of a license for cause with respect to one location may lead to the loss of licenses at all locations in that state and could make it more difficult to obtain additional licenses in that state. Alcoholic beverage control regulations relate to numerous aspects of the daily operations of each store, including minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling and storage and dispensing of alcoholic beverages. 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 licenses, could have a material adverse effect on operations and our ability to obtain such a license or permit in other locations.

As a result of operating certain entertainment games and attractions, including skill-based games that offer redemption prizes, we are subject to amusement licensing and regulation by the states, counties and municipalities in which our stores are located. These laws and regulations can vary significantly by state, county, and municipality and, in some jurisdictions, may require us to modify our business operations or alter the mix of redemption games and simulators we offer. Moreover, as more states and local communities implement legalized gambling, the laws and corresponding enabling regulations may also be applicable to our redemption games and regulators may create new licensing requirements, taxes or fees, or restrictions on the various types of redemption games we offer. For example, the State of Florida has adopted a more restrictive definition of legal redemption games. Furthermore, the states of

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Ohio (broad regulation of games of skill) and Maryland (regulation of electronic gaming devices), and the city of Honolulu, Hawaii (regulation of simulated gambling devices), are considering changes to existing laws to further regulate legalized gaming and illegal gambling. Adoption of these laws, or adverse interpretation of existing laws, could require our existing stores in these jurisdictions to alter the mix of games, modify certain games, limit the number of tickets that may be won by a customer from a redemption game, change the mix of prizes that we may offer at our Winner s Circle or terminate the use of specific games, any of which could adversely affect our operations. If we fail to comply with such laws and regulations, we may be subject to various sanctions and/or penalties and fines or may be required to cease operations until we achieve compliance, which could have an adverse effect on our business and our financial results.

Changes in laws, regulations and other requirements could adversely affect our business, results of operations or financial condition.

We are also subject to federal, state and local environmental laws, regulations and other requirements. 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 stores in particular locations. Environmental laws and regulations also govern, among other things, discharges of pollutants into the air and water as well as the presence, handling, release and disposal of and exposure to hazardous substances. These laws provide for significant fines and penalties for noncompliance. Third parties may also make personal injury, property damage or other claims against us associated with actual or alleged release of, or exposure to, hazardous substances at our properties. We could also be strictly liable, without regard to fault, for certain environmental conditions at properties we formerly owned or operated as well as at our current properties.

In addition, we are subject to the Fair Labor Standards Act (which governs such matters as minimum wages and overtime), the Americans with Disabilities Act, various family-leave mandates and other federal, state and local laws and regulations that govern working conditions. From time-to-time, the U.S. Congress and the states consider increases in the applicable minimum wage. Several states in which we operate have enacted increases in the minimum wage, which have taken effect during the past several years, and further increases are anticipated. 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 repercussions, if any, of increased minimum wages on other expenses. For example, our suppliers may be more severely impacted by higher minimum wage standards, which could result in increased costs to us. If we are unable to offset these costs through increased costs to our customers, our business, results of operations and financial condition could be adversely affected. Moreover, although none of our employees have been or are now represented by any unions, labor organizations may seek to represent certain of our employees in the future, and if they are successful, our payroll expenses and other labor costs may be increased in the course of collective bargaining, and/or there may be strikes or other work disruptions that may adversely affect our business.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the Affordable Care Act), as well as other healthcare reform legislation being considered by Congress and state legislatures, may have an adverse effect on our business. Although the Affordable Care Act does not mandate that employers offer health insurance to all employees who are eligible under the legislation, beginning in 2015, penalties will be assessed on employers who do not offer health insurance that meets certain affordability or benefit coverage requirements. Providing health insurance benefits to employees that are more extensive than the health insurance benefits we currently provide and to a potentially larger proportion of our employees, or the payment of penalties if the specified level of coverage is not provided at an affordable cost to employees, will increase our expenses. Additionally, our distributors and suppliers also may be affected by higher health care-related costs, which could result in higher costs for goods and services supplied to us. We believe our plans will meet these requirements,

however, providing health insurance benefits to a potentially larger proportion of our employees, or the payment of penalties if the specified level of coverage is not provided at an affordable cost to employees, could have a significant, negative impact on our business.

The Affordable Care Act also requires us to comply with federal nutritional disclosure requirements. The Food and Drug Administration has recently finalized regulations to implement the nutritional menu labeling provisions of the Affordable Care Act. These final regulations will be effective on December 1, 2015 and establish a uniform, federal requirement for certain restaurants, including ours, to post certain nutritional information on their menus. We will be

required to publish the total number of calories of standard menu items on menus, along with a statement that puts this calorie information in the context of a total daily calorie intake. The Affordable Care Act also requires us to provide to consumers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus about the availability of this information. The Affordable Care Act also permits the Food and Drug Administration to require us to make additional nutrient disclosures, such as disclosure of trans-fat content. An unfavorable report on, or reaction to, our menu ingredients, the size of our portions, or the nutritional content of our menu items could negatively influence the demand for our offerings. We cannot make any assurances regarding our ability to effectively respond to changes in consumer health perceptions or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu offerings to trends and eating habits. The imposition of menu-labeling laws could have an adverse effect on our results of operations and financial position, as well as the hospitality industry in general.

Our sales and results of operations may be adversely affected by climate change and the passage of other environmental legislation and regulations. The costs and other effects of new legal requirements cannot be determined with certainty. For example, new legislation or regulations may result in increased costs directly for our compliance or indirectly to the extent that such requirements increase prices charged to us by vendors because of increased compliance costs. At this point, we are unable to determine the impact that climate change and other environmental legislation and regulations could have on our overall business.

We face potential liability with our gift cards under the property laws of some states.

Our gift cards, which may be used to purchase food, beverages, merchandise and game play credits in our stores, may be considered stored value cards. Certain states include gift cards under their abandoned and unclaimed property laws, and require companies to remit to the state cash in an amount equal to all or a designated portion of the unredeemed balance on the gift cards based on certain card attributes and the length of time that the cards are inactive. To date we have not remitted any amounts relating to unredeemed gift cards to states based upon our assessment of applicable laws. We recognize income from unredeemed cards when we determine that the likelihood of the cards being redeemed is remote and that recognition is appropriate based on governing state statutes.

The analysis of the potential application of the abandoned and unclaimed property laws to our gift cards is complex, involving an analysis of constitutional, statutory provisions and factual issues. In the event that one or more states change their existing abandoned and unclaimed property laws or successfully challenge our position on the application of its abandoned and unclaimed property laws to our gift cards, or if the estimates that we use in projecting the likelihood of the cards being redeemed prove to be inaccurate, our liabilities with respect to unredeemed gift cards may be materially higher than the amounts shown in our financial statements. If we are required to materially increase the estimated liability recorded in our financial statements with respect to unredeemed gift cards, our net income could be materially and adversely affected.

Our Power Cards may raise similar concerns to gift cards in terms of the applicability of states abandoned and unclaimed property laws. However, based on our analysis of abandoned and unclaimed property laws, we believe that our Power Cards are not stored value cards and such laws do not apply, although there can be no assurance that states will not take a different position.

Customer complaints or litigation on behalf of our customers or employees may adversely affect our business, results of operations or financial condition.

Our business may be adversely affected by legal or governmental proceedings brought by or on behalf of our customers or employees. In recent years, a number of restaurant companies, including ours, have been subject to

lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters, and a number of these lawsuits have resulted in the payment of substantial damages by the defendants. We could also face potential liability if we are found to have misclassified certain employees as exempt from the overtime requirements of the federal Fair Labor Standards Act and state labor laws. We have had from time to time and now have such lawsuits pending against us. In addition, from time to time, customers file complaints or lawsuits against us alleging that we are responsible for some illness or injury they suffered at or after a visit to a store. We are also subject to a variety of other claims in the ordinary course of business, including personal injury, lease and contract claims. The restaurant industry has also been subject to a growing number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers.

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We are also subject to dram shop statutes in certain states in which our stores 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 are currently the subject of one lawsuit that alleges a violation of these statutes. Recent litigation against restaurant chains has resulted in significant judgments and settlements under dram shop statutes. Because these cases often seek punitive damages, which may not be covered by insurance, such litigation could have an adverse impact on our business, results of operations or financial condition. Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from operations and hurt our financial performance. A judgment significantly in excess of our insurance coverage or not covered by insurance could have a material adverse effect on our business, results of operations or financial condition. As approximately 31.1% of our food and beverage revenues were derived from the sale of alcoholic beverages during fiscal 2013, adverse publicity resulting from these allegations may materially affect our stores and us.

We may face labor shortages that could slow our growth and adversely impact our ability to operate our stores.

The successful operation of our business depends upon our ability to attract, motivate and retain a sufficient number of 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 stores are located. Shortages of skilled labor may make it increasingly difficult and expensive to attract, train and retain the services of a satisfactory number of qualified employees and could delay the planned openings of new stores or adversely impact our existing stores. Any such delays, material increases in employee turnover rates in existing stores or widespread employee dissatisfaction could have a material adverse effect on our business and results of operations. Competition for qualified employees could require us to pay higher wages, which could result in higher labor costs and could have a material adverse effect on our results of operations.

Immigration reform continues to attract significant attention in the public arena and the U.S. Congress. If new immigration legislation is enacted, such laws may contain provisions that could increase our costs in recruiting, training and retaining employees. Also, although our hiring practices comply with the requirements of federal law in reviewing employees citizenship or authority to work in the United States, increased enforcement efforts with respect to existing immigration laws by governmental authorities may disrupt a portion of our workforce or our operations at one or more of our stores, thereby negatively impacting our business.

We depend on the services of key executives, the loss of whom could materially harm our business and our strategic direction if we were unable to replace them with executives of equal experience and capabilities.

Our future success significantly depends on the continued service and performance of our key management personnel. With the exception of Kevin Bachus, we have employment agreements with all members of senior management. However, we cannot prevent members of senior management from terminating their employment with us. Losing the services of members of senior management could materially harm our business until a suitable replacement is found, and such replacement may not have equal experience and capabilities. In addition, we have not purchased life insurance on any members of our senior management.

Local conditions, events, terrorist attacks, adverse weather conditions and natural disasters could adversely affect our business.

Certain of the regions in which our stores are located have been, and may in the future be, subject to adverse local conditions, events, terrorist attacks, adverse weather conditions, or natural disasters, such as earthquakes, floods and hurricanes. For example, our nine stores located in California and our one store located in Oregon are particularly

subject to earthquake risk, and our five stores in Florida, our two stores in Houston, Texas and our one store in Hawaii are particularly subject to hurricane risk. Depending upon its magnitude, a natural disaster could severely damage our stores, which could adversely affect our business, results of operations or financial condition. We currently maintain property and business interruption insurance through the aggregate property policy for each of the stores. However, such coverage may not be sufficient if there is a major disaster. In addition, upon the expiration of our current insurance policies, adequate insurance coverage may not be available at reasonable rates, or at all.

Damage to our brand or reputation could adversely affect our business.

Our brand and our reputation are among our most important assets. Our ability to attract and retain customers depends, in part, upon the external perception of our company, the quality of our food service and facilities and our integrity. Multi-store businesses, such as ours, can be adversely affected by unfavorable publicity resulting from poor food quality, illness or health concerns, or a variety of other operating issues stemming from one or a limited number

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of stores. Adverse publicity involving any of these factors could make our stores less appealing, reduce our customer traffic and/or impose practical limits on pricing. In the future, our stores may be operated by franchisees. Any such franchisees will be independent third parties that we do not control. Although our franchisees will be contractually obligated to operate the store in accordance with our standards, we would not oversee their daily operations. If one or more of our stores were the subject of unfavorable publicity, our overall brand could be adversely affected, which could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to renew real property leases on favorable terms, or at all, which may require us to close a store or relocate, either of which could have a material adverse effect on our business, results of operations or financial condition.

All 73 stores operated by us as of January 29, 2015 are operated on leased property. The leases typically provide for a base rent plus additional rent based on a percentage of the revenue generated by the stores on the leased premises once certain thresholds are met. A decision not to renew a lease for a store could be based on a number of factors, including an assessment of the area in which the store is located. We may choose not to renew, or may not be able to renew, certain of such existing leases if the capital investment then required to maintain the stores at the leased locations is not justified by the return on the required investment. If we are not able to renew the leases at rents that allow such stores to remain profitable as their terms expire, the number of such stores may decrease, resulting in lower revenue from operations, or we may relocate a store, which could subject us to construction and other costs and risks, and, in either case, could have a material adverse effect on our business, results of operations or financial condition. For example, our current store lease in Farmingdale, New York (Long Island) expires in February 2015 without an option to renew.

Fixed rental payments account for a significant portion of our operating expenses, which increases our vulnerability to general adverse economic and industry conditions and could limit our operating and financial flexibility.

Payments under our operating leases account for a significant portion of our operating expenses. For example, total rental payments, including additional rental payments based on sales at some of our stores, under operating leases were approximately $55.2 million, or 8.7% of our total revenues, in fiscal 2013. In addition, as of November 2, 2014, we were a party to operating leases requiring future minimum lease payments aggregating approximately $125.7 million through the next two years and approximately $549.5 million thereafter. We expect that we will lease any new stores we open under operating leases. Our substantial operating lease obligations could have significant negative consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring a substantial portion of our available cash to be applied to pay our rental obligations, thus reducing cash available for other purposes;
-

limiting our flexibility in planning for or reacting to changes in our business or the industry in which we compete; and

- placing us at a disadvantage with respect to our competitors.

We depend on cash flow from operations to pay our lease obligations and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities and sufficient funds are not otherwise available to us from borrowings under bank loans or from other sources, we may not be able to service our operating lease obligations, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which would have a material adverse effect on us.

We may not be able to adequately protect our intellectual property.

Our intellectual property is essential to our success and competitive position. We use a combination of intellectual property rights, such as trademarks and trade secrets, to protect our brand and certain other proprietary processes and information material to our business. The success of our business strategy depends, in part, on our continued ability to use our intellectual property rights to increase brand awareness and further develop our branded products in both existing and new markets. If we fail to protect our intellectual property rights adequately, we may lose an important advantage in the markets in which we compete. If third parties misappropriate or infringe our intellectual property, the value of our image, brand and the goodwill associated therewith may be diminished, our brand may fail to achieve and maintain market recognition, and our competitive position may be harmed, any of which could have a material adverse effect on our business, including our revenues. Policing unauthorized use of our intellectual

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property is difficult, and we cannot be certain that the steps we have taken will prevent the violation or misappropriation of such intellectual property rights by others. To protect our intellectual property, we may become involved in litigation, which could result in substantial expenses, divert the attention of management and adversely affect our revenue, financial condition and results of operations.

We cannot be certain that our products and services do not and will not infringe on the intellectual property rights of others. Any such claims, regardless of merit, could be time-consuming and expensive to litigate or settle, divert the attention of management, cause significant delays, materially disrupt the conduct of our business and have a material adverse effect on our financial condition and results of operations. As a consequence of such claims, we could be required to pay a substantial damage award, take a royalty-bearing license, discontinue the use of third-party products used within our operations and/or rebrand our business and products.

Failure to establish and maintain effective internal control over financial reporting could have a material adverse effect on our business and operating results.

Maintaining effective internal control over financial reporting is necessary for us to produce reliable financial reports and is important in helping to prevent financial fraud. If we are unable to maintain adequate internal controls, our business and operating results could be harmed. Any failure to remediate deficiencies noted by our management or our independent registered public accounting firm or to implement required new or improved controls or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements.

Disruptions in our information technology systems or security breaches of confidential customer information or personal employee information could have an adverse impact on our operations.

Our operations are dependent upon the integrity, security and consistent operation of various systems and data centers, including the point-of-sale, kiosk and amusement operations systems in our stores, data centers that process transactions, communication systems and various other software applications used throughout our operations. Disruptions in these systems could have an adverse impact on our operations. We could encounter difficulties in developing new systems or maintaining and upgrading existing systems. Such difficulty could lead to significant expenses or to losses due to disruption in our business operations.

In addition, our information technology systems are subject to the risk of infiltration or data theft. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage information technology systems change frequently and may be difficult to detect for long periods of time. As such, we may be unable to anticipate these techniques or implement adequate preventive measures. The hardware, software or applications we develop or procure from third parties may also contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other methods of deceiving our team members, contractors and temporary staff. In 2007, there was an external breach of our credit card processing systems, which led to fraudulent credit card activity and resulted in the payment of fines and reimbursements for the fraudulent credit card activity. As part of a settlement with the Federal Trade Commission, we have implemented a series of corrective measures in order to ensure that our computer systems are secure and that our customers personal information is protected. Despite our considerable efforts and investment in technology to secure our computer network, security could still be compromised, confidential information could be misappropriated or system disruptions could occur in the future. This could cause significant harm to our reputation, lead to a loss of sales or profits or cause us to incur significant costs to reimburse third parties for damages.

Our current insurance policies may not provide adequate levels of coverage against all claims and we may incur losses that are not covered by our insurance.

We believe we maintain insurance coverage that is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure. For example, we maintain business interruption insurance, but there can be no assurance that the coverage for a severe or prolonged business interruption at one or more of our stores would be adequate. Given the limited number of stores we operate, such a loss could have a material adverse effect on our results of operations. Similarly, although we carry insurance for breaches of our computer network security, there can be no assurance that all types of potential loss or liability will be covered by such insurance or that we have enough insurance to provide coverage against all claims. Moreover, we believe that insurance covering liability for violations of wage and hour laws is

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generally not available. These losses, if they occur, could have a material adverse effect on our business and results of operations.

Risks Related to this Offering

Our stock price may fluctuate significantly, and you may not be able to resell your shares at or above the offering price.

The trading price of our common stock may be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in our quarterly financial condition and results of operations;
- actual or anticipated strategic, technological or regulatory threats, whether or not warranted by actual events;
- issuance of new or changed securities analysts reports or recommendations;
- investor perceptions of our company or the media and entertainment industries;
- sales, or anticipated sales, of large blocks of our stock;
- additions or departures of key management personnel, creative or other talent;
- regulatory or political developments;
- litigation and governmental investigations; and
- macroeconomic conditions.

Furthermore, the stock market has experienced extreme volatility that in some cases has been unrelated or disproportionate to the operating performance of particular companies. These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the

time and attention of our management from our business.

We do not anticipate paying dividends on our common stock in the foreseeable future.

We do not anticipate paying any dividends in the foreseeable future on our common stock. We intend to retain all future earnings for the operation and expansion of our business and the repayment of outstanding debt. Our senior secured credit facility contains, and any future indebtedness likely will contain, restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to pay dividends and make other restricted payments. As a result, capital appreciation, if any, of our common stock may be your major source of gain for the foreseeable future. While we may change this policy at some point in the future, we cannot assure you that we will make such a change. See Dividend Policy.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our stock or if our results of operations do not meet their expectations, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade recommendations regarding our stock, or if our results of operations do not meet their expectations, our stock price could decline and such decline could be material.

You may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions or otherwise.

As of January 29, 2015, we had 359,782,360 shares of common stock authorized but unissued. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and options, rights, warrants and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion, whether in connection with acquisitions or otherwise. We

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have reserved 3,994,048 shares for issuance upon exercise of outstanding stock options under our 2010 Stock Incentive Plan and 3,100,000 for issuances under our 2014 Stock Incentive Plan. Any common stock that we issue, including under our 2014 Stock Incentive Plan or other equity incentive plans that we may adopt in the future, as well as under outstanding options would dilute the percentage ownership held by the investors who purchase common stock in this offering.

Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price of our common stock and may dilute your voting power and your ownership interest in us.

If our existing stockholders sell substantial amounts of our common stock in the public market following this offering, the market price of our common stock could decrease significantly. The perception in the public market that our existing stockholders might sell shares of common stock could also depress our market price. As of January 29, 2015, we had 39,969,228 shares of common stock outstanding. We, our directors and our executive officers and our significant stockholders are subject to the lock-up agreements described in Underwriting and are subject to the Rule 144 holding period requirements described in Shares Eligible for Future Sale. Following the expiration of the lock-up period, our principal stockholders will have the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under the Securities Act. After this offering (assuming no exercise of the underwriters option to purchase additional shares from the selling stockholders) and the expiration of the lock-up period, 26,806,382 additional shares will be eligible for sale in the public market. The market price of shares of our common stock may drop significantly when the restrictions on resale by our existing stockholders lapse or when we are required to register the sale of our stockholders remaining shares of our common stock. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities.

Our costs could increase significantly as a result of operating as a public company, and our management will be required to devote substantial time to complying with public company regulations.

As a public company and particularly after we cease to be an emerging growth company (to the extent that we have taken advantage of certain exceptions from reporting requirements that are available under the JOBS Act as an emerging growth company), we could incur significant legal, accounting and other expenses not incurred in previous years. In addition, the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley), as well as rules promulgated by the Securities and Exchange Commission (the SEC) and NASDAQ, require us to adopt corporate governance practices applicable to U.S. public companies. These rules and regulations may increase our legal and financial compliance costs.

Sarbanes-Oxley, as well as rules and regulations subsequently implemented by the SEC and NASDAQ, have imposed increased disclosure and enhanced corporate governance practices for public companies. We are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations and standards are likely to result in increased expenses and a diversion of management s time and attention from revenue-generating activities to compliance activities. We may not be successful in continuing to implement these requirements and implementing them could adversely affect our business, results of operations and financial condition. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our financial results on a timely and accurate basis could be impaired.

We are an emerging growth company and elect to comply with certain reduced reporting requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, even though we currently only avail ourselves of the reduced disclosure obligations with respect to executive compensation, we may avail ourselves of additional reduced requirements applicable to emerging growth companies from time to time in the future. We cannot predict if investors will find our common stock less attractive because we choose to rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. However, we are choosing to opt out of any extended transition period, and as a result we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We will remain an emerging growth company for up to five years following our IPO, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

The price of our common stock may be volatile and you could lose all or part of your investment.

From the date of our IPO through January 29, 2015, our share price ranged from a high of $30.91 per share to a low of $15.89 per share. Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for your shares. The market price of our common stock could fluctuate significantly for various reasons, which include:

- our quarterly or annual earnings or those of other companies in our industry;
- changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to our business;
- the public s reaction to our press releases, our other public announcements and our filings with the SEC;
- changes in accounting standards, policies, guidance, interpretations or principles;
- additions or departures of our senior management personnel;
- sales of our common stock by our directors and executive officers;
- sales or distributions of our common stock by the Oak Hill Funds;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;

- actions by shareholders;
- the level and quality of research analyst coverage for our common stock, changes in financial estimates or investment recommendations by securities analysts following our business or failure to meet such estimates;
- the financial disclosure we may provide to the public, any changes in such disclosure or our failure to meet such disclosure;
- various market factors or perceived market factors, including rumors, whether or not correct, involving us, our distributors or suppliers or our competitors;
- acquisitions or strategic alliances by us or our competitors;
- short sales, hedging and other derivative transactions in our common stock;
- the operating and stock price performance of other companies that investors may deem comparable to us; and
- other events or factors, including changes in general conditions in the United States and global economies or financial markets (including those resulting from acts of God, war, incidents of terrorism or responses to such events).

In addition, in recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company, and these fluctuations could materially reduce our share price.

In the past, following periods of market volatility in the price of a company s securities, security holders have often instituted class action litigation. If the market value of our common stock experiences adverse fluctuations and we become involved in this type of litigation, regardless of the outcome, we could incur substantial legal costs and our management s attention could be diverted from the operation of our business, causing our business to suffer.

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Failure to maintain effective internal control over financial reporting in accordance with Section 404 of Sarbanes-Oxley could have a material adverse effect on our business and stock price.

We are required to comply with certain SEC rules that implement Sections 302 and 404 of Sarbanes-Oxley, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. Though we are required to disclose changes made in our internal control procedures on a quarterly basis, if we take advantage of certain exceptions from reporting requirements that are available to emerging growth companies under the JOBS Act, each public accounting firm that prepares an audit for us will not be required to attest to and report on our annual assessment of our internal controls over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company as defined in the JOBS Act.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law may discourage, delay or prevent a change of control of our company or changes in our management and, therefore, may depress the trading price of our stock.

Our amended and restated certificate of incorporation and amended and restated bylaws include certain provisions that could have the effect of discouraging, delaying or preventing a change of control of our company or changes in our management, including, among other things:

- restrictions on the ability of our stockholders to fill a vacancy on the Board of Directors;
- our ability to issue preferred stock with terms that the Board of Directors may determine, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the inability of our stockholders other than the Oak Hill Funds to call a special meeting of stockholders;
- specify that special meetings of our stockholders can be called only upon the request of a majority of our Board of Directors or our Chief Executive Officer or at the request of the Oak Hill Funds or any person that acquires at least 10% of the voting power of all outstanding shares of our capital stock from the Oak Hill Funds in a privately negotiated transaction (an Oak Hill Transfer), as long as the Oak Hill Funds (or one or more of their affiliates to the extent assigned thereto, or an Oak Hill Transferee, as applicable) owns at least 10% of the voting power of all outstanding shares of our capital stock;
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our directors may only be removed from the Board of Directors for cause by the affirmative vote of (i) a majority of the remaining members of the Board of Directors or (ii) the holders of at least 66 2/3% of the voting power of outstanding shares of our common stock entitled to vote thereon;

- the absence of cumulative voting in the election of directors, which may limit the ability of minority stockholders to elect directors; and

- advance notice requirements for stockholder proposals and nominations, which may discourage or deter a potential acquirer from soliciting proxies to elect a particular slate of directors or otherwise attempting to obtain control of us.

These provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a transaction involving a change of control of our company that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts.

Section 203 of the Delaware General Corporation Law may affect the ability of an interested stockholder to engage in certain business combinations, including mergers, consolidations or acquisitions of additional shares, for a period of three years following the time that the stockholder becomes an interested stockholder. An interested stockholder is defined to include persons owning directly or indirectly 15% or more of the outstanding voting stock of a corporation. Accordingly, Section 203 could have an anti-takeover effect with respect to certain transactions

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that the Board of Directors does not approve in advance. The provisions of Section 203 may encourage companies interested in acquiring the company to negotiate in advance with the Board of Directors because the stockholder approval requirement would be avoided if the Board of Directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder.

However, Section 203 also could discourage attempts that might result in a premium over the market price for the shares held by stockholders. These provisions also may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests. Our amended and restated certificate of incorporation provides that we will not be governed by Section 203 of the Delaware General Corporation Law. Our amended and restated certificate of incorporation will contain a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law, and will prevent us from engaging in a business combination with an interested stockholder for a period of three years from the date such person acquired such common stock unless (with certain exceptions) the business combination is approved in a prescribed manner, including if Board of Directors approval or stockholder approval is obtained prior to the business combination, except that they will provide that the Oak Hill Funds, or any affiliate thereof or any person or entity which acquires from any of the foregoing stockholders beneficial ownership of 5% or more of the then outstanding shares of our voting stock in a transaction or any person or entity which acquires from such transferee beneficial ownership of 5% or more of the then outstanding shares of our voting stock other than through a registered public offering or through any broker s transaction executed on any securities exchange or other over-the-counter market, shall not be deemed an interested stockholder for purposes of this provision of our amended and restated certificate of incorporation and therefore not subject to the restrictions set forth in this provision.

Risks Related to Our Capital Structure

Our indebtedness could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations.

As of November 2, 2014, we had $430.0 million ($429.0 million net of discount) of borrowings under our term loan facility, no borrowings under our revolving credit facility and $5.8 million in letters of credit outstanding. If we cannot generate sufficient cash flow from operations to service our debt, we may need to further refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis or on terms satisfactory to us, or at all.

Our substantial indebtedness could have important consequences, including:

- our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions, new store growth and general corporate or other purposes may be limited;
- a portion of our cash flows from operations will be dedicated to the payment of principal and interest on the indebtedness and will not be available for other purposes, including operations, capital expenditures and future business opportunities;
- certain of our borrowings are at variable rates of interest, exposing us to the risk of increased interest rates;

- our ability to adjust to changing market conditions may be limited and may place us at a competitive disadvantage compared to less-leveraged competitors; and

- we may be vulnerable in a downturn in general economic conditions or in business, or may be unable to carry on capital spending that is important to our growth.

The terms of our new senior secured credit facility restrict our current and future operations, which could adversely affect our ability to respond to changes in our business and to manage our operations.

Our new senior secured credit facility contains, and any future indebtedness will likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- incur additional debt;

- pay dividends and make other restricted payments;

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- create liens;
- make investments and acquisitions;
- engage in sales of assets and subsidiary stock;
- enter into sale-leaseback transactions;
- enter into transactions with affiliates;
- transfer all or substantially all of our assets or enter into merger or consolidation transactions;
- hedge currency and interest rate risk; and
- make capital expenditures.

Our new senior secured credit facility requires us to meet a maximum total leverage ratio if outstanding revolving loans and letters of credit (other than letters of credit that have been backstopped or cash collateralized) are in excess of 30% of the outstanding revolving commitments. Failure by us to comply with the covenants or financial ratios contained in the instruments governing our indebtedness could result in an event of default under the facility, which could adversely affect our ability to respond to changes in our business and manage our operations. In the event of any default under our senior secured credit facility, the lenders will not be required to lend any additional amounts to us. Our lenders also could elect to declare all amounts outstanding to be due and payable and require us to apply all of our available cash to repay these amounts. If our indebtedness were to be accelerated, our assets may not be sufficient to repay this indebtedness in full.

After this offering, our principal stockholder will continue to have substantial control over us.

After the consummation of this offering, the Oak Hill Funds will collectively beneficially own approximately 64.3% of our outstanding common stock, and approximately 62.1% of our outstanding common stock if the underwriters option to purchase additional shares is exercised in full. See Principal and Selling Stockholders. As a consequence, the Oak Hill Funds or their affiliates will be able to control matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets, and any other significant transaction. The interests of this stockholder may not always coincide with our interests or the interests of our other stockholders. For instance, this concentration of ownership may have the effect of delaying or preventing a change of control of us otherwise favored by our other stockholders and could depress our stock price.

As a result of affiliates of the Oak Hill Funds continuing to control a majority of our outstanding common stock after the consummation of this offering, we are a controlled company within the meaning of NASDAQ corporate governance standards. Under these rules, a controlled company may elect not to comply with certain NASDAQ corporate governance standards, including:

- the requirement that a majority of the Board of Directors consist of independent directors;

- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities;

- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities; and

- the requirement for an annual performance evaluation of the nominating and corporate governance committee and compensation committee.

Following this offering, we may utilize these exemptions or elect to utilize them in the future. As a result, we may not have a majority of independent directors, our nominating and corporate governance committee and compensation committee may not consist entirely of independent directors and such committees will not be subject to annual performance evaluations. Accordingly, our stockholders may not have the same protections afforded to shareholders of companies that are subject to all of the NASDAQ corporate governance requirements.

In addition, so long as the Oak Hill Funds (or one or more of their affiliates to the extent assigned thereto) own at least 40% of our outstanding common stock, stockholders will be able to take action by written consent. During such time, affiliates of the Oak Hill Funds, along with a limited number of other stockholders (if the Oak Hill Funds hold less than a majority of our outstanding common stock), could take action by written consent and prevent other stockholders the opportunity to attend a meeting of stockholders and vote on a particular matter.

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So long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto or an Oak Hill Transferee, as applicable) own 10% or more of the outstanding shares of our common stock, the Oak Hill Funds or an Oak Hill Transferee, as applicable, will have the right to call a special meeting of our stockholders.

Under the stockholders agreement, the Oak Hill Funds have consent rights with respect to the following matters so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 25% or more of the outstanding shares of our common stock: declaration or payments of non-pro rata dividends or non-pro rata repurchases of our common stock or amendments to our organizational documents in a manner adverse to the Oak Hill Funds.

The Oak Hill Funds and their affiliates will be reimbursed for certain costs and expenses pursuant to the stockholders agreement. See Certain Relationships and Related Transactions Stockholders Agreement.

Conflicts of interest may arise because some of our directors are principals of our principal stockholder.

The Oak Hill Funds or their affiliates could invest in entities that directly or indirectly compete with us. As a result of these relationships, when conflicts arise between the interests of the Oak Hill Funds or their affiliates and the interests of our stockholders, these directors may not be disinterested. The representatives of the Oak Hill Funds on our Board of Directors, by the terms of our amended and restated certificate of incorporation and stockholders agreement are not required to offer us any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as our directors. In addition, under the stockholders agreement, the Oak Hill Funds are granted access to our customary non-public information, and members of our management team and the Oak Hill Funds are permitted to disclose our confidential information to their affiliates, representatives and advisors and the Oak Hill Funds and their affiliates will be permitted to disclose our confidential information if requested or required by law. The Oak Hill Funds and their affiliates are also permitted to disclose our confidential information to any potential purchaser of Dave & Buster s Entertainment, Inc. that executes a customary confidentiality agreement.

The Oak Hill Funds are entitled to designate directors to serve on the Board of Directors proportionate to the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership of the outstanding shares of our common stock, at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have such proportionate number of director designees then serving on the Board of Directors; provided that for so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, own 5% or more of the voting power of the outstanding shares of our common stock, the Oak Hill Funds are entitled to designate one director designee to serve on the Board of Directors at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have a director designee then serving on the Board of Directors. Such proportionate number of director designees is determined by taking the product of the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership interest in our Company multiplied by the then current number of directors on our Board of Directors (rounded up to the next whole number to the extent the product does not equal a whole number). The Oak Hill Funds director designees are currently J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram, and, therefore, the Oak Hill Funds are entitled to designate additional directors in order for Oak Hill to have its proportionate number of director designees. We will expand the size of our Board of Directors if necessary to provide for such proportionate representation. Subject to applicable law and applicable NASDAQ rules, the stockholders agreement also provides that the Oak Hill Funds are entitled to nominate the members of the Nominating and Corporate Governance Committee up to a number of nominees not to exceed the number of directors designated by the Oak Hill Funds on the Board of Directors, and the remaining members are to be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of

the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. In addition, subject to applicable law and applicable NASDAQ rules, each other committee of our Board of Directors, other than the Audit Committee, consists of at least one member designated by the Oak Hill Funds.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes statements that are, or may deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms believes, estimates, anticipates, expects, intends, may, will or should or, in each case, their negative or other variatio comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, operating leverage strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this prospectus. In addition, even if results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods. As a result we caution you against relying on any forward-looking statement.

The following listing represents some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

- the impact of the global economic crisis on our business and financial results;
- our ability to open new stores and operate them profitably;
- our ability to achieve our targeted cash-on-cash return, first year store revenues, net development costs or Store-level EBITDA margin for new store openings;
- changes in consumer preferences, general economic conditions or consumer discretionary spending;
- the effect of competition in our industry;
- potential fluctuations in our quarterly operating results due to seasonality and other factors;
- the impact of potential fluctuations in the availability and cost of food and other supplies;
- the impact of instances of foodborne illness and outbreaks of disease;

- the impact of federal, state or local government regulations relating to our entertainment, games and attractions, personnel or the sale of food or alcoholic beverages;
- legislative or regulatory changes;
- the continued service of key management personnel;
- our ability to attract, motivate and retain qualified personnel;
- the impact of litigation;
- changes in accounting principles, policies or guidelines;
- changes in general economic conditions or conditions in securities markets or the banking industry;
- a materially adverse change in our financial condition;
- adverse local conditions, events, terrorist attacks, weather and natural disasters; and
- other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting operations, pricing and services.

You should also read carefully the factors described in the Risk Factors section of this prospectus to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

Any forward-looking statements that we make in this prospectus speak only as of the date of such statements, and we undertake no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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USE OF PROCEEDS

All shares of our common stock offered by this prospectus will be sold by the selling stockholders, some of whom may include our directors, officers and employees. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. However, we will receive up to approximately $1.1 million in proceeds from the Concurrent Option Exercise (or $1.3 million if the underwriters exercise their option to purchase additional shares from the selling stockholders in full), which we will use for general corporate purposes. We have agreed to pay certain expenses related to this offering, which we estimate to be approximately $750,000.

MARKET PRICE OF OUR COMMON STOCK

Our common stock has traded on NASDAQ under the symbol PLAY since October 9, 2014. Prior to that time, there was no public market for our shares. As of January 29, 2015, there were 288 holders of record of our common stock. The following table sets forth for the periods indicated the high and low sales prices of our common stock on NASDAQ.

Fiscal Quarter	High	Low
Third Quarter (October 10, 2014 (first trading date after IPO) to November 2, 2014)	$ 20.00	$ 15.89
Fourth Quarter (November 3, 2014 through February 1, 2015)	$ 30.91	$ 19.20
First Quarter (February 2, 2015 through February 4, 2015)	$ 30.75	$ 27.76

On February 4, 2015, the closing price of our common stock on NASDAQ was $30.21. Computershare Trust Company, N.A. is the transfer agent and registrar for our common stock.

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DIVIDEND POLICY

We have not historically declared or paid any cash dividends on our common stock. Currently, we intend to retain all available funds and any future earnings to fund the development and growth of our business and reduce debt, and we do not anticipate paying any dividends on our common stock. However, in the future, subject to the factors described below and our future liquidity and capitalization, we may change this policy and choose to pay dividends. Our ability to pay dividends on our common stock is currently restricted directly or indirectly by the terms of our new senior secured credit facility and may be further restricted by any future indebtedness we incur. Our business is conducted through our principal operating subsidiary, Dave & Buster s, Inc. Dividends from, and cash generated by, Dave & Buster s, Inc. will be our principal sources of cash to repay indebtedness, fund operations and pay dividends. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and distributions of funds from Dave & Buster s, Inc.

Any future determination to pay dividends will be at the discretion of our Board of Directors and will take into account:

- restrictions in agreements governing our indebtedness;
- general economic and business conditions;
- our financial condition and results of operations;
- our capital requirements;
- the ability of Dave & Busters, Inc. to pay dividends and make distributions to us; and
- such other factors as our Board of Directors may deem relevant.

See Management s Discussion and Analysis of Financial Condition and Results of Operations.

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CAPITALIZATION

The following table sets forth our consolidated capitalization as of November 2, 2014.

This table should be read in conjunction with Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the notes thereto included in this prospectus.

	AS OF NOVEMBER 2, 2014 (Dollars in thousands)
Cash and cash equivalents [1]	$ 58,946
Debt [2]:	
Senior secured credit facility:	
Revolving credit facility [3]	$
Term loan, net of unamortized discount	428,976
Total debt	428,976
Stockholders equity:	
Common stock, $0.01 par value, 400,000,000 shares authorized; 40,217,645 shares issued; 39,969,233 shares outstanding	402
Preferred stock, 50,000,000 shares authorized and none issued	
Paid-in capital	253,337
Treasury stock, 248,412 shares	(1,189)
Accumulated other comprehensive loss	(214)
Accumulated deficit	(8,215)
Total stockholders equity	244,121
Total capitalization	$ 673,097

(1) Does not give effect to any cash received by us due to the Concurrent Option Exercise. See Use of Proceeds.
(2) This presentation shows amounts that are net of original issue discount.
(3) As of November 2, 2014, there were no outstanding borrowings under the revolving credit facility, and $44,178 was available for borrowing after taking into account $5,822 of outstanding letters of credit.

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DILUTION

Except for up to 254,117 shares to be issued in connection with the Concurrent Option Exercise, or 300,151 shares if the underwriters option to purchase additional shares is exercised in full, the shares of common stock to be sold by the selling stockholders pursuant to this prospectus are currently issued and outstanding. Accordingly, the only dilution to our existing stockholders as a result of this offering will be as a result of the exercise of vested stock options currently held by certain of the selling stockholders.

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SELECTED CONSOLIDATED FINANCIAL DATA

Set forth below are our selected consolidated financial data for the periods ending on and as of the dates indicated. GAAP requires operating results for D&B Holdings prior to the acquisition completed June 1, 2010 to be presented as the results of the Predecessor in the historical financial statements. Operating results of Dave & Buster s Entertainment, Inc. subsequent to the acquisition are presented as the results of the Successor and include all periods including and subsequent to June 1, 2010.

Dave & Buster s Entertainment, Inc. has no material assets or operations other than 100% ownership of the outstanding common stock of D&B Holdings. D&B Holdings has no material assets or operations other than 100% ownership of the outstanding common stock of Dave & Buster s, Inc.

The statement of operations and cash flows data for each of the fiscal years ended February 2, 2014 (Successor), February 3, 2013 (Successor) and January 29, 2012 (Successor) and the balance sheet data as of February 2, 2014 (Successor) and February 3, 2013 (Successor) were derived from our audited consolidated financial statements included elsewhere in this prospectus. The statement of operations and cash flows data for each of the 244 day period from June 1, 2010 to January 30, 2011 (Successor), the 120 day period from February 1, 2010 to May 31, 2010 (Predecessor) and the fiscal year ended January 31, 2010 (Predecessor) and the balance sheet data as of January 29, 2012 (Successor), January 30, 2011 (Successor) and January 31, 2010 (Predecessor) were derived from the Successor s and Predecessor s audited consolidated financial statements that are not included elsewhere in this prospectus. The statement of operations and cash flows data for each of the thirty-nine week periods ended November 2, 2014 (Successor) and November 3, 2013 (Successor), and the balance sheet data as of November 2, 2014 (Successor) were derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The balance sheet as of November 3, 2013 (Successor) was derived from our unaudited consolidated financial statements, which are not included in this prospectus. In the opinion of management, the unaudited consolidated financial statements include all normal recurring adjustments necessary to present fairly the data for such periods and as of such dates.

We operate on a 52 or 53 week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except in a 53 week year when the fourth quarter has 14 weeks. All fiscal years presented herein consist of 52 weeks, except fiscal year 2012, which consisted of 53 weeks.

Our historical results are not necessarily indicative of future results of operations. The selected consolidated financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the notes related thereto, included elsewhere in this prospectus. All dollar amounts are presented in thousands except per share amounts.

This table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, our historical consolidated financial statements and the notes related thereto, included elsewhere in this prospectus. All dollar amounts are presented in thousands except per share amounts.

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	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED						FISCAL YEA ENDED	
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012	FOR THE 244 DAY PERIOD FROM JUNE 1, 2010 TO JANUARY 30, 2011	FOR THE 120 DAY PERIOD FROM FEBRUARY 1, 2010 TO MAY 31, 2010	JANUARY 30, 2011 (1) (Combined) (Non-GAAP)	JANUA 20
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)		(Prede
ment of tions									
ues:									
and ge ues	$ 256,077	$ 222,508	$ 310,111	$ 298,421	$ 272,606	$ 177,044	$ 90,470	$ 267,514	$ 269
ement and revenues	283,605	241,700	325,468	309,646	268,939	166,489	87,536	254,025	250
revenues	539,682	464,208	635,579	608,067	541,545	343,533	178,006	521,539	520
ting costs:									
f cts:									
f food and ge	65,939	55,988	77,577	73,019	65,751	41,890	21,817	63,707	65
f ment and	39,335	35,255	47,437	46,098	41,417	26,832	13,442	40,274	38
cost of cts	105,274	91,243	125,014	119,117	107,168	68,722	35,259	103,981	104
ting l and ts	126,357	108,716	150,172	145,571	130,875	85,271	43,969	129,240	132
store ing ses	170,440	150,107	199,537	192,792	175,993	111,456	59,802	171,258	174
al and istrative ses (2)	31,462	26,905	36,440	40,356	34,896	25,670	17,064	42,734	30
	52,321	49,333	66,337	63,457	54,277	33,794	16,224	50,018	53

ciation and zation se [3]									
pening	7,942	5,175	7,040	3,060	4,186	842	1,447	2,289	3
operating	493,796	431,479	584,540	564,353	507,395	325,755	173,765	499,520	498
ting e	45,886	32,729	51,039	43,714	34,150	17,778	4,241	22,019	21
st expense,	29,826	35,879	47,809	47,634	44,931	25,486	6,976	32,462	22
n debt nent	27,578								
e (loss) provision it) for e taxes	(11,518)	(3,150)	3,230	(3,920)	(10,781)	(7,708)	(2,735)	(10,443)	
ion it) for e taxes	(4,494)	(442)	1,061	(12,702)	(3,796)	(2,551)	(597)	(3,148)	
come	$ (7,024)	$ (2,708)	$ 2,169	$ 8,782	$ (6,985)	$ (5,157)	$ (2,138)	$ (7,295)	$
come per share mmon									
	$ (0.21)	$ (0.08)	$ 0.07	$ 0.26	$ (0.20)	$ (0.09)	*	*	
d	$ (0.21)	$ (0.08)	$ 0.06	$ 0.26	$ (0.20)	$ (0.09)	*	*	
ted ge number res nding:									
	33,763,436	33,186,273	33,187,776	33,186,426	34,478,732	55,064,278	*	*	
d	33,763,436	33,186,273	34,030,115	33,747,535	34,478,732	55,064,278	*	*	
usted lidated ments of tions [4]:									
usted net e	$ 18,647		$ 17,769						
usted gs per									
	$ 0.47		$ 0.44						
d	$ 0.44		$ 0.42						

usted ted ge shares nding:									
	39,969,233		39,952,619						
d	42,760,660		42,744,046						
ment of low data:									
provided ed in):									
ting ies	$ 36,713	$ 86,294	$ 109,878	$ 82,796	$ 72,777	$ 25,240	$ 11,295	$ 36,535	$ 59
ing ies	(91,610)	(75,100)	(105,677)	(78,488)	(70,502)	(102,744)	(12,975)	(115,719)	(48
cing ies	75,763	(1,943)	(2,238)	(1,875)	(2,998)	97,034	(125)	96,909	(2
ce sheet as of end iod):									
nd cash lents	$ 58,946	$ 45,368	$ 38,080	$ 36,117	$ 33,684	$ 34,407			$ 16
orking (deficit)	(5,601)	(17,216)	(13,700)	5,863	(9,584)	(5,186)			(33
rty and ment, net	427,235	368,507	388,093	337,239	323,342	304,819			294
assets	923,511	843,474	861,758	813,610	786,142	764,542			483
debt, net mortized nt	428,976	481,877	485,677	471,050	458,497	347,918			227
holders	244,121	145,436	150,448	147,411	137,515	239,830			92

* Not meaningful.

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	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED				
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012	JANUARY 30, 2011 (Combined)	JANUARY 31, 2010
Store-level Data:							
Stores open at end of period [6]	70	64	66	61	58	57	55
Comparable stores [7]	57	55	55	54	52	48	47
Comparable store sales increase (decrease) [8]	6.2%	1.0%	1.0%	3.0%	2.2%	(1.9)%	(7.8)%
Store-level EBITDA [9]	$ 137,611	$ 114,142	$ 160,856	$ 150,587	$ 127,509	$ 117,060	$ 109,847
Store-level EBITDA margin [10]	25.5%	24.6%	25.3%	24.8%	23.5%	22.4%	21.1%

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED				
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012	JANUARY 30, 2011 (Combined)	JANUARY 31, 2010
Other Data:							
Adjusted EBITDA [11]	$ 113,642	$ 94,612	$ 134,790	$ 120,478	$ 98,372	$ 86,280	$ 83,145
Adjusted EBITDA margin [12]	21.1%	20.4%	21.2%	19.8%	18.2%	16.5%	16.0%
Capital additions [13]:							
New stores	$ 63,033	$ 50,576	$ 72,301	$ 32,795	$ 43,951	$ 10,745	$ 27,267
Operating initiatives, including remodels	11,955	16,032	21,930	21,946	10,380	5,500	6,560

Games	8,162	7,770	11,413	10,090	7,196	7,238	3,894
Maintenance	8,717	8,389	14,238	13,858	11,419	11,750	10,702
Total capital additions	$ 91,867	$ 82,767	$ 119,882	$ 78,689	$ 72,946	$ 35,233	$ 48,423

(1) Affiliates of the Oak Hill Funds acquired all of the outstanding common stock of D&B Holdings as part of the June 1, 2010 acquisition. GAAP in the United States requires operating results for D&B Holdings prior to the June 1, 2010 acquisition to be presented as Predecessor s results in the historical financial statements. Operating results for Dave & Buster s Entertainment, Inc. subsequent to the June 1, 2010 acquisition are presented or referred to as Successor s results in our historical financial statements. References to the 52 week period ended January 30, 2011, included in this prospectus relate to the combined 244 day period ended January 30, 2011 of the Successor and the 120 day period ended May 31, 2010 of the Predecessor. The financial results for the Successor periods include the impacts of applying purchase accounting. The presentation of combined Predecessor and Successor operating results (which is simply the arithmetic sum of the Predecessor and Successor amounts) is a Non-GAAP presentation, which is provided as a convenience solely for the purpose of facilitating comparisons of the combined results with other annual periods presented.

(2) General and administrative expenses during the fiscal year ended January 30, 2011 includes $4.6 million and $4.3 million of transaction costs in the Successor and Predecessor periods, respectively. The Predecessor period of fiscal 2010 also includes $1.4 million acceleration of stock-based compensation charges related to the Predecessor s stock plan.

(3) Fair value adjustments made in connection with accounting for the Acquisition resulted in a $29.1 million increase in depreciable asset values. The fair value adjustments and changes in useful lives to certain assets contributed to higher post-acquisition depreciation expense. The impacts on these fair value adjustments will continue to contribute to higher depreciation for approximately the next fifteen years. However, the impact diminishes over time due to the expiration of useful lives or disposition of the underlying assets.

(4) As adjusted consolidated statement of operations data gives effect to (i) the 224.9835679 for 1 stock split of our common stock prior to the IPO, (ii) the issuance of 6,764,705 shares in our IPO and (iii) the Refinancing as described in The Refinancing, as if they had occurred on February 4, 2013 with respect to fiscal year 2013 and February 3, 2014 with respect to the thirty-nine weeks ended November 2, 2014. As adjusted net income reflects (i) net decreases in interest expense of (a) $10,494 and $22,188 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, respectively, resulting from the Refinancing pursuant to which our then outstanding debt (which bore interest at a weighted average effective rate of 10.1%) was refinanced with new debt under our new senior secured credit facility bearing interest at a 4.8% effective rate and (b) $4,408 and $5,850 for the thirty-nine weeks ended

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November 2, 2014 and fiscal 2013, respectively, resulting from the reduction in debt under our new senior secured credit facility following the prepayment of $100,000 principal amount thereunder; (ii) the elimination of $27,578 loss on debt retirement in the thirty-nine weeks ended November 2, 2014 related to the premiums, interest and expense incurred in connection with the Refinancing; (iii) the increase in compensation expense in fiscal 2013 related to the acceleration of certain performance-based options as a result of our initial public offering, effective October 9, 2014, consisting of $813 relating to the acceleration of unamortized expense and $630 of additional compensation reflecting an increase in valuation as a result of the modification of the options to remove the performance-based conditions; (iv) the increase in compensation expense of $701 and $1,020 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013 respectively, relating to the grants of 444,969 options issued in connection with the initial public offering; (v) the elimination of $307 expenses incurred during the thirty-nine weeks ended November 2, 2014 related to the initial public offering, which were not capitalized as part of Stockholders equity; and (vi) the tax effects of these changes on income before taxes, assuming a statutory tax rate of 39%. The as adjusted consolidated statements of operations data is not necessarily indicative of what our results of operations would have been if the transaction had been completed as of the date indicated, such as increased stock-based compensation payments or public company expenses, nor is such data necessarily indicative of our results of operations for any future period.

(5) Defined as total current assets minus total current liabilities.

(6) Our location in Nashville, Tennessee, which temporarily closed from May 2, 2010 to November 28, 2011 due to flooding is included in our store count for all periods presented. Included in our January 30, 2011 and January 31, 2010 store counts is a store in Dallas, Texas, which permanently closed on May 2, 2011. Our Kensington/Bethesda, Maryland location (which permanently closed on August 12, 2014) is included in store counts for all periods presented prior to the thirty-nine weeks ended November 2, 2014. Also included in the store counts as of January 29, 2012, January 30, 2011 and January 31, 2010 is a second store in Dallas, Texas, which permanently closed on December 17, 2012.

(7) Comparable stores are stores open at least 18 months as of the beginning of each of the relevant fiscal years, excluding our one franchised store located in Canada, which ceased operation as a Dave & Buster s on May 31, 2013. Fiscal 2014 comparable stores exclude the Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

(8) Comparable store sales increase (decrease) reflects the year-over-year changes, on a calendar week basis, for the stores defined as comparable in (7) above.

(9) Store-level EBITDA is defined by us as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, general and administrative expenses and pre-opening costs, as shown in the table below. We use Store-level EBITDA to measure operating performance and returns from opening new stores. Similar to Adjusted EBITDA, Store-level EBITDA is not defined under GAAP and does not purport to be an alternative to net income as a measure of operating performance.

We believe that Store-level EBITDA is another useful measure in evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store level, and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store-level EBITDA is a useful measure in evaluating our operating performance within the entertainment and dining industry because it permits the evaluation of store-level productivity, efficiency and performance, and we use Store-level EBITDA as a means of evaluating store financial performance compared with our competitors. However, because this measure excludes significant items such as general and administrative expenses and preopening costs, as well as our interest expense and depreciation and amortization expense, which are important in evaluating our consolidated financial performance from period to period, the value of this measure is limited as a measure of our consolidated financial performance. Our calculation of Store-level EBITDA for the periods is presented below:

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED				
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012	JANUARY 30, 2011 (Combined)	JANUARY 31, 2010
Net income (loss)	$ (7,024)	$ (2,708)	$ 2,169	$ 8,782	$ (6,985)	$ (7,295)	$ (350)
Interest expense, net	29,826	35,879	47,809	47,634	44,931	32,462	22,122
Loss on debt retirement	27,578						
Provision (benefit) for income taxes	(4,494)	(442)	1,061	(12,702)	(3,796)	(3,148)	99
Depreciation and amortization expense	52,321	49,333	66,337	63,457	54,277	50,018	53,658
General and administrative expenses	31,462	26,905	36,440	40,356	34,896	42,734	30,437
Pre-opening costs	7,942	5,175	7,040	3,060	4,186	2,289	3,881
Store-level EBITDA	$ 137,611	$ 114,142	$ 160,856	$ 150,587	$ 127,509	$ 117,060	$ 109,847

(10) Store-level EBITDA margin represents Store-level EBITDA divided by total revenues. Store-level EBITDA margin allows us to evaluate operating performance of each store across stores of varying size and volume.

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(11) Adjusted EBITDA is calculated as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss (gain) on asset disposal, gain on acquisition of limited partnership, share-based compensation, currency transaction (gain) loss, pre-opening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction and other costs. Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our senior secured credit facility and the indentures governing the senior discount notes and the senior notes, and our presentation of Adjusted EBITDA is consistent with that reported to our lenders and holders of notes to allow for leverage-based assessments. By reporting Adjusted EBITDA, we provide a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers. Adjusted EBITDA, however, is not defined by GAAP and should not be considered in isolation or as an alternative to other financial data prepared in accordance with GAAP or as an indicator of the Company s operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined in accordance with GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. Although we use Adjusted EBITDA as a measure to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, Adjusted EBITDA and Adjusted EBITDA margin do not take into account a number of significant items, including our interest expense and depreciation and amortization expense. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. In addition, Adjusted EBITDA excludes pre-opening costs and adjustments for changes in the accruals for deferred amusement revenue and ticket liability, which we expect customers to redeem in future periods and which may be important in analyzing our GAAP results. Our calculations of Adjusted EBITDA adjust for these amounts because they vary from period to period and do not directly relate to the ongoing operations of the current underlying business of our stores and therefore complicate comparisons of the underlying business between periods. Nevertheless, because of the limitations described above management does not view Adjusted EBITDA in isolation and also uses other measures, such as net sales, gross margin, operating income and net income (loss), to measure operating performance.

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Our calculation of Adjusted EBITDA for the periods presented is set forth below:

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED				
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012	JANUARY 30, 2011 (Combined)	JANUARY 31, 2010
Net income (loss)	$ (7,024)	$ (2,708)	$ 2,169	$ 8,782	$ (6,985)	$ (7,295)	$ (350)
Interest expense, net	29,826	35,879	47,809	47,634	44,931	32,462	22,122
Loss on debt retirement	27,578						
Provision (benefit) for income taxes	(4,494)	(442)	1,061	(12,702)	(3,796)	(3,148)	99
Depreciation and amortization expense	52,321	49,333	66,337	63,457	54,277	50,018	53,658
Loss (gain) on asset disposal [a]	1,267	2,183	2,631	2,640	1,279	(2,397)	1,361
Gain on acquisition of limited partnership [b]							(357)
Share-based compensation [c]	1,864	908	1,207	1,099	1,038	2,491	722
Currency transaction loss (gain) [d]	(4)	184	622	(13)	103	(143)	(123)
Pre-opening costs [e]	7,942	5,175	7,040	3,060	4,186	2,289	3,881
Reimbursement of affiliate and other expenses [f]	472	552	722	799	854	626	905
Change in deferred amusement revenue and ticket liability [9]	2,378	3,371	4,936	2,470	1,539	1,276	932
Transaction and other costs [h]	1,516	177	256	3,252	946	10,101	295
Adjusted EBITDA	$ 113,642	$ 94,612	$ 134,790	$ 120,478	$ 98,372	$ 86,280	$ 83,145

(a) Represents the net book value of assets (less proceeds received) disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.

(b) Represents gain recognized in connection with our acquisition of a 49.9% limited partnership interest in a limited partnership that owns a Dave & Buster s store in the Discover Mills Mall near Atlanta, Georgia.

(c) Represents stock compensation expense under our 2010 Stock Incentive Plan and 2014 Stock Incentive Plan.

(d) Represents the effect of foreign currency transaction (gains) or losses related to our store in Canada.

(e) Represents costs incurred prior to the opening of our new stores.

(f) Represents fees and expenses paid directly to our Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC in the amount of $41, $115, $115, $76, $297 and $0 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012, 2011 and 2010, respectively. See Certain Relationships and Related Transactions Expense Reimbursement Agreement.

(g) Represents quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on our redemption games.

(h) Primarily represents costs related to capital markets transactions, severance costs associated with the departure of key executives/organizational restructuring initiatives and store closure costs.

(12) Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows us to evaluate our overall operating performance over time by excluding items that we do not believe are indicative of our core operating performance.

(13) Capital additions is defined as total accrual based additions to property and equipment. Capital additions do not include any reductions for tenant improvement allowances received or receivable from landlords. Tenant improvement allowances toward new store construction totaled $14,855, $5,587, $15,786, $10,882, $6,911, $3,165 and $8,342 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012, 2011, 2010 and 2009, respectively.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our audited consolidated financial statements and related notes included herein. Unless otherwise specified, the meanings of all defined terms in Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) are consistent with the meanings of such terms as defined in the Notes to Consolidated Financial Statements. This discussion includes forward-looking statements and assumptions. Please see Cautionary Statement Regarding Forward-Looking Statements for a discussion of the risks, uncertainties and assumptions relating to our forward-looking statements. We define high-volume dining and entertainment venues as those open for at least one full year and with average store revenues in excess of $5,000 and define year one cash-on-cash return as year one Store-level EBITDA exclusive of national marketing costs divided by net development costs. All dollar amounts in the MD&A are presented in thousands.

General

We are a leading owner and operator of high-volume venues in North America that combine dining and entertainment for both adults and families. Founded in 1982, the core of our concept is to offer our customers the opportunity to *Eat Drink Play and Watch* all in one location. Eat and Drink are offered through a full menu of *Fun American New Gourmet* entrées and appetizers and a full selection of non-alcoholic and alcoholic beverages. Our Play and Watch offerings provide an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Our customers are a balanced mix of men and women, primarily between the ages of 21 and 39, and we believe we also serve as an attractive venue for families with children and teenagers. We believe we appeal to a diverse customer base by providing a highly customizable experience in a dynamic and fun setting.

Our Growth Strategies and Outlook

Our growth is based primarily on the following strategies:

- Pursue New Store Growth;
- Grow Our Comparable Store Sales; and
- Expand the Dave & Buster s Brand Internationally.

For further information about our growth strategies and outlook, see Business Our Growth Strategies.

Key Events

On June 1, 2010, Dave & Buster s Entertainment, Inc. (D&B Entertainment), a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) acquired all of the outstanding common stock of Dave & Buster s Holdings, Inc. (D&B Holdings) from Wellspring Capital Partners III, L.P and HBK Main Street Investors L.P. In connection therewith, Games Merger

Corp., a newly-formed Missouri corporation and an indirect wholly-owned subsidiary of D&B Entertainment, merged with and into D&B Holdings wholly-owned, direct subsidiary, Dave & Buster s, Inc. (with Dave & Buster s, Inc. being the surviving corporation in the merger).

On October 9, 2014, we amended our certificate of incorporation to increase our authorized share count to 450,000,000 shares of stock, including 400,000,000 shares of common stock and 50,000,000 shares of preferred stock, each with a par value of $0.01 per share and to split our common stock 224.9835679 for 1. On October 16, 2014, we amended and restated our certificate of incorporation in its entirety.

On October 9, 2014, we completed our initial public offering of 5,882,353 shares of common stock at a price to the public of $16.00 per share. On October 10, 2014, the Company s common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY. We granted the underwriters an option for a period of 30 days to purchase an additional 882,352 shares of our common stock which was exercised in full on October 21, 2014. After underwriting discounts and commissions and offering expenses, we received net proceeds from the IPO of approximately $98,573. We used these proceeds to prepay a portion of the principal amount of term loan debt outstanding under the new senior secured credit facility.

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As a result of the IPO and the prepayment of a portion of our new senior credit facility, we expect to have lower interest expense, but we also expect to incur incremental costs as a public company. Incremental costs include legal, accounting, insurance and other compliance costs.

Following the issuance of the shares sold in the IPO, the Company had a total of 39,969,233 common shares outstanding and no preferred shares outstanding as of November 2, 2014.

Prior to this offering, the Oak Hill Funds beneficially own 79.2% of our outstanding common stock and have the right to appoint certain members of our Board of Directors. Certain members of our Board of Directors and management control approximately 3.7% of our outstanding common stock. The remaining 17.1% is owned by the public.

D&B Entertainment has no material assets or operations other than 100% ownership of the outstanding common stock of D&B Holdings. D&B Holdings has no material assets or operations other than 100% ownership of the outstanding common stock of Dave & Buster s, Inc. As such, the following discussion, unless specifically identified otherwise, addresses the operations of Dave & Buster s, Inc.

Key Measures of Our Performance

We monitor and analyze a number of key performance measures to manage our business and evaluate financial and operating performance. These measures include:

Comparable Store Sales. Comparable store sales are a year-over-year comparison of sales at stores open at the end of a period which have been opened for at least 18 months as of the beginning of each of the fiscal years. It is a key performance indicator used within the industry and is indicative of acceptance of our initiatives as well as local economic and consumer trends. The total number of stores included in our comparable store set was 57, 55, 55, 54 and 52 stores as of the end of our thirty-nine weeks ended November 2, 2014 and November 3, 2013 and 2013, 2012 and 2011 fiscal years, respectively. Comparable store counts as of November 2, 2014 exclude our Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

New Store Openings. Our ability to expand our business and reach new customers is influenced by the opening of additional stores in both new and existing markets. The success of our new stores is indicative of our brand appeal and the efficacy of our site selection and operating models.

Our new locations typically open with sales volumes in excess of their run-rate levels, which we refer to as a honeymoon effect. We expect our new store volumes in year two to be 15% to 20% lower and our Store-level Adjusted EBITDA margins to be two to five percentage points lower in the second full year of operations than our year one targets, and to grow in line with the rest of our comparable store base thereafter. As a result of the substantial revenues associated with each new store and the seasonality of our business, the number and timing of new store openings will result in significant fluctuations in quarterly results.

Store-level EBITDA and Store-level EBITDA Margin. We define Store-level EBITDA as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, general and administrative expenses and pre-opening costs. We use Store-level EBITDA to measure operating performance and returns from opening new stores. Store-level EBITDA Margin is defined as Store-level EBITDA divided by total revenues. Store-level EBITDA Margin allows us to evaluate operating performance of each store across stores of varying size and volume.

We believe that Store-level EBITDA is another useful measure of evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store-level, and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store-level EBITDA is a useful measure in evaluating our operating performance within the entertainment and dining industry because it permits the evaluation of store-level productivity, efficiency and performance, and we use Store-level EBITDA as a means of evaluating store financial performance compared with our competitors. However, because this measure excludes significant items such as general and administrative expenses and pre-opening costs, as well as our interest expense and depreciation and amortization expense, which are important in evaluating our consolidated financial performance from period to period, the value of this measure is limited as a measure of our consolidated financial performance.

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Adjusted EBITDA. We define Adjusted EBITDA as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss on asset disposal, share-based compensation, currency transaction (gain) loss, pre-opening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction costs and other.

Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our new senior credit facility and our presentation of Adjusted EBITDA is consistent with that reported to our lenders to allow for leverage-based assessments. By reporting Adjusted EBITDA, we provide a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA is also a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers.

Adjusted EBITDA Margin. Adjusted EBITDA Margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA Margin allows us to evaluate our overall operating performance over time by excluding the impact of varying revenue volumes.

Presentation of Operating Results

We operate on a 52 or 53 week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarter consists of 13 weeks, except for a 53 week year when the fourth quarter consists of 14 weeks. Our 2012 fiscal year consisted of 53 weeks and all other years presented consist of 52 weeks. All references to 2014, fiscal 2014, fiscal year 2014 or similar references relate to the 52 week period ended February 1, 2015. All references to 2013, fiscal 2013, fiscal year 2013 or similar references relate to the 52 week period ended February 2, 2014. All references to 2012, fiscal 2012, fiscal year 2012 or similar references relate to the 53 week period ended February 3, 2013. All references to 2011, fiscal 2011, fiscal year 2011 or similar references relate to the 52 week period ended January 29, 2012.

As a result of the 53 week fiscal year in 2012, our 2013 fiscal year began one week later than our 2012 fiscal year. In order to provide useful information to investors to better analyze our business, we have provided comparable store sales presented on a calendar week basis. Comparable store sales for year-to-date on a calendar week basis compares the results for the period from February 4, 2013 through February 2, 2014 (weeks 1 through 52 of our 2013 fiscal year) to the results for the period from February 6, 2012 through February 3, 2013 (weeks 2 through 53 of our 2012 fiscal year). The fiscal year 2012 comparable store sales have been adjusted to remove the impact of the 53rd week prior to calculating the year-over-year comparable sales change percentage. We believe comparable store sales calculated on a calendar week basis is more indicative of the health of our business. However, we also recognize that comparable store sales growth calculated on a fiscal week basis is a useful measure when analyzing year-over-year changes in our financial statements.

Key Line Item Descriptions

Revenues. Total revenues consist of food and beverage revenues as well as amusement and other revenues. Beverage revenues refer to alcoholic beverages. For the thirty-nine weeks ended November 2, 2014, we derived 32.3% of our total revenue from food sales, 15.1% from beverage sales, 51.8% from amusement sales and 0.8% from other sources. For the year ended February 2, 2014, we derived 33.6% of our total revenue from food sales, 15.2% from beverage sales, 50.4% from amusement sales and 0.8% from other sources. For the year ended February 3, 2013, we derived

33.9% of our total revenue from food sales, 15.2% from beverage sales, 50.1% from amusement sales and 0.8% from other sources. Our revenues are primarily influenced by the number of stores in operation and comparable store revenue. Comparable store revenue growth reflects the change in year-over-year revenue for the comparable store base and is an important measure of store performance. Comparable store sales growth can be generated by increases in average dollars spent per customer and improvements in customer traffic and mix.

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We continually monitor the success of current food and beverage items, the availability of new menu offerings, the menu price structure and our ability to adjust prices where competitively appropriate. With respect to the beverage component, we operate fully licensed facilities, which means that we offer full beverage service, including alcoholic beverages, throughout each store.

Our stores also offer an extensive array of amusements and entertainment options, with typically over 150 redemption and simulation games. We also offer traditional pocket billiards and shuffleboard. Redemption games offer our customers the opportunity to win tickets that can be redeemed for prizes in the Winner s Circle, ranging from branded novelty items to high-end home electronics. Our redemption games include basic games of skill, such as skeeball and basketball, as well as competitive racing, and individual electronic games of skill. We review the amount of game play on existing amusements in an effort to match amusements availability with customer preferences. We intend to continue to invest in new games as they become available and prove to be attractive to our customers. Our unique venue allows us to provide our customers with value driven food and amusement combination offerings including our Eat & Play Combo (a promotion that provides a discounted Power Card in combination with select entrées), Super Charge Power Card offerings (when purchasing or adding value to a Power Card, the customer is given the opportunity to add 25% more chips to the Power Card for a small upcharge), Half-Price Game Play (every Wednesday, from open to close, we reduce the price of every game in the Midway by one-half), Everyone s a Winner (a limited-time offer providing a prize to every customer that purchases or adds value to a Power Card in the amount of $10 or more). We also offer various food and beverage discounts during key sports viewing times. In addition, from time to time we have limited time offers which allow our customers to play certain new games for free as a way to introduce those new games.

The special events portion of our business represented 10.1% of our total revenues in the thirty-nine weeks ended November 2, 2014. We believe our special events business is an important sampling and promotional opportunity for our customers because many customers are experiencing Dave & Buster s for the first time. Accordingly, a considerable emphasis is placed on the special events portion of our business.

Cost of Products. Cost of products includes the cost of food, beverages and the Winner s Circle redemption items. For the thirty-nine weeks ended November 2, 2014, the cost of food products averaged 26.6% of food revenue and the cost of beverage products averaged 23.9% of beverage revenue. The amusement and other cost of products averaged 13.9% of amusement and other revenues for the thirty-nine weeks ended November 2, 2014. For the fiscal year ended February 2, 2014, the cost of food products averaged 25.6% of food revenue and the cost of beverage products averaged 23.7% of beverage revenue. The amusement and other cost of products averaged 14.6% of amusement and other revenues for fiscal year 2013. For the fiscal year ended February 3, 2013, the cost of food products averaged 24.9% of food revenue and the cost of beverage products averaged 23.4% of beverage revenue. The amusement and other cost of products averaged 14.9% of amusement and other revenues for fiscal year 2012. The cost of products is driven by product mix and pricing movements from third-party suppliers. We continually strive to gain efficiencies in both the acquisition and use of products while maintaining high standards of product quality.

Operating Payroll and Benefits. Operating payroll and benefits consist of wages, employer taxes and benefits for store personnel. We continually review the opportunity for efficiencies, principally through scheduling refinements.

Other Store Operating Expenses. Other store operating expenses consist primarily of store-related occupancy, supply and outside service expenses, utilities, repair and maintenance and marketing and promotional costs.

General and Administrative Expenses. General and administrative expenses consist primarily of personnel, facilities and professional expenses for the various departments of our corporate headquarters.

Depreciation and Amortization Expense. Depreciation and amortization expense includes the depreciation of fixed assets and the amortization of trademarks with finite lives.

Pre-Opening Costs. Pre-opening costs include costs associated with the opening and organizing of new stores, including pre-opening rent (rent expense recognized during the period between date of possession and the store s opening date), staff training and recruiting, and travel costs for employees engaged in such pre-opening activities.

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Interest Expense. Interest expense includes the cost of our debt obligations including the amortization of loan fees and original issue discounts, net of any interest income earned.

Loss on Debt Retirement. Loss on debt retirement consists of the write-off of unamortized loan costs and original issue discount and other fees associated with the refinancing of our debt. It also includes losses associated with the prepayment of debt with proceeds from our IPO.

Benefit for Income Taxes. Benefit for income taxes represents federal, state, and foreign current and deferred income tax provision.

Liquidity and Cash Flows

The primary source of cash flow is from our operating activities and availability under the revolving credit facility.

Store-Level Variability, Quarterly Fluctuations, Seasonality and Inflation

We have historically operated stores varying in size and have experienced significant variability among stores in volumes, operating results and net investment costs.

We also expect seasonality to be a factor in the operation or results of the business in the future with higher first and fourth quarter revenues associated with the spring and year-end holidays. These quarters will continue to be susceptible to the impact of severe weather on customer traffic and sales during that period. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

We expect that volatile economic conditions will continue to exert pressure on both supplier pricing and consumer spending related to entertainment and dining alternatives. Although there is no assurance that our cost of products will remain stable or that federal or state minimum wage rates will not increase beyond amounts currently legislated, the effects of any supplier price increases or minimum wage rate increases are expected to be partially offset by selected menu price increases where competitively appropriate.

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Results of Operations

Thirty-Nine Weeks Ended November 2, 2014 Compared to Thirty-Nine Weeks Ended November 3, 2013

Results of Operations. The following tables set forth selected data, in thousands of dollars and as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the accompanying consolidated statements of comprehensive income (loss).

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014		THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013	
Food and beverage revenues	$ 256,077	47.4%	$ 222,508	47.9%
Amusement and other revenues	283,605	52.6	241,700	52.1
Total revenues	539,682	100.0	464,208	100.0
Cost of food and beverage (as a percentage of food and beverage revenues)	65,939	25.7	55,988	25.2
Cost of amusement and other (as a percentage of amusement and other revenues)	39,335	13.9	35,255	14.6
Total cost of products	105,274	19.5	91,243	19.7
Operating payroll and benefits	126,357	23.4	108,716	23.4
Other store operating expenses	170,440	31.6	150,107	32.3
General and administrative expenses	31,462	5.8	26,905	5.8
Depreciation and amortization expense	52,321	9.7	49,333	10.6
Pre-opening costs	7,942	1.5	5,175	1.1
Total operating costs	493,796	91.5	431,479	92.9
Operating income	45,886	8.5	32,729	7.1
Interest expense, net	29,826	5.5	35,879	7.8
Loss on debt retirement	27,578	5.1		
Loss before benefit for income taxes	(11,518)	(2.1)	(3,150)	(0.7)
Benefit for income taxes	(4,494)	(0.8)	(442)	(0.1)
Net loss	$ (7,024)	(1.3)%	$ (2,708)	(0.6)%
Change in comparable store sales [1]		6.2%		1.0%
Company owned stores open at end of period [2]		70		64
Comparable stores open at end of period [1]		57		55

(1) Comparable store sales (year-over-year comparison of stores operating at the end of the fiscal period and open at least 18 months as of the beginning of each of the fiscal years) is a key performance indicator used within the industry and is indicative of acceptance of our initiatives as well as local economic and consumer trends. Fiscal 2014 comparable store sales exclude sales from our Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

(2) Our Kensington/Bethesda, Maryland location (which permanently closed on August 12, 2014) is included in our store count for fiscal 2013.

Store openings during the thirty-nine week periods ended November 2, 2014 and November 3, 2013 were as follows:

THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014		THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013	
LOCATION	**OPENING DATE**	**LOCATION**	**OPENING DATE**
Westchester, CA (Los Angeles)	2/19/2014	Virginia Beach, VA	7/20/2013
Vernon Hills, IL (Chicago)	3/26/2014	Syracuse, NY	8/21/2013
Panama City Beach, FL	5/26/2014	Albany, NY	8/24/2013
Los Angeles, CA	8/25/2014		
Manchester, CT (Hartford)	9/22/2014		

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Revenues

Total revenues increased $75,474, or 16.3%, in the thirty-nine weeks ended November 2, 2014 compared to the thirty-nine weeks ended November 3, 2013.

The increased revenues were derived from the following sources:

Non-comparable stores	$ 49,864
Comparable stores	26,447
Other	(837)
Total	$ 75,474

Comparable store revenue increased $26,447, or 6.2% in the thirty-nine weeks ended November 2, 2014 compared to the thirty-nine weeks ended November 3, 2013. Comparable store walk-in revenues, which accounted for 89.5% of consolidated comparable store revenue in the thirty-nine weeks ended November 2, 2014, increased $24,265, or 6.4% compared to the same period of 2013. The increase in comparable walk-in sales is attributable to strong marketing initiatives including continued advertising during sporting events and the addition of a new cable television network to our national media campaign. Comparable store special events revenues, which accounted for 10.5% of consolidated comparable store revenue in the thirty-nine weeks ended November 2, 2014, increased $2,182, or 4.8% compared to the comparable period in 2013.

Food sales at comparable stores increased by $4,448, or 3.1%, to $145,736 in the thirty-nine weeks ended November 2, 2014 from $141,288 in the same period of 2013. Beverage sales at comparable stores increased by $5,826, or 9.2%, to $68,854 in the thirty-nine weeks ended November 2, 2014 from $63,028 in the thirty-nine weeks ended November 3, 2013. Comparable store amusement and other revenues in the thirty-nine weeks ended November 2, 2014 increased by $16,173, or 7.3%, to $237,034 from $220,861 in the thirty-nine weeks ended November 3, 2013. The growth over 2013 in amusement sales was driven by increased national advertising highlighting our amusement products, our Half-Price Game Play Wednesdays offer and Power Card up-sell initiatives.

Non-comparable store revenue increased $49,864, or 126.0%, in the thirty-nine weeks ended November 2, 2014 compared to the thirty-nine weeks ended November 3, 2013. The increase in non-comparable store revenue was primarily driven by 266 additional store weeks contributed by our 2013 and 2014 store openings compared to the similar period in fiscal 2013. This increase was partially offset by revenue decreases in our stores opened in the second and third quarters of fiscal 2013, due to those stores coming out of the honeymoon period, and decreased revenue at our Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

Our revenue mix was 32.3% for food, 15.1% for beverage, and 52.6% for amusements and other for the thirty-nine weeks ended November 2, 2014. This compares to 33.2%, 14.7%, and 52.1%, respectively, for the thirty-nine weeks ended November 3, 2013.

Cost of Products

Cost of food and beverage products increased to $65,939 in the thirty-nine weeks ended November 2, 2014 compared to $55,988 in the thirty-nine weeks ended November 3, 2013 due primarily to the increased sales volume described above. Cost of food and beverage products, as a percentage of food and beverage revenues, increased 50 basis points to 25.7% for the thirty-nine weeks ended November 2, 2014 from 25.2% for the thirty-nine weeks ended November 3, 2013. Increased cost in our meat and seafood categories were partially offset by reduced poultry costs.

Cost of amusement and other increased to $39,335 in the thirty-nine weeks ended November 2, 2014 compared to $35,255 in the thirty-nine weeks ended November 3, 2013. The costs of amusement and other, as a percentage of amusement and other revenues decreased 70 basis points to 13.9% for the thirty-nine weeks ended November 2, 2014 from 14.6% for the thirty-nine weeks ended November 3, 2013. This decrease was driven by a reduction in

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the redemption cost per ticket redeemed as a result of Winner s Circle price increases, efficiencies in procurement of items available for redemption in our Winner s Circle and favorable experience in our redemption liability reserves.

Operating Payroll and Benefits

Operating payroll and benefits increased by $17,641, or 16.2%, to $126,357 in the thirty-nine weeks ended November 2, 2014 compared to $108,716 in the thirty-nine weeks ended November 3, 2013, primarily due to new store openings during the second half of fiscal 2013 and in the thirty-nine weeks ended November 2, 2014. The total cost of operating payroll and benefits, as a percent of total revenues, is 23.4% in both the thirty-nine weeks ended November 2, 2014 and November 3, 2013.

Other Store Operating Expenses

Other store operating expenses increased by $20,333, or 13.5%, to $170,440 in the thirty-nine weeks ended November 2, 2014 compared to $150,107 in the thirty-nine weeks ended November 3, 2013, primarily due to new store openings and higher cost of marketing due to increases in the underlying price of the media, strategic shifts in media purchasing and increased subscription costs associated with sports related viewing events. Other store operating expenses as a percentage of total revenues decreased 70 basis points to 31.6% in the thirty-nine weeks ended November 2, 2014 compared to 32.3% for the same period of 2013 due primarily to favorable operating leverage of operating costs on increased revenue. This favorable leverage was principally driven by fixed occupancy costs.

General and Administrative Expenses

General and administrative expenses increased by $4,557, or 16.9%, to $31,462 in the thirty-nine weeks ended November 2, 2014 compared to $26,905 in the thirty-nine weeks ended November 3, 2013. The increase in general and administrative expenses was significantly impacted by share-based compensation charges totalling $1,080 related to the modification of vesting requirements and forfeiture assumptions on grants made prior to our IPO. Additionally, increased labor costs at our corporate headquarters, legal fees related to litigation regarding our Kensington/Bethesda, Maryland location which permanently closed on August 12, 2014, incentive compensation expense and costs associated with our IPO resulted in higher expense levels than the comparable prior year period. General and administrative expenses, as a percentage of total revenues, was 5.8% in the thirty-nine weeks ended November 2, 2014 and the thirty-nine weeks ended November 3, 2013.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $2,988, or 6.1%, to $52,321 in the thirty-nine weeks ended November 2, 2014 compared to $49,333 in the comparable period of 2013. Increased depreciation on our 2013 and 2014 capital additions was partially offset by the absence of accelerated depreciation charges associated with our Kensington/Bethesda, Maryland store and other assets reaching the end of their depreciable lives.

Pre-Opening Costs

Pre-opening costs increased by $2,767 to $7,942 in the thirty-nine weeks ended November 2, 2014 compared to $5,175 in the thirty-nine weeks ended November 3, 2013 due to the timing and increased number of new store openings.

Interest Expense

Interest expense decreased by $6,053 to $29,826 in the thirty-nine weeks ended November 2, 2014 compared to $35,879 in the thirty-nine weeks ended November 3, 2013. This decrease was due to the refinancing described in Liquidity and Capital Resources and lower interest rates on our term loan facility prior to the refinancing in fiscal 2014, due to an amendment to the prior senior secured credit facility executed in May 2013. These decreases were partially offset by increased interest accretion on the senior discount notes, recognized prior to the refinancing.

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Loss on Debt Retirement

In connection with the July 25, 2014 debt refinancing (see Liquidity and Capital Resources for further discussion), the Company recorded a pre-tax charge of $25,992. This charge includes non-cash charges of $6,994 resulting from the write-off of certain unamortized debt issuance costs and the unamortized discount associated with the prior senior secured credit facility, $12,833 related to the early redemption of the senior notes, $6,124 related to the early redemption of the senior discount notes and $41 of legal expenses related to the prior senior secured credit facility. In the third quarter of 2014 the company wrote off $1,586 in unamortized debt costs related to the use of IPO proceeds and available cash balances to prepay $100,000 principal amount of our new term loan facility.

Income Tax Benefit

The income tax benefit for the thirty-nine weeks ended November 2, 2014 was $4,494 compared to an income tax benefit of $442 for the thirty-nine weeks ended November 3, 2013. Our effective tax rate differs from the statutory rate due to the FICA tip credits, state income taxes and the impact of certain expenses, which are not deductible for income tax purposes and changes in the tax valuation allowance.

In assessing the realizability of deferred tax assets, at November 2, 2014 we considered whether it is more likely than not that some or all of the deferred tax assets will not be realized. Accordingly, we have established a valuation allowance of $923 for deferred tax assets associated with state taxes and uncertain tax positions. The ultimate realization of our deferred tax assets is dependent on the generation of future taxable income during periods in which temporary differences and carryforwards become deductible.

We follow established accounting guidance for uncertainty in income taxes. This guidance limits the recognition of income tax benefits to those items that meet the more likely than not threshold on the effective date. As of November 2, 2014, we have accrued approximately $457 of unrecognized tax benefits and approximately $316 of penalties and interest. During the thirty-nine weeks ended November 2, 2014, we decreased our unrecognized provision by $19 and increased our accrual for interest and penalties by $25. Because of the impact of deferred tax accounting, $330 of unrecognized tax benefits, if recognized, would affect the effective tax rate.

We file income tax returns, which are periodically audited by various federal, state and foreign jurisdictions. We are generally no longer subject to federal, state, or foreign income tax examinations for years prior to fiscal 2009.

As of February 2, 2014, we had approximately $10,248 of available federal tax credit carryforwards. There is a 20-year carryforward on general business credits and AMT credits can be carried forward indefinitely.

On December 16, 2014, Congress passed the Tax Increase Prevention Act of 2014 (the Act). The Act includes provisions that accelerate the recognition of depreciation expense, for tax purposes, related to certain assets placed in service between January 1, 2014 and December 31, 2014. We are currently evaluating the impact of the Act and anticipate that the acceleration of depreciation will reduce the amount of federal taxes payable and the amount of tax credits utilized in the current year.

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Fiscal 2013 Compared to Fiscal 2012

The following table sets forth selected data in thousands of dollars and as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the consolidated statements of operations included in our consolidated financial statements. The following table presents the results of operations for fiscal year 2013 and fiscal year 2012:

	FISCAL YEAR ENDED			
	FEBRUARY 2, 2014		FEBRUARY 3, 2013	
Food and beverage revenues	$ 310,111	48.8%	$ 298,421	49.1%
Amusement and other revenues	325,468	51.2	309,646	50.9
Total revenues	635,579	100.0	608,067	100.0
Cost of food and beverage (as a percentage of food and beverage revenues)	77,577	25.0	73,019	24.5
Cost of amusement and other (as a percentage of amusement and other revenues)	47,437	14.6	46,098	14.9
Total cost of products	125,014	19.7	119,117	19.6
Operating payroll and benefits	150,172	23.6	145,571	23.9
Other store operating expenses	199,537	31.4	192,792	31.7
General and administrative expenses	36,440	5.8	40,356	6.8
Depreciation and amortization expense	66,337	10.4	63,457	10.4
Pre-opening costs	7,040	1.1	3,060	0.5
Total operating costs	584,540	92.0	564,353	92.9
Operating income	51,039	8.0	43,714	7.1
Interest expense, net	47,809	7.5	47,634	7.8
Income (loss) before provision (benefit) for income taxes	3,230	0.5	(3,920)	(0.7)
Provision (benefit) for income taxes	1,061	0.2	(12,702)	(2.1)
Net income	$ 2,169	0.3%	$ 8,782	1.4%
Change in comparable store sales [1]		1.0%		3.0%
Stores open at end of period [2]		66		61
Comparable stores open at end of period [1]		55		54

(1) Comparable store sales (year-over-year comparison of stores open at the end of the period which have been opened for at least 18 months as of the beginning of each of the fiscal years) is a key performance indicator used within the industry and is indicative of acceptance of our initiatives as well as local economic and consumer trends. The change in comparable store sales for fiscal 2013 has been calculated on a comparable calendar week basis as described previously.

(2) The number of stores open excludes one franchise location in Canada that ceased operations as Dave & Buster s on May 31, 2013. Our location in Dallas, Texas, which was permanently closed on December 17, 2012, was excluded from our 2012 store count. Our new store openings during the last two fiscal years were as follows:

FISCAL YEAR ENDED FEBRUARY 2, 2014		FISCAL YEAR ENDED FEBRUARY 3, 2013	
LOCATION	**OPENING DATE**	**LOCATION**	**OPENING DATE**
Virginia Beach, VA	7/20/2013	Oklahoma City, OK	1/30/2012
Syracuse, NY	8/21/2013	Orland Park, IL (Chicago)	9/22/2012
Albany, NY	8/24/2013	Dallas, TX [(a)]	12/2/2012
Cary, NC (Raleigh)	11/6/2013	Boise, ID	1/12/2013
Livonia, MI (Detroit)	12/16/2013		

(a) This new store opening replaced a store in the same market, Dallas, Texas, which closed on December 17, 2012.

Revenues

Total revenues increased $27,512, or 4.5%, to $635,579 in fiscal year 2013 compared to total revenues of $608,067 in fiscal year 2012.

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The increased revenues were derived from the following sources:

	FISCAL 2013
Non-comparable stores	$ 34,198
Comparable stores	5,260
Shift in fiscal year impact (week 1 of fiscal 2013)	(10,746)
Other	(1,200)
Total	$ 27,512

The following discussion of comparable store sales has been prepared by comparing fiscal 2013 revenues to adjusted fiscal 2012 revenues. Fiscal 2012 revenues have been adjusted to reflect the impact of the shift in our fiscal 2013 calendar due to the 53rd week in our fiscal 2012, as discussed above in Presentation of Operating Results. We have estimated the shift in comparable store revenues from the 53rd week in fiscal 2012 to be a decrease in sales of $9,796. Comparable store revenue increased $5,260, or 1.0% for fiscal 2013 compared to the comparable period in 2012. Comparable walk-in revenues, which accounted for 87.1% of consolidated comparable store revenue for fiscal 2013, increased $2,587, or 0.5% compared to the similar period in 2012. Comparable store special events revenues, which accounted for 12.9% of consolidated comparable store revenue for fiscal 2013, increased $2,673, or 3.9% compared to the comparable period in 2012.

Sales growth was led by amusement and other revenues. Comparable store amusement and other revenues for fiscal 2013 increased by $3,581, or 1.3%, to $283,009 from $279,428 in the 2012 comparison period. The growth over 2012 in amusement sales was driven by Power Card up-sell initiatives and buy-ins at higher denominations. Beverage sales at comparable stores increased by $1,327, or 1.6%, to $84,986 for fiscal 2013 from $83,659 in the comparable period in 2012. Food sales increased by $352, or 0.2%, to $187,579 for fiscal 2013 from $187,227 in the comparable period in 2012. The increased food and beverage revenues are due to televised sports-viewing and related promotions in fiscal 2013.

We have estimated the shift in non-comparable store revenue from the 53rd week in fiscal 2012 to be a reduction in sales of $950. The non-comparable store revenue increased by a total of $34,198, or 72.7%, for fiscal 2013 compared to the comparable period in 2012. The increase in non-comparable store revenue was primarily driven by sales at our Orland Park, Illinois store, which opened for business in the third quarter of 2012, our Dallas, Texas and Boise, Idaho stores, which opened for business in the fourth quarter of 2012, our Virginia Beach, Virginia store, which opened for business in the second quarter of 2013, our Syracuse, New York and Albany, New York stores, which opened for business in the third quarter of 2013 and our Cary, North Carolina and Livonia, Michigan stores, which opened for business in the fourth quarter of 2013. The revenue gains achieved in our stores opening in the second half of fiscal 2012 were partially offset by revenue decreases in our stores opened in fiscal 2011 and early fiscal 2012, due to those stores coming out of the honeymoon period, and the December 2012 closure of one store in Dallas, Texas.

Our revenue mix was 33.6% for food, 15.2% for beverage and 51.2% for amusements and other for fiscal 2013. This compares to 33.9%, 15.2% and 50.9%, respectively, for fiscal 2012.

Cost of Products

The total cost of products was $125,014 for fiscal 2013 and $119,117 for fiscal 2012. The total cost of products as a percentage of total revenues was 19.7% and 19.6% for fiscal 2013 and fiscal 2012, respectively.

Cost of food and beverage products increased to $77,577 in fiscal 2013 compared to $73,019 for fiscal 2012 due primarily to the increased sales volume. Cost of food and beverage products, as a percentage of food and beverage revenues, increased 50 basis points to 25.0% for fiscal 2013 from 24.5% for fiscal 2012. Increased cost in our meat and grocery categories was partially offset by reduced poultry costs.

Cost of amusement and other increased to $47,437 in fiscal 2013 compared to $46,098 in fiscal 2012. The costs of amusement and other, as a percentage of amusement and other revenues, decreased 30 basis points to 14.6% for fiscal 2013 from 14.9% for fiscal 2012. This decrease was primarily driven by a reduction in the redemption cost per ticket redeemed as a result of Winner s Circle price increases.

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Operating Payroll and Benefits

Operating payroll and benefits increased by $4,601, or 3.2%, to $150,172 in fiscal 2013 compared to $145,571 in fiscal 2012, primarily due to new store openings. The total cost of operating payroll and benefits, as a percent of total revenues, decreased 30 basis points to 23.6% in fiscal 2013 compared to 23.9% for fiscal 2012. The decrease in operating payroll and benefits, as a percentage of revenues, was driven primarily by decreased hourly labor and incentive compensation expense and favorable health insurance claims experience. These decreases were partially offset by higher management labor costs.

Other Store Operating Expenses

Other store operating expenses increased by $6,745, or 3.5%, to $199,537 in fiscal 2013 compared to $192,792 in fiscal 2012, primarily due to new store openings and increased costs associated with higher subscriptions for televised sports-viewing. These increases were partially offset by favorable claims experiences in general liability insurance. Other store operating expenses as a percentage of total revenues decreased 30 basis points to 31.4% in fiscal 2013 compared to 31.7% for the same period of 2012.

General and Administrative Expenses

General and administrative expenses decreased by $3,916, or 9.7%, to $36,440 in fiscal 2013 compared to $40,356 in fiscal 2012. The decrease in general and administrative expenses was primarily driven by recognition of approximately $2,940 of cost related to the withdrawn initial public offering of D&B Entertainment s common stock in the third quarter of 2012.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $2,880, or 4.5%, to $66,337 in fiscal 2013 compared to $63,457 in fiscal 2012. The increase was driven by higher depreciation associated with new store openings, major remodeling projects at sixteen stores during fiscal 2012 and 2013, several smaller scale remodels in fiscal 2013 and maintenance capital expenditures. These increases were partially offset by the absence of depreciation related to our location in Dallas, Texas which closed in December 2012.

Pre-opening Costs

Pre-opening costs increased by $3,980 to $7,040 in fiscal 2013 compared to $3,060 in fiscal 2012 due to the timing of new store openings. During fiscal 2013, our pre-opening costs were primarily attributable to new stores located in Virginia Beach, Virginia, which opened for business in the second quarter of 2013, Albany, New York and Syracuse, New York, which opened for business in the third quarter of 2013, Cary, North Carolina and Livonia, Michigan, which opened for business in the fourth quarter of 2013, and Westchester, California, which opened for business in February 2014. During the same period of 2012, our pre-opening costs consisted primarily of expenses incurred in connection with our Orland Park, Illinois store, which opened for business during the third quarter of 2012 and our Dallas, Texas and Boise, Idaho stores, which opened for business during the fourth quarter of 2012.

Interest Expense

Interest expense increased by $175 to $47,809 in fiscal 2013 compared to $47,634 in fiscal 2012 due to increased accretion on the senior discount notes, offset by reduced rates on the senior secured credit facility based on the second amendment to our senior secured credit facility executed on May 14, 2013 as discussed in Liquidity and Capital

Resources Indebtedness.

Income Tax Provision (Benefit)

The income tax expense for fiscal year 2013 was $1,061 compared to an income tax benefit of $12,702 for fiscal year 2012. Our effective tax rate differs from the statutory rate due to the FICA tip credits, state income taxes and the impact of certain expenses, which are not deductible for income tax purposes.

In assessing the realizability of deferred tax assets, we considered whether it is more likely than not that some or all of the deferred tax assets will not be realized. Accordingly, we have established a valuation allowance of $1,388 for deferred tax assets associated with state taxes and uncertain tax positions as of February 2, 2014. The ultimate realization of our deferred tax assets is dependent on the generation of future taxable income during periods in which temporary differences and carryforwards become deductible. During the third quarter of fiscal 2012, we recorded a $6,662 reduction to our previously established valuation allowance related to the assessed realization of federal tax benefits associated with our deferred tax assets.

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We previously adopted the accounting guidance for uncertainty in income taxes. This guidance limits the recognition of income tax benefits to those items that meet the more likely than not threshold on the effective date. As of February 2, 2014, we had accrued approximately $476 of unrecognized tax benefits and approximately $291 of penalties and interest. During fiscal 2013, we increased our unrecognized provision by $5 and increased our accrual for interest and penalties by $1. Because of the impact of deferred tax accounting, $349 of unrecognized tax benefits, if recognized, would affect the effective tax rate.

We file a consolidated tax return with all our domestic subsidiaries. Our income tax returns are periodically audited by various federal, state and foreign jurisdictions. We are generally no longer subject to federal, state, or foreign income tax examinations for years prior to fiscal 2009.

In fiscal year 2013, we expect to utilize approximately $860 of available federal tax credit carryforwards to offset our estimated consolidated cash tax liability. As of February 2, 2014, we expect to have approximately $10,248 of available federal tax credit carryforwards. We anticipate that we will fully utilize all available federal tax carryforwards prior to their expirations.

Fiscal 2012 Compared to Fiscal 2011

The following table sets forth selected data in thousands of dollars and as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the consolidated statements of operations included in our consolidated financial statements. The following table presents the results of operations for fiscal year 2012 and fiscal year 2011:

	FISCAL YEAR ENDED			
	FEBRUARY 3, 2013		JANUARY 29, 2012	
Food and beverage revenues	$ 298,421	49.1%	$ 272,606	50.3%
Amusement and other revenues	309,646	50.9	268,939	49.7
Total revenues	608,067	100.0	541,545	100.0
Cost of food and beverage (as a percentage of food and beverage revenues)	73,019	24.5	65,751	24.1
Cost of amusement and other (as a percentage of amusement and other revenues)	46,098	14.9	41,417	15.4
Total cost of products	119,117	19.6	107,168	19.8
Operating payroll and benefits	145,571	23.9	130,875	24.2
Other store operating expenses	192,792	31.7	175,993	32.5
General and administrative expenses	40,356	6.8	34,896	6.4
Depreciation and amortization expense	63,457	10.4	54,277	10.0
Pre-opening costs	3,060	0.5	4,186	0.8

Total operating costs	564,353	92.9	507,395	93.7
Operating income	43,714	7.1	34,150	6.3
Interest expense, net	47,634	7.8	44,931	8.3
Loss before benefit for income taxes	(3,920)	(0.7)	(10,781)	(2.0)
Benefit for income taxes	(12,702)	(2.1)	(3,796)	(0.7)
Net income (loss)	$ 8,782	1.4%	$ (6,985)	(1.3)%
Change in comparable store sales [1]		3.0%		2.2%
Stores open at end of period [2]		61		58
Comparable stores open at end of period [1]		54		52

[1] Comparable store sales (year-over-year comparison of stores open at the end of the period which have been opened for at least 18 months as of the beginning of each of the fiscal years) is a key performance indicator used within the industry and is indicative of acceptance of our initiatives as well as local economic and consumer trends. The fiscal year 2012 comparable store sales have been adjusted to remove the impact of the 53rd week prior to calculating the year-over-year change percentage.

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(2) Excluded from our store count as of January 29, 2012, is one store in Dallas, Texas, which was permanently closed on May 2, 2011. Excluded from our store count as of February 3, 2013, is a second store in Dallas, Texas, which was permanently closed on December 17, 2012. Store count also excludes one franchise store in Canada that ceased operations as Dave & Buster s on May 31, 2013. Our new store openings during the last two fiscal years were as follows:

FISCAL YEAR ENDED FEBRUARY 3, 2013		FISCAL YEAR ENDED JANUARY 29, 2012	
LOCATION	**OPENING DATE**	**LOCATION**	**OPENING DATE**
Oklahoma City, OK	1/30/2012	Orlando, FL	7/18/2011
Orland Park, IL (Chicago)	9/22/2012	Braintree, MA (Boston)	12/7/2011
Dallas, TX [(a)]	12/2/2012		
Boise, ID	1/12/2013		

(a) This new store opening replaced a store in the same market, Dallas, Texas, which closed on December 17, 2012.

Our fiscal year 2012 consisted of 53 weeks compared to 52 weeks in fiscal 2011. We have estimated the changes in fiscal year 2012 revenues compared to fiscal year 2011 revenues on a comparable 52 week basis under the caption 53rd week impact. All other comparisons are discussed as a percentage of revenue and therefore are not impacted by the additional 53rd week.

Revenues

Total revenues were $608,067 for fiscal year 2012 and $541,545 for fiscal year 2011. We have estimated the revenues during the 53rd week of fiscal year 2012 to be $10,355 ($8,987 for comparable stores and $1,368 for non-comparable stores). The fiscal year 2012 revenue mix was 49.1% food and beverage and 50.9% amusement and other. The fiscal year 2011 revenue mix was 50.3% food and beverage and 49.7% amusement and other.

Total revenues increased $66,522, or 12.3%, to $608,067 in fiscal year 2012 compared to total revenues of $541,545 in fiscal year 2011.

The net increase in revenues were derived from the following sources:

	ADJUSTED FISCAL 2012
Non comparable stores-operating	$ 42,859
Non comparable stores-closure of store in Dallas, Texas	(639)
Comparable stores [1]	15,254
53rd week impact-comparable stores	8,987
Other	61
Total	$ 66,522

[1] Revenue increase for comparable stores has been adjusted to remove the impact of the 53rd week of sales. The following discussion on comparable store sales has been prepared by comparing fiscal 2012 revenues on a 52 week basis to fiscal 2011 revenues. Comparable stores revenue increased by $15,254, or 3.0%, for fiscal 2012 compared to fiscal 2011. We have estimated the comparable stores revenues during the 53rd week of fiscal 2012 to be $8,987. Comparable store walk-in revenues, which accounted for 87.4% of consolidated comparable stores revenue for fiscal 2012, increased $14,433, or 3.2%, compared to fiscal 2011. The special events component of our comparable store sales for fiscal 2012, increased by $821, or 1.2%, compared to fiscal 2011.

Comparable store amusements and other revenues increased by $13,390, or 5.2%, to $269,203 in fiscal 2012 from $255,813 in fiscal 2011. The growth was led by amusement sales, which increased primarily due to strategic investments in new games, up-sell initiatives and television advertising promoting the new games. Such investments and initiatives were designed to increase the appeal and consumption of our amusement offerings. Beverage sales at comparable stores increased by $2,700, or 3.4%, to $81,360 in fiscal 2012 from $78,660 in fiscal 2011. Food sales at comparable store decreased $836, or 0.5%, to $181,171 in fiscal 2012 from $182,007 in fiscal 2011.

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Non-comparable store revenues increased by a total of $42,220. Non-comparable store revenues includes the revenues associated with our last seven store openings and the pre-closure revenues of our store located in Dallas, Texas, which closed on December 17, 2012. Revenues from our four fiscal 2012 store openings totaled $16,975, but were partially offset by the loss of revenues from the store closure mentioned above of $639.

Our revenue mix was 33.9% for food, 15.2% for beverage and 50.9% for amusement and other for fiscal 2012. This compares to 35.1%, 15.2% and 49.7%, respectively, for fiscal 2011.

Cost of Products

The total cost of products was $119,117 for fiscal 2012 and $107,168 for fiscal 2011. The total cost of products as a percentage of total revenues was 19.6% and 19.8% for fiscal 2012 and fiscal 2011, respectively.

Cost of food and beverage revenues increased to $73,019 for fiscal 2012 compared to $65,751 for fiscal 2011. Cost of food and beverage products, as a percent of food and beverage revenues, increased 40 basis points to 24.5% of revenues for fiscal 2012 compared to 24.1% of revenues for fiscal 2011. Increased cost pressure in our meat, grocery and most beverage categories was partially offset by reduced poultry and produce costs.

Cost of amusement and other revenues increased to $46,098 in fiscal 2012 compared to $41,417 in fiscal 2011. The costs of amusement and other, as a percentage of amusement and other revenues, decreased by 50 basis points to 14.9% of revenues in fiscal 2012 compared to 15.4% of revenues in fiscal 2011. This decrease is due primarily to less discounting of our amusement offerings in fiscal 2012.

Operating Payroll and Benefits

Operating payroll and benefits increased by $14,696 to $145,571 in fiscal 2012 compared to $130,875 in fiscal 2011. The total cost of operating payroll and benefits, as a percentage of total revenues, decreased 30 basis points to 23.9% of revenues for fiscal 2012 from 24.2% of revenues for fiscal 2011. This decrease in the percentage of revenues was primarily driven by a continued focus on labor scheduling, efficiency improvement and favorable sales leverage in 2012. Partially offsetting this favorable trend in fiscal 2012 were higher benefit costs, due in part, to unfavorable health insurance claims experience as compared to fiscal 2011, and higher incentive compensation expense related to our store management team.

Other Store Operating Expenses

Other store operating expenses increased by $16,799 or 9.5%, to $192,792 in fiscal 2012 compared to $175,993 in fiscal 2011, driven primarily by additional occupancy expenses as a result of new store openings, increased marketing activity, unfavorable claims experience in workers compensation, general liability insurance and the impact of the 53rd week in 2012. Additionally, during fiscal 2011, other store operating expenses were reduced by the recognition of business interruption recoveries and gains from property related recoveries of $4,170 related to the Nashville store that reopened in November 2011. The other store operating expenses, as a percentage of total revenues, decreased by 80 basis points to 31.7% of revenues for fiscal 2012 from 32.5% of revenues for fiscal 2011. Other store operating expenses, as a percentage of total revenues, were lower primarily as a result of the leveraging impact of higher store sales and favorable trends in utility costs, partially offset by higher losses on fixed asset disposals as a result of strategic investments in new games and the remodel of 9 of our 61 stores.

General and Administrative Expenses

General and administrative expenses increased by $5,460, or 15.6%, to $40,356 in fiscal 2012 compared to $34,896 in fiscal 2011. The increase in general and administrative expenses was primarily driven by the recognition of approximately $2,940 of cost related to the withdrawn initial public offering of D&B Entertainment common stock. The expenses related to this transaction were pushed down to Dave & Buster s, Inc. as the funds from the offering were to have been substantially used to reduce their senior notes. The increase in general and administrative expenses was also driven by increased incentive compensation and salary expense at our corporate headquarters and the impact of the 53rd week in 2012, partially offset by decreases in consulting and professional fees.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $9,180, or 16.9%, to $63,457 for fiscal 2012 compared to $54,277 for fiscal 2011. This increase is primarily a result of higher depreciation associated with new store openings, major remodeling projects at nine of our stores and maintenance capital expenditures. Additionally, we

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estimate the impact of the 53rd week to be an increase to depreciation expense of $1,447. These increases were partially offset by the absence of depreciation related to assets located in our Dallas, Texas location that were suspended due to the closure of our store and subsequent sale of the assets during fiscal 2011.

Pre-opening Costs

Pre-opening costs decreased by $1,126 to $3,060 in fiscal 2012 compared to $4,186 for fiscal 2011 due to the timing and size of new store openings. During fiscal 2012, our pre-opening costs consisted primarily of expenses incurred in connection with the openings of our two small store formats located in Orland Park, Illinois and Boise, Idaho and our one large store format, which opened in Dallas, Texas. During fiscal 2011, our pre-opening costs consisted primarily of expenses incurred in connection with the openings of our two large store formats located in Orlando, Florida and Braintree (Boston), Massachusetts. Additionally during fiscal 2011, we incurred substantially all the pre-opening costs related to our small store format located in Oklahoma City, Oklahoma, which opened in early fiscal 2012.

Interest Expense

Interest expense increased by $2,703, or 6.0%, to $47,634 for fiscal 2012 compared to $44,931 for fiscal 2011, driven primarily by higher interest accretion related our senior discount notes, the impact of the 53rd week, which we estimate to be $904 and decreased capitalized interest associated with our fiscal 2012 construction as compared to our fiscal 2011 construction. Partially offsetting these increases are debt costs recognized in the second quarter of fiscal 2011 related to the amendment to our senior secured credit facility executed on May 13, 2011 as discussed in Liquidity and Capital Resources Indebtedness.

Income Tax Benefit

The income tax benefit for 2012 was $12,702 as compared to an income tax benefit of $3,796 for fiscal 2011. Our effective tax rate differs from statutory rates due to the deduction of FICA tip credits, state income taxes, and the impact of the change in the valuation allowance against our deferred tax assets.

In assessing the realizability of our deferred tax assets, at February 3, 2013 we considered whether it is more likely than not that some or all of the deferred tax assets will not be realized. Based on the level of recent historical taxable income; consistent generation of annual taxable income, and estimations of future taxable income we have concluded that it is more likely than not that we will realize the federal tax benefits associated with our deferred tax assets. During fiscal 2012 we utilized all $14,172 of federal net operating loss carryforwards that existed at the end of fiscal 2011. These net operating losses resulted from stock-based compensation tax deductions realized by our predecessor from the consummation of the June 1, 2010 acquisition and were not from operating results. Accordingly, we have reduced our previously established valuation allowance related to our deferred tax assets for federal taxes by $6,662. We assessed the realizability of the deferred tax assets associated with state taxes, foreign taxes and uncertain tax positions and have concluded that it is more likely than not that we will realize a portion of these benefits. Accordingly, we have reduced our previously established valuation allowance against our deferred tax assets for state taxes and uncertain tax positions by $3,429. The ultimate realization of our deferred tax assets is dependent on the generation of future taxable income during periods in which temporary differences and carryforwards become deductible.

We follow accounting guidance for uncertainty in income taxes. This guidance limits the recognition of income tax benefits to those items that meet the more likely than not threshold on the effective date. As of February 3, 2013, we had accrued approximately $471 of unrecognized tax benefits and approximately $290 of penalties and interest. During fiscal 2012, we decreased our unrecognized tax benefit by $469 and decreased our accrual for interest and

penalties by $819 based upon lapsing of time and settlement with taxing jurisdictions. Future recognition of potential interest or penalties, if any, will be recorded as a component of income tax expense. Because of the impact of deferred tax accounting, $412 of unrecognized tax benefits, if recognized, would impact the effective tax rate.

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Quarterly Results of Operations

The following table sets forth certain unaudited financial and operating data in each fiscal quarter during fiscal 2014, fiscal 2013 and fiscal 2012. The unaudited quarterly information includes all normal recurring adjustments that we consider necessary for a fair presentation of the information shown. This information should be read in conjunction with our audited consolidated financial statements and notes thereto appearing elsewhere in this prospectus.

	FISCAL 2014 [1]				FISCAL 2013 [1]				FISCAL 2012 [1]	
	OVEMBER 2, 2014	AUGUST 3, 2014	MAY 4, 2014	FEBRUARY 2, 2014	OVEMBER 3, 2013	AUGUST 4, 2013	MAY 5, 2013	FEBRUARY 3, 2013 [1]	CTOBER 28, 2012	JULY 29, 2012
	$ 78,179	$ 84,916	$ 92,982	$ 87,603	$ 69,236	$ 72,361	$ 80,911	$ 84,687	$ 63,159	$ 71,431
	85,295	96,469	101,841	83,768	73,094	81,362	87,244	80,899	67,907	76,510
	163,474	181,385	194,823	171,371	142,330	153,723	168,155	165,586	131,066	147,941
	20,249	21,832	23,858	21,589	17,715	18,122	20,151	20,573	15,716	17,523
	12,091	14,049	13,195	12,182	10,992	12,050	12,213	11,981	10,505	11,865
	32,340	35,881	37,053	33,771	28,707	30,172	32,364	32,554	26,221	29,388
	41,237	42,330	42,790	41,456	36,170	35,107	37,439	39,867	33,735	35,359
	56,298	57,589	56,553	49,430	51,346	50,580	48,181	48,919	44,595	50,397
	11,393	9,604	10,465	9,535	8,983	8,198	9,724	10,257	12,242	8,840
	17,648	17,386	17,287	17,004	15,683	16,740	16,910	17,884	15,746	15,032
	3,650	1,848	2,444	1,865	2,333	1,970	872	1,262	1,089	559

162,566	164,638	166,592	153,061	143,222	142,767	145,490	150,743	133,628	139,575
908	16,747	28,231	18,310	(892)	10,956	22,665	14,843	(2,562)	8,366
6,130	11,684	12,012	11,930	12,018	11,750	12,111	12,637	11,618	11,624
1,592	25,986								
(6,814)	(20,923)	16,219	6,380	(12,910)	(794)	10,554	2,206	(14,180)	(3,258)
(2,207)	(7,045)	4,758	1,503	(2,750)	(696)	3,004	(3,216)	(10,286)	(1,655)
$ (4,607)	$ (13,878)	$ 11,461	$ 4,877	$ (10,160)	$ (98)	$ 7,550	$ 5,422	$ (3,894)	$ (1,603)
70	69	68	66	64	62	61	61	60	59
N/A	N/A	N/A	27.0%	22.4%	24.2%	26.4%	27.2%	21.6%	24.3%
8.7%	5.7%	4.7%	0.7%	2.4%	(0.9)%	1.8%	3.7%	3.9%	5.4%

(1) We operate on a 52 or 53 week fiscal year. Each quarterly period has 13 weeks, except for a 53 week year when the fourth quarter has 14 weeks. Our fiscal year ended February 3, 2013 consisted of 53 weeks. As such, the quarter ended February 3, 2013 consisted of 14 weeks.

(2) The number of stores open excludes one franchised store in Canada that ceased operations as a Dave & Buster s on May 31, 2013. Our location in Nashville, Tennessee, which temporarily closed from May 2, 2010 to November 28, 2011, due to flooding is included in our store count for all periods. Our store count has been adjusted downward for two store closures, one in the fourth quarter of fiscal 2012 and one in the third quarter of fiscal 2014.

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Liquidity and Capital Resources

Overview

We finance our activities through cash flow from operations and borrowings under our secured credit facility. As of November 2, 2014, we had cash and cash equivalents of $58,946, net working capital deficit of $5,601 and outstanding debt obligations of $430,000 ($428,976, net of discount). We also had $44,178 in borrowing availability under our new senior secured credit facility.

We currently have, and anticipate that in the future we may have, negative working capital balances. We are able to operate with a working capital deficit because cash from sales is usually received before related liabilities for product, supplies, labor and services become due. Funds available from sales not needed immediately to pay for operating expenses have typically been used for noncurrent capital expenditures and payment of long-term debt obligations.

Short-term liquidity requirements. We generally consider our short-term liquidity requirements to consist of those items that are expected to be incurred within the next twelve months and believe those requirements to consist primarily of funds necessary to pay operating expenses, interest payments on our debt, capital expenditures related to the new store construction and other expenditures associated with acquiring new games, remodeling facilities and recurring replacement of equipment and improvements.

As of November 2, 2014, we expect our short-term liquidity requirements to include (a) approximately $114,000 to $124,000 of capital expenditures (net of tenant improvement allowances from landlords), (b) interest payments of $19,818 (c) lease obligation payments of $64,113 and (d) estimated cash tax payments of approximately $29,000.

Estimated cash tax requirements do not reflect the provisions the Act which was passed into law on December 16, 2014. We are currently evaluating the impact of the Act and anticipate that the acceleration of depreciation will reduce the amount of federal taxes payable in the current year and in fiscal 2015.

Long-term liquidity requirements. We generally consider our long-term liquidity requirements to consist of those items that are expected to be incurred beyond the next twelve months and believe these requirements consist primarily of funds necessary for new store development and construction, replacement of games and equipment, performance-necessary renovations and other non-recurring capital expenditures that need to be made periodically to our stores, interest payments on our outstanding term loan and scheduled lease obligation payments. We intend to satisfy our long-term liquidity requirements through various sources of capital, including our existing cash on hand, cash provided by operations, and borrowings under our new senior secured credit facility.

Based on our current business plan, we believe the cash flows from operations, together with our existing cash balances and availability of borrowings under the new senior secured credit facility described below will be sufficient to meet our anticipated cash needs for working capital, capital expenditures, and debt service needs in the foreseeable future. Our ability to make scheduled interest payments, or to refinance our indebtedness, or to fund planned capital expenditures, will depend on future performance, which is subject to general economic conditions, competitive environment and other factors, including those described in the Risk Factors section of this prospectus. If our estimates of revenues, expenses or capital or liquidity requirements change or are inadequate or if cash generated from operations is insufficient to satisfy our liquidity requirements, we may seek to sell additional equity or arrange additional debt financing. In addition, we may seek to sell additional equity or arrange debt financing to give us financial flexibility to pursue attractive opportunities that may arise in the future.

Indebtedness

New Senior Secured Credit Facility. In July 2014, D&B Holdings together with Dave & Buster s, Inc. entered into a senior secured credit facility that provides a $530,000 term loan facility with a maturity date of July 25, 2020 and a $50,000 revolving credit facility with a maturity date of July 25, 2019. The $50,000 revolving credit facility includes a $20,000 letter of credit sub-facility and a $5,000 swingline sub-facility. The revolving credit facility will be used to provide financing for general purposes.

The senior secured credit facility is secured by the assets of Dave & Buster s, Inc. and is unconditionally guaranteed by each of its direct and indirect, existing and future domestic subsidiaries (with certain agreed-upon exceptions). The Company originally received proceeds from the term loan facility of $528,675, net of a $1,325 discount. The discount is being amortized to interest expense over the six-year life of the term loan facility.

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Following the IPO, we repaid $100,000 principal amount of term loan facility. This payment was applied to the future quarterly payments required by the credit agreement. No principal payments are required until the maturity of the credit facility on July 25, 2020. In conjunction with the prepayment, we incurred a loss on extinguishment charge of $1,586, consisting of the write-off of unamortized deferred debt issuance cost and unamortized discount related to the portion of the term loan that was repaid.

As of November 2, 2014, we had no borrowings under the revolving credit facility, borrowings of $430,000 ($428,976, net of discount) under the term facility and $5,822 in letters of credit outstanding. We believe that the carrying amount of our term loan facility approximates its fair value because the interest rates are adjusted regularly based on current market conditions. The fair value of the Company s new senior secured credit facility was determined to be a Level Two instrument as defined by GAAP.

The interest rates per annum applicable to loans, other than swingline loans, under our new senior secured credit facility are currently set based on a defined LIBOR rate plus an applicable margin. Swingline loans bear interest at a base rate plus an applicable margin. The loans bear interest subject to a pricing grid based on a secured leveraged ratio, at LIBOR plus a spread ranging from 3.25% to 3.5% for the term loans and LIBOR plus a spread ranging from 3.0% to 3.5% for the revolving loans. The effective interest rate on the term loan facility at November 2, 2014 was 4.8%.

Proceeds from the new senior secured credit facility were used as follows:

Repayment of Dave & Buster s, Inc. senior credit facility	
Outstanding principal	$ 143,509
Accrued and unpaid interest	460
Legal expenses	41
	144,010
Repayment of Dave & Buster s, Inc. 11% senior notes	
Outstanding principal	200,000
Accrued and unpaid interest	3,239
Premium for early redemption	11,000
Additional interest paid to trustee	1,833
	216,072
Repayment of Dave & Buster s Parent, Inc. (now known as D&B Entertainment) 12.25% senior discount notes	
Issue price outstanding, net of original issue discount	100,000
Previously accreted interest expense	41,852

Current year interest accretion included in interest expense, net	8,341
Premium for early redemption	4,646
Additional interest paid to trustee	1,478
	156,317
Total payments to retire prior debt	516,399
Payments of costs associated with new debt issuance	8,212
Administrative fee paid to administrative agent	31
	8,243
Retained cash	4,033
Total proceeds	$ 528,675

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The loss on debt retirement is comprised of the following:

Non-cash charges	
Loss on refinancing	
Write-off of unamortized debt issuance cost	$ 6,559
Write-off of unamortized debt discount	435
Loss on prepayment	
Write-off of unamortized debt issuance costs	1,347
Write-off of unamortized debt discount	239
	8,580
Direct costs associated with debt retirement	
Premium for early redemption:	
Dave & Buster s, Inc. senior notes	11,000
D&B Entertainment senior discount notes	4,646
Additional interest paid to trustee:	
Dave & Buster s, Inc. senior notes	1,833
D&B Entertainment senior discount notes	1,478
Legal expenses	41
	18,998
Loss on debt retirement	$ 27,578

Funds managed by Oak Hill Advisors, L.P. (the OHA Funds) comprise one of the creditors participating in the term loan portion of our new senior secured credit facility. As of November 2, 2014, the OHA Funds held approximately 10.8%, or $46,622 of our total term loan obligation. Oak Hill Advisors, L.P. is an independent investment firm that is not an affiliate of the Oak Hill Funds and is not under common control with the Oak Hill Funds. Certain employees of the Oak Hill Funds, in their individual capacities, have passive investments in Oak Hill Advisors, L.P. and/or the funds it manages.

Our senior secured credit facility contains restrictive covenants that, among other things, limit our ability and the ability of our subsidiaries to: incur additional indebtedness, make loans or advances to subsidiaries and other entities, make initial capital expenditures in relation to new stores, declare dividends, acquire other businesses or sell assets. In addition, under our senior secured credit facility, we are required to meet a maximum total leverage ratio if outstanding revolving loans and letters of credit (other than letters of credit that have been backstopped or cash collateralized) are in excess of 30% of the outstanding revolving commitments. As of November 2, 2014, we were not

required to maintain any of the financial ratios under the senior secured credit facility and we were in compliance with the other restrictive covenants.

Repaid Debt

Senior Secured Credit Facility. On July 25, 2014, the new senior secured credit facility refinanced our prior senior secured credit facility. As of July 25, 2014, we had no borrowings under the prior revolving credit facility, borrowings of $143,509 outstanding under the prior term facility due June 1, 2016 and $5,822 in letters of credit outstanding.

Senior Notes. In connection with the Refinancing, all of the $200,000 outstanding Dave & Buster s, Inc. 11% senior notes due June 1, 2018 were repaid.

Senior Discount Notes. In connection with the Refinancing, all outstanding Dave & Buster s Parent, Inc. (now known as D&B Entertainment) 12.25% senior discount notes due February 15, 2016 were repaid. As of July 25, 2014, our senior discount notes had a carrying value of approximately $150,193.

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Historical Cash Flows

The following table presents a summary of our net cash provided by (used in) operating, investing and financing activities:

	THIRTY-NINE WEEKS ENDED		FISCAL YEAR ENDED		
	NOVEMBER 2, 2014	NOVEMBER 3, 2013	FEBRUARY 2, 2014	FEBRUARY 3, 2013	JANUARY 29, 2012
Net cash provided by (used in):					
Operating activities	$ 36,713	$ 86,294	$ 109,878	$ 82,796	$ 72,777
Investing activities	(91,610)	(75,100)	(105,677)	(78,488)	(70,502)
Financing activities	75,763	(1,943)	(2,238)	(1,875)	(2,998)

Thirty-nine Weeks Ended November 2, 2014 Compared to Thirty-nine Weeks Ended November 3, 2013

Net cash provided by operating activities was $36,713 for the thirty-nine weeks ended November 2, 2014 compared to cash provided by operating activities of $86,294 for the thirty-nine weeks ended November 3, 2013. Decreased cash flows from operations were driven primarily by the cost paid for debt refinancing, the payment of accreted interest, premiums paid on early redemption of the senior notes and senior discount notes and higher pre-opening costs due to the timing and increased number of new store openings. This decrease was partially offset by increased cash flows from additional non-comparable store sales, increased comparable store sales and improved operating margins.

Net cash used in investing activities was $91,610 for the thirty-nine weeks ended November 2, 2014 compared to $75,100 for the thirty-nine weeks ended November 3, 2013. Capital expenditures increased $16,362 to $91,670 (excluding approximately $197 in fixed asset related accrued liability) in the first thirty-nine weeks of fiscal 2014 from $75,308 in the first thirty-nine weeks of fiscal 2013 primarily due to new store openings. During the first thirty-nine weeks of fiscal 2014, the Company spent approximately $58,513 ($43,658 net of tenant improvement allowances from landlords) for new store construction, $11,072 related to a major remodel project on three existing stores and several smaller scale remodel projects, $1,523 on operating improvement initiatives, $9,986 for game refreshment and $10,576 for maintenance capital. New store capital expenditures increased $13,969 due mainly to the number of new store openings (five stores opened in fiscal 2013 compared to five stores opened in fiscal 2014 and three additional stores opened subsequent to the third quarter of fiscal 2014, for which a substantial portion of costs have been incurred).

Net cash provided by financing activities was $75,763 for the thirty-nine weeks ended November 2, 2014 compared to cash used in financing activities of $1,943 for the thirty-nine weeks ended November 3, 2013. Net cash provided by financing activities increased $77,706 due to the debt refinancing. Cash flow from financing activities increased

$528,675, net of a $1,325 discount from the proceeds of the new term loan facility. This increase was offset by repayment of $144,375 principal balance of the prior senior secured credit facility, repayment of $200,000 principal balance of the senior notes, repayment of senior discount notes of $100,000 and payment of transaction fees and expenses of $8,212 associated with the refinancing. The excess cash was used to pay early redemption premium on the senior notes and the senior discount notes, accumulated accreted interest on the senior discount notes, and accrued and unpaid interest on the senior notes and outstanding term loans, all of which are included in operating activities. The company received $100,659 in proceeds for the issuance of common stock; these proceeds were used to prepay a portion of the new senior credit facility and to pay $984 of transaction fees and expenses associated with the issuance of common stock.

We plan on financing future growth through existing cash on hand, future operating cash flows, debt facilities and tenant improvement allowances from landlords. We expect to spend between $125,000 and $130,000 ($105,000 to $110,000 net of tenant improvement allowances from landlords) in capital additions during fiscal 2014. The fiscal 2014 additions are expected to include approximately $98,000 to $103,000 ($78,000 to $83,000 net of tenant improvement allowances from landlords) for new store construction and operating improvement initiatives, including three store remodels, $13,000 for game refreshment and $14,000 in maintenance capital. A portion of the 2014 new store additions is related to stores that will be under construction in 2014 but will not be open until 2015.

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Fiscal 2013 Compared to Fiscal 2012

Net cash provided by operating activities was $109,878 for fiscal 2013 compared to cash provided by operating activities of $82,796 for fiscal 2012. Improved cash flows from operations were driven primarily by additional non-comparable store sales, increased comparable stores sales, lower operating payroll and benefits expenses due to a decrease in hourly labor costs offset by higher management labor, higher pre-opening costs due to the timing of new store openings and one less week of operations in fiscal 2013.

Net cash used in investing activities was $105,677 for fiscal 2013 compared to $78,488 for fiscal 2012. Net cash used in investing activities increased in fiscal 2013 due to increased capital expenditures. Capital expenditures increased $27,205 to $105,894 (excluding approximately $13,988 in fixed asset related accrued liabilities) in fiscal 2013 from $78,689 in fiscal 2012 primarily due to new store openings, remodeling projects and game refresh initiatives. During the 2013 fiscal year, we spent approximately $63,929 ($48,143 net of tenant improvement allowances from landlords) for new store construction, $18,094 related to the major remodel project on seven of our existing stores and several small scale remodel projects, $1,758 on operating improvement initiatives, $9,441 for game refreshment and $12,672 for maintenance capital. During the 2012 fiscal year, we spent approximately $32,795 ($21,913 net of tenant improvement allowances from landlords) for new store construction, $15,962 related to the major remodel project on nine of our existing stores, $5,985 on operating improvement initiatives, $10,090 for game refreshment and $13,857 for maintenance capital. New store capital expenditures increased $31,134 during fiscal 2013 related primarily to construction of our Virginia Beach, Virginia store (large store format), which opened during the second quarter of 2013, our Albany, New York (large store format) and Syracuse, New York (small store format) stores which opened in the third quarter of 2013, our Cary, North Carolina (small store format) and Livonia, Michigan (large store format) stores which opened in the fourth quarter of 2013, our Westchester, California (large store format) store which opened in February 2014 and our Vernon Hills, Illinois (large store format) store which opened in March 2014. New store capital expenditures during fiscal 2012 related to construction of our Orland Park, Illinois store (small store format), which opened during the third quarter of fiscal 2012 and our Dallas, Texas and Boise, Idaho stores (one large and one small format store) which both opened in the fourth quarter of fiscal 2012.

Net cash used by financing activities was $2,238 for fiscal 2013 compared to cash used in financing activities of $1,875 for fiscal 2012. Net cash used in investing activities increased due to the costs related to the Second Amendment to the senior secured credit facility in the second quarter of fiscal 2013 partially offset by one additional required principal payment on our term loan facility in fiscal 2012 and proceeds from the sale of common stock in 2013.

Fiscal 2012 Compared to Fiscal 2011

Net cash provided by operating activities was $82,796 for fiscal 2012 compared to cash provided by operating activities of $72,777 for fiscal 2011. Improved cash flows from operations were driven primarily by additional non-comparable store sales, growth in comparable store sales and additional sales related to the 53rd week in fiscal 2012. Also contributing to the improved operating cash flows was margin improvements over the comparable period in fiscal 2011.

Net cash used in investing activities was $78,488 for fiscal 2012 compared to $70,502 for fiscal 2011. Net cash used in investing activities increased in fiscal 2012 due to increased capital expenditures. Capital expenditures increased $5,743 to $78,689 in fiscal 2012 from $72,946 in fiscal 2011 primarily due to remodeling projects and game refresh initiatives, partially offset by decreased spending related to new store openings. During the 2012 fiscal year, we spent approximately $32,795 ($21,913 net of tenant improvement allowances from landlords) for new store construction, $15,962 related to the major remodel project on nine of its existing stores, $5,985 on operating improvement

initiatives, $10,090 for game refreshment and $13,857 for maintenance capital. During the 2011 fiscal year, we spent approximately $43,951 ($37,040 net of tenant improvement allowances from landlords) for new store construction, $4,002 related to the major remodel project on one of its existing stores, $6,378 on operating improvement initiatives, $7,196 for game refreshment and $11,419 for maintenance capital. Capital expenditures related to new store openings decreased in fiscal 2012 due primarily to the timing and size of new construction. New store capital expenditures during fiscal 2012 related to construction of our Orland Park, Illinois store (small store format), which opened during the third quarter of fiscal 2012 and our Dallas, Texas and Boise, Idaho stores (one large

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and one small format store) which both opened in the fourth quarter of fiscal 2012. New store capital expenditures during fiscal 2011 related to construction of our Orlando, Florida store (large store format), which opened during the second quarter of fiscal 2011, our Braintree, Massachusetts and Nashville, Tennessee stores (both large format stores) which both opened in the fourth quarter of fiscal 2011 and our Oklahoma City, Oklahoma store (small format store) which opened during the first quarter of fiscal 2012. The Company received insurance proceeds of $798 for reimbursement of certain leasehold improvements damaged in the flooding that occurred at our Nashville, Tennessee location which are included in investing activities for fiscal 2011.

Net cash used by financing activities was $1,875 for fiscal 2012 compared to $2,998 for fiscal 2011. One additional required principal payment on our term loan facility was made in fiscal 2012. Financing activities for fiscal 2011 included net cash received of $100,000 from the issuance of the senior discount notes. Proceeds from the issuance of the senior discount notes were used to repurchase a portion of our common stock from certain stockholders of $96,888 and pay debt issuance cost of $3,120. Activity also includes the required principal payments under our term loan facility totaling $1,500.

Kensington/Bethesda Store Litigation

On November 14, 2013, Dave & Buster s, Inc. filed a complaint in federal court seeking declaratory and injunctive relief related to actions taken by a landlord attempting to terminate the lease agreement for our store in Kensington/Bethesda, Maryland. The landlord alleged that the Company was in default of certain lease agreement provisions which restrict our ability to operate other Dave & Buster s facilities within a prescribed distance of the Kensington/Bethesda location. We believed that the lease provisions cited by the landlord were not legally enforceable and that the Company had the right to operate all facilities for the duration of the original lease term and any available lease extension periods. On July 21, 2014, the court issued its final ruling against the Company and the Kensington/Bethesda location permanently closed on August 12, 2014. All our fixed assets from the Kensington/Bethesda, Maryland store are either fully depreciated or transferred to other locations. As with past store closures, we have experienced customer migration to other stores within the same market.

Revenues for our Kensington/Bethesda, Maryland store were $5,416 and $8,973 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013, respectively. We have recorded depreciation and net lease expense of $102 and $363, respectively, in the thirty-nine weeks ended November 2, 2014 and $582 and $616, respectively, in the thirty-nine weeks ended November 3, 2013. Annual revenues for our Kensington/Bethesda, Maryland store were $12,036, $12,751 and $12,676 in fiscal 2013, 2012 and 2011, respectively. We have recorded depreciation expense of $1,889, $1,030 and $687 in fiscal 2013, 2012 and 2011, respectively. Net lease expense was $1,120, $908 and $822 for fiscal 2013, 2012 and 2011, respectively.

Contractual Obligations and Commercial Commitments

The following tables set forth the contractual obligations and commercial commitments as of November 2, 2014:

Payment due by period

	TOTAL	1 YEAR OR LESS	2-3 YEARS	4-5 YEARS	AFTER 5 YEARS
Secured credit facility [1]	$ 430,000	$	$	$	$ 430,000
Interest requirements [2]	113,644	19,818	39,635	39,947	14,244
Operating leases [3]	676,594	64,113	124,097	111,684	376,700
Total	$ 1,220,238	$ 83,931	$ 163,732	$ 151,631	$ 820,944

(1) Our secured credit facility includes a $530,000 term loan facility and $50,000 revolving credit facility, a letter of credit sub-facility, and a swingline sub-facility. As of November 2, 2014, we had no borrowings under the revolving credit facility, borrowings of $430,000 ($428,976 net of discount) under the term facility and $5,822 in letters of credit outstanding. No principal payments are required until the maturity of the new senior credit facility on July 25, 2020.

(2) The cash obligations for interest requirements consist of variable rate debt obligations at rates in effect at November 2, 2014.

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(3) Our operating leases generally provide for one or more renewal options. These renewal options allow us to extend the term of the lease for a specified time at an established annual lease payment. Future obligations related to lease renewal options that have been exercised or were reasonably assured to be exercised as of the lease origination date, have been included in the table above. Our current store lease in Farmingdale, New York (Long Island) expires in February 2015 without option to renew. We have two other leases which expire in 2019, and we do not have any remaining options to extend the lease terms. All of our other leases include renewal options that give us the opportunity to extend the lease terms beyond 2019.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to market risk from interest rate changes on our new senior secured credit facility. This exposure relates to the variable component of the interest rate on our new senior credit facility. As of November 2, 2014 we had gross borrowings of $430,000 under the term facility, based on a defined LIBOR rate plus an applicable margin. A hypothetical 10% increase in the defined LIBOR rate associated with our term facility would increase our interest expense by approximately $430. As of November 2, 2014 we had no borrowings under our revolving credit facility. Therefore, we had no exposure to interest rate fluctuations on our revolving credit facility as of that date.

Cost of Labor Risk

We have a substantial number of hourly employees who are paid wage rates at or based on the applicable federal or state minimum wage and increases in the minimum wage will increase our labor costs. The State of California (where nine of our stores are located) has a minimum wage of $9.00 (an amount in excess of the federal minimum wage), and on January 1, 2016, it is scheduled to increase to $10.00. In other states where the state minimum wage exceeds the federal minimum wage and we have more than one store (New York, Florida and Ohio, among others) we continue to monitor proposed state minimum wage increases and analyze the impact those increases have on our cost structure. In general, we have been able to substantially offset cost increases resulting from inflation by increasing menu prices, improving productivity, or through other adjustments. We may or may not be able to offset cost increases in the future.

Critical Accounting Policies and Estimates

The above discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosures of contingent assets and liabilities. Our significant accounting policies are described in Note 1 to the accompanying consolidated financial statements for the year ended February 2, 2014. Critical accounting policies are those that we believe are most important to portraying our financial condition and results of operations and also require the greatest amount of judgments by management. Judgments or uncertainties regarding the application of these policies may result in materially different amounts being reported under different conditions or using different assumptions. We consider the following policies to be the most critical in understanding the judgments that are involved in preparing the consolidated financial statements.

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 incurred during construction are capitalized and depreciated based on the estimated useful life of the underlying asset. These costs are depreciated using the straight-line method over the estimate of the depreciable life, resulting in a charge to the operating results. Our actual results may differ from these estimates under different assumptions or conditions.

We review our property and equipment for impairment when events or circumstances indicate the carrying value of the assets may not be recoverable. In determining the recoverability of the asset value, an analysis is performed at the individual store level, since this is the lowest level of identifiable cash flows and primarily includes an assessment of historical cash flows and other relevant factors and circumstances. The other factors and circumstances include the maturity of the store, changes in the economic environment, unfavorable changes in legal factors or business climate and future operating plans.

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Our impairment assessment process requires the use of estimates and assumptions regarding future undiscounted cash flows and operating outcomes, which are based upon a significant degree of management s judgment. At any given time, we may be monitoring a small number of locations, and future impairment charges could be required if individual store performance is deemed inadequate to recover the value of its assets. We forecast our future cash flows by considering a variety of factors, including the maturity of the store, recent store level performance, store level operating plans, sales trends, and cost trends for cost of sales, labor and operating expenses. We believe that this combination of information gives us a fair benchmark to predict future undiscounted cash flows. However, the future cash flow forecast may be incorrect due to factors such as unanticipated variations in our sales, cost of goods sold, labor expenses, the impact of competition, macroeconomic trends and issues related to the market in which the store is located. We compare this cash flow forecast to the carrying value of the assets of the store. Based on this analysis, if we believe that the carrying amount of the assets is not recoverable, an impairment charge would be recognized based upon the amount by which the carrying value of the assets exceeds fair value. We recognized an impairment loss of $200 during fiscal 2011 on one of our stores located in Dallas, Texas, which permanently closed on May 2, 2011. No impairment charges were recognized during the first thirty-nine weeks of fiscal 2014 or in fiscal years 2013 or 2012.

Goodwill and Intangible Assets. We account for our goodwill and intangible assets in accordance with accounting guidance for business combinations and accounting guidance for goodwill and other intangible assets. In accordance with accounting guidance for business combinations, goodwill of approximately $272,359 and intangible assets of $79,000 representing trade names were recognized in connection with the acquisition of D&B Holdings by the Oak Hill Funds that occurred on June 1, 2010. Goodwill and trade names, which have an indefinite useful life, are not being amortized. However, both goodwill and trade names are subject to annual impairment testing.

We perform step one of the impairment test in our fourth quarter unless circumstances require this analysis to be completed sooner. Step one of the impairment test is based upon a comparison of the carrying value of our net assets, including goodwill balances, to the fair value of our net assets. Fair value is measured using a combination of the guideline company method, external transaction method and the income approach. The guideline company method uses valuation multiples from selected publicly-traded companies that we believe are exposed to market forces that are similar to those faced by the Company. The external transaction involves analyzing previous mergers or acquisitions involving private or public companies that are similar to the Company. The income approach consists of utilizing the discounted cash flow method that incorporates our estimates of future revenues and costs, discounted using a risk-adjusted discount rate. Key assumptions used in our testing include future store openings, revenue growth, operating expenses and discount rate. Estimates of revenue growth and operating expenses are based on internal projections considering our past performance and forecasted growth, market economics and the business environment impacting our Company s performance. Discount rates are determined by using a weighted average cost of capital (WACC). The WACC considers market and industry data as well as company-specific risk factors. These estimates are highly subjective judgments and can be significantly impacted by changes in the business or economic conditions. Our estimates used in the income approach are consistent with the plans and estimates used to manage operations. We do evaluate all methods to ensure reasonably consistent results. Based on the completion of the step one test, we determined that goodwill was not impaired.

The evaluation of the carrying amount of other intangible assets with indefinite lives is made at least annually by comparing the carrying amount of these assets to their estimated fair value. The estimated fair value is generally determined on the basis of discounted future cash flows. If the estimated fair value is less than the carrying amount of the other intangible assets with indefinite lives, then an impairment charge is recorded to reduce the asset to its estimated fair value.

We assess the potential impairment of definite lived intangibles, including trademarks and other long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In evaluating

long-lived restaurant assets for impairment, we consider a number of factors relevant to the assets current market value.

Income Taxes. We file consolidated returns with all our domestic subsidiaries. We use the asset/liability method for recording income taxes, which recognizes the amount of current and deferred taxes payable or refundable at the date

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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. We have adopted accounting guidance for uncertainty in income taxes. This guidance limits the recognition of income tax benefits to those items that meet the more likely than not threshold on the effective date.

The calculation of tax liabilities involves significant judgment and evaluation of uncertainties in the interpretation of federal and state tax regulations. As a result, we have established reserves for taxes that may become payable in future years as a result of audits by tax authorities. Tax reserves are reviewed regularly pursuant to accounting guidance for uncertainty in income taxes. Tax reserves are adjusted as events occur that affect the potential liability for additional taxes, such as the expiration of statutes of limitations, conclusion of tax audits, identification of additional exposure based on current calculations, identification of new issues, or the issuance of statutory or administrative guidance or rendering of a court decision affecting a particular issue. Accordingly, we may experience significant changes in tax reserves in the future, if or when such events occur.

Deferred Tax Assets. A deferred income tax asset or liability is established for the expected future consequences resulting from temporary differences in the financial reporting and tax bases of assets and liabilities. As of November 2, 2014, we have recorded a valuation allowance against a portion of our deferred tax assets, primarily state tax assets. The valuation allowance was established in accordance with accounting guidance for income taxes.

If our taxable income decreases in future periods or if the facts and circumstances on which our estimates and assumptions are based were to change, thereby impacting the likelihood of realizing the deferred tax assets, judgment would have to be applied in determining if an addition to the allowance would be required or the amount of the valuation allowance no longer required.

Accounting for Amusement Operations. The majority of our amusement revenue is derived from customer purchases of game play credits which allow our customers to play the video and redemption games in our Midways. We have recognized a liability for the estimated amount of unused game play credits, which we believe our customers will utilize in the future based on credits remaining on Power Cards, historic utilization patterns and revenue per game play credit sold. Certain Midway games allow customers to earn coupons, which may be redeemed for prizes. The cost of these prizes is included in the cost of amusement products and is generally recorded when coupons are utilized by the customer by either redeeming the coupons for a prize in our Winner s Circle or storing the coupon value on a Power Card for future redemption. We have accrued a liability for the estimated amount of outstanding coupons that will be redeemed in subsequent periods based on tickets outstanding, historic redemption patterns and the estimated redemption cost of products per ticket.

Insurance Reserves. We use a combination of insurance and self-insurance mechanisms to provide for potential liabilities for workers compensation, healthcare benefits, general liability, property insurance, director and officers liability and vehicle liability. Liabilities associated with the risks that are retained by us are estimated, in part, by considering historical claims experience, demographic factors, severity factors and other actuarial assumptions. Portions of the estimated accruals for these liabilities are calculated by third-party actuarial firms. The estimated accruals for these liabilities could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

Share-based Compensation. Certain members of our Board of Directors, management and other employees and a consultant have been granted options to purchase shares of our common stock pursuant to the terms of the 2010 Stock Incentive Plan. The options are subject to either time-based vesting or performance-based vesting. Options granted under the 2010 Stock Incentive Plan terminate on the ten-year anniversary of the grants.

The various options granted pursuant to the 2010 Stock Incentive Plan are described below. In each case, the options vest, subject to the grantee s continued employment with or service to us or our subsidiaries (subject to certain conditions in the event of grantee termination).

Service-based Options

These options contain a service-based (or time-based) vesting provision, whereby the options will vest annually in five equal amounts.

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Performance-based Options

These options contain various performance-based vesting provisions depending on the type of performance option granted. Adjusted EBITDA vesting options vest over a prescribed time period based on us meeting certain operating metric targets for each fiscal year during the vesting period. Adjusted EBITDA vesting options also vest upon a change of control of the Company provided that prescribed Oak Hill Funds internal rate of return conditions are met. Internal rate of return vesting options vest upon a change in control of the Company if the Oak Hill Funds internal rate of return is greater than or equal to certain percentages set forth in the applicable option agreement. Any options that have not vested prior to a change of control or do not vest in connection with a change of control will be forfeited by the grantee upon a change of control for no consideration.

Prior to the granting of stock options, we have obtained valuation analyses prepared by an independent third-party valuation firm to assist us with the determination of the fair value of our common stock. The valuations utilized approaches and methodologies consistent with the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* and information provided by our management, including historical and projected financial information, prospects and risks, our performance, various corporate documents, capitalization and economic and financial market conditions. The third-party valuation firm also utilized other economic, industry, and market information obtained from other resources considered reliable. The method used by the valuation utilized discounted cash flow, guideline company and external transaction approaches to determine value ranges.

Under the income approach, specifically the discounted cash flow method, forecast cash flows are discounted to the present value at a risk-adjusted discount rate. The valuation analyses determine discrete free cash flows over several years based on forecast financial information provided by our management and a terminal value for the residual period beyond the discrete forecast, which are discounted at our estimated weighted average cost of capital to estimate our enterprise value.

The guideline public company method involves selecting publicly traded companies with similar financial and operating characteristics as our Company, and calculating valuation multiples based on the guideline public company s financial information and market data. Based on the observed valuation multiples, an appropriate multiple was selected to apply to our financial information.

The external transaction method involves selecting sale transactions of companies with similar financial and operating characteristics as our Company and calculating valuation multiples based on the acquisition price and the acquired company s financial information. An appropriate multiple was selected to apply to our financial information.

We believe the combination of these methods provides an appropriate estimate of our expected fair value ranges. We have considered the valuation analyses to determine the best estimate of the fair value of our common stock at each stock option grant date.

The valuation of our stock option awards has been determined using the Black-Scholes option valuation model. The Black-Scholes option valuation model uses assumptions of expected volatility, the expected dividend yield of our stock, the expected term of the awards and the risk-free interest rate, as well as our estimated fair value of our common stock. Since our stock has not been publicly traded, the expected volatility is based on an average of the historical volatility of our competitors stocks over the expected term of the share-based awards. The dividend yield assumption is based on our history. The expected term of share-based awards represents the weighted-average period the share-based award is expected to remain outstanding. The risk-free interest rate was based on the implied yield on U.S. Treasury zero-coupon issues with a remaining term equivalent to the expected term. Once we have

Company-specific information, we will begin to consider that in determining our assumptions, except that we will be using the market-determined share price in the future rather than third-party estimates of fair value.

Share-based compensation expense is recognized for the portion of awards that are expected to vest. For time-based options, share-based compensation expense is recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. For performance-based options, management

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must assess the probability of the achievement of the targets, as defined in the applicable plan. Share-based compensation expense recognized in our results of operations is based on awards ultimately expected to vest. Forfeiture rates are estimated using historical actual forfeiture trends as well as our judgment of future forfeitures. These rates are evaluated at least annually and any change in compensation expense is recognized in the period of the change.

The determination of the fair values of our non-public share values and share-based awards are based on estimates and forecasts described above that may not reflect actual market results. These estimates and forecasts require us to make judgments that are highly complex and subjective. Additionally, past valuations relied on reference to other companies for the determination of volatility, trading multiples and other valuation inputs, future estimates of these factors will be based more on our performance as a public company. After completion of this offering, future share-based grant values will be based on quoted market prices. The use of Company-specific attributes will likely impact the fair value of share-based payment programs in the future and the results may be different than using an average of industry participant attributes as has been utilized in the past.

Share-based payments issued in connection with the IPO were service-based stock options. We do not expect that the compensation expense ($3,760 in aggregate grant date fair value) will materially impact any particular year during the service period as the share-based payments have service conditions that will vest over a 3-4 year period and were granted at the initial public offering price. Additionally, the 444,969 common shares subject to the option grant represent approximately 1% of the shares of common stock outstanding following the IPO.

Recent Accounting Pronouncements. In May 2014, the Financial Accounting Standards Board issued guidance outlining a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This guidance requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, this guidance expands related disclosure requirements. This guidance is effective for reporting periods beginning after December 15, 2016. We are currently evaluating the impact this guidance will have on our consolidated financial position and results of operations.

JOBS Act. We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, such as reduced public company reporting, accounting and corporate governance requirements. We currently avail ourselves of the reduced disclosure obligations regarding executive compensation.

Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. However, we chose to opt out of any extended transition period, and as a result we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We will remain an emerging growth company for up to five years following our IPO, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenue exceeds $1 billion, (ii) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

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BUSINESS

Company Overview

We are a leading owner and operator of high-volume venues in North America that combine dining and entertainment for both adults and families. The core of our concept is to offer our customers the opportunity to *Eat Drink Play and Watch* all in one location. *Eat and Drink* are offered through a full menu of *Fun American New Gourmet* entrées and appetizers and a full selection of non-alcoholic and alcoholic beverages. Our *Play and Watch* offerings provide an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Our customers are a balanced mix of men and women, primarily between the ages of 21 and 39, and we believe we also serve as an attractive venue for families with children and teenagers. We believe we appeal to a diverse customer base by providing a highly customizable experience in a dynamic and fun setting.

As of January 29, 2015, we owned and operated 73 stores in 30 states and Canada. For the twelve months ended November 2, 2014, we generated total revenues of $711.1 million, Adjusted EBITDA of $153.8 million (representing an Adjusted EBITDA margin of 21.6%) and a net loss of $2.1 million. For the thirty-nine weeks ended November 2, 2014 and November 3, 2013, we generated total revenues of $539.7 million and $464.2 million, respectively, Adjusted EBITDA of $113.6 million and $94.6 million, respectively, and net losses of $7.0 million and $2.7 million, respectively. For fiscal 2013, we generated total revenues of $635.6 million, Adjusted EBITDA of $134.8 million (representing an Adjusted EBITDA margin of 21.2%) and net income of $2.2 million. For fiscal 2012 and fiscal 2011, we generated total revenues of $608.1 million and $541.5 million, respectively, Adjusted EBITDA of $120.5 million and $98.4 million, respectively, and net income (loss) of $8.8 million and $(7.0) million, respectively. From fiscal 2011 to fiscal 2013, total revenues and Adjusted EBITDA grew at a CAGR of 8.3% and 17.1%, respectively. We generated comparable store sales increases of 6.2%, 1.0%, 3.0% and 2.2% in the thirty-nine weeks ended November 2, 2014 and fiscal 2013, 2012 and 2011, respectively. Based on the KNAPP-TRACK index, an index tracking year-over-year changes in comparable store sales in the casual dining restaurant industry, the overall casual dining restaurant industry s comparable store sales growth was -0.3%, -1.5%, 0.2% and 1.7% for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, 2012 and 2011, respectively. As such, we outperformed the KNAPP-TRACK index by approximately 650, 240, 270 and 40 basis points in the thirty-nine weeks ended November 2, 2014 and fiscal 2013, 2012 and 2011, respectively.

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As a key feature of our business model, 51.2% of our total revenues for fiscal 2013 were from our amusement offerings, which have a relatively low variable cost component and contributed a gross margin of 85.4%. Combined with our food and beverage revenues, which comprised 48.8% of our total revenues and contributed a gross margin of 75.0% for fiscal 2013, we generated a total gross margin of 80.3%.

The formats and square footage of our stores are flexible, which we believe allows us to size new stores appropriately for each market as we grow. Our stores average 44,000 square feet and range in size between 16,000 and 66,000 square feet. We believe we have an attractive store economic model that enables us to generate high average store revenues and Store-level EBITDA. For our 55 comparable stores in fiscal 2013, our average revenues per store were $10.1 million, average Store-level EBITDA was $2.6 million and average Store-level EBITDA margin was 25.9%. Furthermore, for that same period, all of our comparable stores had positive Store-level EBITDA, with 89.1% of our stores generating more than $1.0 million of Store-level EBITDA each and 61.8% of our stores generating more than $2.0 million of Store-level EBITDA each.

Eat Drink Play and Watch All Under One Roof

When our founders opened our first location in Dallas, Texas in 1982, they sought to create a brand with a fun, upbeat atmosphere providing interactive entertainment options for adults and families, while serving high-quality food and beverages. Since then we have followed the same principle for each new store, and in doing so we believe we have developed a distinctive brand based on our customer value proposition: *Eat Drink Play and Watch*. The interaction between playing games, watching sports, dining and enjoying our full-service bar areas is the defining feature of the Dave & Buster s customer experience, and the layout of each store is designed to promote crossover between these activities. We believe this combination creates an experience that cannot be easily replicated at home or elsewhere without having to visit multiple destinations. Our locations are also designed to accommodate private parties, business functions and other corporate-sponsored events.

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Eat

We seek to distinguish our food menu from other casual dining concepts with our strategy of offering *Fun American New Gourmet* entrées and appetizers. Our *Fun American New Gourmet* menu is intended to appeal to a broad spectrum of customers and include classic American offerings with a fun twist. We believe we offer high-quality meals, including gourmet pastas, choice-grade steaks, premium sandwiches, decadent desserts and health-conscious entrée options that compare favorably to those of other higher end casual dining operators. We believe our broad menu offers something for everyone and captures full meal, snacking and sports-viewing occasions. We plan to introduce new menu items three times per year that we believe reinforce the fun of the Dave & Buster s brand. Our food revenues, which include non-alcoholic beverages, accounted for 33.6% of our total revenues during fiscal 2013.

Drink

Each of our locations also offers full bar service, including a variety of beers, signature cocktails, premium spirits and non-alcoholic beverages. We continually strive to innovate our beverage offering, adding new beverages three times per year, including the introduction of fun beverage platforms such as our adult Snow Cones, CoronaRitas and Berry Blocks cocktails. Beverage service is typically available throughout the entire store, allowing for multiple sales opportunities. We believe that our high margin beverage offering is complementary to each of the *Eat, Play and Watch* aspects of our brand. Our alcoholic beverage revenues accounted for 31.1% of our total food and beverage revenues and 15.2% of our total revenues during fiscal 2013.

Play

The games in our Midway are a key aspect of the Dave & Buster s entertainment experience, which we believe is the core differentiating feature of our brand. The Midway in each of our stores is an area where we offer a wide array of amusement and entertainment options, typically with over 150 redemption and simulation games. Our amusement and other revenues accounted for 51.2% of our total revenues during fiscal 2013. Redemption games, which represented 78.7% of our amusement and other revenues in fiscal 2013, offer our customers the opportunity to win tickets that are redeemable at our Winner s Circle, a retail-style space in our stores where customers can redeem the tickets won through play of our redemption games for prizes ranging from branded novelty items to high-end electronics. We believe this opportunity to win creates a fun and highly energized social experience that is an important aspect of the Dave & Buster s in-store experience and cannot be easily replicated at home. Our video and simulation games, many of which can be played by multiple customers simultaneously and include some of the latest high-tech games commercially available, represented 16.7% of our amusement and other revenues in fiscal 2013. Other traditional amusements represented the remainder of our amusement and other revenues in fiscal 2013.

Watch

Sports-viewing is another key component of the entertainment experience at Dave & Buster s. All of our stores have multiple large screen televisions and high quality audio systems providing customers with a venue for watching live sports and other televised events. In fiscal 2010, we initiated a program that evolved into D&B Sports, which is a more immersive viewing environment that provides customers with an average of 40 televisions, including 100+ inch high definition televisions, to watch televised events and enjoy our full bar and extensive food menu. We believe that we have created an attractive and comfortable environment that includes a differentiated and interactive viewing experience that offers a new reason for customers to visit Dave & Buster s. Through continued development of the D&B Sports concept in new stores and additional renovations of existing stores, our goal is to build awareness of D&B Sports as the best place to watch sports and the only place to watch the games and play the games.

Our Company s Core Strengths

We believe we benefit from the following strengths:

Strong, Distinctive Brand With Broad Customer Appeal. We believe that the multi-faceted customer experience of *Eat Drink Play and Watch* at Dave & Buster s, supported by our national marketing, has helped us create a widely recognized brand with no direct national competitor that combines all four elements in the same way. In markets where we have stores, over 95% of casual dining consumers stated that they are aware of our brand as a dining and entertainment venue. Our customer research shows that our brand appeals to a balanced mix of male and female adults, primarily between the ages of 21 and 39, as well as families and teenagers. Based on customer survey results, we also believe that the average household income of our customers is approximately $80,000, which we believe represents an attractive demographic.

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Multi-Faceted Customer Experience Highlights Our Value Proposition. We believe that our combination of interactive games, attractive television viewing areas, high-quality dining and full-service beverage offerings, delivered in a highly-energized atmosphere, provides a multi-faceted customer experience that cannot be easily replicated at home or elsewhere without having to visit multiple destinations. We aim to offer our customers a value proposition comparable or superior to many of the separately available dining and entertainment options. We are continuously working with game manufacturers and food providers to create new games and food items at compelling price points to retain and generate customer traffic and improve the customer experience. Our value proposition is enhanced by what we consider to be innovative marketing initiatives, including our Eat & Play Combo (a promotion that provides a discounted Power Card in combination with select entrées), Super Charge Power Card offerings (when purchasing or adding value to a Power Card, the customer is given the opportunity to add 25% more chips to the Power Card for a small upcharge), Half-Price Game Play (every Wednesday, from open to close, we reduce the price of every game in the Midway by one-half), Everyone s a Winner (a limited-time offer providing a prize to every customer that purchases or adds value to a Power Card in the amount of $10 or more) and free game play promotions to feature the introduction of our new games. We believe these initiatives have helped increase customer visits and encourage customers to participate more fully across our broad range of food, beverage and entertainment offerings.

Vibrant, Contemporary Store Design That Integrates Entertainment and Dining. We believe we continue to benefit from enhancements to the Dave & Buster s brand through our store design and D&B Sports initiatives, which began in fiscal 2011. Our new store design provides a contemporary, engaging atmosphere for our customers that includes clearly differentiated spaces, which are sub-branded as *Eat at Buster s, Gamebar, Dave s Arcade*, *WIN!* and *D&B Sports*, designed to convey each component of our customer value proposition: *Eat Drink Play and Watch*. These store design changes include a modern approach to the finishes and layout of the store, which we believe encourages participation across each of the store s elements. The oversized graphics and images throughout the store are intended to communicate our brand personality by being fun, contemporary and larger-than-life. The dining room décor includes booth seating and table seating and colorful artwork, often featuring local landmarks. Our Winner s Circle provides a retail-like environment where customers can redeem their tickets for prizes. All of our new locations opened since the beginning of fiscal 2011 incorporate our new store design. We believe the introduction and continued expansion of our D&B Sports concept, currently incorporated in approximately half of our store base, provides an attractive opportunity to market our broader platform to new and existing customers through a year-round calendar of programming and promotions tied to popular sporting events and sport-related activities. The large television screens, comfortable seating, a full menu of food and beverages and artwork often featuring images of local sports teams and sports icons help create what we believe to be an exciting environment for watching sports programming. We have also strategically invested over $54.1 million since the beginning of fiscal 2011 to introduce D&B Sports and modernize the exteriors, front lobbies, bars, dining areas and Winner s Circles of select locations. As of January 29, 2015, we have remodeled three stores during fiscal 2014 and by the end of fiscal 2014, approximately 65% of our stores will either be new or remodeled to adopt our new store design. All of the new or remodeled stores contain an upgraded venue for watching live sports and other televised events, and approximately 87% of these stores contain the D&B Sports concept.

History of Margin Improvement. We have a proven track record of identifying operational efficiencies and implementing cost saving initiatives and have increased our Adjusted EBITDA margins by approximately 510 basis points from fiscal 2010 to the twelve months ended November 2, 2014. In 2010, we initiated the strategic selection and sourcing of our Winner s Circle merchandise and centralized management of store-level Winner s Circle inventory, helping contribute to a reduction in our amusement costs of approximately 120 basis points since fiscal year 2010. We have also improved margins through initiatives directed at labor performance and management. In 2010, we launched an integrated labor management system, which we have continued to enhance through new labor efficiency and overtime management tools. Hourly labor has improved by approximately 100 basis points since fiscal year 2010, representing annual cost savings of approximately $6.4 million. We expect our continued focus on operating margins

at individual locations and the deployment of best practices across our store base to yield incremental margin improvements, although there is no guarantee that this will occur. We believe we are well-positioned to continue to increase margins and remain focused on identifying additional opportunities to reduce costs. We are currently testing an eTicket initiative, which is a paperless ticket distribution system that we plan to roll out to all of our stores during fiscal 2015. We estimate that our eTicket initiative will result in annual savings in excess of $3.0 million. We leverage our investments in technology, such as our labor scheduling system and our

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proprietary technology linking games with Power Cards, to increase the overall performance of our stores while also enhancing the customer experience. Power Cards are magnetic stripe cards that enable a customer to play our games. A customer purchases chips that are used to play our games and are loaded to a Power Card at an automated kiosk or by an employee. Our business model has a relatively lower proportion of variable costs versus fixed costs compared to our competitors. We believe this creates operating leverage and gives us the potential to further improve margins and deliver greater earnings from expected future increases in comparable store sales and new store growth. Under our current cost structure, we estimate that we will realize more than 50% flow through to Adjusted EBITDA from any comparable store sales growth.

Store Model Generates Favorable Store Economics and Strong Returns. We believe our store model offering entertainment, food and beverages provides certain benefits in comparison to traditional restaurant concepts, as reflected by our average store revenues of $10.1 million and average Store-level EBITDA margins of 25.9% for comparable stores in fiscal 2013. Our entertainment offerings have low variable costs and produced gross margins of 85.4% for fiscal 2013. With approximately half of our revenues from entertainment, we have less exposure than traditional restaurant concepts to food costs, which represented only 8.6% of our revenues in fiscal 2013. Our business model generates strong cash flow that we can use to execute our growth strategy. We believe the combination of our Store-level EBITDA margins, our refined new store formats and the fact that our stores open with high volumes that drive margins in year one will help us achieve our targeted average year one cash-on-cash returns of approximately 35% and five-year average cash-on-cash returns in excess of 25% for both our large format and small format store openings, although there is no guarantee such results will occur. The 19 stores that we have opened since the beginning of 2008 (that have been open for more than 12 months as of January 29, 2015) have generated average year one cash-on-cash returns of 45.1%. For stores opened since 2009 that have been open for more than 12 months, we have also experienced an increase in average year one cash-on-cash returns, by vintage, including all of our 11 stores opened in fiscal 2011, fiscal 2012 and fiscal 2013, which have generated average year one cash-on-cash returns of 56.1%.

Commitment to Customer Satisfaction. We aim to enhance our combination of food, beverage and entertainment offerings through our service philosophy of providing a high quality and consistent customer experience through dedicated training and development of our team members and a corporate culture that encourages employee engagement. As a result, we have experienced significant improvement in our Guest Satisfaction Survey results since we began the surveys in 2007. In 2013, 82.0% of respondents to our Guest Satisfaction Survey rated us Top Box (score of 5 out of a possible 5) in Overall Experience and 83.8% of respondents rated us Top Box in Intent to Recommend. By comparison, in 2007, 44.0% of respondents rated us Top Box in Overall Experience and 64.8% of respondents rated us Top Box in Intent to Recommend. We utilize our loyalty program to market directly to members with promotional emails and location-based marketing. Through our loyalty program, we email offers and coupons to members and notify them of new games, food, drinks and local events. In addition, members can earn game play credits based on the dollar amount of qualifying purchases at our stores. We expect that as our loyalty program grows it will be an important method of maintaining customers connection with our brand and further drive customer satisfaction.

Experienced Management Team. We believe we are led by a strong senior management team averaging over 25 years of experience with national brands in all aspects of casual dining and entertainment operations. In 2006, we hired our Chief Executive Officer, Stephen King. From fiscal 2006 to the twelve months ended November 2, 2014, under the leadership of Mr. King, Adjusted EBITDA has grown by 118.2%, Adjusted EBITDA margins have increased by approximately 780 basis points and employee turnover and customer satisfaction metrics have improved significantly. Our management team has invested approximately $4.0 million of cash in the equity of Dave & Buster s and currently owns 2.7% of our outstanding common stock. We believe that our management team s prior experience in the restaurant and entertainment industries combined with its experience at Dave & Buster s provides us with

insights into our customer base and enables us to create the dynamic environment that is core to our brand.

Our Growth Strategies

The operating strategy that underlies the growth of our concept is built on the following key components:

Pursue New Store Growth. We will continue to pursue what we believe to be a disciplined new store growth strategy in both new and existing markets where we feel we are capable of achieving consistently high store revenues and

Store-level EBITDA margins as well as strong cash-on-cash returns. We believe that the Dave & Buster s brand is currently significantly under-penetrated, as internal studies and third-party research suggests a total store potential in the United States and Canada in excess of 200 stores (including our 73 existing stores), approximately three times our current store base. We believe our new store opportunity is split fairly evenly between large format and small format stores. We have opened eight stores in fiscal 2014, all of which were financed with available cash and operating cash flows. In 2015 and thereafter, we believe that we can continue opening new stores at an annual rate of approximately 10% of our then existing store base.

Our new store expansion strategy is driven by a site selection process that allows us to evaluate and select the location, size and design of our stores based on consumer research and analysis of operating data from sales in our existing stores. Our site selection process and flexible store design enable us to customize each store with the objective of maximizing return on capital given the characteristics of the market and the location. Our large format stores are 30,001 to 45,000 square feet in size and our small format stores span 25,000 to 30,000 square feet, which provides us the flexibility to enter new smaller markets and further penetrate existing markets. These formats also provide us with the ability to strategically choose between building new stores and converting existing space, which can be more cost efficient for certain locations. We are targeting average year one cash-on-cash returns of approximately 35% for both our large format and small format stores. To achieve this return for large format stores, we target average net development costs of approximately $8.3 million and first year store revenues of approximately $11.6 million. For small format stores, we target average net development costs of approximately $6.0 million and average first year store revenues of approximately $7.5 million. Additionally, we target average year one Store-level Adjusted EBITDA margins, excluding allocated national marketing costs, of approximately 28%, for both large format and small format stores.

Grow Our Comparable Store Sales. We intend to grow our comparable store sales by seeking to differentiate the Dave & Buster s brand from other food and entertainment alternatives, through the following strategies:

- *Provide our customers the latest exciting games.* We believe that our Midway games are the core differentiating feature of the Dave & Buster s brand, and staying current with the latest offerings creates new content and excitement to drive repeat visits and increase length of customer stay. We plan to continue to update approximately 10% of our games each year and seek to buy games that will resonate with our customers and drive brand relevance due to a variety of factors, including their large scale, eye-catching appearance, virtual reality features, association with recognizable brands or the fact that they cannot be easily replicated at home. We aim to leverage our investment in games by packaging our new game introductions and focusing our marketing spending to promote these events. We also plan to continually elevate the redemption experience in our Winner s Circle with prizes that we believe customers will find more attractive, which we expect will favorably impact customer visitation and game play.

- *Leverage D&B Sports.* In 2010, we initiated a program to improve our sports-viewing as part of our strategy to enhance our entertainment offering and increase customer traffic and frequency by creating another reason to visit Dave & Buster s. This initiative evolved into the D&B Sports concept, which has been incorporated into all new stores opened since the beginning of fiscal 2013 and will continue to be incorporated into all new stores. In the fall of 2013, we launched a national advertising campaign for D&B Sports promoting Dave & Buster s as the only place to watch the games and play the games. We intend to continue leveraging our investments in D&B Sports by building awareness of Dave & Buster s as the best place to watch sports through national cable advertising. In addition, we are strategically expanding our year-round sporting and

pay-per-view content to drive increased traffic and capture a higher share of the sports-viewing customer base.

- *Serve food and beverage offerings with broad appeal.* We offer a variety of items, from hamburgers to steaks to seafood, that represent our *Fun American New Gourmet* strategy. We aim to ensure a pipeline for three new product launches each year, aligning with the timing of our new game launches. This strategy has been well received by our customers as the percentage of customers rating our food quality as Excellent was 79.6% in fiscal 2013, an increase of 480 basis points compared to fiscal 2011, and an increase of 4,170 basis points since fiscal 2007. Similarly, the percentage of customers rating our beverage quality as Excellent in fiscal 2013 was 82.3%, an increase of 490 basis points compared to fiscal 2011, and an increase of 4,250 basis points since fiscal 2007.

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- *Grow our special events usage.* The special events portion of our business represented 12.3% of our total revenues in fiscal 2013. We believe our special events business is an important sampling and promotional opportunity for our customers because many customers are experiencing Dave & Buster s for the first time. We plan to leverage our existing special events sales force and call center to attract new corporate customers. In addition, we introduced online booking for social parties in order to provide additional convenience in booking events for our customers and look to expand its functionality over time.

- *Enhance brand awareness and generate additional visits to our stores through marketing and promotions.* We believe offering new items from each of the *Eat Drink Play and Watch* pillars will keep the brand relevant to customers and drive traffic and frequency. We have identified five key promotional periods throughout the year when we feature this New News in national advertising. To increase national awareness of our brand, we plan to continue to invest a significant portion of our marketing expenditures in national cable television and radio advertising focused on promoting our capital investments in new games, D&B Sports and new food and beverage offerings. We also have customized local store marketing programs to increase new visits and repeat visits to individual locations. We will continue to utilize our loyalty program and digital efforts to communicate promotional offers directly to our most passionate brand fans, and we are aggressively optimizing our search engine and social marketing efforts. We also leverage our investments in technology across our marketing platform, including in-store marketing initiatives to drive incremental sales throughout the store.

- *Drive customer frequency through greater digital and mobile connectivity*. We believe that there is a significant potential to increase customer frequency by enhancing the in-store and out-of-store customer experience via digital and mobile strategic initiatives as well as through implementing enhanced technology. We intend to leverage our growing loyalty database as well as continue to invest in mobile game systems (game applications for mobile devices, such as smartphones and tablets), second screen sports-watching apps (applications for mobile devices, allowing our customers to enhance their sports-watching experience by, for example, accessing information about the live sporting event being watched or by playing along with the live sporting event) and social games (game applications that allow our customers to play online together, whether competitively or cooperatively) to create customer connections and drive recurring customer visitation.

Expand the Dave & Buster s Brand Internationally. We believe that in addition to the growth potential that exists in North America, the Dave & Buster s brand can also have significant appeal in certain international markets. We are currently assessing these opportunities while maintaining a conservative and disciplined approach towards the execution of our international development strategy. As such, we have retained the services of a third-party consultant to assist in identifying and prioritizing potential markets for expansion as well as potential franchise or joint venture partners. Thus far, we have identified our international market priorities and begun the process of identifying potential international partners within select markets. The market priorities were developed based on a specific set of criteria to ensure we expand our brand into the most attractive markets. Our goal is to sign an agreement with our first international partner in early 2015, and we are targeting our first international opening outside of Canada in 2016.

Site Selection

We believe that the location of stores is critical to our long-term success. In 2012, we made strategic additions to our development team to better align our resources with our new store model and growth strategy. The prior experience and relationships of our current development team has enabled us to focus our attention on the most relevant network of real estate brokers, which has given us access to a larger pool of qualified potential store sites. In addition, we believe the more contemporary look of our stores has been one of the key drivers in attracting new developers and

building our new store pipeline. We have also improved our site selection, design and approval process. We devote significant time and resources to strategically analyze each prospective market, trade area and site. We continually identify, evaluate and update our database of potential locations for expansion. We have recently conducted extensive demographic and market analyses to determine the key drivers of successful new store performance. We base new site selection on an analytical evaluation of a set of drivers we believe increase the probability of successful, high-volume stores.

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During fiscal 2014 to date, we opened five new stores utilizing our large format design in Westchester, California (1st quarter), Vernon Hills, Illinois (1st quarter), Panama City Beach, Florida (2nd quarter), Los Angeles, California (3rd quarter) and Clackamas (Portland), Oregon (4th quarter). We also opened three new stores utilizing our small format design in Manchester, Connecticut (3rd quarter), Albuquerque, New Mexico (4th quarter) and Greenville, South Carolina (4th quarter).

During fiscal 2013, we opened two stores utilizing our small format design in Syracuse, New York (3rd quarter) and Cary, North Carolina (4th quarter). We also opened three stores utilizing our large format design in Virginia Beach, Virginia (2nd quarter), Albany, New York (3rd quarter) and Livonia, Michigan (4th quarter).

During fiscal 2012, we opened three stores utilizing our small format design in Oklahoma City, Oklahoma (1st quarter), Orland Park, Illinois (3rd quarter) and Boise, Idaho (4th quarter). We also opened a store utilizing our large format design in Dallas, Texas (4th quarter), which replaced an existing large format store in the same trade area.

During fiscal 2011, we opened two stores utilizing our large format design in Orlando, Florida (2nd quarter) and Braintree, Massachusetts (4th quarter). We also reopened our store in Nashville, Tennessee (4th quarter), which had been closed since May 2, 2010 due to a flood.

Our Store Formats

We have historically operated stores varying in size from 16,000 to 66,000 square feet. In order to optimize sales per square foot and further enhance our store economics, the target size of our future large format stores is expected to be between 30,001 and 45,000 square feet. We may take advantage of local market and economic conditions to open stores that are larger or smaller than this target size. To accomplish this, we have reduced the back-of-house space, and optimized the sales area allocated to billiards and other traditional games in favor of space dedicated to more profitable redemption and simulation games. As a result, we expect to generate significantly higher sales per square foot than the average of our current store base, although there is no guarantee that this will occur.

To facilitate further growth of our brand, we have developed a small store format specifically designed to penetrate less densely populated markets and backfill existing markets. In addition to more square footage as compared to our small format stores, our large format store offers billiard tables and a larger special events space. All of the other components of the large format store are present in the small format store but have been proportionately reduced to meet the building dimensions. We opened our initial new small store format in Tulsa, Oklahoma in January 2009. Since the initial small store format opening, we have subsequently opened eleven additional small store formats: two in fiscal 2009, one in fiscal 2010, three in fiscal 2012, two in fiscal 2013 and three in fiscal 2014. We believe that the small store format will maintain the dynamic customer experience that is the foundation of our brand and allow us flexibility in our site selection process. We also believe that the small store format will allow us to take less capital investment risk per store. As a result, we expect these smaller format stores to achieve our target returns and achieve more efficient sales per square foot, and enable us to expand into additional markets. We anticipate that roughly half of our new store openings will be large format and half will be small format.

We have completed major remodel projects at 20 locations as of January 29, 2015 (one in fiscal 2011, nine in fiscal 2012, seven in fiscal 2013 and three in fiscal 2014). Our focus in the remodeling initiative is to introduce D&B Sports and modernize the exteriors, front lobbies, bars, dining areas and Winner s Circle. We have received positive customer feedback related to the remodel projects completed to date.

Our stores are located on land that is leased. Our lease terms, including renewal options, generally range from 20 to 40 years. Our leases typically provide for a minimum annual rent plus contingent rent to be determined as a percentage of

the applicable store s annual gross revenues. Forty-nine of our leases include provisions for contingent rent and most have measurement periods that differ from our fiscal year. As of January 29, 2015, only 18 locations had revenues that exceeded their pro-rata contingent rent revenue threshold. Generally, leases are net leases that require us to pay our pro rata share of taxes, insurance and maintenance costs.

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Marketing, Advertising and Promotion

Our corporate marketing department manages all consumer-focused initiatives for the Dave & Buster s brand. In order to drive sales and expand our customer base, we focus our efforts in three key areas:

- ***Marketing:*** national advertising, media, promotions, in-store merchandising, pricing, local and digital marketing programs
- ***Food and beverage:*** menu and product development, in-store execution
- ***Customer insights:*** research, brand health and tracking

We spent $27.5 million in marketing efforts in fiscal 2013, $28.5 million in marketing efforts in fiscal 2012 and $26.6 million in fiscal 2011. Our annual marketing expenditures include the cost of national television and radio advertising media totaling $18.6 million, $18.9 million and $17.9 million in fiscal years 2013, 2012 and 2011, respectively. We have improved marketing effectiveness through a number of initiatives. Over the last three years, we:

- refined our marketing strategy to better reach both young adults and families;
- created new advertising campaigns;
- invested in menu research and development to differentiate our food and beverage offerings from our competition and improve key product attributes (quality, consistency, value and overall customer satisfaction) and execution;
- developed product/promotional strategies to attract new customers and increase spending/length of stay;
- invested more in our customer loyalty program to create stronger relationships with consumers; and
- defined a consistent brand identity that reflects our quality, heritage and energy.

To drive traffic and increase visit frequency and average check size, the bulk of our marketing budget is allocated to our national cable television media. To enhance that effort, we also develop:

- local marketing plans, including radio and out-of-home;

- in-store promotions and point-of-purchase materials;
- customer loyalty programs, including promotional and trigger emails; and
- digital programs, including social, search, website, mobile and display.

We work with external advertising, digital, media and design agencies in the development and execution of these programs.

Special Event Marketing

Our corporate and group sales programs are managed by our sales department, which provides direction, training and support to the special events managers and their teams within each location. They are supported by a Special Events Sales Center located at our Corporate Office, targeted print and online media plans, as well as promotional incentives at appropriate times during the year. In addition, we introduced online booking for social parties in order to provide additional convenience in booking events for our customers.

Operations

Management

The management of our store base is divided into eight regions, each of which is overseen by a Regional Operations Manager, Regional Operations Director or Regional Vice President who reports to the President and Chief Operating Officer. Our Regional Operations Directors oversee five to thirteen Company-owned stores each, which we believe enables them to better support the General Managers and achieve sales and profitability targets for each store within their region. In addition, we have one Regional Operations Director whose primary focus is on new store openings.

Our typical store team consists of a General Manager supported by an average of nine additional management positions. There is a defined structure of development and progression of job responsibilities from Area Operations Manager through various positions up to the General Manager role. This structure ensures that an adequate

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succession plan exists within each store. Each management member handles various departments within the location including responsibility for hourly employees. A typical store employs approximately 140 hourly employees, many of whom work part time. The General Manager and the management team are responsible for the day-to-day operation of that store, including the hiring, training and development of team members, as well as financial and operational performances. Our stores are generally open seven days a week, from 11:30 a.m. to midnight on Sunday through Thursday and 11:30 a.m. to 2:00 a.m. on Friday and Saturday.

Operational Tools and Programs

We utilize a customized food and beverage analysis program that determines the theoretical food and beverage costs for each store and provides additional tools and reports to help us identify opportunities, including waste management. We perform weekly test drives on our games to ensure that our amusement offerings are consistent with Dave & Buster s standards and are operational. Consolidated reporting tools for key drivers of our business exist for our Regional Operations Directors to be able to identify and troubleshoot any systemic issues.

Management Information Systems

We utilize a number of proprietary and third-party management information systems. These systems are designed to enable our games functionality, improve operating efficiencies, provide us with timely access to financial and marketing data and reduce store and corporate administrative time and expense. We believe our management information systems are sufficient to support our store expansion plans.

Training

We strive to maintain quality and consistency in each of our stores through the careful training and supervision of our team members and the establishment of, and adherence to, high standards relating to personnel performance, food and beverage preparation, game playability and maintenance of our stores. We provide all new team members with complete orientation and one-on-one training for their positions to help ensure they are able to meet our high standards. All of our new team members are trained by partnering with a certified trainer to assure that the training and information they receive is complete and accurate. Team members are certified for their positions by passing a series of tests, including alcohol awareness training.

We require our new store managers to complete an eight-week training program that includes front-of-house service, kitchen, amusements and management responsibilities. Newly trained managers are then assigned to their home store where they receive additional training with their General Manager. We place a high priority on our continuing management development programs in order to ensure that qualified managers are available for our future openings. We conduct semi-annual evaluations with each manager to discuss prior performance and future performance goals. We hold an annual General Manager conference in which our General Managers share best practices and also receive an update on our business plan.

When we open a new store, we provide varying levels of training to team members in each position to ensure the smooth and efficient operation of the store from the first day it opens to the public. Prior to opening a new store, our dedicated training and opening team travels to the location to prepare for an intensive two week training program for all team members hired for the new store opening. Part of the training team stays on site during the first week of operation. We believe this additional investment in our new stores is important, because it helps us provide our customers with a quality experience from day one.

After a store has been opened and is operating smoothly, the managers supervise the training of new team members.

Recruiting and Retention

We seek to hire experienced restaurant managers and team members, and offer competitive wage and benefit programs. Our store managers all participate in a performance based incentive program that is based on sales and profit goals. In addition, our salaried and hourly employees are also eligible to participate in a 401(k) plan, medical/dental/vision insurance plans and receive vacation/paid time off based on tenure.

Food Preparation, Quality Control and Purchasing

We strive to maintain high food quality standards. To ensure our quality standards are met, we negotiate directly with independent producers of food products. We provide detailed quality and yield specifications to suppliers for our

purchases. Our systems are designed to protect the safety and quality of our food supply throughout the procurement and preparation process. Within each store, the Kitchen Manager is primarily responsible for ensuring the timely and correct preparation of food products, per the recipes we specify. We provide each of our stores with various tools and training to facilitate these activities.

Foreign Operations

We own and operate one store outside of the United States, in Toronto, Canada. This store generated revenue of approximately $10.6 million USD in fiscal 2013, $11.0 million USD in fiscal 2012 on a 52 week basis and $10.7 million USD in fiscal 2011, representing approximately 1.7%, 1.8% and 2.0%, respectively, of our consolidated revenue. As of February 2, 2014, less than 1.2% of our long-lived assets were located outside of the United States. Additionally, our lone franchise store located in Niagara Falls, Ontario, Canada which opened on June 25, 2009 ceased operations as Dave & Buster s on May 31, 2013. This change and the associated termination of the related franchise and development agreements did not have a material impact on our financial position or results of operations.

The foreign activities are subject to various risks of doing business in a foreign country, including currency fluctuations, changes in laws and regulations and economic and political stability. We do not believe there is any material risk associated with the Canadian operations or any dependence by the domestic business upon the Canadian operations.

Store-Level Quarterly Fluctuations and Seasonality

We expect seasonality to be a factor in the operation or results of the business in the future with higher first and fourth quarter revenues associated with the spring and year-end holidays. These quarters will continue to be susceptible to the impact of severe weather on customer traffic and sales during that period. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

Suppliers

The principal goods used by us are redemption game prizes and food and beverage products, which are available from a number of suppliers. We have expanded our contacts with amusement merchandise suppliers through the direct import program, a program in which we purchase Winner s Circle merchandise and certain glassware, plateware and furniture directly from offshore manufacturers. We are a large buyer of traditional and amusement games and as a result believe we receive discounted pricing arrangements. Federal and state health care mandates and mandated increases in the minimum wage and other macro-economic pressures on our suppliers could have the repercussion of increasing expenses, as suppliers may be adversely impacted and seek to pass on higher costs to us.

Competition

The out-of-home entertainment market is highly competitive. We compete for customers discretionary entertainment dollars with theme parks, as well as providers of out-of-home entertainment, including localized attraction facilities such as movie theaters, sporting events, bowling alleys and night clubs and restaurants. We also face competition from local establishments that seek to offer entertainment experiences similar to ours and restaurants that are highly competitive with respect to price, quality of service, location, ambience and type and quality of food. Some of these establishments may exist in multiple locations, and we may also face competition on a national basis in the future from other concepts that are similar to ours. We also face competition from increasingly sophisticated home-based forms of entertainment, such as internet and video gaming and home movie delivery.

Intellectual Property

We have registered the trademarks Dave & Buster ®s, Power Card®, Eat & Play Combo® and Eat Drink Play®, Eat Drink Play Watch®, and have registered or applied to register certain additional trademarks with the United States Patent and Trademark Office and in various foreign countries. We consider our trade name and our logo to be important features of our operations and seek to actively monitor and protect our interest in this property in the various jurisdictions where we operate. We also have certain trade secrets, such as our recipes, processes, proprietary information and certain software programs that we protect by requiring all of our employees to sign a code of ethics, which includes an agreement to keep trade secrets confidential.

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Employees

As of January 29, 2015, we employed 11,294 persons, 184 of whom served at our corporate headquarters, 727 of whom served as management personnel and the remainder of whom were hourly 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 working conditions and compensation packages are competitive with those offered by competitors and consider our relations with our employees to be good.

Legal Proceedings

We are subject to certain legal proceedings and claims that arise in the ordinary course of our business, including intellectual property disputes and miscellaneous premises liability and dram shop claims. In the opinion of management, based upon consultation with legal counsel, the amount of ultimate liability with respect to, or an adverse outcome in any such legal proceedings or claims will not materially affect our business, the consolidated results of our operations or our financial condition.

Properties

As of January 29, 2015, we lease the building or site of all 73 company-owned stores. Our lone franchised store operating in Canada ceased operations as Dave & Buster s on May 31, 2013. We had no financial obligation relating to the franchisee s property. We permanently closed our Kensington/Bethesda, Maryland location on August 12, 2014. The following table sets forth the number of stores that are located in each state/country as of January 29, 2015.

LOCATION/MARKET	SQUARE FOOTAGE	LOCATION/MARKET	SQUARE FOOTAGE
Phoenix, AZ	65,000	Concord, NC (Charlotte)	53,000
Tempe, AZ (Phoenix)	50,000	Omaha, NE	29,000
Irvine, CA (Los Angeles)	55,000	Albuquerque, NM	25,000
Westchester, CA (Los Angeles)	40,000	Albany, NY	33,000
Milpitas, CA (San Jose)	64,000	Williamsville, NY (Buffalo)	37,000
Ontario, CA (Los Angeles)	60,000	Farmingdale, NY (Long Island)	60,000
Orange, CA (Los Angeles)	58,000	Islandia, NY (Long Island)	48,000
Roseville, CA (Sacramento)	17,000	Syracuse, NY	27,000
San Diego, CA	44,000	West Nyack, NY (Palisades)	49,000
Arcadia, CA (Los Angeles)	50,000	New York, NY	33,000
Los Angeles, CA	35,000	Westbury, NY (Long Island)	46,000
Denver, CO	48,000	West Lake, OH (Cleveland)	58,000
Westminster, CO (Denver)	40,000	Hilliard, OH (Columbus)	38,000
Manchester, CT (Hartford)	26,000	Polaris, OH (Columbus)	17,000
Hollywood, FL (Miami)	58,000	Springdale, OH (Cincinnati)	64,000
Jacksonville, FL	40,000	Oklahoma City, OK	24,000

Orlando, FL	46,000	Tulsa, OK	17,000
Miami, FL	60,000	Clackamas, OR (Portland)	36,000
Panama City Beach, FL	40,000	Franklin Mills, PA (Philadelphia)	60,000
Marietta, GA (Atlanta)	59,000	Philadelphia, PA	65,000
Duluth, GA (Atlanta)	57,000	Homestead, PA (Pittsburgh)	60,000
Lawrenceville, GA (Atlanta)	61,000	Plymouth Meeting, PA (Philadelphia)	41,000
Honolulu, HI	44,000	Providence, RI	40,000
Boise, ID	25,000	Greenville, SC	27,000
Addison, IL (Chicago)	50,000	Nashville, TN	57,000
Chicago, IL	58,000	Arlington, TX (Dallas)	33,000
Orland Park, IL (Chicago)	24,000	Austin, TX	40,000
Vernon Hills, IL (Chicago)	40,000	Dallas, TX	45,000
Indianapolis, IN	33,000	Frisco, TX (Dallas)	50,000
Kansas City, KS	49,000	Houston I, TX	53,000
Braintree, MA (Boston)	35,000	Houston II, TX	66,000
Hanover, MD (Baltimore)	64,000	San Antonio, TX	50,000
Livonia, MI (Detroit)	41,000	Glen Allen, VA (Richmond)	16,000
Utica, MI (Detroit)	56,000	Virginia Beach, VA	42,000
Maple Grove, MN (Minneapolis)	32,000	Wauwatosa, WI (Milwaukee)	34,000
St. Louis, MO	55,000	Toronto, Canada	60,000
Cary, NC (Raleigh)	30,000		

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All of our stores are located on land that is leased. The contracted lease terms, including renewal options, generally range from 20 to 40 years. Our leases typically provide for a minimum annual rent plus contingent rent to be determined as a percentage of the applicable store s annual gross revenues. We currently pay contingent rent in 18 of our stores. Generally, leases are net leases that require us to pay our pro rata share of taxes, insurance and maintenance costs. Our current store lease in Farmingdale, New York (Long Island) expires in February 2015 without an option to renew. Our current store leases in Franklin Mills, Pennsylvania (Philadelphia) and Concord, North Carolina (Charlotte) will expire in 2019, and we do not have any remaining options to extend the lease terms. All of our other leases include renewal options that give us the opportunity to extend the lease terms beyond 2019. Additionally, as of January 29, 2015, we have signed 16 lease agreements for new store locations, including four stores that are currently under construction.

In addition to our leased stores, we 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. We also lease a 31,000 square foot warehouse facility in Dallas, Texas for use as additional warehouse space. This lease will expire in January 2019, with options to renew until January 2028.

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MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers. Executive officers serve at the request of the Board of Directors.

NAME	AGE	POSITION
Stephen M. King	57	Chief Executive Officer and Director
Kevin Bachus	46	Senior Vice President of Entertainment and Game Strategy
Dolf Berle	51	President and Chief Operating Officer
Joe DeProspero	40	Vice President Finance
Sean Gleason	50	Senior Vice President and Chief Marketing Officer
Brian A. Jenkins	53	Senior Vice President and Chief Financial Officer
Margo L. Manning	50	Senior Vice President of Human Resources
Michael J. Metzinger	58	Vice President Accounting and Controller
John B. Mulleady	54	Senior Vice President of Real Estate and Development
J. Michael Plunkett	64	Senior Vice President of Purchasing and International Operations
Jay L. Tobin	57	Senior Vice President, General Counsel and Secretary
J. Taylor Crandall	61	Director
Michael J. Griffith (1)(2)	58	Director
Jonathan S. Halkyard (1)(2)	50	Director
David A. Jones (4)	65	Director
Alan J. Lacy (1)(3)(7)	61	Chairman of the Board of Directors
Kevin M. Mailender (3)	37	Director
Kevin M. Sheehan (5)	61	Director
Tyler J. Wolfram (1)(6)	48	Director

(1) Member of the Compensation Committee
(2) Member of the Audit Committee
(3) Member of the Nominating and Corporate Governance Committee
(4) Chair of the Compensation Committee
(5) Chair of the Audit Committee
(6) Chair of the Nominating and Corporate Governance Committee
(7) Lead Independent Director

Set forth below is biographical information regarding our directors and executive officers:

Stephen M. King has served as our Chief Executive Officer and Director since September 2006. From March 2006 until September 2006, Mr. King served as our Senior Vice President and Chief Financial Officer. From 1984 to 2006,

he served in various capacities for Carlson Restaurants Worldwide Inc., a company that owns and operates casual dining restaurants worldwide, including Chief Financial Officer, Chief Administrative Officer, Chief Operating Officer and, most recently, as President and Chief Operating Officer of International. Mr. King brings substantial industry, financial and leadership experience to our Board of Directors.

Kevin Bachus has served as our Senior Vice President of Entertainment and Games Strategy since November 2012. Previously, he served as Chief Product Officer of Bebo, Inc., an international social networking site, from September 2010 to November 2012, Executive Vice President and Chief Product Officer of IMO Entertainment LLC, from May 2009 to August 2010, Senior Vice President and Chief Architect of Virrata Games, Inc./PlayDay TV from March 2008 to April 2009, Chief Executive Officer of Uprising Studios from November 2006 to March 2008, Chief Executive Officer of Nival Interactive, Inc. from December 2005 to November 2006, Chief Executive Officer and President of Infinium Labs, Inc. from January 2004 to November 2005, Vice President of Publishing of Capital Entertainment Group, Inc. from October 2001 to September 2003, Director of Third Party Relations-Xbox of Microsoft Corporation from September 1999 to May 2001 and Group Product Manager-DirectX of Microsoft Corporation from June 1997 to September 1999.

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Dolf Berle has served as our President and Chief Operating Officer since February 2011. From August 2009 until January 2011, Mr. Berle served as Executive Vice President of Hospitality and Business and Sports Club Division Head for ClubCorp USA, Inc., the largest owner and operator of golf, country club and business clubs. Previously, Mr. Berle served as President of Lucky Strike Entertainment, an upscale chain of bowling alleys, from December 2006 to July 2009 and Chief Operating Officer of House of Blues Entertainment, Inc., a chain of live music venues, from April 2004 to December 2006.

Joe DeProspero has served as our Vice President of Finance since May 2010. Previously, he served as our Assistant Vice President of Finance from August 2006 to May 2010. Mr. DeProspero served as Director of Financial Analysis for Arby s Restaurant Group, a company that owns and operates quick-serve sandwich restaurants, from 2005 to 2006 and for Carlson Restaurants Worldwide, Inc., a company that owns and operates casual dining restaurants worldwide, from 2001 to 2005.

Sean Gleason has served as our Senior Vice President and Chief Marketing Officer since August 2009. From June 2005 until October 2008, Mr. Gleason was the Senior Vice President of Marketing Communications at Cadbury Schweppes where he led initiatives for brands such as Dr Pepper, 7UP and Snapple. From May 1995 until May 2005, he served in various capacities (most recently as Vice President, Advertising/Media/Brand Identity) at Pizza Hut for Yum! Brands, the world s largest restaurant company.

Brian A. Jenkins has served as our Senior Vice President and Chief Financial Officer since December 2006. From August 1996 until August 2006, he served in various capacities (most recently as Senior Vice President Finance) at Six Flags, Inc., an amusement park operator. From March 1990 to August 1996, Mr. Jenkins served in various financial positions (most recently as Vice President of Corporate Planning and Business Development) with Foxmeyer Health Corporation, a wholesale pharmaceutical distributor.

Margo L. Manning has served as our Senior Vice President of Human Resources since November 2010. Previously, she served as our Senior Vice President of Training and Special Events from September 2006 until November 2010, our Vice President of Training and Sales from June 2005 until September 2006 and as Vice President of Management Development from September 2001 until June 2005. From December 1999 until September 2001, she served as our Assistant Vice President of Team Development, and from 1991 until December 1999, she served in various positions of increasing responsibility for us and our predecessors.

Michael J. Metzinger has served as our Vice President Accounting and Controller since January 2005. From 1986 until January 2005, Mr. Metzinger served in various capacities (most recently as Executive Director Financial Reporting) at Carlson Restaurants Worldwide, Inc., a company that owns and operates casual dining restaurants worldwide.

John B. Mulleady has served as our Senior Vice President of Real Estate and Development since April 2012. Mr. Mulleady had been Senior Vice President, Director of Real Estate of BJ s Wholesale Club, Inc. a leading operator of warehouse clubs in the eastern United States, from June 2008 to April 2012. Previously, Mr. Mulleady served as Vice President of Real Estate at Circuit City Stores, Inc., a consumer electronics retailer, from February 2006 to June 2008.

J. Michael Plunkett has served as our Senior Vice President of Purchasing and International Operations since September 2006. Previously, he served as our Senior Vice President Food, Beverage and Purchasing/Operations Strategy from June 2003 until June 2004 and from January 2006 until September 2006. Mr. Plunkett also served as Senior Vice President of Operations for Jillian s from June 2004 to January 2006, as Vice President of Kitchen Operations from November 2000 until June 2003, as Vice President of Information Systems from November 1996

until November 2000 and as Vice President and Director of Training from November 1994 until November 1996. From 1982 until November 1994, he served in operating positions of increasing responsibility for us and our predecessors.

Jay L. Tobin has served as our Senior Vice President, General Counsel and Secretary since May 2006. From 1988 to 2005, he served in various capacities (most recently as Senior Vice President and Deputy General Counsel) at Brinker International, Inc., a company that owns and operates casual dining restaurants worldwide.

J. Taylor Crandall is a founding Managing Partner of Oak Hill Capital Management, LLC and has been with the firm and its predecessor entities since 1986. He has senior responsibility for originating, structuring and managing

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investments in Oak Hill Capital Management, LLC s Media and Communications sector. Mr. Crandall has also served as Chief Operating Officer of Keystone, Inc., the primary investment vehicle for Robert M. Bass. Prior to joining Oak Hill, Mr. Crandall was Vice President with First National Bank of Boston. Mr. Crandall serves on the Board of Directors of Intermedia.net, Inc. (a privately-held provider of cloud services to small and mid-size businesses), WaveDivision Holdings, LLC (a privately-held, business-class fiber optic and broadband services company), Berlin Packaging (a privately-held, full-service strategic supplier of rigid packaging products) and Pulsant Limited (a provider of colocation, managed hosting and cloud computing services for mid-sized companies in the United Kingdom). Mr. Crandall is the Secretary-Treasurer of the Anne T. and Robert M. Bass Foundation, the Trustee of the Lucille Packard Foundation for Children s Health and serves on the board of trustees of the Cystic Fibrosis Foundation, The Park City Foundation, Powdr Corporation and the U.S. Ski and Snowboard Team Foundation. Mr. Crandall has served on our Board of Directors since June 2013. Mr. Crandall brings substantial business, financial and leadership experience to our Board of Directors.

Michael J. Griffith has served as Vice Chairman of Activision Blizzard, Inc., a worldwide online, personal computer, console, handheld, and mobile game publisher since March 2010. Previously, Mr. Griffith served as President and Chief Executive Officer of Activision Publishing, Inc., prior to its merging with Blizzard Entertainment, Inc., from June 2005 to March 2010. Prior to joining Activision, Mr. Griffith served in a number of executive level positions at The Procter & Gamble Company from 1981 to 2005, including President of the Global Beverage Division from 2002 to 2005, Vice President and General Manager of Coffee Products from 1999 to 2002, and Vice President and General Manager of Fabric & Home Care Japan and Korea and Fabric & Home Care Strategic Planning Asia from 1997 to 1999. Mr. Griffith has served on our Board of Directors since October 2011. Mr. Griffith brings substantial industry, financial and leadership experience to our Board of Directors.

Jonathan S. Halkyard has served as Chief Financial Officer of Extended Stay America Inc., the largest owner/operator of company branded hotels in North America (Extended Stay), since December 2014, having previously served as Chief Operating Officer of Extended Stay from September 2013 to December 2014. From July 2012 to September 2013, Mr. Halkyard served as Executive Vice President and Chief Financial Officer of NV Energy, Inc., a holding company providing energy services and products in Nevada, and its wholly owned utility subsidiaries, Nevada Power Company and Sierra Pacific Power Company. Mr. Halkyard served as Executive Vice President of Caesars Entertainment Corporation (formerly known as Harrah s Entertainment, Inc.), one of the largest casino entertainment providers in the world (Caesars), from July 2005 until May 2012, and Chief Financial Officer from August 2006 until May 2012. Previously, Mr. Halkyard served Caesars as Treasurer from November 2003 through July 2010, Vice President from November 2002 to July 2005, Assistant General Manager-Harrah s Las Vegas from May 2002 until November 2002 and Vice President and Assistant General Manager-Harrah s Lake Tahoe from September 2001 to May 2002. Mr. Halkyard has served on our Board of Directors since October 2011. Mr. Halkyard brings substantial industry, financial and leadership experience to our Board of Directors.

David A. Jones serves as a Senior Advisor to the Oak Hill Funds, and has been providing consulting services to the Oak Hill Funds and various portfolio companies since 2008. He also currently serves as a director of Pentair, Ltd. and Earth Fare, Inc. and is a trustee emeritus of Union College. From 2005 until 2007, Mr. Jones was the Chairman and Global Chief Executive Officer of Spectrum Brands, Inc., a $4.3 billion publicly traded consumer products company with operations in over 120 countries worldwide and whose brand names include Rayovac, Varta, Remington, Cutter, Tetra and over fifty other major consumer brands. From 1996 to 2005, Mr. Jones was the Chairman and Chief Executive Officer of Rayovac Corporation (the predecessor to Spectrum Brands), a $1.4 billion publicly traded global consumer products company with major product offerings in batteries, lighting, shaving/grooming, personal care, lawn and garden, household insecticide and pet supply product categories. After Mr. Jones was no longer an executive officer of Spectrum Brands, it filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in March 2009 and exited from bankruptcy proceedings in August 2009. In aggregate, Mr. Jones has

over 35 years of experience in senior leadership roles at several leading public and private global consumer products companies. Mr. Jones has served on our Board of Directors since June 2010 and serves as Chair of our Compensation Committee. He brings substantial industry, financial and leadership experience to our Board of Directors.

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Alan J. Lacy served as a Senior Advisor to the Oak Hill Funds and provided consulting services to the Oak Hill Funds and various portfolio companies from 2007 to December 2014. Mr. Lacy also currently serves as a director of Bristol-Myers Squibb Company. Mr. Lacy is also currently Trustee of Fidelity Funds and a Trustee and former Chairman of the Board of the National Parks Conservation Association. Previously, he was Vice Chairman and Chief Executive Officer of Sears Holdings Corporation, a large broad line retailer, and Chairman and Chief Executive Officer of Sears Roebuck and Co. (Sears), a large retail company. During Mr. Lacy s tenure as Chief Executive Officer of Sears, the company created significant value for shareholders by executing major restructuring and growth initiatives, including the merger of Sears and Kmart, the acquisition of Lands End and the sale of Sears credit business. Prior to that, Mr. Lacy was employed in a number of executive level positions at major retail and consumer products companies, including Sears, Kraft, Philip Morris and Minnetonka Corporation. Mr. Lacy has served on our Board of Directors since June 2010, serves as Lead Independent Director and has served as Chairman since September 2014. He brings substantial industry, financial and leadership experience to our Board of Directors.

Kevin M. Mailender is a Partner of Oak Hill Capital Management, LLC and has been with the firm since 2002. Mr. Mailender is responsible for originating, structuring and managing investments in the Consumer, Retail and Distribution sectors. He currently serves as a director of The Hillman Companies, Inc., Earth Fare, Inc. and Berlin Packaging. Mr. Mailender has served on our Board of Directors since June 2010 and brings substantial financial, investment and business experience to our Board of Directors.

Kevin M. Sheehan served as President and Chief Executive Officer of NCL Corporation Ltd., a leading global cruise line operator (Norwegian), from August 2010 until January 2015 (and previously from August 2008 through March 2009) and Chief Executive Officer of Norwegian from November 2008 until January 2015. Mr. Sheehan also served as Chief Financial Officer of Norwegian from November 2007 until September 2010. Before joining Norwegian, Mr. Sheehan spent two and one-half years consulting to private equity firms including Cerberus Capital Management LP (2006-2007) and Clayton Dubilier & Rice (2005-2006). From August 2005 to January 2008, Mr. Sheehan served on the faculty of Adelphi University as Distinguished Visiting Professor Accounting, Finance and Economics. Prior to that, Mr. Sheehan served a nine-year career with Cendant Corporation, most recently serving as Chairman and Chief Executive Officer of its Vehicle Services Division (including global responsibility for Avis Rent A Car, Budget Rent A Car, Budget Truck, PHH Fleet Management and Wright Express). Mr. Sheehan serves on the Board of Directors, as Chairman of the Audit Committee, and as a member of the Compensation Committee of New Media, Inc. (one of the largest publishers of locally based print and online media in the United States) and serves on the Board of Directors of XOJET, Inc. (a private aviation company). Mr. Sheehan has served on our Board of Directors since October 2011 and is the Chair of our Audit Committee. Mr. Sheehan brings substantial investment, financial and business experience to our Board of Directors.

Tyler J. Wolfram is Managing Partner of Oak Hill Capital Management, LLC and has been with the firm since 2001. He has senior responsibility for originating, structuring, and managing investments in Oak Hill Capital Management, LLC s Consumer, Retail and Distribution and Industrial sectors. He currently serves as a director of The Hillman Companies, Inc., Earth Fare, Inc. and Berlin Packaging. Mr. Wolfram served as Chairman of our Board of Directors from June 2010 to September 2014, and he brings substantial financial, investment and business experience to our Board of Directors.

2014 Director Compensation

The following table sets forth the information concerning all compensation paid by the Company during fiscal 2014 to our directors.

NAME [1]	YEAR	FEES EARNED ($) [2]	OPTION AWARDS ($) [3]	TOTAL ($)
Alan J. Lacy	2014	125,000		125,000
Kevin M. Sheehan	2014	115,000		115,000
David A. Jones	2014	110,000		110,000
Michael J. Griffith	2014	100,000		100,000
Jonathan S. Halkyard	2014	100,000		100,000

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(1) Messrs. King, Crandall, Mailender and Wolfram were omitted from the Director Compensation Table as they do not receive compensation for service on our Board of Directors. Mr. King s compensation is reflected in Executive Compensation 2014 Summary Compensation Table.

(2) Reflects the annual stipend received for service on the Board of Directors during 2014. Board members are also reimbursed for out-of-pocket expenses incurred in connection with their board service. Such reimbursements are not included in this Table. There are no other fees earned for service on the Board of Directors.

(3) As of the end of our 2014 fiscal year, Mr. Jones held 184,936 vested and zero unvested stock options, and Mr. Lacy held 369,873 vested and zero unvested stock options each as adjusted to give effect to the 224.9835679 for 1 stock split that occurred in connection with the IPO. All of such stock options are exercisable at a price of $4.44 per share and expire on June 1, 2020. Additionally, at the end of our 2014 fiscal year, Messrs. Sheehan, Griffith, and Halkyard each held 23,934 vested and zero unvested stock options. All of such stock options are exercisable at a price of $6.27 per share and expire on December 5, 2022.

The members of our Board of Directors, other than Messrs. Griffith, Halkyard, Jones, Lacy and Sheehan, are not separately compensated for their services as directors, other than reimbursement for out-of-pocket expenses incurred in connection with rendering such services. In addition to reimbursement for out-of-pocket expenses incurred in connection with their board service, Messrs. Griffith, Halkyard, Jones, Lacy and Sheehan receive an annual stipend of $100,000 per year for serving as members of our Board of Directors. Mr. Jones receives an additional annual stipend of $10,000 for serving as Chair of our Compensation Committee. Mr. Lacy receives an additional annual stipend of $25,000 for serving as our Lead Independent Director. Mr. Sheehan receives an additional annual stipend of $15,000 for serving as Chair of our Audit Committee. Each of Messrs. Griffith, Halkyard, Jones, Lacy and Sheehan participate in the 2010 Stock Incentive Plan and the 2014 Stock Incentive Plan and has received an option grant in consideration of his service on our Board of Directors.

Effective February 2, 2015, the members of the Board of Directors other than our employees or employees of Oak Hill Capital Management, LLC or the Oak Hill Funds will be compensated for their services as directors, through a stipend of $14,375 per quarter in cash, annual stock option grants with a value of $57,500, annual restricted stock unit grants with a value of $57,500, and reimbursement for out-of-pocket expenses incurred in connection with rendering such services for so long as they serve as directors. The Lead Independent Director in lieu of the stipend set forth above, will receive a stipend of $21,250 per quarter in cash. The chairman of the Audit Committee will receive an annual stipend of $17,500 in cash, the chairman of the Compensation Committee will receive an annual stipend of $12,500 in cash and the chairman of the Nominating and Corporate Governance Committee will receive an annual stipend of $7,500 in cash.

Stock Ownership Guidelines

We believe that, to align the long-term financial interests of our independent directors with those of our stockholders, our directors should hold a financial stake in us. Our Board of Directors adopted a policy in September 2014 requiring our independent directors to own our stock equal to a minimum of five times such director s annual cash retainer, as well as other requirements for certain executive officers (the Stock Ownership Guidelines). The Stock Ownership Guidelines provide that our independent directors have five years from the date of the IPO or, with respect to newly elected independent directors, five years from the date of their appointment, to comply with the Stock Ownership Guidelines. For the purposes of such Stock Ownership Guidelines with respect to independent directors, stock includes (i) directly held shares of our common stock, (ii) vested and unexercised stock options, (iii) time-based restricted stock and (iv) stock beneficially owned in a trust.

Director Independence and Controlled Company Exception

Our Board of Directors has affirmatively determined that all of our directors other than our Chief Executive Officer are independent directors under the applicable rules of NASDAQ. In addition, our Board of Directors has affirmatively determined that each member of the Audit Committee, Messrs. Griffith, Halkyard and Sheehan, satisfies the independence requirements for members of an audit committee as set forth in Rule 10A-3(b)(1) of the Exchange Act.

After completion of this offering, affiliates of the Oak Hill Funds will continue to control a majority of our outstanding common stock. As a result, we are a controlled company within the meaning of NASDAQ corporate

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governance standards. Under these rules, a controlled company may elect not to comply with certain NASDAQ corporate governance standards, including:

- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities; and
- the requirement for an annual performance evaluation of the Nominating and Corporate Governance Committee and Compensation Committee.

We may in the future elect to utilize these exemptions. In addition, as a controlled company we may in the future elect not to comply with the requirement that a majority of the Board of Directors consist of independent directors, although currently a majority are independent. As a result, we may not have a majority of independent directors, and our nominating and Corporate Governance Committee and Compensation Committee may not consist entirely of independent directors and such committees would not be subject to annual performance evaluations. Accordingly, our stockholders may not have the same protections afforded to shareholders of companies that are subject to all of the NASDAQ corporate governance requirements.

Corporate Governance

The Board of Directors met four times in fiscal 2014, including regular and special meetings. During this period, no individual director, from the date they became a board member, attended fewer than 75% of the aggregate of (1) the total number of meetings of the Board of Directors and (2) the total number of meetings held by all committees on which such director served.

The Board of Directors has an Audit Committee and a Compensation Committee. In connection with the IPO, we established a Nominating and Corporate Governance Committee. The charters for each of these committees are posted on our website at http://ir.daveandbusters.com/governance.cfm. The Board of Directors does not have a policy with regard to the consideration of any director candidates recommended by our debt holders or other parties.

The Audit Committee, comprised of Messrs. Griffith, Halkyard and Sheehan, and chaired by Mr. Sheehan, recommends to the Board of Directors the appointment of the Company s independent auditors, reviews and approves the scope of the annual audits of the Company s financial statements, reviews our internal control over financial reporting, reviews and approves any non-audit services performed by the independent auditors, reviews the findings and recommendations of the independent auditors and periodically reviews major accounting policies. It operates pursuant to a charter that was amended and restated in December 2006. In connection with the IPO, the Board of Directors adopted an Audit Committee charter that complies with the rules of NASDAQ. The Audit Committee held one meeting during fiscal 2014. Prior to the IPO, Audit Committee activities were handled by the Audit Committee of our subsidiary, Dave & Busters, Inc. In addition, the Board of Directors has determined that each of the members of the Audit Committee is qualified as a financial expert under the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the SEC.

The Compensation Committee comprised of Messrs. Griffith, Halkyard, Jones, Lacy and Wolfram, and chaired by Mr. Jones, reviews the Company s compensation philosophy and strategy, administers incentive compensation and stock option plans, reviews the Chief Executive Officer s performance and compensation, reviews recommendations on compensation of other executive officers, and reviews other special compensation matters, such as executive employment agreements. The Compensation Committee formed a subcommittee, the Plan Subcommittee, comprised of Messrs. Griffith and Halkyard, to administer and make awards under our performance or incentive based plans and stock option or equity-based compensation plans. In connection with the IPO, the Board of Directors adopted a Compensation Committee charter that complies with the rules of NASDAQ. The Compensation Committee held one meeting during fiscal 2014. Prior to the IPO, Compensation Committee activities were handled by the Compensation Committee of our subsidiary, Dave & Buster s, Inc.

In connection with the IPO, we established a Nominating and Corporate Governance Committee, comprised of Messrs. Wolfram, Lacy and Mailender, and chaired by Mr. Wolfram, which identifies and recommends the

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individuals qualified to be nominated for election to the Board of Directors, recommends the member of the Board of Directors qualified to be nominated for election as its Chairperson, recommends the members and chairperson for each committee of the Board of Directors, periodically reviews and assesses our Corporate Governance Guidelines and Principles and Code of Business Conduct and Ethics and oversees the annual self-evaluation of the performance of the Board of Directors and the annual evaluation of the performance of our management. In connection with the IPO, the Board of Directors adopted a Nominating and Corporate Governance Committee charter that complies with the rules of NASDAQ. Under the stockholders agreement, the Oak Hill Funds have the right to nominate the members of the Nominating and Corporate Governance Committee, up to a number of nominees not to exceed the number of directors designated by the Oak Hill Funds on the Board of Directors, and the remaining members will be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. The Nominating and Corporate Governance Committee did not meet in 2014.

The entire Board of Directors is engaged in risk management oversight. At the present time, the Board of Directors has not established a separate committee to facilitate its risk oversight responsibilities. The Board of Directors will continue to monitor and assess whether such a committee would be appropriate. The Audit Committee assists the Board of Directors in its oversight of our risk management and the process established to identify, measure, monitor, and manage risks, in particular major financial risks. The Board of Directors receives regular reports from management, as well as from the Audit Committee, regarding relevant risks and the actions taken by management to adequately address those risks.

Our board leadership structure separates the Chairman and Chief Executive Officer roles into two positions. We established this leadership structure based on our ownership structure and other relevant factors. The Chief Executive Officer is responsible for our strategic direction and our day-to-day leadership and performance, while the Chairman of the Board provides guidance to the Chief Executive Officer and presides over meetings of the Board of the Directors. We believe that this structure is appropriate under current circumstances, because it allows management to make the operating decisions necessary to manage the business, while helping to keep a measure of independence between the oversight function of our Board of Directors and operating decisions.

Code of Business Ethics and Whistle Blower Policy

In April 2006, the Board of Directors adopted a Code of Business Ethics applicable to our directors, officers (including our Chief Executive Officer, Chief Financial Officer, Controller and other persons performing similar functions) and management employees. The Code of Business Ethics is available on our website at http://ir.daveandbusters.com/governance.cfm. In connection with the IPO, the Board of Directors adopted a revised Code of Business Ethics. We intend to post any material amendments or waivers of our Code of Business Ethics that apply to our executive officers on this website. In addition, our Whistle Blower Policy is available on our website at http://ir.daveandbusters.com/governance.cfm. In connection with the IPO, the Board of Directors adopted a revised Whistle Blower Policy.

Communications with the Board of Directors

If security holders wish to communicate with the Board of Directors or with an individual director, they may direct such communications in care of the General Counsel, 2481 Mañana Drive, Dallas, Texas 75220. The communication must be clearly addressed to the Board of Directors or to a specific director. The Board of Directors has instructed the General Counsel to review and forward any such correspondence to the appropriate person or persons for response.

Compensation Committee Interlocks and Insider Participation

During 2014, the members of our Compensation Committee were Messrs. Griffith, Jones, Lacy, Halkyard and Wolfram. Mr. Jones is a Senior Advisor to the Oak Hill Funds and Mr. Lacy served as a Senior Advisor to the Oak Hill Funds until December 2014. Mr. Wolfram is a partner at Oak Hill Capital Management, LLC. We entered into an expense reimbursement agreement with Oak Hill Capital Management, LLC concurrently with the consummation of the Acquisition. The expense reimbursement agreement provided for the reimbursement of expenses of Oak Hill

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Capital Management, LLC. Upon the consummation of our IPO, the expense reimbursement agreement automatically terminated.

The Oak Hill Funds and their affiliates will be reimbursed for certain costs and expenses pursuant to a new stockholders agreement entered into in connection with the IPO. See Certain Relationships and Related Transactions Stockholders Agreement.

Upon the completion of this offering, none of our executive officers will serve on the compensation committee or board of directors of any other company of which any of the members of our Compensation Committee or any of our directors is an executive officer.

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EXECUTIVE COMPENSATION

All share numbers, stock options and option exercise prices in this section have been updated to give effect to the 224.9835679 for 1 stock split that occurred in connection with the IPO.

The Compensation Committee of our Board of Directors is responsible for establishing the compensation philosophy and ensuring each element of the compensation program encourages high levels of performance among the executive officers and positions the Company for growth. The Compensation Committee ensures our compensation program is fair, competitive, and closely aligns the interests of our executive officers with the Company s short and long-term business objectives. Through a strategic combination of base pay, cash-based short-term incentive plans, and an equity-based long-term incentive plan, our Compensation Committee strives to reward executive officers for meeting certain strategic objectives and increasing shareholder value.

This section describes our compensation program for our named executive officers (NEOs) for fiscal 2014. Our named executive officers are:

- Stephen M. King Chief Executive Officer
- Dolf Berle President and Chief Operating Officer
- Brian A. Jenkins Senior Vice President and Chief Financial Officer

2014 Summary Compensation Table

The following table sets forth information concerning all compensation that we paid or accrued during fiscal 2014, fiscal 2013 and fiscal 2012 to or for each person serving as an NEO at the end of fiscal 2014.

NAME AND PRINCIPAL POSITION	YEAR	SALARY [2] ($)	BONUS ($)	OPTION AWARDS [3] ($)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)	ALL OTHER COMPENSATION [5] ($)	TOTAL ($)
Stephen M. King	2014	676,250		1,560,000	[4]	24,694	2,260,944
(CEO)	2013	646,250			556,926	39,709	1,242,885
	2012	622,308			939,283	45,822	1,607,413
Dolf Berle	2014	406,875		632,000	[4]	16,431	1,055,306
(President and COO)	2013	391,250			294,951	16,767	702,968
	2012	378,135			497,618	15,279	891,032
Brian A. Jenkins [1]	2014	376,875		517,000	[4]	20,023	913,898

(SVP and CFO)	2013	363,933		233,972	34,030	631,935
	2012	351,115	13,596	396,260	35,738	796,709

(1) In fiscal 2012, Mr. Jenkins received a project bonus outside of the Executive Incentive Plan. This bonus amount was recommended by Mr. King and approved by the Compensation Committee prior to payment.

(2) The following salary deferrals were made under the Select Executive Retirement Plan (the SERP) in 2014: Mr. King, $40,575 and Mr. Jenkins, $37,687.

(3) Amounts in this column reflect the aggregate grant date fair value of options calculated in accordance with ASC 718. The discussion of the assumptions used for purposes of valuation of options granted in 2014 appear in Note 7 in the accompanying Unaudited Consolidated Financial Statements for the thirty-nine week periods ended November 2, 2014 and November 3, 2013.

(4) The payment to be made to each NEO pursuant to the 2014 Executive Incentive Plan cannot be calculated at the time of this filing, but will be available no later than April 30, 2015. Payouts for our NEOs are based 75% on the achievement of a target based on Adjusted EBITDA, 12.5% on the achievement of revenue targets, and 12.5% on the achievement of targeted comparable store revenue growth. The targets are established by our Compensation Committee. The targeted bonus opportunity for each NEO is expressed as a percentage of an NEO s base salary at the end of the fiscal year. Bonuses in excess of or below the target level may be paid subject to a prescribed maximum or minimum. Below a minimum threshold level of performance, no awards will be granted under the 2014 Executive Incentive Plan. The targeted bonus payout expressed as a percentage of salary is 80% for Mr. King, 70% for Mr. Berle and 60% for Mr. Jenkins.

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(5) The following table sets forth the components of All Other Compensation:

NAME	YEAR	CAR ALLOWANCE ($)	FINANCIAL PLANNING/ LEGAL FEES ($)	CLUB DUES ($)	COMPANY CONTRIBUTIONS TO RETIREMENT & 401(K) PLANS ($)	TOTAL ($)
Stephen M. King	2014	10,000	1,430	3,120	10,144(a)	24,694
	2013	10,000	1,544	3,120	25,045	39,709
	2012	10,192	5,000	3,180	27,450	45,822
Dolf Berle	2014	10,000	2,066	3,120	1,245(a)	16,431
	2013	10,000	1,809	3,120	1,838	16,767
	2012	10,192		3,180	1,907	15,279
Brian A. Jenkins	2014	10,000		3,120	6,903(a)	20,023
	2013	10,000	5,000	3,120	15,910	34,030
	2012	10,192	5,000	3,180	17,366	35,738

(a) 2014 amounts include the Company s fixed contributions to the 401(k) plan and SERP that were made in 2014 based on 2014 contributions. 2014 amounts do not include Company contributions to the 401(k) plan and SERP that may be made, based on the Company s performance, as such amounts cannot be calculated at the time of this filing, but will be calculable no later than April 30, 2015.

Outstanding Equity Awards at Fiscal Year-End 2014

NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS(#) EXERCISABLE	UNEXERCISABLE	OPTION EXERCISE PRICE ($)	OPTION EXPIRATION DATE
Stephen M. King		184,615(3)	16.00	10/9/2024
	793,742(1)	56,696(2)	4.44	6/1/2020
Dolf Berle		74,793(3)	16.00	10/9/2024
	475,571(1)	73,165(2)	4.44	3/23/2021

Brian A. Jenkins		61,183[3]	16.00	10/9/2024
	414,059[1]	29,608[2]	4.44	6/1/2020

(1) These options represent (a) the vested portion of service-based options and (b) vested performance-based options granted under the 2010 Stock Incentive Plan. Service-based options granted to Mr. King and Mr. Jenkins vest ratably over a five-year period, commencing on June 1, 2011, the first anniversary of the date of grant. Service-based options granted to Mr. Berle vest ratably over a five-year period commencing on February 14, 2012, the first anniversary of Mr. Berle s date of hire.

(2) These options represent the unvested service-based options granted under the 2010 Stock Incentive Plan. These options will vest as described in (1) above.

(3) These options represent the unvested service-based options granted under the 2014 Stock Incentive Plan. Half of these options will vest on October 9, 2017 and the other half will vest on October 9, 2018.

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Equity Compensation Plan Information

The following table sets forth information concerning the shares of common stock that may be issued upon exercise of options under the 2010 Stock Incentive Plan and the 2014 Stock Incentive Plan as of February 1, 2015:

EQUITY COMPENSATION PLANS APPROVED BY SECURITY HOLDERS	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
2010 Stock Incentive Plan	3,994,048	$ 4.82	4,126,644
2014 Stock Incentive Plan	444,969	$ 16.00	2,655,031
Total plans	4,439,017	$ 5.94	6,781,675

2014 Nonqualified Deferred Compensation

The SERP is a defined contribution plan designed to permit a select group of management or highly compensated employees to set aside base salary on a pre-tax basis. The SERP has a variety of investment options similar in type to our 401(k) plan. Any employer contributions to a participant s account vest in equal portions over a five-year period, and become immediately vested upon termination of a participant s employment on or after age 65 or by reason of the participant s death or disability, and upon a change of control (as defined in the SERP). Pursuant to Section 409A of the Code, however, such distribution cannot be made to certain employees of a publicly traded corporation before the earlier of six months following the employee s termination date or the death of the employee. Withdrawals from the SERP may be permitted in the event of an unforeseeable emergency.

Employment Agreements

We have entered into employment agreements with our NEOs (with the exception of Kevin Bachus) to reflect the then current compensation arrangements of each of the NEOs and to include additional restrictive covenants, including a one-year non-compete provision and a two-year non-solicitation and non-hire provision. The employment agreement

for each NEO provides for an initial term of two years, subject to automatic one-year renewals unless terminated earlier by the NEO or us. Under the terms of the employment agreements, each NEO is entitled to a minimum base salary and may receive an annual salary increase commensurate with such officer s performance during the year, as determined by the Board of Directors of Dave & Buster s Management Corporation, Inc. Our NEOs are also entitled to participate in the 2010 Stock Incentive Plan and in any profit sharing, qualified and nonqualified retirement plans and any health, life, accident, disability insurance, sick leave, supplemental medical reimbursement insurance, or benefit plans or programs as we may choose to make available now or in the future. NEOs are entitled to receive an annual automobile allowance, an allowance for club membership and paid vacation. In addition, the employment agreements contain provisions providing for severance payments and continuation of benefits under certain circumstances including termination by us without Cause (as defined in the employment agreement), upon execution of a general release of claims in favor of us. Each employment agreement also contains a confidentiality covenant.

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We executed an offer letter with Kevin Bachus on October 1, 2012, which reflected his then current salary and target bonus opportunity in our executive bonus program. Pursuant to the offer letter, Mr. Bachus is entitled to participate in our 401(k) plan and SERP and to receive an annual automobile allowance, an allowance for club membership and paid vacation. Mr. Bachus s employment is at-will.

Potential Payments Upon Termination or Change of Control

The following is a discussion of the rights of the NEOs under the 2010 Stock Incentive Plan and the employment agreements with the NEOs following a termination of employment or change of control.

2010 Stock Incentive Plan

Pursuant to the 2010 Stock Incentive Plan, certain vested stock options shall terminate on the earliest of (a) the day on which the executive officer is no longer employed by us due to the termination of such employment for cause, (b) the thirty-first day following the date the executive officer is no longer employed by us due to the termination of such employment upon notice to us by the executive officer without good reason having been shown, (c) the 366th day following the date the executive officer is no longer employed by us by reason of death, disability, or due to the termination of such employment (i) by the executive officer for good reason having been shown or (ii) by us for reason other than for cause, or (d) the tenth anniversary of the date of grant. Subject to the provisions of the immediately following sentence, all options that are not vested and exercisable on the date of termination of employment shall immediately terminate and expire on such termination date. A portion of the performance-based stock options shall become vested and exercisable subject to the satisfaction of certain performance requirements set forth in the 2010 Stock Incentive Plan. Upon a sale or change of control as more particularly described in the 2010 Stock Incentive Plan, certain performance-based stock options shall become vested and exercisable, subject to certain performance requirements set forth in the 2010 Stock Incentive Plan.

Employment Agreements

Deferred Compensation. All contributions made by an executive officer to a deferred compensation account, and all vested portions of our contributions to such deferred compensation account, shall be disbursed to the executive officer upon termination of employment for any reason. Currently, only Messrs. King and Jenkins have made contributions to a deferred compensation account.

Resignation. If an executive officer resigns from employment with us, such officer is not eligible for any further payments of salary, bonus, or benefits and such officer shall only be entitled to receive that compensation which has been earned by the officer through the date of termination.

Involuntary Termination Not for Cause. In the event of involuntary termination of employment other than for Cause (as defined in the employment agreements), an executive officer would be entitled to 12 months of severance pay at such officer s then-current base salary, the pro rata portion of the annual bonus, if any, earned by the officer for the then-current fiscal year, 12 months continuation of such officer s automobile allowance, and monthly payments for a period of six months equal to the monthly premium required by such officers to maintain health insurance benefits provided by our group health insurance plan, in accordance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985.

Termination for Cause. In the event of termination for Cause, the officer is not eligible for any further payments of salary, bonus, or benefits and shall be only entitled to receive that compensation which has been earned by the officer through the date of termination.

Termination for Good Reason. In the event the employee chooses to terminate his or her employment for reasons such as material breach of the employment agreement by us, relocation of the office where the officer performs his or her duties, assignment to the officer of any duties, authority, or responsibilities that are materially inconsistent with such officer s position, authority, duties or responsibilities or other similar actions, such officer shall be entitled to the same benefits described above under *Involuntary Termination Not for Cause.*

Death or Disability. The benefits to which an officer (or such officer s estate or representative) would be entitled in the event of death or disability are as described above under Involuntary Termination Not for Cause. However, the amount of salary paid to any such disabled officer shall be reduced by any income replacement benefits received from the disability insurance we provide.

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2014 Stock Incentive Plan

The Board of Directors adopted the 2014 Stock Incentive Plan in connection with the IPO. Under the 2014 Stock Incentive Plan, the Compensation Committee, the Plan Subcommittee of the Compensation Committee or any other committee or subcommittee designated by the Board of Directors to administer the 2014 Stock Incentive Plan (the Committee) may authorize grants of stock options, stock appreciation rights (SARs), restricted stock, other stock-based awards and cash-based awards.

The following summary describes the material terms of the 2014 Stock Incentive Plan but does not include all provisions of the 2014 Stock Incentive Plan. For additional information regarding the 2014 Stock Incentive Plan, we refer you to a complete copy of the 2014 Stock Incentive Plan, which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Description of the Plan

The purpose of the 2014 Stock Incentive Plan is to attract, retain and motivate officers, employees, non-employee directors and consultants providing services to the Company and its subsidiaries and affiliates and to promote the success of the Company s business by providing participants with appropriate incentives.

Plan and Participant Share Limits

Subject to adjustment as described in the 2014 Stock Incentive Plan, the maximum number of shares of common stock issuable under the 2014 Stock Incentive Plan is 3,100,000 shares, of which a maximum of 3,100,000 shares may be issued pursuant to the exercise of incentive stock options. Any shares of common stock delivered to or withheld by the Company in payment of the purchase price of an award or in order to satisfy the Company s withholding obligation with respect to an Award shall again be available for issuance under the 2014 Stock Incentive Plan.

The maximum number of shares of common stock with respect to any awards denominated in shares that may be granted to any participant in any calendar year under the 2014 Stock Incentive Plan is 500,000, subject to adjustment under the terms of the 2014 Stock Incentive Plan. The maximum aggregate grant of cash-based awards to any participant in any calendar year is $5,000,000, subject to adjustment under the terms of the 2014 Stock Incentive Plan.

In the event of any corporate event or transaction involving the Company, a subsidiary and/or an affiliate (including, but not limited to, a change in the shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, extraordinary stock dividend, stock split, reverse stock split, split up, spin-off, combination of shares, exchange of shares, dividend in kind, amalgamation or other like change in capital structure (other than regular cash or stock dividends to shareholders of the Company), or any similar corporate event or transaction, the Committee shall substitute or adjust, in its sole discretion, the number and kind of shares or other property that may be issued under the 2014 Stock Incentive Plan or under particular forms of awards; the number and kind of shares or other property subject to outstanding awards; the option price, grant price or purchase price applicable to outstanding awards; the annual award limits; and/or other value determinations applicable to the plan or outstanding awards.

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Administration

The Committee is responsible for administering the 2014 Stock Incentive Plan and has the power to interpret the terms and intent of the 2014 Stock Incentive Plan and any related documentation; to determine eligibility for awards and the terms and conditions of awards; and to adopt rules, forms, instruments and guidelines. Determinations of the Committee made under the 2014 Stock Incentive Plan are final and binding. The Committee may delegate administrative duties and powers to one or more of its members or to one or more officers, agents or advisors.

Eligibility

Employees, directors and consultants of the Company and its subsidiaries and affiliates who are selected by the Committee are eligible to participate in the 2014 Stock Incentive Plan.

Stock Options

Under the 2014 Stock Incentive Plan, the Committee may grant both incentive stock options (ISOs) and nonqualified stock options (NQSOs). Eligibility for ISOs is limited to employees of the Company and its subsidiaries (or any parent corporations). The exercise price for options and the term of any option is determined by the Committee at the time of the grant. With regard to any stock option, the per-share exercise price of such stock option shall not be less than 100% of the fair market value of a share (or, if the stock option is intended to qualify as an ISO and the recipient is a 10% stockholder, then not less than 110%) and the latest expiration date of such stock option is the tenth anniversary of the date of the grant (or, if the stock option is intended to qualify as an ISO and the recipient is a 10% stockholder, then the fifth anniversary). Fair market value as of any date that the Company is publicly traded is generally, as determined by the Committee, any of the average high and low trading price, the 30-day average of the high and low trading price, the closing price as reported on NASDAQ or other national exchange or established over-the-counter trading system on which dealings take place or, if there is no trading of shares on such date, on the immediately preceding date on which there was trading in the shares, or as otherwise reasonably determined by the Committee in good faith based on actual transactions in shares. The exercise price is to be paid with cash or by other means approved by the Committee.

Stock Appreciation Rights

Under the 2014 Stock Incentive Plan, the Committee may grant SARs, either alone or in tandem with stock options. Upon exercise of a SAR, the holder will have a right to receive the difference between the fair market value of one share on the date of the exercise and the grant price as specified by the Committee on the date of such grant. The grant price, methods of exercise and methods of settlement will be determined by the Committee; however, a tandem SAR is exercisable only to the extent and during the period that the related portion of the tandem option is exercisable and must be exercised by relinquishing the related portion of the tandem option (and, when a share is acquired pursuant to the exercise of a tandem option, the equivalent portion of the related tandem SAR is forfeited).

Restricted Stock

Under the 2014 Stock Incentive Plan, the Committee may award restricted stock. Restricted stock awards consist of shares of stock that are transferred to the participant subject to restrictions that may result in forfeiture if specified conditions are not satisfied. A holder of restricted stock is not entitled to voting rights unless the Committee so determines in the applicable award agreement and a holder has no right to receive current dividends while the restrictions are in force. The Committee will determine the restrictions and conditions applicable to each award of restricted stock. The grant of, lapse of restrictions on or conditions applicable to an award of restricted stock may

depend upon the achievement of performance goals, including over a performance period.

Other Stock-Based Awards

Under the 2014 Stock Incentive Plan, the Committee may grant other equity-based or equity-related awards including, without limitation, restricted stock units and phantom awards, referred to as other stock-based awards. The terms and conditions of each other stock-based award shall be determined by the Committee.

Cash-Based Awards

Under the 2014 Stock Incentive Plan, the Committee may grant awards denominated in cash or shares, or a combination of cash and shares, in amounts and subject to terms and conditions determined by the Committee.

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Performance-Based Compensation

The Committee may design any award such that the amounts or shares payable or distributed are treated as qualified performance based compensation within the meaning of Section 162(m) of the Code, and related regulations. Such awards will be earned only if performance goals over performance periods established by the Committee are met; awards may only be granted, vested or paid if the Committee certifies in writing that such performance goals and any other material terms applicable to such performance periods have been satisfied. The performance goals will be based upon one or more of the following performance measurements: (a) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization (EBITDA)); (b) net income before or after taxes; (c) operating income; (d) earnings per share; (e) book value per share; (f) return on shareholders equity; (g) expense management; (h) return on investment; (i) improvements in capital structure; (j) profitability of an identifiable business unit or product; (k) maintenance or improvement of profit margins; (l) stock price; (m) market share; (n) revenues or sales; (o) costs; (p) cash flow (including, but not limited to, operating cash flow and free cash flow); (q) working capital; (r) return on assets; (s) attainment of objectives relating to store remodels or repair and maintenance; (t) staff training; (u) corporate social responsibility policy implementation; (v) economic value added; (w) debt reduction; (x) completion of acquisitions or divestitures; (y) operating efficiency; (z) sales per square foot; (aa) revenue mix; (bb) capital expenditures versus budgeted expenditures (total, exclusive of information technology and games, or maintenance only); (cc) operating income; (dd) income from franchise units; (ee) unit-level EBITDA less general and administrative expenses; (ff) manager s operating contribution; (gg) regional operating contribution; (hh) profitability of various revenue streams; (ii) cash flow per share (before and after dividends or before and after debt payments); (jj) total shareholder return (absolute and/or relative to industry/peer group); (kk) lease executions; (ll) franchise unit growth; (mm) employee turnover/retention (for entire population or a subset of employee population); (nn) employee satisfaction; (oo) customer satisfaction (overall and/or specific metrics); (pp) customer traffic; (qq) customer loyalty (including but not limited to participation and satisfaction); (rr) attainment of strategic and operational initiatives; (ss) marketing/brand awareness scores; (tt) third-party operational/compliance audits; (uu) balanced scorecard (vv) culinary product pipeline goals; (ww) customer experience; (xx) inventory turnover; (yy) brand positioning goals; (zz) comparable store sales; (aaa) return on invested capital; (bbb) new store openings; (ccc) development pipeline goals; (ddd) attainment of objectives relating to acquisitions or divestitures; (eee) attainment of specified business expansion goals; and (fff) expansion of specified programs or initiatives.

No later than 90 days after the commencement of a performance period (but in no event after 25% of such performance period has elapsed), the Committee shall establish in writing the performance goals, performance measures, method of computing compensation and participants to which such performance goals apply. Subject to Section 162(m) of the Code, the Committee may adjust the performance goals (including to prorate goals and payments for a partial plan year) in the event of certain non-recurring events, financing transactions and mergers and acquisitions.

Awards that are designed to qualify as performance-based compensation may not be adjusted upward. However, the Committee has the discretion to adjust these awards downward.

Termination of Employment

Each award agreement will specify the effect of a holder s termination of employment with, or service for, the Company, including the extent to which unvested portions of the award will be forfeited and the extent to which options, SARs or other awards requiring exercise will remain exercisable. Such provisions will be determined in the Committee s sole discretion.

Treatment of Awards upon a Change of Control

If there is a change of control of the Company, then, unless prohibited by law, the Committee is authorized (but not obligated) to make adjustments to the terms and conditions of outstanding awards, including, without limitation, continuation or assumption of outstanding awards; substitution of new awards with substantially the same terms as outstanding awards; accelerated exercisability, vesting and/or lapse of restrictions for outstanding awards immediately prior to the occurrence of such event; upon written notice, provision that any outstanding awards must be exercised, to the extent then exercisable, during a specified period determined by the Committee (contingent upon the consummation of the change of control), following which unexercised awards shall terminate; and cancellation of all or any portion of outstanding awards for fair market value (which may be the intrinsic value of an

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option or SAR and may be zero); and cancellation of all or any portion of outstanding awards for fair value (as determined in the sole discretion of the Committee and which may be zero).

Under the 2014 Stock Incentive Plan, a change of control generally is triggered by the occurrence of any of the following: (i) an acquisition of 30% or more of the outstanding shares or the voting power of the outstanding securities generally entitled to vote in the election of directors; (ii) with certain exceptions, individuals on the Board of Directors on the date of effectiveness of the plan cease to constitute a majority of the Board of Directors; (iii) consummation of a reorganization, merger, amalgamation, statutory share exchange, consolidation or like event to which the Company is a party or a sale or disposition of all or substantially all of the Company s assets, unless the Company s shareholders continue to own more than 50% of the outstanding voting securities, no person beneficially owns 30% or more of the outstanding securities of the Company and at least a majority of the members of the Board of Directors after such event were members of the Board of Directors prior to the event; or (iv) a complete liquidation or dissolution of the Company.

Amendment of Awards or Plan and Adjustment of Awards

The Committee may at any time amend, alter, suspend, discontinue or terminate the 2014 Stock Incentive Plan or any portion thereof or any award or award agreement thereunder. However, shareholder approval is required: (i) if necessary under applicable law; (ii) if such action changes the eligibility requirements for or increases the number of shares available or benefits permitted under the 2014 Stock Incentive Plan, subject to certain exceptions; or (iii) if such action would result in the reduction of the option price or grant price per share, as applicable, of any outstanding options or SARs or cancellation of any outstanding options or SARs in exchange for cash or for other awards with an option price or grant price per share that is less than the price of the original options or SARs. The written consent of any affected participant is required if such participant s rights would be materially diminished with regard to a previously granted award. However, the Committee may amend the 2014 Stock Incentive Plan and awards and award agreements thereunder without the consent of participants in such manner as it deems necessary to comply with applicable laws.

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PRINCIPAL AND SELLING STOCKHOLDERS

The following table shows the ownership of our common stock (1) immediately prior to and (2) as adjusted to give effect to this offering by (a) all persons known by us to beneficially own more than 5% of our common stock, (b) each present director, (c) the named executive officers, (d) all executive officers and directors as a group as of the date of this prospectus and (e) any additional selling stockholders.

We have determined beneficial ownership in accordance with the rules of the SEC, and unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially own, subject to community property laws where applicable.

We have based our calculation of the percentage of beneficial ownership prior to this offering on 39,969,228 shares of our common stock outstanding as of January 29, 2015. We have based our calculation of the percentage of beneficial ownership after this offering on 40,223,345 shares of our common stock outstanding immediately after the completion of this offering, which gives effect to the Concurrent Option Exercise (see Summary The Offering) but assumes no exercise of the underwriters option to purchase 990,000 additional shares. We have deemed shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of this offering to be outstanding and to be beneficially owned by the person holding the stock option for the purpose of computing the percentage ownership of that person. For more information, see Executive Compensation Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Plan. Unless otherwise noted, the address of each beneficial owner is Dave & Buster s Entertainment, Inc., 2481 Mañana Drive, Dallas, Texas 75220.

	SHARES BENEFICIALLY OWNED BEFORE THIS OFFERING				SHARES BENEFICIALLY OWNED AFTER THIS OFFERING			
					ASSUMING THE UNDERWRITERS OPTION IS NOT EXERCISED		ASSUMING THE UNDERWRITERS OPTION IS EXERCISED IN FULL	
NAME OF BENEFICIAL OWNER	NUMBER OF SHARES	PERCENTAGE	SHARES OFFERED	SHARES SUBJECT TO UNDERWRITERS OPTION	NUMBER OF SHARES	PERCENTAGE	NUMBER OF SHARES	PERCENTAGE
5% Stockholders								
Oak Hill Capital Partners III, L.P. (1)	30,656,879	76.7%	5,614,870	842,229	25,042,009	62.3%	24,199,780	60.1%
Oak Hill Capital Management Partners III, L.P. (1)	1,006,843	2.5%	184,405	27,661	822,438	2.0%	794,777	2.0%
Directors								
Stephen M. King (2)	1,204,491	3.0%	216,737	32,511	987,754	2.4%	955,243	2.3%
J. Taylor Crandall								
Michael J. Griffith (3)	61,432	*			61,432	*	61.432	*

Jonathan S. Halkyard [4]	61,432	*			61,432	*	61,432	*
David A. Jones [5]	409,920	1.0%	73,762	11,064	336,158	*	325,094	*
Alan J. Lacy [6]	538,611	1.3%	96,919	14,538	441,692	1.1%	427,154	1.1%
Kevin M. Mailender								
Kevin M. Sheehan [7]	136,426	*	24,549	3,682	111,877	*	108,195	*
Tyler J. Wolfram								
Named Executive Officers [8]								
Dolf Berle [9]	529,028	1.3%	88,612	13,292	440,416	1.1%	427,124	1.1%
Brian A. Jenkins [10]	564,141	1.4%	101,512	15,227	462,629	1.1%	447,402	1.1%
All Executive Officers and Directors as a Group (19 Persons) [11]	4,605,731	10.7%	720,691	108,104	3,885,040	9.0%	3,776,936	8.7%
Additional selling stockholders [12]								
Greg Clore [13]	35,713	*	6,426	964	29,287	*	28,323	*
Edward Forler [14]	131,894	*	23,733	3,560	108,161	*	104,601	*
Sean Gleason [15]	255,056	*	45,895	6,884	209,161	*	202,277	*
Joe Jackman [16]	221,159	*	39,796	5,969	181,363	*	175,394	*
Margo L. Manning [17]	246,443	*	13,750	2,063	232,693	*	230,630	*
Michael J. Metzinger [18]	42,454	*	6,600	990	35,854	*	34,864	*
John B. Mulleady [19]	98,995	*	17,813	2,672	81,182	*	78,510	*
Gary Passardi [20]	1,692	*	305	46	1,387	*	1,341	*
J. Michael Plunkett [21]	69,700	*	12,542	1,881	57,158	*	55,277	*
April Spearman [22]	22,253	*	4,004	601	18,249	*	17,648	*
Jay L. Tobin [23]	333,882	*	22,000	3,300	311,882	*	308,582	*
Lisa Warren [24]	32,067	*	5,770	866	26,297	*	25,431	*

* Less than 1%

(1) The business address of Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) is 201 Main Street, Suite 1018, Fort Worth, Texas 76102. OHCP MGP III, Ltd. is the sole general partner of OHCP

MGP Partners III, L.P., which is the sole general partner of OHCP GenPar III, L.P., which is the sole general partner of each of the Oak Hill Funds. OHCP MGP III, Ltd. exercises voting and dispositive control over the shares held by each of the Oak Hill Funds. Investment and voting decisions with regard to the shares of the Company s common stock owned by the Oak Hill Funds are made by an Investment Committee of the Board of Directors of OHCP MGP III, Ltd. The members of the Board of Directors are J. Taylor Crandall, Steven B. Gruber, Denis J. Nayden and Tyler J. Wolfram. Each of these individuals disclaims beneficial ownership of the shares owned by the Oak Hill Funds.

(2) Shares reflected as owned in the table include 410,748 shares owned by the Stephen and Shauna King Investment Partnership LP (the Investment Partnership). Stephen and Shauna King Investment Partnership GenPar LLC (GenPar) is the general partner of the Investment Partnership. Currently, Mr. King is the sole member of GenPar and has sole voting and investment power over all of the shares owned by the Investment Partnership. Shares reflected in the table also include 793,742 shares issuable pursuant to outstanding stock options held by Mr. King that are exercisable within 60 days of January 29, 2015.

(3) Shares reflected in the table Include 37,498 shares owned by The 2014 Griffith Family Trust Dated October 20, 2014 (the Family Trust). Currently, Mr. Griffith has sole voting and investment power over all of the shares owned by the Family Trust. Shares reflected in the table also include 23,934 shares issuable pursuant to outstanding stock options held by Mr. Griffith that are exercisable within 60 days of January 29, 2015.

(4) Shares reflected in the table include 23,934 shares issuable pursuant to outstanding stock options held by Mr. Halkyard that are exercisable within 60 days of January 29, 2015.

(5) Shares reflected in the table include 157,484 shares owned by Mr. Jones and 4,500 shares owned by each of David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Madeline Grace Stephens, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Jackson Davis Stephens, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Dillon Avery Jones, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Madison Alena Jones, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO William Rhys Smith, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Turner Clark Smith, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Davis Alan Kindle, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Tyler James Kindle, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Antonio Acosta III, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Hannah Jewel Jones Scherer, Brenton Alan Kindle, Brooke Nicole Kindle Stephens, Leslie Ann Jones Acosta, Jeffrey David Jones and Dana Michele Jones Smith. Shares reflected as offered in the table include 61,612 by Mr. Jones (70,861 assuming the underwriters exercise their option in full) and 810 shares (931 assuming the underwriters exercise their option in full) by each of David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Madeline Grace Stephens, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Jackson Davis Stephens, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Dillon Avery Jones, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Madison Alena Jones, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO William Rhys Smith, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Turner Clark Smith, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Davis Alan Kindle, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Tyler James Kindle, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Antonio Acosta III, David A. Jones 2013 Grandchildren s Trust UA 6/30/2013 FBO Hannah Jewel Jones Scherer, Brenton Alan Kindle, Brooke Nicole Kindle Stephens, Leslie Ann Jones Acosta, Jeffrey David Jones and Dana Michele Jones Smith. Currently, Mr. Jones has sole voting and investment power over all of the shares pursuant to a voting trust agreement and irrevocable proxies executed by the trustees of each trust on behalf of the ten trust beneficiaries and the individual owners of the shares. Shares reflected in the table also include 184,936 shares issuable pursuant to outstanding stock options held by Mr. Jones that are exercisable within 60 days of January 29, 2015.

(6) Shares reflected in the table include 369,873 shares issuable pursuant to outstanding stock options held by Mr. Lacy that are exercisable within 60 days of January 29, 2015.

(7) Shares reflected in the table include 23,934 shares issuable pursuant to outstanding stock options held by Mr. Sheehan that are exercisable within 60 days of January 29, 2015.

(8) In addition to Mr. King who serves as a director.

(9) Shares reflected in the table include 512,153 shares issuable pursuant to outstanding stock options held by Mr. Berle that are exercisable within 60 days of January 29, 2015.

(10) Shares reflected in the table include 414,059 shares issuable pursuant to outstanding stock options held by Mr. Jenkins that are exercisable within 60 days of January 29, 2015.

(11) Shares reflected in the table include a total of 3,186,261 shares issuable pursuant to outstanding stock options held by our Executive Officers and Directors as a group that are exercisable within 60 days of January 29, 2015.

(12) The additional selling stockholders are employees of the Company, with the exception of Mr. Jackman, who is a consultant of the Company.

(13) Shares reflected in the table include a total of 22,188 shares issuable pursuant to outstanding stock options held by Mr. Clore that are exercisable within 60 days of January 29, 2015.

(14) Shares reflected in the table include a total of 86,079 shares issuable pursuant to outstanding stock options held by Mr. Forler that are exercisable within 60 days of January 29, 2015.

(15) Shares reflected in the table include a total of 207,661 shares issuable pursuant to outstanding stock options held by Mr. Gleason that are exercisable within 60 days of January 29, 2015.

(16) Shares reflected in the table include a total of 221,159 shares issuable pursuant to outstanding stock options held by Mr. Jackman that are exercisable within 60 days of January 29, 2015.

(17) Shares reflected in the table include a total of 197,806 shares issuable pursuant to outstanding stock options held by Ms. Manning that are exercisable within 60 days of January 29, 2015.

(18) Shares reflected in the table include a total of 22,188 shares issuable pursuant to outstanding stock options held by Mr. Metzinger that are exercisable within 60 days of January 29, 2015.

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(19) Shares reflected in the table include a total of 98,994 shares issuable pursuant to outstanding stock options held by Mr. Mulleady that are exercisable within 60 days of January 29, 2015.

(20) Shares reflected in the table include a total of 1,691 shares issuable pursuant to outstanding stock options held by Mr. Passardi that are exercisable within 60 days of January 29, 2015.

(21) Shares reflected in the table include a total of 69,699 shares issuable pursuant to outstanding stock options held by Mr. Plunkett that are exercisable within 60 days of January 29, 2015.

(22) Shares reflected in the table include a total of 22,252 shares issuable pursuant to outstanding stock options held by Ms. Spearman that are exercisable within 60 days of January 29, 2015.

(23) Shares reflected in the table include a total of 207,661 shares issuable pursuant to outstanding stock options held by Mr. Tobin that are exercisable within 60 days of January 29, 2015.

(24) Shares reflected in the table include a total of 22,571 shares issuable pursuant to outstanding stock options held by Ms. Warren that are exercisable within 60 days of January 29, 2015.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The share numbers and related strike prices set forth in this section other than as set forth under IPO Option Grants give effect to the 224.9835679 for 1 stock split that occurred in connection with our IPO.

Relationship with Oak Hill Capital Partners

Our directors, J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram, are Partners of Oak Hill Capital Management, LLC. Our director David A. Jones is a Senior Advisor to the Oak Hill Funds and our director Alan J. Lacy served as a Senior Advisor to the Oak Hill Funds until December 2014.

IPO Option Grants

In connection with the IPO and under the 2014 Stock Incentive Plan, we granted certain executive officers options to purchase shares of our common stock. A total of 444,969 shares of our common stock at an exercise price of $16.00 (equal to the initial public offering price) were granted under the 2014 Stock Incentive Plan, including grants to Stephen M. King (184,615 shares), Dolf Berle (74,793 shares), Brian A. Jenkins (61,183 shares), Jay L. Tobin (38,698 shares), John B. Mulleady (38,225 shares), Sean Gleason (17,633 shares), Margo L. Manning (17,396 shares) and Kevin Bachus (12,426 shares). Half of these options will vest three years after the grant date and the other half will vest four years after the grant date.

Repurchase of Common Stock

In connection with the issuance of $180,790,000 aggregate principal amount at maturity of 12.25% senior discount notes due 2016 in February 2011, we used all of the net proceeds of the offering to purchase a portion of our common stock owned by certain of our stockholders and to pay debt issuance costs. We repurchased 20,703,630 shares from Oak Hill Capital Partners III, L.P., 679,955 shares from Oak Hill Capital Management Partners III, L.P., 174,209 shares from Stephen M. King, 31,268 shares from Jay L. Tobin, 63,653 shares from Brian A. Jenkins, 20,101 shares from Sean Gleason, 62,537 shares from Jeffrey C. Wood, 2,233 shares from Michael J. Metzinger, 3,350 shares from Gregory Clore, 5,360 shares from Margo L. Manning, 19,431 shares from Edward J. Forler, 8,487 shares from William J. Robertson, 13,401 shares from Joan Egeland, 6,254 shares from Lisa Warren and 4,467 shares from Joseph DeProspero. All of the above purchases were made at a price of $4.44 per share.

On September 30, 2010, we purchased 337,475 shares of our common stock from Starlette Johnson, a former member of management, for $1,500,000, of which $500,000 was paid in 2010 and $1,000,000 was paid in 2011. As described below, we subsequently resold 16,874 and 187,488 of the purchased shares on March 23, 2011 and January 18, 2012, respectively. We continue to retain 133,113 of the purchased shares as treasury stock.

On June 28, 2011, we purchased 20,347 shares of our common stock from Joan Egeland, a former member of management, for $90,437. The purchased shares are being retained as treasury stock by the Company.

On January 13, 2012, we purchased 94,952 shares of our common stock from Jeffrey C. Wood, a former member of management, for $506,447. The purchased shares are being retained as treasury stock by the Company.

All share amounts above are calculated after giving effect to our share split.

Subsequent to the transactions described above, the Oak Hill Funds control approximately 95.4% and certain members of our Board of Directors and management control approximately 4.5% of the outstanding common stock. The

remaining 0.1% is owned by a former member of management.

Sale of Common Stock and Exercise of Options

On March 23, 2011, we sold to Dolf Berle, a member of management, 16,874 shares of our common stock held as treasury stock for an aggregate sale price equal to $75,000, the value as determined by an independent third party valuation prepared as of January 30, 2011.

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On January 18, 2012, we sold 187,488 shares of our common stock held as treasury stock to three outside directors. Kevin M. Sheehan purchased 112,492 shares for an aggregate price equal to $600,000. Jonathan S. Halkyard and Michael J. Griffith each purchased 37,498 shares for an aggregate price equal to $200,004. Proceeds from the sales were used to repay funds that had been advanced to us by Dave & Buster s, Inc. The per share sales price in each of those transactions approximates the value per share as determined by an independent third party valuation prepared as of October 30, 2011.

On January 6, 2014, William J. Robertson, a former member of management, exercised his option for 17,999 shares at a strike price of $4.44. We issued new shares in satisfaction of this exercise. Proceeds from the exercise were allocated to Dave & Buster s, Inc. in anticipation of future expenses.

All share amounts above are calculated before giving effect to our anticipated share split.

Expense Reimbursement Agreement

We entered into an expense reimbursement agreement with Oak Hill Capital Management, LLC, concurrently with the consummation of the Acquisition. Pursuant to this agreement, we reimbursed Oak Hill Capital Management, LLC approximately $41,000, $115,000, $115,000, $76,000 and $297,000 in the thirty-nine weeks ended November 2, 2014, the thirty-nine weeks ended November 3, 2013 and fiscal 2013, 2012 and 2011, respectively, for costs and expenses.

The expense reimbursement agreement automatically terminated upon the consummation of the IPO, in accordance with its terms. The Oak Hill Funds and their affiliates will be reimbursed for certain costs and expenses pursuant to the new stockholders agreement.

Stockholders Agreement

In connection with the IPO, we and the Oak Hill Funds entered into a stockholders agreement. The new stockholders agreement sets the number of directors of our Board of Directors initially at nine, and the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, are entitled to designate directors to serve on the Board of Directors proportionate to the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership of the outstanding shares of our common stock, at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have such proportionate number of director designees then serving on the Board of Directors; provided that for so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, own 5% or more of the voting power of the outstanding shares of our common stock, the Oak Hill Funds are entitled to designate one director designee to serve on the Board of Directors at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have a director designee then serving on the Board of Directors. Such proportionate number of director designees is determined by taking the product of the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership interest in our Company multiplied by the then current number of directors on our Board of Directors (rounded up to the next whole number to the extent the product does not equal a whole number). The Oak Hill Funds director designees are currently J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram, and, therefore, the Oak Hill Funds are entitled to designate additional directors in order for Oak Hill to have its proportionate number of director designees. We will expand the size of our Board of Directors if necessary to provide for such proportionate representation.

Subject to applicable law and applicable NASDAQ rules, the stockholders agreement also provides that the Oak Hill Funds are entitled to nominate the members of the Nominating and Corporate Governance Committee up to a number

of nominees not to exceed the number of directors designated by the Oak Hill Funds on the Board of Directors, and the remaining members will be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. In addition, subject to applicable law and applicable NASDAQ rules, each other committee of our Board of Directors, other than the Audit Committee, will consist of at least one member designated by the Oak Hill Funds. The stockholders agreement also provides that the Oak Hill Funds and their affiliates will be reimbursed for costs and out of pocket expenses incurred in connection with (i) counsel retained by Oak Hill to

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advise its nominees and/or us in connection with matters related to or arising out of meetings of the Board of Directors (or committees thereof) or otherwise raised by management, (ii) any review, amendment or enforcement of the stockholders agreement, (iii) the agreements entered into in connection with the IPO and transactions contemplated thereby and (iv) any of our regulatory filings involving the Oak Hill Funds or its affiliates. In furtherance of our amended and restated certificate of incorporation, the stockholders agreement provides that the Oak Hill Funds and their affiliates have no obligation to offer us an opportunity to participate in business opportunities presented to Oak Hill Funds or their respective affiliates even if the opportunity is one that we might reasonably have pursued (and therefore may be free to compete with us in the same business or similar businesses), and that neither the Oak Hill Funds nor their respective affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities unless, in the case of any person who is a director or officer of our company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of our company under the stockholders agreement, the Oak Hill Funds have consent rights with respect to the following matters so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 25% or more of the outstanding shares of our common stock: declaration or payments of non-pro rata dividends or non-pro rata repurchases of our common stock or amendments to our organizational documents in a manner adverse to the Oak Hill Funds. In addition, under the stockholders agreement, the Oak Hill Funds are granted access to our customary non-public information and members of our management team and are permitted to disclose our confidential information to their affiliates, representatives and advisors. The Oak Hill Funds and their affiliates are permitted to disclose our confidential information if requested or required by law. The Oak Hill Funds and their affiliates are also permitted to disclose our confidential information to any potential purchaser of Dave & Buster s Entertainment, Inc. that executes a customary confidentiality agreement. The Oak Hill Funds, as part of a privately negotiated sale of its shares, may assign all or any portion of its rights under the stockholders agreement to any transferee. The stockholders agreement will terminate upon the written request of the Oak Hill Funds or at such time as the Oak Hill Funds own less than 5% of our common stock.

Registration Rights Agreement

In connection with the IPO, we, the Oak Hill Funds and other of our stockholders prior to the IPO, including some of our directors and executive officers, entered into a registration rights agreement. The registration rights agreement provides that the Oak Hill Funds, under certain circumstances, have the ability to cause us to register our common equity securities under the Securities Act, and provide for procedures by which certain of our equity holders may participate in such registrations. The Oak Hill Funds have an unlimited amount of demand registrations and all holders of registrable securities have customary piggyback registration rights providing them with the right to require us to include shares of common stock held by them in applicable registrations. The Oak Hill Funds may assign, to any of their respective affiliates or as part of a privately negotiated sale of their respective shares, in each case, all or any portion of their rights under the registration rights agreement to any transferee who agrees to be bound by the agreement.

Relationship with OHA Funds

Funds managed by Oak Hill Advisors, L.P. (the OHA Funds) collectively comprise one of the creditors participating in the term loan portion of our senior secured credit facility. As of January 29, 2015, the OHA Funds held approximately 8.29%, or $35.6 million, of our total term loan obligation. Oak Hill Advisors, L.P. is an independently managed investment firm that is not an affiliate of Oak Hill Capital Partners. Oak Hill Advisors, L.P. and an affiliate of Oak Hill Capital Management, LLC co-manage Oak Hill Special Opportunities Fund, L.P., a private fund. Certain employees of Oak Hill Capital Management, LLC, in their individual capacities, have passive investments in Oak Hill Advisors, L.P. and/or the funds it manages.

Related Transactions

Contemporaneously with the IPO, the Board of Directors adopted a Related Party Transaction Policy to provide for timely internal review of prospective transactions with related persons, as well as approval or ratification, and appropriate oversight and public disclosure, of such transactions. The Related Party Transaction Policy generally covers transactions with the company, on the one hand, and a director or executive officer of the company, a nominee for election as a director of the company, any security holder of the company that owns (owns of record or

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beneficially) five percent or more of any class of the company s voting securities and any immediate family member of any of the foregoing persons, on the other hand. The Related Party Transaction Policy exempts certain transactions or arrangements (including, among others, (i) reimbursement or payment of business expenses pursuant to the stockholders agreement to be entered into between us and the Oak Hill Funds and (ii) certain corporate opportunities permitted by our amended and restated certificate of incorporation) from its coverage because of their nature, size and/or degree of significance and such exempted transactions are not required to be reported to, reviewed by, and approved or ratified pursuant to the terms of such policy.

The Related Party Transaction Policy supplements the provisions of our Code of Business Conduct and Ethics concerning potential conflict of interest situations, which, pursuant to its terms, provides that unless a written waiver is granted (as explained below), employees may not (a) perform services for or have a financial interest in a private company that is, or may become, a supplier, customer or competitor of us; (b) perform services for or own more than 1% of the equity of a publicly traded company that is, or may become, a supplier, customer or competitor of us or (c) perform outside work or otherwise engage in any outside activity or enterprise that may interfere in any way with job performance or create a conflict with our best interests. Employees are under a continuing obligation to disclose to their supervisors any situation that presents the possibility of a conflict or disparity of interest between the employee and us. An employee s conflict of interest may only be waived if both the Legal Department and the employee s supervisor waive the conflict in writing. An officer s conflict of interest may only be approved pursuant to the Related Party Transaction Policy.

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DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws. This summary is qualified in its entirety by reference to the actual terms and provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is a part.

Authorized Capitalization

As of January 29, 2015, our shares of common stock were held by 288 holders. Our authorized capital stock consists of 400,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of preferred stock, par value $0.01 per share. As of January 29, 2015, 39,969,228 shares of common stock were outstanding, and there were no outstanding shares of preferred stock.

Common Stock

The holders of our common stock are entitled to the following rights:

Voting Rights

Each share of common stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote. Our common stock votes as a single class on all matters relating to the election and removal of directors on our Board of Directors and as provided by law, with each share of common stock entitling its holder to one vote. Holders of our common stock will not have cumulative voting rights. Accordingly, a plurality of votes cast by holders of our common stock entitled to vote in any election of directors may elect all of the directors standing for election. Except with respect to the election of directors and as otherwise provided in our amended and restated certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter.

Pursuant to the stockholders agreement, the Oak Hill Funds are entitled to designate directors to serve on the Board of Directors proportionate to the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership of the outstanding shares of our common stock, at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have such proportionate number of director designees then serving on the Board of Directors; provided that for so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, own 5% or more of the voting power of the outstanding shares of our common stock, the Oak Hill Funds are entitled to designate one director designee to serve on the Board of Directors at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have a director designee then serving on the Board of Directors. Such proportionate number of director designees is determined by taking the product of the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership interest in our Company and multiplied by the then current number of directors on our Board of Directors (rounded up to the next whole number to the extent the product does not equal a whole number). The Oak Hill Funds director designees are initially J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram, and, therefore, the Oak Hill Funds are entitled to designate additional directors in order for the Oak Hill Funds to have its proportionate number of director designees. We will expand the size of our Board of Directors if necessary to provide for such proportionate representation. Subject to applicable law and applicable NASDAQ rules, the stockholders agreement also provides that the Oak Hill Funds are entitled to nominate the members of the Nominating and Corporate Governance Committee up to a number of nominees not to exceed the number of directors

designated by the Oak Hill Funds on the Board of Directors, and the remaining members will be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. In addition, subject to applicable law and applicable NASDAQ rules, each other committee of our Board of Directors, other than the Audit Committee, consists of at least one member designated by the Oak Hill Funds.

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Dividend Rights

Holders of common stock will share equally in any dividend declared out of legally available funds by our Board of Directors, subject to any preferential rights of the holders of any outstanding preferred stock.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Other Rights

Our stockholders have no subscription, redemption or conversion privileges. Our common stock does not entitle its holders to preemptive rights for additional shares and does not have any sinking fund provisions. All of the outstanding shares of our common stock are fully paid and nonassessable. The rights, preferences and privileges of the holders of our common stock are subject to the rights of the holders of shares of any series of preferred stock which we may issue.

Registration Rights

Certain of our existing stockholders have certain registration rights with respect to our common stock pursuant to the registration rights agreement. For further information regarding these agreements, see Certain Relationships and Related Transactions Registration Rights Agreement and Shares Eligible for Future Sale.

Preferred Stock

Our Board of Directors is authorized to provide for the issuance of preferred stock in one or more series and to fix the preferences, powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference and to fix the number of shares to be included in any such series without any further vote or action by our stockholders. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. In addition, any such shares of preferred stock may have class or series voting rights. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of our common stock. Our Board of Directors has not authorized the issuance of any shares of preferred stock, and we have no agreements or current plans for the issuance of any shares of preferred stock.

Anti-takeover Effects of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors, which

we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our Board of Directors the power to discourage acquisitions that some stockholders may favor.

Our amended and restated certificate of incorporation provides that directors may be removed only for cause by the affirmative vote of a majority of the remaining members of the Board of Directors or the holders of at least 66 2/3% of the voting power of all shares of capital stock then entitled to vote on the election of directors, voting together as a single class. Furthermore, any vacancy on our Board of Directors, however occurring, including a vacancy resulting from an increase in the size of our Board of Directors, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum and in accordance with the stockholders agreement.

No Stockholder Action by Written Consent. Our amended and restated certificate of incorporation provides that, subject to the rights of any holders of preferred stock to act by written consent instead of a meeting, stockholder

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action may be taken only at an annual meeting or special meeting of stockholders and may not be taken by written consent instead of a meeting, unless the Oak Hill Funds (or one or more of their affiliates to the extent assigned thereto) own at least 40% of our outstanding common stock or the action to be taken by written consent of stockholders and the taking of this action by written consent has been expressly approved in advance by the Board of Directors. Failure to satisfy any of the requirements for a stockholder meeting could delay, prevent or invalidate stockholder action.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals. Our amended and restated bylaws provide that special meetings of the stockholders may be called only upon the request of a majority of our Board of Directors or by our Chief Executive Officer or at the request of the Oak Hill Funds or any person that acquires at least 10% of the voting power of all outstanding shares of our capital stock from the Oak Hill Funds in a privately negotiated transaction (an Oak Hill Transfer), as long as the Oak Hill Funds (or one or more of their affiliates to the extent assigned thereto, or an Oak Hill Transferee, as applicable) owns at least 10% of the voting power of all outstanding shares of our capital stock. Our amended and restated bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control or management of our company.

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our Board of Directors or a committee of the Board of Directors. In order for any matter to be properly brought before a meeting, a stockholder will have to comply with the advance notice requirements of directors, which may be filled only by a vote of a majority of directors then in office, even though less than a quorum, and not by the stockholders. Our amended and restated bylaws allow the presiding officer at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer s own slate of directors or otherwise attempting to obtain control of our company.

Amendment to Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. Any amendment to our amended and restated certificate of incorporation must first be approved by a majority of our Board of Directors and (i) if required by law, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment or (ii) if related to provisions regarding the election and removal of directors, exculpation and indemnification, stockholder action, the provision opting-out of Section 203 of the Delaware General Corporation Law (DGCL), severability, the amendment of our amended and restated bylaws or amended and restated certificate of incorporation, forum or corporate opportunities thereafter be approved by 66 2/3% of the outstanding shares entitled to vote on the amendment (provided that, so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) hold 10% or more of the issued and outstanding Common Stock of the Company, amendments to the provisions governing exculpation and indemnification and stockholder action require the affirmative approval of the Oak Hill Funds). Our amended and restated bylaws may be amended subject to any limitations set forth in the bylaws (x) by the affirmative vote of a majority of the directors then in office, without further stockholder action or (y) by the affirmative vote of at least 66 2/3% of the outstanding shares entitled to vote generally in the election of directors (provided that, so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) hold 10% or more of the issued and outstanding Common Stock of the Company, amendments to the provisions governing exculpation and indemnification and stockholder action require the affirmative approval of the Oak Hill Funds).

Authorized but Unissued Shares. The authorized but unissued shares of our common stock and our preferred stock will be available for future issuance without any further vote or action by our stockholders. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital,

corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of our common stock and our preferred stock could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

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Exclusive Forum. Our amended and restated certificate of incorporation provides that, subject to certain exceptions, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for certain stockholder litigation matters. However, it is possible that a court could rule that this provision is unenforceable or inapplicable.

Delaware Anti-Takeover Statute

Our amended and restated certificate of incorporation provides that the provisions of Section 203 of the DGCL, which relate to business combinations with interested stockholders, do not apply to us. Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a business combination transaction with an interested stockholder (a stockholder who owns more than 15% of our common stock) for a period of three years after the interested stockholder became such unless the transaction fits within an applicable exemption, such as board approval of the business combination or the transaction that resulted in such stockholder becoming an interested stockholder. These provisions would apply even if the business combination could be considered beneficial by some shareholders. However, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203 of the DGCL, except that they provide that the Oak Hill Funds, or any affiliate thereof or any person or entity which acquires from any of the foregoing stockholders beneficial ownership of 5% or more of the then outstanding shares of our voting stock in a transaction or any person or entity which acquires from such transferee beneficial ownership of 5% or more of the then outstanding shares of our voting stock other than through a registered public offering or through any broker s transaction executed on any securities exchange or other over-the-counter market, shall not be deemed an interested stockholder for purposes of this provision of our amended and restated certificate of incorporation and therefore not subject to the restrictions set forth in this provision.

Indemnification of Officers and Directors

Our amended and restated certificate of incorporation provides that we will indemnify our directors and officers to the fullest extent permitted by the DGCL.

Our amended and restated certificate of incorporation provides that our directors will not be liable for monetary damages for breach of fiduciary duty. Our amended and restated bylaws provides that we will indemnify our directors and officers to the fullest extent permitted by the DGCL.

In addition, we have entered into amended and restated indemnification agreements with each of our executive officers and directors. The indemnification amended and restated agreements provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement to the fullest extent permitted under the DGCL, subject to certain exceptions contained in those agreements.

We have customary directors and officers indemnity insurance in place for our directors and executive officers.

There is no pending litigation or proceeding naming any of our directors or officers for which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Corporate Opportunities

Our amended and restated certificate of incorporation and the stockholders agreement provide that the Oak Hill Funds and their affiliates have no obligation to offer us an opportunity to participate in business opportunities presented to the Oak Hill Funds or their respective affiliates even if the opportunity is one that we might reasonably have pursued (and therefore may be free to compete with us in the same business or similar businesses), and that neither the Oak Hill Funds nor their respective affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities unless, in the case of any person who is a director or officer of our company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of our company.

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Listing

Our common stock is listed on NASDAQ under the symbol PLAY.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

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SHARES ELIGIBLE FOR FUTURE SALE

Sale of Restricted Securities

As of January 29, 2015, there are outstanding 39,969,228 shares of our common stock. Of these shares, all of the shares of our common stock sold in this offering will be freely tradable in the public market, unless purchased by our affiliates as that term is defined in Rule 144 under the Securities Act. Subject to the lock-up agreements described below, shares held by our affiliates that are not restricted securities as defined in Rule 144 under the Securities Act may be sold subject to compliance with Rule 144 of the Securities Act without regard to the prescribed one-year holding period under Rule 144. As of January 29, 2015, 33,152,265 shares of our common stock held by our existing shareholders were restricted securities without giving effect to this offering.

Lock-up Arrangements

In connection with this offering, we, each of our directors, executive officers and the selling stockholders have entered into lock-up agreements as described under Underwriting that restrict the sale of our securities for up to 90 days after the date of this prospectus, subject to an extension in certain circumstances.

In addition, following the expiration of the lock-up period, certain stockholders will have the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under federal securities laws. If these stockholders exercise this right, our other existing stockholders may require us to register their registrable securities. By exercising their registration rights, and selling a large number of shares, these existing stockholders could cause the prevailing market price of our common stock to decline.

Following the lock-up periods described above, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

The shares of our common stock sold in this offering will generally be freely transferable without restriction or further registration under the Securities Act, except that any shares of our common stock held by an affiliate of ours may not be resold publicly except in compliance with the registration requirements of the Securities Act or under an exemption under Rule 144 or otherwise. Rule 144 permits our common stock that has been acquired by a person who is an affiliate of ours, or has been an affiliate of ours within the past three months, to be sold into the market in an amount that does not exceed, during any three-month period, the greater of:

- one percent of the total number of shares of our common stock outstanding; or
- the average weekly reported trading volume of our common stock for the four calendar weeks prior to the sale.

Such sales are also subject to specific manner of sale provisions, a six-month holding period requirement, notice requirements and the availability of current public information about us.

All shares of our common stock held by existing shareholders are subject to the lock-up arrangements described above and will not be eligible for sale under Rule 144 immediately upon closing this offering.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

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Equity Compensation Plan

On October 9, 2014, we filed a registration statement on Form S-8 under the Securities Act to register 3,100,000 shares of our common stock to be issued or reserved for issuance under the 2014 Stock Incentive Plan and 3,994,048 shares of our common stock to be issued or reserved for issuance under the 2010 Stock Incentive Plan, each referred to under Executive Compensation. Shares registered under such registration statement are available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above.

Registration Rights

Holders of an aggregate of shares of 33,152,014 our common stock are entitled to rights with respect to the registration of these shares under the Securities Act, without giving effect to this offering. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of registration, except for shares purchased by affiliates. For more information, see Certain Relationships and Related Transactions Registration Rights Agreement.

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CERTAIN MATERIAL UNITED STATES FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS

The following is a general discussion of the material United States federal income and estate tax consequences of the purchase, ownership and disposition of common stock that may be relevant to you if you are a non-U.S. Holder (as defined below), and is based upon the Code, the Treasury Department regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is limited to non-U.S. Holders who hold shares of common stock as capital assets within the meaning of Section 1221 of the Code. Moreover, this discussion is for general information only and does not address all the tax consequences that may be relevant to you in light of your particular circumstances, such as the Medicare tax on certain investment income, nor does it discuss special tax provisions, which may apply to you if you relinquished U.S. citizenship or residence, are a controlled foreign corporation, passive foreign investment company or a partnership or other pass-through entity for United States federal income tax purposes.

As used in this discussion, the term non-U.S. Holder means a beneficial owner of our common stock that is not, for United States federal income tax purposes:

- any individual who is a citizen or resident of the United States,
- any corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia,
- any estate the income of which is subject to United States federal income taxation regardless of its source,
- any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it was in existence on August 20, 1996 and has a valid election in effect under applicable Treasury Department regulations to be treated as a domestic trust for United States federal income tax purposes, or
- a partnership.

If you are an individual, you may, in many cases, be deemed to be a resident alien, as opposed to a nonresident alien, by virtue of being present in the United States (1) for at least 183 days during the calendar year, or (2) for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of (2), all the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Resident aliens are subject to United States federal income tax as if they were U.S. citizens.

If a partnership, including any entity or arrangement treated as a partnership for United States federal income tax purposes, is a holder of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. A holder that is a partnership, and the partners in such partnership, should consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of our common stock.

EACH PROSPECTIVE PURCHASER OF COMMON STOCK IS ADVISED TO CONSULT A TAX ADVISOR WITH RESPECT TO CURRENT AND POSSIBLE FUTURE TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES THAT MAY ARISE UNDER THE LAWS OF ANY U.S. STATE, MUNICIPALITY OR OTHER TAXING JURISDICTION, IN LIGHT OF THE PROSPECTIVE PURCHASER S PARTICULAR CIRCUMSTANCES.

Dividends

We do not anticipate making any distributions on our common stock. See Dividend Policy. If distributions are paid on shares of our common stock, such distributions will constitute dividends for United States federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, such excess will constitute a return of capital that reduces, but not below zero, a non-U.S. Holder s tax basis in our

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common stock. Any remainder will constitute gain from the sale or exchange of our common stock. If dividends are paid, as a non-U.S. Holder, you will be subject to withholding of United States federal income tax at a 30% rate, or a lower rate as may be specified by an applicable income tax treaty, on the gross amount of the dividends paid to you. To claim the benefit of a lower rate under an income tax treaty, you must properly file with the payor an Internal Revenue Service (IRS) Form W-8BEN or W-8BEN-E, as applicable, or other applicable form, claiming an exemption from or reduction in withholding under the applicable tax treaty.

If dividends are considered effectively connected with the conduct of a trade or business by you within the United States and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment of yours, those dividends will be subject to United States federal income tax on a net basis at applicable graduated individual or corporate rates, but you will not be subject to withholding tax provided an IRS Form W-8ECI, or other applicable form, is filed with the payor. If you are a foreign corporation, any effectively connected dividends may, under certain circumstances, be subject to an additional branch profits tax at a rate of 30% or a lower rate as may be specified by an applicable income tax treaty.

You must comply with the certification procedures described above, or, in the case of payments made outside the United States with respect to an offshore account, certain documentary evidence procedures, directly or, under certain circumstances, through an intermediary, to obtain the benefits of a reduction in the rate of, or exemption from, withholding under an income tax treaty with respect to dividends paid with respect to your common stock. In addition, if you are required to provide an IRS Form W-8ECI or other applicable form, as discussed above, you must also provide your United States taxpayer identification number.

If you are eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Disposition of Common Stock

Subject to the discussion below on backup withholding and other withholding requirements, as a non-U.S. Holder, you generally will not be subject to United States federal income or withholding tax on any gain recognized on a sale or other disposition of common stock unless:

- the gain is considered effectively connected with the conduct of a trade or business by you within the United States and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of yours (in which case the gain will be subject to United States federal income tax on a net basis at applicable individual or corporate rates and, if you are a foreign corporation, the gain may, under certain circumstances, be subject to an additional branch profits tax equal to 30% or a lower rate as may be specified by an applicable income tax treaty);

- you are an individual who is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met (in which case, except as otherwise provided by an applicable income tax treaty, the gain, which may be offset by certain U.S. source capital losses, generally will be subject to a flat 30% United States federal income tax, even though you are not considered a resident alien); or

- we are or become a United States real property holding corporation (USRPHC) at any time during the shorter of the five-year period ending on the date of the disposition of our common stock or your holding period for our common stock (the applicable period). We believe that we are not currently, and are not likely to become, a USRPHC. Even if we are or were to become a USRPHC, gain on the sale or other disposition of our common stock by you generally would not be subject to United States federal income tax provided:

  - the common stock was regularly traded on an established securities market ; and

  - you do not actually or constructively own more than 5% of our outstanding common stock during the applicable period.

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Federal Estate Tax

The estates of nonresident alien individuals generally are subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our common stock will be U.S. situs property and therefore will be included in the taxable estate of a nonresident alien decedent, unless an applicable estate tax treaty between the United States and the decedent s country of residence provides otherwise.

Information Reporting and Backup Withholding Tax

We must report annually to the IRS and to each of you the amount of dividends paid to you and any tax withheld with respect to those dividends, regardless of whether withholding was required. Copies of the information returns reporting those dividends and withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty or other applicable agreements.

Backup withholding is generally imposed (currently at a 28% rate) on certain payments to persons that fail to furnish the necessary identifying information to the payor. You generally will be subject to backup withholding tax with respect to dividends paid on your common stock unless you certify to the payor your non-U.S. status. Dividends subject to withholding of United States federal income tax as described above in Dividends would not be subject to backup withholding.

The payment of proceeds of a sale of common stock effected by or through a United States office of a broker is subject to both backup withholding and information reporting unless you provide the payor with your name and address and you certify your non-U.S. status or you otherwise establish an exemption. In general, backup withholding and information reporting will not apply to the payment of the proceeds of a sale of common stock by or through a foreign office of a broker. If, however, such broker is a U.S. person, a controlled foreign corporation, a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States or a foreign partnership that at any time during its tax year either is engaged in the conduct of a trade or business in the United States or has as partners one or more U.S. persons that, in the aggregate, hold more than 50% of the income or capital interest in the partnership, backup withholding will not apply but such payments will be subject to information reporting, unless such broker has documentary evidence in its records that you are a non-U.S. Holder and certain other conditions are met or you otherwise establish an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished in a timely manner to the IRS.

Other Withholding Requirements

Non-U.S. Holders of our common stock may be subject to U.S. withholding tax at a rate of 30% under sections 1471 through 1474 of the Code (commonly referred to as FATCA). This withholding tax may apply if a non-U.S. Holder (or any foreign intermediary that receives a payment on a non-U.S. Holder s behalf) does not comply with certain U.S. information reporting requirements and does not otherwise qualify for an exemption from these rules. The payments potentially subject to this withholding tax include dividends on, and gross proceeds from the sale or other disposition of, our common stock. If FATCA is not complied with, the withholding tax described above will apply to dividends and, after December 31, 2016, to gross proceeds from the sale or other disposition of our common stock. Certain non-U.S. Holders located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Non-U.S. Holders should consult their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

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UNDERWRITING

The selling stockholders are offering the shares of common stock described in this prospectus, dated February 5, 2015, through a number of underwriters. Jefferies LLC and Piper Jaffray & Co. are acting as joint book-running managers of the offering and as representatives of the underwriters. Subject to the terms and conditions set forth in the underwriting agreement, dated February 5, 2015, among us, the selling stockholders and Jefferies LLC and Piper Jaffray & Co., as the representatives of the underwriters named below and the joint book-running managers of this offering, the selling stockholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the respective number of shares of common stock shown opposite its name below:

UNDERWRITER	NUMBER OF SHARES
Jefferies LLC	2,310,000
Piper Jaffray & Co.	1,815,000
William Blair & Company, L.L.C.	825,000
Raymond James & Associates, Inc.	825,000
Stifel, Nicolaus & Company, Incorporated	660,000
LOYAL3 Securities, Inc.	165,000
Total	6,600,000

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares of common stock if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We and the selling stockholders have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities. The underwriters have informed us that they do not intend sales to discretionary accounts to exceed five percent of the total number of shares of common stock offered by them.

The underwriters have advised us that, following the completion of this offering, they currently intend to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common

stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the shares of common stock subject to their acceptance of the shares of common stock from the selling stockholders and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commission and Expenses

The underwriters have advised us that they propose to offer the shares of common stock to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of $0.75225 per share of common stock. The underwriters may allow, and certain dealers may reallow, a discount from the concession not in excess of $0.25075 per share of common stock to certain brokers and dealers. After the offering, the public offering price, concession

and reallowance to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by the selling stockholders as set forth on the cover page of this prospectus.

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The following table shows the public offering price, the underwriting discounts and commissions that the selling stockholders are to pay the underwriters and the proceeds, before expenses, to the selling stockholders in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional shares.

	PER SHARE		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES
Public offering price	$ 29.50	$ 29.50	$ 194,700,000	$ 223,905,000
Underwriting discounts and commissions paid by the selling stockholders	$ 1.25	$ 1.25	$ 8,250,000	$ 9,487,500
Proceeds to selling shareholders, before expenses	$ 28.25	$ 28.25	$ 186,450,000	$ 214,417,500

We estimate expenses payable by us in connection with this offering will be approximately $750,000. We have also agreed to reimburse the underwriters for certain of their expenses, in an amount up to $30,000, incurred in connection with review by the Financial Industry Regulatory Authority, Inc. of the terms of this offering, as set forth in the Underwriting Agreement.

Listing

Our common stock is listed on NASDAQ under the trading symbol PLAY.

Option to Purchase Additional Shares

The selling stockholders have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of 990,000 shares from the selling stockholders, on a pro rata basis, at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter s initial purchase commitment as indicated in the table above.

No Sales of Similar Securities

We, our officers, directors and holders of all or substantially all our outstanding capital stock have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, or
- otherwise dispose of any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable for or convertible into shares of common stock currently or hereafter beneficially owned, or
- publicly announce an intention to do any of the foregoing for a period of 90 days after the date of this prospectus without the prior written consent of Jefferies LLC and Piper Jaffray & Co.

This restriction terminates after the close of trading of the common stock on and including the 90th day after the date of this prospectus.

Jefferies LLC and Piper Jaffray & Co. may, at any time or from time to time before the termination of the 90-day period release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our shareholders who will execute a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

At the selling stockholders request, the underwriters have reserved 2.5% of the shares of common stock offered by this prospectus to be offered through the LOYAL3 platform at the public offering price. Purchases through the LOYAL3 platform will be in dollar amounts and may include fractional shares. The LOYAL3 platform is designed to

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facilitate participation of individual purchasers in public offerings in amounts starting at $100. Any purchase of our common shares in this offering through the LOYAL3 platform will be at the same public offering price, and at the same time, as purchases by institutions and other large investors. Individual investors, including employees, partners and consumers, in the United States who are interested in purchasing common shares in this offering through the LOYAL3 platform may go to LOYAL3 s website for information about how to become a customer of LOYAL3, which is required to purchase common shares through the LOYAL3 platform. The LOYAL3 platform is available fee-free to investors. Sales of our common stock by investors using the LOYAL3 platform will be completed through a batch or combined order process typically only once per day. The LOYAL3 platform and information on the LOYAL3 website do not form a part of this prospectus. The LOYAL3 platform is administered by LOYAL3 Securities, Inc., which is a U.S.-registered broker-dealer unaffiliated with the Company. LOYAL3 Securities, Inc. is acting as a co-manager for our offering.

Stabilization

The underwriters have advised us that they, pursuant to Regulation M under the Securities Exchange Act of 1934, as amended, or certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either covered short sales or naked short sales.

Covered short sales are sales made in an amount not greater than the underwriters option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

Naked short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the common stock. A syndicate covering transaction is the bid for or the purchase of shares of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter s purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we, the selling shareholders, nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be

discontinued at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of

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common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us, the selling stockholders or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates or the selling stockholders and their affiliates, for which they received or will receive customary fees and expenses. In particular, Jefferies Finance LLC, an affiliate of Jefferies LLC, and Raymond James Bank, N.A., an affiliate of Raymond James & Associates, Inc., are lenders under our senior secured credit facility and Jefferies LLC was an initial purchaser of our senior notes and senior discount notes. They have received, or may in the future receive, customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the underwriters and certain of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments issued by us and our affiliates or the selling stockholders and their affiliates. If the underwriters or their respective affiliates have a lending relationship with us or the selling stockholders, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the common stock offered hereby. Any such short positions could adversely affect future trading prices of the common stock offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Disclaimers About Non-U.S. Jurisdictions

Australia

(a) This prospectus is not a disclosure document for the purposes of Australia s Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

You confirm and warrant that you are either:

a sophisticated investor under section 708(8)(a) or (b) of the Corporations Act;

a sophisticated investor under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

a person associated with the Company under Section 708(12) of the Corporations Act; or

a professional investor within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the securities issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

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European Economic Area

(b) In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), an offer to the public of any common shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any common shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriters or the underwriters nominated by us for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of common shares shall require us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

(c) For the purposes of this provision, the expression an offer common shares to the public in relation to the common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common shares to be offered so as to enable an investor to decide to purchase or subscribe to the common shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Hong Kong

(d) No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (SFO) and any rules made under that Ordinance; or in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong (CO) or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO. No document, invitation or advertisement relating to the securities has been issued or may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that Ordinance.

(e) This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities

described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Japan

(f) The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended), or FIEL, and the underwriters will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

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Singapore

(g) This prospectus has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(h) Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of

Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the Company or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (each such person being referred to as a relevant person).

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This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Certain legal matters in connection with the offering of the common stock will be passed upon for the underwriters by Latham & Watkins LLP, New York, New York.

EXPERTS

The consolidated financial statements of Dave & Buster s Entertainment, Inc. and its subsidiaries as of February 2, 2014 and February 3, 2013 and for the fiscal years ended February 2, 2014, February 3, 2013 and January 29, 2012 have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein and upon the authority of said firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We have filed a registration statement on Form S-1 with the SEC with respect to the common stock offered hereby. This prospectus does not include all of the information contained in the registration statement. You should refer to the registration statement and its exhibits for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

We are subject to the information and periodic reporting requirements of the Exchange Act and are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. The public may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You can read our SEC filings, including the registration statement, over the Internet at the SEC s website at http://www.sec.gov.

You may request copies of the SEC filings of Dave & Buster s Entertainment, Inc. and Dave & Buster s, Inc. and forms of documents pertaining to the securities offered hereby referred to in this prospectus without charge, by written or telephonic request directed to us at Dave & Buster s Entertainment, Inc., 2481 Mañana Drive, Dallas, Texas 75220, Attention: Investor Relations, Telephone: (214) 357-9588.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

Dave & Buster s Entertainment, Inc.:

We have audited the accompanying consolidated balance sheets of Dave & Buster s Entertainment, Inc. and subsidiaries (the Company) as of February 2, 2014 and February 3, 2013 and the related consolidated statements of comprehensive income (loss), stockholders equity, and cash flows for the fiscal years ended February 2, 2014, February 3, 2013, and January 29, 2012. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 also 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dave & Buster s Entertainment, Inc. and subsidiaries as of February 2, 2014 and February 3, 2013, and the results of their operations and their cash flows for the fiscal years ended February 2, 2014, February 3, 2013, and January 29, 2012 in conformity with U.S. generally accepted accounting principles.

(signed) KPMG LLP

Dallas, Texas

March 28, 2014, except as to paragraphs 6, 7 and 8 of Note 1, which is as of October 9, 2014

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 38,080	$ 36,117
Inventories (Note 3)	15,354	14,849
Prepaid expenses	9,670	9,371
Deferred income taxes (Note 8)	24,802	25,137
Income taxes receivable	2,445	1,120
Other current assets	8,993	12,152
Total current assets	99,344	98,746
Property and equipment (net of $195,339 and $139,457 accumulated depreciation as of February 2, 2014 and February 3, 2013, respectively) (Note 4)	388,093	337,239
Tradenames (Note 5)	79,000	79,000
Goodwill (Note 5)	272,428	272,278
Other assets and deferred charges	22,893	26,347
Total assets	$ 861,758	$ 813,610
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current installments of long-term debt (Note 7)	$ 1,500	$ 1,500
Accounts payable	36,092	23,878
Accrued liabilities (Note 6)	74,379	67,124
Income taxes payable	1,073	192
Deferred income taxes (Note 8)		189
Total current liabilities	113,044	92,883
Deferred income taxes (Note 8)	23,654	24,887
Deferred occupancy costs	81,743	69,544
Other liabilities	8,692	9,335
Long-term debt, less current installments, net of unamortized discount (Note 7)	484,177	469,550
Commitments and contingencies (Note 12)		

Stockholders equity:		
Common stock, $0.01 par value, 112,491,784 authorized; 33,452,684 and 33,434,685 issued as of February 2, 2014 and February 3, 2013, respectively	334	334
Preferred stock, 10,000,000 authorized; none issued		
Paid-in capital	152,661	151,374
Treasury stock, 248,412 shares as of February 2, 2014 and February 3, 2013, (Note 10)	(1,189)	(1,189)
Accumulated other comprehensive income (loss)	(167)	252
Accumulated deficit	(1,191)	(3,360)
Total stockholders equity	150,448	147,411
Total liabilities and stockholders equity	$ 861,758	$ 813,610

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands, except share amounts)

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Food and beverage revenues	$ 310,111	$ 298,421	$ 272,606
Amusement and other revenues	325,468	309,646	268,939
Total revenues	635,579	608,067	541,545
Cost of food and beverage	77,577	73,019	65,751
Cost of amusement and other	47,437	46,098	41,417
Total cost of products	125,014	119,117	107,168
Operating payroll and benefits	150,172	145,571	130,875
Other store operating expenses	199,537	192,792	175,993
General and administrative expenses	36,440	40,356	34,896
Depreciation and amortization expense	66,337	63,457	54,277
Pre-opening costs	7,040	3,060	4,186
Total operating costs	584,540	564,353	507,395
Operating income	51,039	43,714	34,150
Interest expense, net (Note 7)	47,809	47,634	44,931
Income (loss) before provision (benefit) for income taxes	3,230	(3,920)	(10,781)
Provision (benefit) for income taxes (Note 8)	1,061	(12,702)	(3,796)
Net income (loss)	2,169	8,782	(6,985)
Unrealized foreign currency translation gain (loss)	(419)	15	42
Total comprehensive income (loss)	$ 1,750	$ 8,797	$ (6,943)
Net income (loss) per share:			
Basic	$ 0.07	$ 0.26	$ (0.20)

Diluted	$ 0.06	$ 0.26	$ (0.20)
Weighted average shares used in per share calculations:			
Basic	33,187,776	33,186,426	34,478,732
Diluted	34,030,115	33,747,535	34,478,732

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(in thousands, except share amounts)

	COMMON STOCK		PAID-IN	TREASURY STOCK AT COST		ACCUMULATED OTHER COMPREHENSIVE	ACCUMULATED	
	SHARES	AMT.	CAPITAL	SHARES	AMT.	INCOME (LOSS)	DEFICIT	TOTAL
Balance January 30, 2011	55,233,021	$ 552	$ 245,957	337,475	$ (1,500)	$ 195	$ (5,157)	$ 239,830
Net loss							(6,985)	(6,985)
Unrealized foreign currency translation gain						42		42
Stock-based compensation			1,038					1,038
Purchase of common stock (see Note 10)	(21,798,336)	(218)	(96,887)					(96,888)
Purchase of treasury stock (see Note 10)				115,299	(597)			(597)
Sale of treasury stock (see Note 10)			167	(204,362)	908			1,075
Balance January 29, 2012	33,434,685	334	150,275	248,412	(1,189)	237	(12,142)	137,515
Net income							8,782	8,782
Unrealized foreign currency translation gain						15		15
Stock-based compensation			1,099					1,099
Balance February 3, 2013	33,434,685	334	151,374	248,412	(1,189)	252	(3,360)	147,411
Net income							2,169	2,169
Unrealized foreign currency translation loss						(419)		(419)
Stock-based compensation			1,207					1,207
Sale of Stock (see Note 10)	17,999		80					80
Balance February 2, 2014	33,452,684	$ 334	$ 152,661	248,412	$ (1,189)	$ (167)	$ (1,191)	$ 150,448

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Cash flows from operating activities:			
Net income (loss)	$ 2,169	$ 8,782	$ (6,985)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	66,337	63,457	54,277
Debt cost and discount amortization (Note 7)	3,189	2,946	2,914
Accretion of note discount (Note 7)	15,881	14,141	11,830
Deferred income tax benefit (Note 8)	(801)	(13,548)	(4,004)
Loss on sale of fixed assets	2,631	2,640	1,279
Stock-based compensation charges	1,207	1,099	1,038
Business interruption reimbursement (Note 2)			(1,629)
Other, net	676	(1,181)	707
Changes in assets and liabilities:			
Inventories	(505)	(9)	(609)
Prepaid expenses	(157)	1,502	(1,017)
Income tax receivable	(1,325)	(1,120)	5,861
Other current assets	3,015	(8,461)	(1,561)
Other assets and deferred charges	(364)	924	442
Accounts payable	(1,774)	(96)	5,280
Accrued liabilities	6,782	1,574	2,563
Income taxes payable	291	(711)	(578)
Deferred occupancy costs	12,214	6,691	4,089
Other liabilities	412	4,166	(1,120)
Net cash provided by operating activities	109,878	82,796	72,777
Cash flows from investing activities:			
Capital expenditures	(105,894)	(78,689)	(72,946)
Insurance proceeds on Nashville property (Note 2)			798
Proceeds from sales of property and equipment	217	201	1,646

Net cash used in investing activities	(105,677)	(78,488)	(70,502)
Cash flows from financing activities:			
Borrowings under senior discount notes, net of unamortized discount			100,000
Repayments of senior secured credit facility	(1,500)	(1,875)	(1,500)
Repurchase of shares from former executives (Note 10)			(1,597)
Proceeds from sale of treasury stock (Note 10)			1,075
Debt issuance costs	(818)		(4,088)
Sale of common stock (Note 10)	80		
Purchase of common stock (Note 10)			(96,888)
Net cash used by financing activities	(2,238)	(1,875)	(2,998)
Increase (decrease) in cash and cash equivalents	1,963	2,433	(723)
Beginning cash and cash equivalents	36,117	33,684	34,407
Ending cash and cash equivalents	$ 38,080	$ 36,117	$ 33,684
Supplemental disclosures of cash flow information:			
Cash paid (refunds received) for income taxes, net	$ 2,151	$ 2,515	$ (5,380)
Cash paid for interest and related debt fees, net of amounts capitalized	$ 29,096	$ 32,435	$ 30,723

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share amounts)

Note 1: Description of Business and Summary of Significant Accounting Policies

Description of Business On June 1, 2010, Dave & Buster s Entertainment, Inc. (D&B Entertainment), a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) acquired all of the outstanding common stock of Dave & Buster s Holding, Inc. (D&B Holdings) from Wellspring Capital Partners III, L.P and HBK Main Street Investors L.P. (collectively, Predecessor). In connection therewith, Games Merger Corp., a newly-formed Missouri corporation and an indirect wholly-owned subsidiary of D&B Entertainment, merged with and into D&B Holdings wholly-owned, direct subsidiary, Dave & Buster s, Inc. (Dave & Buster s) (with Dave & Buster s being the surviving corporation in the merger). Dave & Buster s owns, operates and licenses high-volume venues that combine dining and entertainment in North America for both adults and families.

D&B Entertainment owns no significant assets or operations other than the ownership of all the common stock of D&B Holdings. D&B Holdings owns no significant assets or operations other than the ownership of all the common stock of Dave & Buster s. References to the Company , we , us , and our refers to D&B Entertainment and its subsidiaries and any predecessor companies. All material intercompany accounts and transactions have been eliminated in consolidation.

Our one industry segment is the operation and licensing of high-volume entertainment and dining venues under the names Dave & Buster s and Dave & Buster s Grand Sports Café. As of February 2, 2014, there were 66 company-owned locations in the United States and Canada. Subsequent to February 2, 2014, we opened new stores in Westchester, California and Vernon Hills, Illinois. On May 31, 2013, our lone franchise store ceased operation as Dave & Buster s. This change and the associated termination of the related franchise and development agreements did not have a material impact on our financial position or results of operations. Dave & Buster s operates its business as one operating and one reportable segment. We operate on a 52 or 53 week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except for a 53-week year when the fourth quarter has 14 weeks. Our fiscal year ended February 3, 2013 consists of 53 weeks. All other fiscal years presented herein consist of 52 weeks.

Basis of Presentation The accompanying audited financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States as prescribed by the Securities and Exchange Commission.

The financial statements include our accounts after elimination of all significant intercompany balances and transactions. All dollar amounts are presented in thousands, unless otherwise noted, except share amounts.

In October 2014 we completed our initial public offering of our common stock to the public. We sold a total of 6,764,705 shares (including the full exercise of underwriters option to purchase additional shares) at a price to the public of $16.00. Our common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY on October 10, 2014. In connection with our initial public offering, our board of directors and shareholders approved a 224.9835679 for 1 stock split of our common stock. This stock split was effective on October 9, 2014.

Reclassifications All share and per-share data herein have been retroactively adjusted to reflect the 224.9835679 for 1 stock split as though it had occurred prior to the earliest data presented. One reclassification has been made to the fiscal year 2013 and fiscal year 2012 Consolidated Balance Sheets to reflect the impact of the stock split to common stock. We reclassified $333 of Paid-in capital as of February 2, 2014 and February 3, 2013, to common stock to effect the 224.9835679 for 1 stock split.

Such reclassifications impacted the shares disclosed on the Consolidated Balance Sheets, the weighted average shares and Net income (loss) per share on the Consolidated Statements of Comprehensive Income (Loss), share amounts included in the Consolidated Statements of Stockholders Equity and the share amounts listed in Notes 10 and 15.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

Seasonality Our revenues and operations are influenced by seasonal shifts in consumer spending. Revenues associated with spring and year-end holidays during our first and fourth quarters have historically been higher as compared to the other quarters and will continue to be susceptible to the impact of severe spring and winter weather on customer traffic and sales during those periods. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

Use of estimates The preparation of financial statements in conformity with GAAP requires us 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.

Cash and cash equivalents We consider transaction settlements in process from credit card companies and all highly liquid temporary investments with original maturities of three months or less to be cash equivalents.

Concentration of Credit Risk Financial instruments which potentially subject us to a concentration of credit risk are cash and cash equivalents. We currently maintain our day-to-day operating cash balances with major financial institutions. At times, our operating cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. From time to time, we invest temporary excess cash in overnight investments with expected minimal volatility, such as money market funds. Although we maintain balances that exceed the FDIC insured limit, we have not experienced any losses related to this balance, and we believe credit risk to be minimal.

Inventories Inventories of food, beverages, merchandise and other supplies needed for our food service and amusement operations are stated at the lower of cost or market determined on a first-in, first-out method.

Deferred tax assets A deferred income tax asset or liability is established for the expected future consequences resulting from temporary differences in the financial reporting and tax basis of assets and liabilities. As of February 2, 2014, we have recorded $1,388 as a valuation allowance against a portion of our deferred tax assets. The valuation allowance was established in accordance with accounting guidance for income taxes. If our taxable income decreases in future periods or if the facts and circumstances on which our estimates and assumptions are based were to change, thereby impacting the likelihood of realizing the deferred tax assets, judgment would have to be applied in determining if an addition to the allowance would be required or the amount of the valuation allowance no longer required.

Property and equipment Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is charged to operations using the straight-line method over the assets estimated useful lives, which are as follows:

	ESTIMATED DEPRECIABLE LIVES (IN YEARS)
Buildings	Shorter of 40 or expected ground lease term
Leasehold and building improvements	Shorter of 20 or expected lease term
Furniture, fixtures and equipment	3-10
Games	5-20

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 incurred during construction are capitalized and depreciated based on the estimated useful life of the underlying asset.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

We review our property and equipment annually, on a store-by-store basis to determine whether facts or circumstances exist that may indicate the carrying values of these long-lived assets are impaired. We compare store-level undiscounted operating cash flows (which exclude interest, general and administrative and other allocated expenses) to the carrying amount of property and equipment allocated to each store. If the expected future cash flows are less than the asset carrying amount (an indication that the carrying amount may not be recoverable), we may recognize an impairment loss. Any impairment loss recognized equals the amount by which the asset carrying amount exceeds its fair value. We recognized an impairment loss of $200 during fiscal 2011 related to one of our stores in Dallas, Texas, which we permanently closed on May 2, 2011. No impairment charges were recognized in fiscal years 2013 or 2012.

Goodwill and other intangible assets In accordance with accounting guidance for goodwill and other intangible assets, goodwill and indefinite lived intangibles, such as tradenames, are not amortized, but are reviewed for impairment at least annually. We perform step one of the impairment test in our fourth quarter unless circumstances require this analysis to be completed sooner. Step one of the impairment test is based upon a comparison of the carrying value of our net assets, including goodwill balances, to the fair value of our net assets. Fair value is measured using a combination of the guideline company method, external transaction method, and the income approach. The guideline company method uses valuation multiples from selected publicly-traded companies that we believe are exposed to market forces that are similar to those faced by the Company. The external transaction method involves analyzing previous mergers or acquisitions involving private or public companies that are similar to the Company. The income approach consists of utilizing the discounted cash flow method that incorporates our estimates of future revenues and costs, discounted using a risk-adjusted discount rate. Key assumptions used in our testing include future store openings, revenue growth, operating expenses and discount rate. Estimates of revenue growth and operating expenses are based on internal projections considering our past performance and forecasted growth, market economics and the business environment impacting our Company s performance. Discount rates are determined by using a weighted average cost of capital (WACC). The WACC considers market and industry data as well as company-specific risk factors. These estimates are highly subjective judgments and can be significantly impacted by changes in the business or economic conditions. Our estimates used in the income approach are consistent with the plans and estimates used to manage operations. We evaluate all methods to ensure reasonably consistent results. Based on the completion of the step one test, we determined that goodwill was not impaired.

The evaluation of the carrying amount of other intangible assets with indefinite lives is made at least annually by comparing the carrying amount of these assets to their estimated fair value. The estimated fair value is generally determined on the basis of discounted future cash flows. If the estimated fair value is less than the carrying amount of the other intangible assets with indefinite lives, then an impairment charge is recorded to reduce the asset to its estimated fair value.

Based on our analysis, we determined that our intangible assets with an indefinite life, our tradename, was not impaired.

We have developed and acquired certain trademarks that are utilized in our business and have been determined to have finite lives. We also have intangible assets related to our non-compete agreements and customer relationships. These intangible assets are included in Other assets and deferred charges on the Consolidated Balance Sheet and are amortized over their useful lives.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

Deferred financing costs The Company capitalizes costs incurred in connection with borrowings or establishment of credit facilities. These costs are included in Other assets and deferred charges and are amortized as an adjustment to interest expense over the life of the borrowing or life of the credit facility. In the case of early debt principal repayments, the Company adjusts the value of the corresponding deferred financing costs with a charge to interest expense, and similarly adjusts the future amortization expense. The following table details amounts relating to those assets:

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Balance at beginning of period	$ 10,076	$ 12,735	$ 11,312
Additional deferred financing costs	726		4,088
Amortization during period	(2,848)	(2,659)	(2,665)
Balance at end of period	$ 7,954	$ 10,076	$ 12,735

Self-Insurance Accruals We are self-insured for certain losses related to workers compensation claims, general liability matters and our company sponsored employee health insurance programs. We estimate the accrued liabilities for our self-insurance programs using historical claims experience and loss reserves, assisted by independent third-party actuaries. To limit our exposure to losses, we maintain stop-loss coverage through third-party insurers.

Comprehensive income (loss) Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. In addition to net income (loss), unrealized foreign currency translation gain (loss) is included in comprehensive income. Unrealized translation loss for fiscal 2013 was $419. Unrealized translation gains for fiscal 2012 and fiscal 2011 were $15, and $42, respectively.

Foreign currency translation The financial statements related to the operations of our Toronto store 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 year-end exchange rates. Translation adjustments for assets and liabilities are included

in stockholders equity as a component of accumulated comprehensive income (loss).

Fair Value Disclosures Fair value is defined as the price that we would receive to sell an asset or pay to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In determining fair value, U.S. GAAP establishes a three-level hierarchy used in measuring fair value, as follows:

- Level 1 inputs are quoted prices available for identical assets and liabilities in active markets.
- Level 2 inputs are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3 inputs are less observable and reflect our own assumptions.

Our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, our senior secured credit facility, our senior notes and our senior discount notes. The carrying amount of cash and cash equivalents, accounts receivable and accounts payable approximates fair value because of their short maturities. We believe that the carrying amount of our term credit facility approximates its fair value because the interest rates are adjusted regularly based on current market conditions. The fair value disclosures for our senior notes and senior discount notes are presented in Note 7.

We may adjust the carrying amount of certain nonfinancial assets to fair value on a non-recurring basis when they are impaired. No such adjustments were made in fiscal 2013 or 2012.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

Share-based expense The expense associated with share-based equity awards granted as more fully described in Note 10 have been calculated as required by current accounting standards related to stock compensation. The grant date fair values of the options granted in 2013, 2012 and 2011 have been determined based on the option pricing method prescribed in AICPA Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The expected term of the options were based on the weighted average of anticipated exercise dates. Since we do not have publicly traded equity securities, the volatility of our options has been estimated using peer group volatility information. The risk-free interest rate was based on the implied yield on U.S. Treasury zero-coupon issues with a remaining term equivalent to the expected term. The significant assumptions used in determining the underlying fair value of the weighted-average options granted in fiscal 2013, 2012 and 2011 were as follows:

	FISCAL 2013		FISCAL 2012		FISCAL 2011	
	SERVICE BASED	PERFORMANCE BASED	SERVICE BASED	PERFORMANCE BASED	SERVICE BASED	PERFORMANCE BASED
Volatility	48.2%	47.0%	44.7%	50.0%	55.0%	55.0%
Risk free interest rate	1.15%	1.06%	0.78%	0.33%	1.46%	1.47%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected term in years	6.5	6.5	4.9	3.0	4.0	4.0%
Weighted average calculated value	$ 4.72	$ 4.16	$ 2.43	$ 2.25	$ 0.98	$ 0.52

The options granted in fiscal years 2013, 2012 and 2011 have been issued pursuant to the terms of the Dave & Buster s Entertainment, Inc. 2010 Management Incentive Plan (2010 D&B Entertainment Incentive Plan). The 2010 D&B Entertainment Incentive Plan allows the granting of nonqualified stock options to members of management, outside board members and consultants. Grantees may receive (i) time vesting options, which vest ratably on the first through fifth anniversary of the date of grant and/or (ii) performance vesting options which include Adjusted EBITDA vesting options that vest over a prescribed time period based on D&B Entertainment meeting certain profitability targets for each fiscal year and IRR vesting options which vest upon a change in control of D&B Entertainment if the Oak Hill Fund s internal rate of return is greater than or equal to certain percentages set forth in the applicable option agreement, in each case subject to the grantee s continued employment with or service to D&B Entertainment or its subsidiaries

(subject to certain conditions in the event of grantee termination).

Revenue recognition Food and beverage revenues are recorded at point of service. Amusement revenues consist primarily of credits on Power Cards purchased and used by customers to activate most of the video and redemption games in our midway. Amusement revenues are primarily recognized upon utilization of these game play credits. We have recognized a liability for the estimated amount of unused game play credits which we believe our customers will utilize in the future based on credits remaining on Power Cards, historic utilization patterns and revenue per game play credit sold.

Amusements costs of products Certain midway games allow customers to earn coupons, which may be redeemed for prizes. The cost of these prizes is included in the cost of amusement products and is generally recorded when coupons are utilized by the customers by redeeming the coupons for a prize in our Winner s Circle. Customers may also store the coupon value on a Power Card for future redemption. We have accrued a liability for the estimated amount of outstanding coupons we believe that will be redeemed in subsequent periods based on coupons outstanding, historic redemption patterns and the estimated redemption cost of products per coupon.

Advertising costs Advertising costs are recorded as an expense in the period in which we incur the costs or the first time the advertising takes place. Advertising costs expensed were $27,475, $28,502 and $26,612 in fiscal year 2013, 2012 and 2011, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

Lease accounting Rent expense is recorded on a straight-line basis over the lease term. The lease term commences on the date when we take possession and have the right to control the use of the leased premises. The lease term includes the initial non-cancelable lease term plus any periods covered by renewal options that we consider reasonably assured of exercising. The difference between rent payments and rent expense in any period is recorded as Deferred occupancy costs in the Consolidated Balance Sheets. Construction allowances we receive from the lessor to reimburse us for the cost of leasehold improvements are recorded as deferred occupancy costs and amortized as a reduction of rent over the term of the lease.

We had construction allowance receivables of $5,677 and $8,893 as of February 2, 2014 and February 3, 2013, respectively, related to our new store openings. Such balances are included in Other current assets in the Company s Consolidated Balance Sheet. All receivable amounts are expected to be collected.

Related party transaction We have an expense reimbursement agreement with Oak Hill Capital Management, LLC, which provides for the reimbursement of certain costs and expenses of Oak Hill Capital Management, LLC. We made payments to Oak Hill Capital Management, LLC of $115 during fiscal 2013, $76 during fiscal 2012, and $297 during fiscal 2011 under the terms of the expense reimbursement agreement.

We paid board compensation of $235, $235 and $153 in fiscal 2013, 2012 and 2011, respectively, to David Jones and Alan Lacy, two board members who serve as Senior Advisors to the Oak Hill Funds.

From time to time we temporarily borrow funds from Dave & Buster s for payment of expenditures for our corporate purposes. Additionally, Dave & Buster s owes us for certain tax-related matters. We had a net receivable of $6,907 and $3,349 as of February 2, 2014 and February 3, 2013, respectively. These intercompany amounts have been eliminated in the Consolidated Balance Sheets.

Pre-opening costs Pre-opening costs include costs associated with the opening and organizing of new stores, including pre-opening rent, staff training and recruiting, and travel costs for employees engaged in such pre-opening activities. All pre-opening costs are expensed as incurred.

Income taxes We use the asset/liability method for recording income taxes, 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. We also recognize liabilities for uncertain income tax positions for those items that meet the more likely than not threshold.

The calculation of tax liabilities involves significant judgment and evaluation of uncertainties in the interpretation of state and federal tax regulations. As a result, we have established accruals for taxes that may become payable in future years as a result of audits by tax authorities. Tax accruals are reviewed regularly pursuant to accounting guidance for uncertainty in income taxes. Tax accruals are adjusted as events occur that affect the potential liability for taxes such as the expiration of statutes of limitations, conclusion of tax audits, identification of additional exposure based on current calculations, identification of new issues, or the issuance of statutory or administrative guidance or rendering

of a court decision affecting a particular issue. Accordingly, we may experience significant changes in tax accruals in the future, if or when such events occur.

As of February 2, 2014, we have accrued approximately $767 of unrecognized tax benefits, including approximately $291 of penalties and interest. During fiscal 2013, we recognized approximately $5 of tax benefits and an additional $1 of benefits related to penalties and interest based upon lapsing of time and settlement with taxing jurisdictions. Future recognition of potential interest or penalties, if any, will be recorded as a component of income tax expense. Because of the impact of deferred income tax accounting, $349 of unrecognized tax benefits, if recognized, would impact the effective tax rate.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

Recent Accounting Pronouncements

Accounting Guidance Adopted In July 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2012-02, Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment . The revised standard is intended to reduce the cost and complexity of testing indefinite-lived intangible assets other than goodwill for impairment. It allows companies to perform a qualitative assessment to determine whether further impairment testing of indefinite-lived intangible assets is necessary, similar in approach to the goodwill impairment test. This amendment is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. We review our intangible assets for impairment in our fourth quarter unless circumstances require this analysis to be completed sooner. The adoption of ASU No. 2012-02 did not have an impact on the Company s financial position, results of operations or cash flows.

In February 2013, the FASB issued ASU No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. This guidance requires the disclosure of significant amounts reclassified from each component of accumulated other comprehensive income and the income statement line items affected by the reclassification. ASU No. 2013-02 is effective for the Company prospectively for reporting periods beginning after December 15, 2012. The adoption of ASU No. 2013-02 did not have an impact on the Company s financial position, results of operations or cash flows.

Accounting Guidance Not Yet Adopted In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This amendment requires an unrecognized tax benefit related to a net operating loss carryforward, a similar tax loss or a tax credit carryforward to be presented as a reduction to a deferred tax asset, unless the tax benefit is not available at the reporting date to settle any additional income taxes under the tax law of the applicable tax jurisdiction. The amendment is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted. We do not expect the provisions of ASU No. 2013-11 to have a material effect on the Company s financial position, results of operations or cash flows.

Note 2: Casualty loss

On May 2, 2010, flooding occurred in Nashville, Tennessee, causing considerable damage to our Nashville store and the retail mall where our store is located. The store is covered by up to $25,000 in property and business interruption insurance subject to an overall deductible of one thousand dollars.

During fiscal 2011, we recorded $3,215 as a reduction to Other store operating expenses in the Consolidated Statement of Operations related to the recovery of business interruption losses from our insurance carrier, of which $1,629 was received in fiscal 2010. Additionally, during fiscal 2011, we have received $2,414 from our insurance carrier which settled in full the casualty related receivables we recorded in 2010. $798 of the funds received relates to property and equipment, $156 relates to inventories, $778 relates to pre-opening costs, and $682 relates to remediation

expenses and other costs incurred as a result of the flood. The build-out of our leased facility was completed prior to January 29, 2012, and our landlord delivered to us assets with a fair value of $2,443, which resulted in a gain that we recorded in Other store operating expenses of $955. As of January 29, 2012, all receivables casualty related have been collected and we expect no further collections related to this casualty loss. The store reopened on November 28, 2011.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(in thousands, except share amounts)

Note 3: Inventories

Inventories consist of the following:

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
Operating store food and beverage	$ 3,961	$ 3,581
Operating store amusement	6,214	6,125
Corporate supplies, warehouse and other	5,179	5,143
	$ 15,354	$ 14,849

Amusement inventory includes electronic equipment, stuffed animals and small novelty items used as redemption prizes for certain midway games, as well as supplies needed for midway operations.

Note 4: Property and Equipment

Property and equipment consist of the following:

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
Buildings and building improvements	$ 14,176	$ 13,919
Leasehold improvements	330,641	288,555
Furniture, fixtures and equipment	117,194	93,693

Games	88,310	73,094
Construction in progress	33,111	7,435
Total cost	583,432	476,696
Accumulated depreciation	(195,339)	(139,457)
Property and equipment, net	$ 388,093	$ 337,239

Interest costs capitalized during the construction of facilities were $602 for fiscal 2013, $510 for fiscal 2012, and $759 for fiscal 2011.

Property and equipment are depreciated using the straight-line method over the estimated useful life of the assets. Depreciation expense totaled $64,933 for fiscal 2013, $61,957 for fiscal 2012, and $52,623 for fiscal 2011.

Note 5: Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the year ended February 2, 2014 and February 3, 2013 are as follows:

	GROSS AMOUNT
Goodwill Balance at January 29, 2012	$ 272,286
Foreign exchange differences	(8)
Goodwill Balance at February 3, 2013	272,278
Foreign exchange differences	150
Goodwill Balance at February 2, 2014	$ 272,428

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

The following table presents our goodwill and intangible assets at February 2, 2014 and February 3, 2013:

		FEBRUARY 2, 2014		FEBRUARY 3, 2013	
	USEFUL LIVES	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION
Not subject to amortization:					
Goodwill		$ 272,428	$	$ 272,278	$
Tradenames		79,000		79,000	
Total not subject to amortization		351,428		351,278	
Subject to amortization:					
Trademarks	7 years	8,500	(4,471)	8,500	(3,255)
Customer relationships	9 years	1,700	(694)	1,700	(506)
Non-compete agreements	2 years	500	(500)	500	(500)
Total subject to amortization		10,700	(5,665)	10,700	(4,261)
Total goodwill and intangibles		$ 362,128	$ (5,665)	$ 361,978	$ (4,261)

The remaining weighted-average amortization period for intangibles subject to amortization is 3.7 years. Amortization expense was $1,404, $1,500, and $1,654 for the fiscal year 2013, the fiscal year 2012, and the fiscal year 2011, respectively. Estimated amortization expense relating to intangible assets subject to amortization for each of the five succeeding years and beyond is as follows:

	AMORTIZATION EXPENSE
2014	$ 1,399
2015	1,399
2016	1,399
2017	588
2018	188
Thereafter	62
Total future amortization expense	$ 5,035

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

Note 6: Accrued Liabilities

Accrued liabilities consist of the following:

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
Compensation and benefits	$ 14,459	$ 15,205
Deferred amusement revenue	14,047	11,675
Amusement redemption liability	9,707	7,144
Rent	9,040	8,902
Deferred gift card revenue	4,709	4,028
Sales and use taxes	4,408	4,282
Interest	4,214	4,242
Current portion of long-term insurance reserves	3,358	3,000
Property taxes	3,159	2,884
Other	7,278	5,762
Total accrued liabilities	$ 74,379	$ 67,124

Note 7: Long-Term Debt

Long-term debt consisted of the following:

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
Senior secured credit facility term	$ 144,375	$ 145,875
Senior notes	200,000	200,000
Senior discount notes	180,790	180,790
Total debt outstanding	525,165	526,665
Unamortized debt discount senior secured credit facility	(550)	(796)
Unamortized debt discount senior discount notes	(38,938)	(54,819)
Less current installments	(1,500)	(1,500)
Long-term debt, less current installments, net of unamortized discount	$ 484,177	$ 469,550

Senior Secured Credit Facility The Dave & Buster s senior secured credit facility provides (a) a $150,000 term loan facility with a maturity date of June 1, 2016, and (b) a $50,000 revolving credit facility with a maturity date of June 1, 2015. The $50,000 revolving credit facility includes (i) a $20,000 letter of credit sub-facility (ii) a $5,000 swingline sub-facility and (iii) a $1,000 (in US Dollar equivalent) sub-facility available in Canadian dollars to the Canadian subsidiary. The revolving credit facility will be used to provide financing for general purposes. The senior secured credit facility is secured by virtually all of Dave & Buster s assets and is unconditionally guaranteed by each of its direct and indirect, existing and future domestic subsidiaries (with certain agreed-upon exceptions) and by certain specified guarantors with respect to the obligations of its Canadian subsidiary. Dave & Buster s originally received proceeds on the term loan facility of $148,500, net of a $1,500 discount. The discount is being amortized to interest expense over the life of the term loan facility. As of February 2, 2014, we had no borrowings under the revolving credit facility, borrowings of $144,375 ($143,825, net of discount) under the term facility and $5,670 in letters of credit outstanding. We believe that the carrying amount of our term credit facility approximates its fair value because the interest rates are adjusted regularly based on current market conditions. The

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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interest rate on the term loan facility at February 2, 2014 was 4.5%. The fair value of Dave & Buster s senior secured credit facility was determined to be a Level Two instrument as defined by GAAP.

The interest rates per annum applicable to loans, other than swingline loans, under our senior secured credit facility are currently set based on a defined Eurodollar rate plus an applicable margin. Swingline loans bear interest at a base rate plus an applicable margin.

The senior secured credit facility requires compliance with financial covenants including a minimum fixed charge coverage ratio test and a maximum leverage ratio test. The Company is required to maintain a minimum fixed charge coverage ratio of 1.15:1.00 and a maximum leverage ratio of 4.00:1.00 as of February 2, 2014. The financial covenants will become more restrictive over time. The required minimum fixed charge coverage ratio increases annually to a required ratio of 1.30:1.00 in the fourth quarter of fiscal year 2014 and thereafter. The maximum leverage ratio decreases annually to a required ratio of 3.25:1.00 in the fourth quarter of fiscal year 2014 and thereafter. In addition, the senior secured credit facility includes negative covenants restricting or limiting, D&B Holdings, Dave & Buster s and its subsidiaries ability to, among other things, incur additional indebtedness, pay dividends, make capital expenditures and sell or acquire assets. Virtually all of the Company s assets are pledged as collateral for the senior secured credit facility.

On May 13, 2011, D&B Holdings and Dave & Buster s executed an amendment (the Amendment) to the senior secured credit facility. The Amendment reduced the applicable term loan margins and LIBOR floor used in setting interest rates, as well as limited Dave & Buster s requirement to meet the covenant ratios, as stipulated in the Amendment, until such time as we make a draw on our revolving credit facility or issue letters of credit in excess of $12,000. As of February 2, 2014, we have had no draws on our revolving credit facility and outstanding letters of credit have not exceeded $12,000, and as such we were not required to maintain financial ratios under our senior secured credit facility.

On May 14, 2013, D&B Holdings and Dave & Buster s executed a second amendment (the Second Amendment) to the senior secured credit facility. The primary modification included in the Second Amendment is a reduction in the applicable term loan margin based on a consolidated leverage ratio greater than or equal to 2.75:1.00. If our consolidated leverage ratio is less than 2.75:1.00, the applicable term loan margin will be reduced for periods subsequent to fiscal 2013. As of February 2, 2014, Dave & Buster s consolidated leverage ratio was 2.55:1.00

The Dave & Buster s senior secured credit facility also contains certain customary representations and warranties, affirmative covenants and events of default, including: payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults and cross-acceleration to certain indebtedness, certain events of bankruptcy, certain events under the Employee Retirement Income Security Act of 1974 as amended from time to time (ERISA), material judgments, actual or asserted failures of any guarantee or security document supporting the senior secured credit facility to be in full force and effect and a change of control. If an event of default occurs, the lenders under the senior secured credit facility would be entitled to take various actions, including acceleration of amounts due under the senior secured credit facility and all other actions permitted to be taken by a secured creditor.

Funds managed by Oak Hill Advisors, L.P. (the OHA Funds) collectively comprise one of twenty-two creditors participating in the term loan portion of our senior secured credit facility. As of February 2, 2014, the OHA Funds held approximately 9.97%, or $14,394, of our total term loan obligation. Oak Hill Advisors, L.P. is an independent investment firm that is not an affiliate of the Oak Hill Funds and is not under common control with the Oak Hill Funds. Oak Hill Advisors, L.P. and an affiliate of Oak Hill Capital Management, LLC co-manage Oak Hill Special Opportunities Fund, L.P., a private fund. Certain employees of the Oak Hill Funds, in their individual capacities, have passive investments in Oak Hill Advisors, L.P. and/or the funds it manages.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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Senior notes The Dave & Buster s senior notes are general unsecured, unsubordinated obligations of Dave & Buster s and mature on June 1, 2018. Interest on the notes is paid semi-annually and accrues at the rate of 11.0% per annum. On or after June 1, 2014, Dave & Buster s may redeem all, or from time-to-time, a part of the senior notes at redemption prices (expressed as a percentage of principal amount) ranging from 105.5% to 100.0% plus accrued and unpaid interest. As of February 2, 2014, our $200,000 of senior notes had an approximate fair value of $214,500 based on quoted market price. The fair value of the Dave & Buster s senior notes was determined to be a Level One instrument as defined by GAAP.

The senior notes restrict Dave & Buster s ability to incur indebtedness, outside of the senior secured credit facility, unless the consolidated coverage ratio exceeds 2.00:1.00 or other financial and operational requirements are met. Additionally, the terms of the notes restrict Dave & Buster s ability to make certain payments to affiliated entities. Dave & Buster s was in compliance with the debt covenants as of February 2, 2014.

Senior Discount Notes On February 22, 2011, D&B Entertainment issued principal amount $180,790 of 12.25% senior discount notes. The notes will mature on February 15, 2016. No cash interest will be paid on the notes prior to maturity, but the value of the notes will accrete (representing the amortization of original issue discount) between the date of original issue and the maturity date of the senior discount notes, at a rate of 12.25% per annum, such that the accreted value will equal the principal amount on the maturity date.

On or after August 15, 2013, the Company may redeem all, or from time-to-time, a part of the senior discount notes at redemption prices (expressed as a percentage of accreted value) ranging from 106.125% to 100.0%. As of February 2, 2014, our senior discount notes had an approximate fair value of $150,100 (carrying value of $141,852) based on quoted market prices. The fair value of the Company s senior discount notes was determined to be a Level Two instrument as defined by GAAP.

The Company received net proceeds of $100,000, which we used to pay debt issuance costs and to repurchase a portion of the common stock owned by our stockholders. We did not retain any proceeds from the note issuance. D&B Entertainment is the sole obligor of the notes. D&B Holdings, Dave & Buster s nor any of its subsidiaries are guarantors of these notes. However, neither D&B Holdings nor D&B Entertainment has any material assets or operations separate from Dave & Buster s.

The senior discount notes restrict the Company s ability to incur indebtedness, outside of the senior secured credit facility, unless the consolidated coverage ratio exceeds 2.00:1.00 or other financial and operational requirements are met. Additionally, the terms of the senior discount notes restrict the Company s ability to make certain payments to affiliated entities. The Company was in compliance with the debt covenants as of February 2, 2014.

Future debt obligations The following table sets forth our future debt principal payment obligations as of February 2, 2014 (excluding repayment obligations under the revolving portion of our senior secured credit facility).

	DEBT OUTSTANDING AS OF FEBRUARY 2, 2014
1 year or less	$ 1,500
2 years	1,500
3 years	322,165
4 years	
5 years	200,000
Thereafter	
Total future payments	$ 525,165

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

The following tables set forth our recorded interest expense, net:

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Dave & Buster s debt-based interest expense	$ 29,675	$ 31,393	31,196
D&B Entertainment Interest accretion	15,881	14,141	11,830
Amortization of issuance cost and discount	3,189	2,946	3,031
Capitalized interest	(602)	(510)	(759)
Interest income	(334)	(336)	(367)
Total interest expense, net	$ 47,809	$ 47,634	44,931

Note 8: Income Taxes

The provision (benefit) for income taxes is as follows:

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Current expense			
Federal	$ 615	$ 536	$

Foreign	97	361	(175)
State and local	1,150	(51)	383
Deferred expense (benefit)	(801)	(13,548)	(4,004)
Total provision (benefit) for income taxes	$ 1,061	$ (12,702)	$ (3,796)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
Deferred tax assets:		
Tax credit carryovers	$ 10,297	$ 10,155
Deferred revenue and redemption ticket liability	9,540	7,252
Leasing transactions	5,585	3,838
State net operating loss carryovers	3,503	3,444
Workers compensation and general liability insurance	3,429	3,666
Accrued liabilities	1,985	2,770
Deferred compensation	1,610	1,140
Smallware supplies	714	713
Indirect benefit of unrecognized tax benefits	225	216
Other	1,567	1,391
Total deferred tax assets	38,455	34,585
Valuation allowance for deferred tax assets US	(1,388)	(1,158)
Total deferred tax assets net of valuation allowance	37,067	33,427
Deferred tax liabilities:		
Trademark/trade name	31,578	31,928
Property and equipment	4,109	963
Prepaid expenses	232	189
Total deferred tax liabilities	35,919	33,080
Net deferred tax asset	$ 1,148	$ 347

The Net deferred tax asset is presented in the Consolidated Balance Sheets as follows:

	FEBRUARY 2, 2014	FEBRUARY 3, 2013
Deferred income taxes current	$ 24,802	$ 25,137
Other assets and deferred charge		286
Deferred tax assets	24,802	25,423
Deferred income taxes current		189
Deferred income taxes	23,654	24,887
Deferred tax liabilities	23,654	25,076
Net deferred tax asset	$ 1,148	$ 347

At February 2, 2014, we had a $1,388 valuation allowance against our deferred tax assets. The ultimate realization of our deferred tax assets is dependent on the generation of future taxable income during periods in which temporary differences become deductible. In assessing the realizability of our deferred tax assets, at February 2, 2014 we considered whether it is more likely than not that some or all of the deferred tax assets will not be realized. Based on the level of recent historical taxable income; consistent generation of annual taxable income, recent payments of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

income taxes currently due, and estimations of future taxable income we have concluded that it is more likely than not that we will realize the federal tax benefits associated with our deferred tax assets. We assessed the realizability of the deferred tax assets associated with state taxes, foreign taxes and uncertain tax positions and have concluded that it is more likely than not that a portion of these assets will not be realized. Accordingly, we have increased our previously established valuation allowance against our deferred tax assets for state taxes and uncertain tax positions by $230.

As of February 2, 2014, we had federal tax credit carryforwards of $10,248, including $9,578 of general business credits and $670 of AMT credit carryovers. There is a 20-year carryforward on general business credits and net AMT credits can be carried forward indefinitely. The general business credits do not begin to expire until 2028 and are expected to be utilized over the next three fiscal years.

As of February 2, 2014, we no longer had any Federal net operating loss carryforwards available to reduce current income taxes due. During fiscal year 2012 we utilized all $14,172 of federal net operating loss carryforwards that existed at the end of fiscal year 2011. These net operating losses resulted from stock-based compensation tax deductions realized by our Predecessor from the consummation of the June 2010 acquisition and were not from operating results.

The State of Texas has enacted legislation which established a tax based on taxable margin. As a result of the legislation and in accordance with accounting guidance for income taxes, we recorded an income tax expense of $246, $269 and $228 for the fiscal years ended February 2, 2014, February 3, 2013 and January 29, 2012, respectively.

We currently anticipate that approximately $46 of unrecognized tax benefits will be settled through federal and state audits or will be recognized as a result of the expiration of statute of limitations during fiscal 2014. Future recognition of potential interest or penalties, if any, will be recorded as a component of income tax expense. Because of the impact of deferred tax accounting, $349 of unrecognized tax benefits, if recognized, would affect the effective tax rate.

We file income tax returns, which are periodically audited by various federal, state and foreign jurisdictions. We are generally no longer subject to federal, state, or foreign income tax examinations for years prior to 2009. In fiscal 2011 the Internal Revenue Service (IRS) commenced an examination of D&B Entertainment s U.S. income tax returns for fiscal 2009. As of February 2, 2014, the audit has been closed and the examination resulted in an immaterial change related to tax inventory carrying value.

The change in unrecognized tax benefits excluding interest, penalties and related income tax benefits were as follows:

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Balance at beginning of year	$ 471	$ 940	$ 881
Additions for tax positions of prior years	176	108	118
Reductions for tax positions of prior years	(32)	(1)	
Settlements		(576)	
Lapse of statute of limitations	(139)		(59)
Balance at end of year	$ 476	$ 471	$ 940

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

As of February 2, 2014, the accrued interest and penalties on the unrecognized tax benefits were $147 and $144, respectively, excluding any related income tax benefits. As of February 3, 2013, the accrued interest and penalties on the unrecognized tax benefits were $156 and $134, respectively, excluding any related income tax benefits. The Company recognized interest accrued related to the unrecognized tax benefits and penalties as a component of the provision for income taxes recognized in the Consolidated Statements of Operations.

The reconciliation of the federal statutory rate to the effective income tax rate follows:

	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Federal corporate statutory rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal income tax benefit	30.8%	1.2%	4.1%
Foreign taxes	1.8%	0.9%	1.2%
Nondeductible expenses	24.9%	(23.5)%	(7.1)%
Tax credits	(74.8)%	65.8%	20.1%
Valuation allowance	7.1%	257.4%	(7.8)%
Change in reserve	0.2%	32.9%	(2.1)%
Other	1.7%	(45.7)%	(8.2)%
Effective tax rate	26.7%	324.0%	35.2%

Note 9: Leases

We lease certain property and equipment under various non-cancelable operating leases. Some of the leases include options for renewal or extension on various terms. Most of the leases require us to pay property taxes, insurance and maintenance of the leased assets. Certain leases also have provisions for additional contingent rentals based on revenues. For fiscal 2013, rent expense for operating leases was $54,450, including contingent rentals of $2,858. For

fiscal 2012, rent expense for operating leases was $50,561, including contingent rentals of $2,620. For fiscal 2011, rent expense for operating leases was $47,342, including contingent rentals of $2,310. At February 2, 2014 future minimum lease payments, including any periods covered by renewal options we are reasonably assured of exercising (including the sale/leaseback transactions described below), are:

2014	2015	2016	2017	2018	THEREAFTER	TOTAL
$57,024	$ 56,068	$ 54,947	$ 53,125	$ 49,603	$ 284,780	$ 555,547

At February 2, 2014, we also had lease commitments on equipment as follows:

2014	2015	2016	2017	2018	THEREAFTER	TOTAL
$797	$ 606	$ 167	$ 14	$	$	$ 1,584

We have signed operating lease agreements for our stores located in Westchester, California and Vernon Hills, Illinois which opened in February and March 2014 respectively, and a future site in Panama City Beach, Florida which is expected to open in the second quarter of fiscal 2014. The landlord has fulfilled the obligations to commit us to the lease terms under these agreements and therefore, the future obligations related to these locations are included in the table above. Lease obligations related to the Company s location in Kensington/Bethesda, Maryland have also

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

been included in the table above. See Note 13, Subsequent events to our Consolidated Financial Statements for a description of events pertaining to the Kensington/Bethesda, Maryland location.

As of February 2, 2014 we currently have signed eleven additional lease agreements for future sites. Our commitments under these agreements are contingent upon among other things, the landlord s delivery of access to the premises for construction. Future obligations related to these agreements are not included in the table above. Subsequent to February 2, 2014, future sites in Los Angeles, CA and Manchester, CT were delivered by their respective landlords resulting in future commitments of approximately $38,000.

During 2000 and 2001, we completed the sale/leaseback of three stores and the corporate headquarters. Cash proceeds of $24,774 were received along with twenty-year notes aggregating $6,750. The notes bear interest of 7% to 7.5%. At the end of fiscal years 2013 and 2012, the aggregate balance of the notes receivable due from the lessors under the sale/leaseback agreements was $2,936 and $3,201, respectively. Future minimum principal and interest payments due to us under these notes are as follows:

2014	2015	2016	2017	2018	THEREAFTER	TOTAL
$489	$ 489	$ 489	$ 489	$ 489	$ 1,424	$ 3,869

Note 10: Common Stock

Stock Option Plans-Successor

In June 2010 the members of D&B Entertainment board of directors approved the adoption of the 2010 D&B Entertainment Incentive Plan. The 2010 D&B Entertainment Incentive Plan provides for the granting of options to acquire stock in D&B Entertainment to certain of our employees, outside directors and consultants. The options are subject to either time-based vesting or performance-based vesting. Options granted under the 2010 D&B Entertainment Incentive Plan terminate on the ten-year anniversary of the grants.

The various options provided for in the 2010 D&B Entertainment Incentive Plan are as follows, in each case subject to the grantees continued employment with or service to D&B Entertainment or its subsidiaries (subject to certain conditions in the event of grantee termination):

Service-based options

These options contain a service-based (or time-based) vesting provision, whereby the options will vest annually in five equal amounts.

Performance-based options

These options contain various performance-based vesting provisions depending on the type of performance option granted. Adjusted EBITDA vesting options vest over a prescribed time period based on D&B Entertainment meeting certain profitability targets for each fiscal year during the vesting period. Adjusted EBITDA vesting options also vest upon a D&B Entertainment change of control provided that internal rate of return (IRR) conditions stipulated by the Oak Hill Funds are met. IRR vesting options vest upon a change in control of D&B Entertainment if the Oak Hill Fund s internal rate of return is greater than or equal to certain percentages set forth in the applicable option agreement. Any options that have not vested prior to a change of control or do not vest in connection with a change of control will be forfeited by the grantee upon a change of control for no consideration.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

Transactions during fiscal 2013 under the 2010 D&B Entertainment Incentive Plan were as follows:

	SERVICE BASED OPTIONS		PERFORMANCE BASED OPTIONS	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding at beginning of year	1,117,255	$ 4.69	2,736,258	$ 4.51
Granted	227,657	8.72	16,874	9.93
Exercised	(9,990)	4.44	(8,009)	4.44
Forfeited	(31,686)	5.04	(54,311)	4.44
Options outstanding at end of year	1,303,236	5.39	2,690,812	4.54
Options exercisable at end of year	589,457	$ 4.71	749,870	$ 4.65

We recorded share-based compensation expense related to our stock option plan of $1,207, $1,099 and $1,038 during the fiscal year ended February 2, 2014, February 3, 2013 and January 29, 2012 respectively. The unrecognized expense related to our stock option plan totaled approximately $1,504 as of February 2, 2014 and will be expensed over a weighted average 1.6 years. The weighted average grant date fair value per option granted in fiscal year 2013 was $8.81. The average remaining term for all options outstanding at February 2, 2014 is 6.6 years.

In the event that vesting of the previously unvested options is accelerated for any reason, the remaining unamortized share-based compensation would be accelerated. In addition, assumptions made regarding forfeitures in determining the remaining unamortized share-based compensation would be re-evaluated to determine if additional share-based compensation expense would be required for any changes in the underlying assumptions.

Other Information Related Party Transactions

On September 30, 2010, we repurchased one thousand five hundred shares of our common stock from a former member of management for $1,500, of which $500 was paid in fiscal 2010 and $1,000 was paid in fiscal 2011 by Dave & Buster s, Inc. on behalf of us prior to January 29, 2012. As described below, we subsequently resold approximately seventy-five and eight hundred thirty-three of the purchased shares on March 23, 2011 and January 18, 2012, respectively. We continue to retain approximately five hundred ninety-two of the purchased shares as treasury stock.

On March 23, 2011, we sold to a member of management seventy-five shares of our common stock held as treasury stock for an aggregate price of $75, the value based on an independent third party valuation prepared as of January 30, 2011.

On June 28, 2011, we repurchased approximately ninety shares of our common stock from a former member of management for approximately $90, of which the Dave & Buster s, Inc., on behalf of us, paid $15. The purchased shares are being retained as treasury stock by the Company.

On January 13, 2012, we repurchased approximately four hundred twenty-two shares of our common stock from a former member of management for approximately $507, all of which was paid by Dave & Buster s, Inc. on behalf of us. The purchased shares are being retained as treasury stock by the Company.

On January 18, 2012, we sold approximately eight hundred thirty-three shares of our common stock previously held as treasury stock to three outside directors for an aggregate price of approximately $1,000. Proceeds from the sale were used to repay funds that had been advanced to us by Dave & Buster s, Inc. The per share sales price approximates the value per share as determined by an independent third party valuation prepared as of October 30, 2011.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

On January 6, 2014, a former member of management exercised his option for 17,999 shares at a strike price of $4.44. The Company issued new shares in satisfaction of this exercise. Proceeds from the exercise were allocated to Dave & Buster s in anticipation of future expenses.

Subsequent to the transactions described above, the Oak Hill Funds controls approximately 95.4% and certain members of our Board of Directors and management control approximately 4.5% of the outstanding common stock. The remaining 0.1% is owned by a former member of management.

Note 11: Employee Benefit Plan

We sponsor a plan to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code (the 401(k) Plan) for all employees who have completed a specified term of service. Our contributions may range from 0% to 100% of employee contributions, up to a maximum of 6% of eligible employee compensation, as defined by the 401(k) Plan. Employees may elect to contribute up to 50% of their eligible compensation on a pretax basis. Benefits under the 401(k) Plan are limited to the assets of the 401(k) Plan. Expenses related to our contributions to the 401(k) plan were $370, $382, and $273 for fiscal 2013, 2012, and 2011, respectively.

Note 12: Contingencies

We are subject to certain legal proceedings and claims that arise in the ordinary course of our business. In the opinion of management, based upon consultation with legal counsel, the amount of ultimate liability with respect to such legal proceedings and claims will not materially affect the consolidated results of our operations or our financial condition.

We are subject to the terms of a settlement agreement with the Federal Trade Commission (FTC) that requires us, on an ongoing basis, to establish, implement, and maintain a comprehensive information security program that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers. The agreement does not require us to pay any fines or other monetary assessments and we do not believe that the terms of the agreement will have a material adverse effect on our business, operations, or financial performance.

Note 13: Subsequent events

On November 14, 2013, the Company filed a complaint in federal court seeking declaratory and injunctive relief related to actions taken by a landlord attempting to terminate the lease agreement for our store in Kensington/Bethesda, Maryland (Bethesda). The landlord alleged that the Company is in default of certain lease agreement provisions which restrict our ability to operate other Dave & Buster s facilities within a prescribed distance of the Bethesda location. We believed that the lease provisions cited by the landlord were not legally enforceable and that the Company had the right to operate all facilities for the duration of the original lease term and any available lease extension periods. On March 21, 2014, the court ruled against the Company. The Company is evaluating all options available to it, including the filing of motions or appeals in an effort to overturn this decision. However, it is

probable the store will close before the end of the first quarter of fiscal 2014. As of March 28, 2014, we believe that all of our fixed assets from the Bethesda store are either fully depreciated or can be transferred to other locations. With past store closures, we have experienced customer migration to other stores within the same market. We believe that some customers will choose to visit our store in Hanover, Maryland, which is approximately 30 miles from our Bethesda store.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

Note 14: Quarterly Financial Information (unaudited)

	FISCAL YEAR ENDED FEBRUARY 2, 2014			
	FIRST QUARTER 5/5/2013	SECOND QUARTER 8/4/2013	THIRD QUARTER 11/3/2013	FOURTH QUARTER 2/2/2014
Total revenues	$ 168,155	$ 153,723	$ 142,330	$ 171,371
Income (loss) before provision (benefit) for income taxes	10,554	(794)	(12,910)	6,380
Net income (loss)	7,550	(98)	(10,160)	4,877

	FISCAL YEAR ENDED FEBRUARY 3, 2013			
	FIRST QUARTER 4/29/2012	SECOND QUARTER 7/29/2012	THIRD QUARTER 10/28/2012	FOURTH QUARTER 2/3/2013[1]
Total revenues	$ 163,474	$ 147,941	$ 131,066	$ 165,586
Income (loss) before provision (benefit) for income taxes	11,312	(3,258)	(14,180)	2,206
Net income (loss)	8,857	(1,603)	(3,894)	5,422

(1) Our fiscal 2012 year consisted of 53 weeks. Each quarterly period has 13 weeks, except the fourth quarterly period ended February 3, 2013, which consists of 14 weeks. We have estimated the revenues during the 53rd week of fiscal 2012 to be $10,355.

During 2013, we opened five locations: Virginia Beach, Virginia, in the second quarter, Syracuse, New York and Albany, New York, in the third quarter, Cary, North Carolina and Livonia, Michigan in the fourth quarter. During 2012, we opened four locations: Oklahoma City, Oklahoma in the first quarter, Orland Park, Illinois in the third quarter, Dallas, Texas and Boise, Idaho both in the fourth quarter. Additionally, during the fourth quarter of fiscal 2012, we permanently closed one store in Dallas, Texas. Pre-opening costs incurred in fiscal 2013 were $872, $1,970, $2,333 and $1,865 in the first, second, third and fourth quarters, respectively. Pre-opening costs incurred in fiscal 2012 were $150, $559, $1,089 and $1,262 in the first, second, third and fourth quarters, respectively.

Note 15: Earnings per share

Basic earnings per share (EPS) represents net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS represents net income divided by the basic weighted average number of common shares plus, if dilutive, potential common shares outstanding during the period. Potential common shares consist of incremental common shares issuable upon the exercise of outstanding stock options. The dilutive effect of potential common shares is determined using the treasury stock method, whereby outstanding stock options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such stock options, unamortized compensation cost, and excess tax benefits arising in connection with these stock-based awards are assumed to be used to repurchase our common stock at the average market price during the period.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share amounts)

The following table sets forth the computation of EPS, basic and diluted for the fiscal year ended February 2, 2014, February 3, 2013, and January 29, 2012:

(in thousands, except per share data)	FISCAL YEAR ENDED FEBRUARY 2, 2014	FISCAL YEAR ENDED FEBRUARY 3, 2013	FISCAL YEAR ENDED JANUARY 29, 2012
Numerator:			
Net income (loss)	$ 2,169	$ 8,782	$ (6,985)
Denominator:			
Basic weighted average common shares outstanding	33,187,776	33,186,426	34,478,732
Potential common shares for stock options	842,339	561,109	
Diluted weighted average common shares outstanding	34,030,115	33,747,535	34,478,732
Earnings (loss) per shares:	$ 0.07	$ 0.26	$ (0.20)
Basic	$ 0.06	$ 0.26	$ (0.20)
Diluted			

We had approximately 1,303,236 and 1,117,268 time-based stock option awards outstanding under our stock option plan as of February 2, 2014 and February 3, 2013, respectively. Performance based stock options under our stock option plan were not included in the earnings per share calculation as they did not meet the criteria for inclusion per GAAP guidance.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	NOVEMBER 2, 2014 (unaudited)	FEBRUARY 2, 2014 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 58,946	$ 38,080
Inventories	15,883	15,354
Prepaid expenses	12,268	9,670
Deferred income taxes	27,394	24,802
Income taxes receivable	2,102	2,445
Other current assets	6,898	8,993
Total current assets	123,491	99,344
Property and equipment (net of $236,717 and $195,339 accumulated depreciation as of November 2, 2014 and February 2, 2014, respectively)	427,235	388,093
Tradenames	79,000	79,000
Goodwill	272,445	272,428
Other assets and deferred charges	21,340	22,893
Total assets	$ 923,511	$ 861,758
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current installments of long-term debt (Note 3)	$	$ 1,500
Accounts payable	43,375	36,092
Accrued liabilities (Note 2)	83,487	74,379
Income taxes payable	1,333	1,073
Deferred income taxes	897	
Total current liabilities	129,092	113,044
Deferred income taxes	17,284	23,654
Deferred occupancy costs	93,853	81,743
Other liabilities	10,185	8,692
Long-term debt, less current installments, net of unamortized discount (Note 3)	428,976	484,177
Commitments and contingencies (Note 5)		

Stockholders equity:		
Common stock, $0.01 par value, 400,000,000 and 112,491,784 authorized shares; 40,217,645 and 33,452,684 issued shares; and 39,969,233 and 33,204,272 outstanding shares as of November 2, 2014 and February 2, 2014, respectively	402	334
Preferred stock, 50,000,000 and 10,000,000 authorized shares as of November 2, 2014 and February 2, 2014, respectively; none issued		
Paid-in capital	253,337	152,661
Treasury stock, 248,412 shares as of November 2, 2014 and February 2, 2014	(1,189)	(1,189)
Accumulated other comprehensive loss	(214)	(167)
Accumulated deficit	(8,215)	(1,191)
Total stockholders equity	244,121	150,448
Total liabilities and stockholders equity	$ 923,511	$ 861,758

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands, unaudited)

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014	THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013
Food and beverage revenues	$ 256,077	$ 222,508
Amusement and other revenues	283,605	241,700
Total revenues	539,682	464,208
Cost of food and beverage	65,939	55,988
Cost of amusement and other	39,335	35,255
Total cost of products	105,274	91,243
Operating payroll and benefits	126,357	108,716
Other store operating expenses	170,440	150,107
General and administrative expenses	31,462	26,905
Depreciation and amortization expense	52,321	49,333
Pre-opening costs	7,942	5,175
Total operating costs	493,796	431,479
Operating income	45,886	32,729
Interest expense, net (Note 3)	29,826	35,879
Loss on debt retirement (Note 3)	27,578	
Loss before benefit for income taxes	(11,518)	(3,150)
Benefit for income taxes (Note 4)	(4,494)	(442)
Net loss	(7,024)	(2,708)
Unrealized foreign currency translation loss	(47)	(176)
Total comprehensive loss	$ (7,071)	$ (2,884)
Net loss per share:		
Net loss	$ (7,024)	$ (2,708)
Basic	$ (0.21)	$ (0.08)

Diluted	$ (0.21)	$ (0.08)
Weighted average shares used in per share calculations:		
Basic shares	33,763,436	33,186,273
Diluted shares	33,763,436	33,186,273

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(in thousands, except share amounts)

	COMMON STOCK SHARES	AMT.	PAID-IN CAPITAL	TREASURY STOCK AT COST SHARES	AMT.	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	TOTAL
Balance February 2, 2014	33,452,684	$ 334	$ 152,661	248,412	$ (1,189)	$ (167)	$ (1,191)	$ 150,448
Net loss							(7,024)	(7,024)
Unrealized foreign currency translation loss						(47)		(47)
Stock-based compensation	256		1,864					1,864
Proceeds from the issuance of common stock	6,764,705	68	100,591					100,659
Costs associated with the issuance of common stock			(1,779)					(1,779)
Balance November 2, 2014 (unaudited)	40,217,645	$ 402	$ 253,337	248,412	$ (1,189)	$ (214)	$ (8,215)	$ 244,121

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, unaudited)

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014	THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013
Cash flows from operating activities:		
Net loss	$ (7,024)	$ (2,708)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	52,321	49,333
Debt costs and discount amortization (Note 3)	1,962	2,397
Payment of accreted interest (Note 3)	(50,193)	
Accretion of note discount	8,341	11,768
Deferred income tax benefit (Note 4)	(8,065)	(2,997)
Loss on disposal of fixed assets	1,267	2,185
Loss on debt retirement (Note 3)	8,580	
Share-based compensation charges	1,864	908
Other, net	64	(1,176)
Changes in assets and liabilities:		
Inventories	(529)	(864)
Prepaid expenses	(2,557)	(364)
Income tax receivable	344	(22)
Other current assets	2,110	6,283
Other assets and deferred charges	(1,034)	(72)
Accounts payable	7,086	4,665
Accrued liabilities	7,870	10,908
Income taxes payable	260	(1,338)
Deferred occupancy costs	12,253	3,250
Other liabilities	1,793	4,138
Net cash provided by operating activities	36,713	86,294
Cash flows from investing activities:		
Capital expenditures	(91,670)	(75,308)
Proceeds from sales of property and equipment	60	208
Net cash used in investing activities	(91,610)	(75,100)

Cash flows from financing activities:				
Repayments of senior secured credit facility (Note 3)		(144,375)		(1,125)
Repayment of senior notes (Note 3)		(200,000)		
Repayment of senior discount notes (Note 3)		(100,000)		
Borrowing under new senior credit facility (Note 3)		528,675		
Debt issuance costs (Note 3)		(8,212)		(818)
Proceeds from the issuance of common stock, net of underwriter fees		100,659		
Payment of costs associated with the issuance of common stock		(984)		
Paydown of new senior credit facility (Note 3)		(100,000)		
Net cash provided by (used in) financing activities		75,763		(1,943)
Increase in cash and cash equivalents		20,866		9,251
Beginning cash and cash equivalents		38,080		36,117
Ending cash and cash equivalents	$	58,946	$	45,368
Supplemental disclosures of cash flow information:				
Cash paid for income taxes, net	$	2,900	$	2,008
Cash paid for interest and related debt fees, net of amounts capitalized	$	23,523	$	16,429
Cash paid for interest and related debt fees, related to debt retirement	$	18,998	$	
Cash paid for settlement of accreted interest on retired senior discount notes	$	50,193	$	

See accompanying notes to consolidated financial statements.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share and per share amounts)

Note 1: Description of Business and Basis of Presentation

Description of Business On June 1, 2010, Dave & Buster s Entertainment, Inc. (D&B Entertainment), a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) acquired all of the outstanding common stock of Dave & Buster s Holding, Inc. (D&B Holdings) from Wellspring Capital Partners III, L.P and HBK Main Street Investors L.P. In connection therewith, Games Merger Corp., a newly-formed Missouri corporation and an indirect wholly-owned subsidiary of D&B Entertainment, merged with and into D&B Holdings wholly-owned, direct subsidiary, Dave & Buster s, Inc. (with Dave & Buster s, Inc. being the surviving corporation in the merger). Dave & Buster s, Inc. owns and operates high-volume venues in North America that combine dining and entertainment for both adults and families.

D&B Entertainment owns no significant assets or operations other than the ownership of all the common stock of D&B Holdings. D&B Holdings owns no significant assets or operations other than the ownership of all the common stock of Dave & Buster s, Inc. References to the Company , we , us , and our refers to D&B Entertainment and its subsidiaries and any predecessor companies. All material intercompany accounts and transactions have been eliminated in consolidation.

On October 9, 2014, we amended our certificate of incorporation to increase our authorized share count to 450,000,000 shares of stock, including 400,000,000 shares of common stock and 50,000,000 shares of preferred stock, each with a par value of $0.01 per share and to split our common stock 224.9835679 for 1. On October 16, 2014, we amended and restated our certificate of incorporation in its entirety.

On October 9, 2014, we completed our initial public offering of 5,882,353 shares of common stock at a price to the public of $16.00 per share. On October 10, 2014, the Company s common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY . We had granted the underwriters an option for a period of 30 days to purchase an additional 882,352 shares of our common stock which was exercised in full on October 21, 2014. After underwriting discounts and commissions and offering expenses, we received net proceeds from the initial public offering (the IPO) of approximately $98,573. We used these proceeds to repay a portion of the principal amount of term loan debt outstanding under the new senior secured credit facility.

We operate our business as one operating and one reportable segment. Our one industry segment is the operation and licensing of high-volume entertainment and dining venues under the names Dave & Buster s and Dave & Buster s Grand Sports Café. We operate on a 52 or 53 week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except for a 53 week year when the fourth quarter has 14 weeks. Our fiscal years ending February 1, 2015 and February 2, 2014, both consist of 52 weeks.

During the first thirty-nine weeks of fiscal 2014, we opened five new stores. As of November 2, 2014, there were 70 company-owned stores in the United States and Canada. We have also opened new stores in Albuquerque, New Mexico on November 3, 2014, Clackamas (Portland), Oregon on November 10, 2014 and Greenville, South Carolina

on November 17, 2014. On August 12, 2014, we permanently closed our location in Kensington/Bethesda, Maryland (Bethesda). Revenues for our Bethesda store were $5,416 and $8,973 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013, respectively. Operating income for the store was $851 for the thirty-nine weeks ended November 2, 2014, and $2,109 for the same period of fiscal 2013.

Reclassifications All share and per-share data herein have been retroactively adjusted to reflect the 224.9835679 for 1 stock split as though it had occurred prior to the earliest data presented. One reclassification has been made to the fiscal year 2013 Consolidated Balance Sheets to conform to the fiscal year 2014 presentation. We reclassified $333 of Paid-in capital as of February 2, 2014, to Common stock to effect the 224.9835679 for 1 stock split.

Such reclassifications impacted the shares disclosed on the Consolidated Balance Sheets, the weighted average shares and Net income (loss) per share on the Consolidated Statements of Comprehensive Income (Loss), share amounts included in the Consolidated Statements of Stockholders Equity and the share and per share amounts listed in Notes 6 and 7.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share and per share amounts)

Related Party Transactions Funds managed by Oak Hill Advisors, L.P. (the OHA Funds) comprise one of the creditors participating in the term loan portion of our new senior secured credit facility. As of November 2, 2014, the OHA Funds held approximately 10.8% or $46,622 of our total term loan obligation. Oak Hill Advisors, L.P. is an independent investment firm that is not an affiliate of the Oak Hill Funds and is not under common control with the Oak Hill Funds. Certain employees of the Oak Hill Funds, in their individual capacities, have passive investments in Oak Hill Advisors, L.P. and/or the funds it manages.

Subsequent to the IPO, the Oak Hill Funds beneficially own approximately 79.2% of our outstanding stock, and certain members of our Board of Directors and our management beneficially own approximately 3.7% of our outstanding stock. The Oak Hill Funds continue to own a majority of the voting power of our outstanding common stock. As a result, we are a controlled company within the meaning of the corporate governance standards of NASDAQ.

We have an expense reimbursement agreement with Oak Hill Capital Management, LLC (Oak Hill Capital), which provides for the reimbursement of certain costs and expenses of Oak Hill Capital. We made payments to Oak Hill Capital of $7 and $41 during the thirteen and thirty-nine weeks ended November 2, 2014, respectively, and $20 and $115 during the thirteen and thirty-nine weeks ended November 3, 2013, respectively.

We paid board compensation of $59 and $176 during the thirteen and thirty-nine weeks ended November 2, 2014 and November 3, 2013, respectively, to David Jones, who serves as a senior advisor to the Oak Hill Funds, and Alan Lacy, who served as a senior advisor to the Oak Hill Funds until December 2014.

Interim financial statements The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States for interim financial information as prescribed by the Securities and Exchange Commission (SEC). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We are a seasonal business, therefore operating results for the thirty-nine weeks ended November 2, 2014 are not necessarily indicative of results that may be expected for any other interim period or for the year ending February 1, 2015. These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended February 2, 2014, included in our prospectus filed with the SEC pursuant to Rule 424(b) (4) under the Securities Act of 1933 on October 14, 2014.

The financial statements include our accounts after elimination of all significant intercompany balances and transactions. All dollar amounts are presented in thousands, unless otherwise noted, except share amounts.

Concentration of Credit Risk Financial instruments which potentially subject us to a concentration of credit risk are cash and cash equivalents. We currently maintain our day-to-day operating cash balances with major financial

institutions. At times, our operating cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. From time to time, we invest temporary excess cash in overnight investments with expected minimal volatility, such as money market funds. Although we maintain balances that exceed the FDIC insured limit, we have not experienced any losses related to this balance, and we believe credit risk to be minimal.

Recent Accounting Pronouncements In May 2014, the Financial Accounting Standards Board issued guidance outlining a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This guidance requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share and per share amounts)

those goods or services. Additionally, this guidance expands related disclosure requirements. This guidance is effective for reporting periods beginning after December 15, 2016. We are currently evaluating the impact this guidance will have on our consolidated financial position and results of operations.

Note 2: Accrued Liabilities

Accrued liabilities consist of the following:

	NOVEMBER 2, 2014	FEBRUARY 2, 2014
Compensation and benefits	$ 18,666	$ 14,459
Deferred amusement revenue	16,107	14,047
Rent	10,059	9,040
Amusement redemption liability	10,026	9,707
Property taxes	5,233	3,159
Deferred gift card revenue	4,687	4,709
Sales and use tax	3,723	4,408
Current portion of long-term insurance reserves	3,358	3,358
Accrued interest	418	4,214
Other	11,210	7,278
Total accrued liabilities	$ 83,487	$ 74,379

Note 3: Long-Term Debt

Long-term debt consisted of the following:

	NOVEMBER 2, 2014	FEBRUARY 2, 2014
New senior secured credit facility term	$ 430,000	$
Repaid Debt:		
Senior secured credit facility term		144,375
Senior notes		200,000
Senior discount notes		180,790
Total debt outstanding	430,000	525,165
Less:		
Unamortized debt discount new senior secured credit facility	(1,024)	
Unamortized debt discount senior secured credit facility		(550)
Unamortized debt discount senior discount notes		(38,938)
Current installments		(1,500)
Long-term debt, less current installments, net of unamortized discount	$ 428,976	$ 484,177

New Senior Secured Credit Facility D&B Holdings together with Dave & Buster s, Inc. entered into a senior secured credit facility that provides a $530,000 term loan facility with a maturity date of July 25, 2020 and a $50,000 revolving credit facility with a maturity date of July 25, 2019. The $50,000 revolving credit facility includes a $20,000 letter of credit sub-facility and a $5,000 swingline sub-facility. The revolving credit facility will be used to provide financing for general purposes.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share and per share amounts)

The senior secured credit facility is secured by the assets of Dave & Buster s, Inc. and is unconditionally guaranteed by each of its direct and indirect, existing and future domestic subsidiaries (with certain agreed-upon exceptions). The Company originally received proceeds from the term loan facility of $528,675, net of a $1,325 discount. The discount is being amortized to interest expense over the six-year life of the term loan facility.

Following the IPO, we repaid $100,000 principal amount of term loan facility. This payment was applied to the future quarterly payments required by the credit agreement. No principal payments are required until the maturity of the credit facility on July 25, 2020. In conjunction with the repayment, we incurred a loss on extinguishment charge of $1,586, consisting of the write-off of unamortized deferred debt issuance cost and unamortized discount related to the portion of the term loan that was repaid. This loss is included in the Loss on debt retirement in the Consolidated Statement of Comprehensive Income (Loss).

As of November 2, 2014, we had no borrowings under the revolving credit facility, borrowings of $430,000 ($428,976, net of discount) under the term loan facility and $5,822 in letters of credit outstanding. We believe that the carrying amount of our term loan facility approximates its fair value because the interest rates are adjusted regularly based on current market conditions. The fair value of the Company s new senior secured credit facility was determined to be a Level Two instrument as defined by GAAP.

The interest rates per annum applicable to loans, other than swingline loans, under our new senior secured credit facility are currently set based on a defined LIBOR rate plus an applicable margin. Swingline loans bear interest at a base rate plus an applicable margin. The loans bear interest subject to a pricing grid based on a secured leveraged ratio, at LIBOR plus a spread ranging from 3.25% to 3.5% for the term loans and LIBOR plus a spread ranging from 3.0% to 3.5% for the revolving loans. The interest rate on the term loan facility at November 2, 2014 was 4.5%.

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share and per share amounts)

Proceeds from the new senior secured credit facility were used as follows:

Repayment of Dave & Buster s, Inc. senior credit facility	
Outstanding principal	$ 143,509
Accrued and unpaid interest	460
Legal expenses	41
	144,010
Repayment of Dave & Buster s, Inc. 11% senior notes	
Outstanding principal	200,000
Accrued and unpaid interest	3,239
Premium for early redemption	11,000
Additional interest paid to trustee	1,833
	216,072
Repayment of Dave & Buster s Parent, Inc. (now known as D&B Entertainment) 12.25% senior discount notes	
Issue price outstanding, net of original issue discount	100,000
Previously accreted interest expense	41,852
Current year interest accretion included in Interest expense, net	8,341
Premium for early redemption	4,646
Additional interest paid to trustee	1,478
	156,317
Total payments to retire prior debt	516,399
Payments of costs associated with new debt issuance	8,212
Administrative fee paid to administrative agent	31
	8,243

Retained cash	4,033
Net proceeds received	$ 528,675

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share and per share amounts)

The loss on debt retirement is comprised of the following:

Non-cash charges	
Loss on refinancing	
Unamortized debt issuance cost	$ 6,559
Unamortized debt discount	435
Loss on early repayment	
Unamortized debt issuance cost	1,347
Unamortized debt discount	239
	8,580
Direct costs associated with debt retirement	
Premium for early redemption:	
Dave & Buster s, Inc. senior notes	11,000
D&B Entertainment senior discount notes	4,646
Additional interest paid to trustee:	
Dave & Buster s, Inc. senior notes	1,833
D&B Entertainment senior discount notes	1,478
Legal expenses	41
	18,998
Loss on debt retirement	$ 27,578

Our new senior secured credit facility contains restrictive covenants that, among other things, limit our ability and the ability of our subsidiaries to: incur additional indebtedness, make loans or advances to subsidiaries and other entities, make initial capital expenditures in relation to new stores, declare dividends, acquire other businesses or sell assets. In addition, under our senior secured credit facility, we are required to meet a maximum total leverage ratio if outstanding revolving loans and letters of credit (other than letters of credit that have been backstopped or cash

collateralized) are in excess of 30% of the outstanding revolving commitments. As of November 2, 2014, we were not required to maintain any of the financial ratios under the senior secured credit facility and we were in compliance with the other restrictive covenants.

The following tables set forth our recorded interest expense, net for the periods indicated:

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014	THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013
Dave & Buster s, Inc. debt-based interest expense	$ 20,129	$ 22,363
D&B Entertainment Interest accretion	8,341	11,768
Amortization of issuance cost and discount	1,962	2,397
Interest income	(204)	(209)
Less capitalized interest	(402)	(440)
Total interest expense, net	$ 29,826	$ 35,879

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in thousands, except share and per share amounts)

Future debt obligations The following table sets forth our future debt principal payment obligations as of:

	NOVEMBER 2, 2014
1 year or less	$
2 years	
3 years	
4 years	
5 years	
Thereafter	430,000
Total future payments	$ 430,000

Note 4: Income Taxes

The provision (benefit) for income taxes is as follows:

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014	THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013
Current Expense		
Federal	$ 1,381	$ 2,788
Foreign	237	(42)
State and local	1,953	(191)
Deferred expense (benefit)	(8,065)	(2,997)

Total provision (benefit) for income taxes	$	(4,494)	$	(442)

We use the asset/liability method for recording income taxes, 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. We also recognize liabilities for uncertain income tax positions for those items that meet the more likely than not threshold.

In assessing the realizability of deferred tax assets we consider whether it is more likely than not that some or all of the deferred tax assets will not be realized. Accordingly, as of November 2, 2014 we have established a valuation allowance of $923 for deferred tax assets associated with state taxes and uncertain tax positions. The ultimate realization of our deferred tax assets is dependent on the generation of future taxable income during periods in which temporary differences and tax credit carryforwards become deductible.

The calculation of tax liabilities involves significant judgment and evaluation of uncertainties in the interpretation of federal and state tax regulations. As a result, we have established accruals for taxes that may become payable in future years due to audits by tax authorities. Tax accruals are reviewed regularly pursuant to accounting guidance for uncertainty in income taxes. Tax accruals are adjusted as events occur that affect the potential liability for taxes, such as the expiration of statutes of limitations, conclusion of tax audits, identification of additional exposure based on current calculations, identification of new issues, the issuance of statutory or administrative guidance, or rendering of a court decision affecting a particular issue. Accordingly, we may experience significant changes in tax accruals in the future, if or when such events occur.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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As of November 2, 2014, we have accrued approximately $457 of unrecognized tax benefits and approximately $316 of penalties and interest. Future recognition of potential interest or penalties, if any, will be recorded as a component of income tax expense. Because of the impact of deferred income tax accounting, $330 of unrecognized tax benefits, if recognized, would affect the effective tax rate.

As of November 2, 2014 we had approximately $9,825 of available federal tax credit carryforwards. There is a 20-year carryforward on general business credits and AMT credits can be carried forward indefinitely.

On December 16, 2014, Congress passed the Tax Increase Prevention Act of 2014 (the Act). The Act includes provisions that accelerate the recognition of depreciation expense, for tax purposes, related to certain assets placed in service between January 1, 2014 and December 31, 2014. The Company is currently evaluating the impact of the Act and anticipates that the acceleration of depreciation will reduce the amount of federal taxes payable and the amount of tax credits utilized in the current year.

Note 5: Commitments and Contingencies

We are subject to certain legal proceedings and claims that arise in the ordinary course of our business. In the opinion of management, based upon consultation with legal counsel, the amount of ultimate liability with respect to such legal proceedings and claims will not materially affect the consolidated results of our operations or our financial condition.

On November 14, 2013, Dave & Buster s, Inc. filed a complaint in federal court seeking declaratory and injunctive relief related to actions taken by a landlord attempting to terminate the lease agreement for our Bethesda store. The landlord alleged that the Company was in default of certain lease agreement provisions which restrict our ability to operate other Dave & Buster s facilities within a prescribed distance of the Bethesda location. We believed that the lease provisions cited by the landlord were not legally enforceable and that the Company had the right to operate all facilities for the duration of the original lease term and any available lease extension periods. On July 21, 2014, the court issued its final ruling against the Company and the Bethesda store permanently closed on August 12, 2014. All our fixed assets from the Bethesda store are either fully depreciated or transferred to other locations. As with past store closures, we have experienced customer migration to other stores within the same market.

We lease certain property and equipment under various non-cancelable operating leases. Some of the leases include options for renewal or extension on various terms. Most of the leases require us to pay property taxes, insurance, and maintenance of the leased assets. Certain leases also have provisions for additional percentage rentals based on revenues.

The following table sets forth our lease commitments as of November 2, 2014:

	OPERATING LEASE OBLIGATIONS AT NOVEMBER 2, 2014
1 year or less	$ 64,113
2 years	62,810
3 years	61,287
4 years	58,224
5 years	53,460
Thereafter	376,700
Total future payments	$ 676,594

We have signed operating lease agreements for our stores located in Albuquerque, New Mexico, Clackamas (Portland), Oregon and Greenville, South Carolina which opened for business on November 3, 2014, November 10,

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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2014 and November 17, 2014, respectively. In addition we also have signed lease agreements for future sites located in Woburn (Boston), Massachusetts, Pelham, New York and Euless (Dallas), Texas. The landlord has fulfilled the obligations to commit us to the lease terms and therefore, the future obligations related to these locations are included in the table above.

As of November 2, 2014, we have signed eleven lease agreements which contain certain landlord obligations which remain unfulfilled as of that date. Our commitments under these agreements are contingent upon, among other things, the landlord s delivery of access to the premises for construction. Future obligations related to these agreements are not included in the table above.

Note 6: Earnings per share

Basic earnings per share (EPS) represents net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS represents net income divided by the basic weighted average number of common shares plus, if dilutive, potential common shares outstanding during the period. Potential common shares consist of incremental common shares issuable upon the exercise of outstanding stock options. The dilutive effect of potential common shares is determined using the treasury stock method.

The following tables set forth the computation of EPS, basic and diluted for the thirty-nine weeks ended November 2, 2014 and November 3, 2013, respectively:

	THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014	THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013
Numerator:		
Net loss	$ (7,024)	$ (2,708)
Denominator:		
Basic weighted average common shares outstanding	33,763,436	33,186,273
Potential common shares for stock options		
Diluted weighted average common shares outstanding	33,763,436	33,186,273
Net Loss per share:		
Basic	$ (0.21)	$ (0.08)

Diluted	$ (0.21)	$ (0.08)

As of November 2, 2014 and November 3, 2013, respectively, we had approximately 3,994,048 and 2,102,952 stock option awards outstanding under the Dave & Buster s Entertainment, Inc. 2010 Management Incentive Plan (the 2010 Stock Incentive Plan) and 444,969 stock option awards outstanding under the 2014 Omnibus Incentive Plan (the 2014 Stock Incentive Plan), which were not included in the dilutive earnings per share calculation because the effect would have been anti-dilutive. In connection with the IPO, all unvested performance-based stock options were modified and became fully vested. As of November 3, 2013, 420,772 unvested Adjusted EBITDA performance-based stock options and 1,528,538 unvested internal rate of return performance-based stock options granted under the 2010 Stock Incentive Plan were not included in the earnings per share calculation as they did not meet the criteria for inclusion per GAAP guidance.

Note 7: Equity-based Compensation

In June 2010 the members of D&B Entertainment board of directors approved the 2010 Stock Incentive Plan, which provides for the granting of options to acquire stock in D&B Entertainment to certain of our employees, outside directors and consultants. The options are subject to either time-based vesting or performance-based vesting. As a result of the IPO, all unvested performance-based shares were modified and fully vested. We recognized

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DAVE & BUSTER S ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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compensation expense of $859 during the thirteen weeks ended November 2, 2014 related to the accelerated vesting of these performance-based options. All time-based options will continue to vest under the existing vesting schedule. As a result of the performance-based options fully vesting, we re-evaluated our forfeiture assumptions and recognized additional compensation expense of $221 during the thirteen weeks ended November 2, 2014.

In connection with the IPO, we adopted the 2014 Stock Incentive Plan which provides for grants of stock options, stock appreciation rights, restricted stock, other stock-based awards and cash-based awards. The number of shares of common stock available for issuance under the 2014 Stock Incentive Plan may not exceed 3,100,000. During the thirteen weeks ended November 2, 2014, 444,969 options to purchase our common stock at an exercise price equal to the initial public offering price ($16.00) were granted under the 2014 Stock Incentive Plan. Half of the options will vest three years after the grant date and the other half will vest four years after the grant date. The fair value of these stock options was estimated using the Black-Scholes option valuation model, which relied on the following assumptions: expected volatility (51.29%), expected dividend yield (0%), expected weighted-average term of the awards (6.75 years): risk-free interest rate (based on U.S. Treasury rates) (1.96%) and estimated fair value at the grant date ($16.00).

We recognized equity-based compensation as a component of general and administrative expenses of $1,361 and $287 during the thirteen weeks ended November 2, 2014 and November 3, 2013, respectively, and $1,864 and $909 during the thirty-nine weeks ended November 2, 2014 and November 3, 2013, respectively. Of the total equity-based compensation recognized in the thirty-nine weeks ended November 2, 2014,$64 is related to stock options granted at the date of the IPO. As of November 2, 2014, total unrecognized compensation expense related to non-vested stock awards, including an estimate for pre-vesting forfeitures was $4,009, which is expected to be recognized over a weighted-average period of 3.9 years.

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6,600,000 Shares

Dave & Buster s Entertainment, Inc.

Common Stock

PROSPECTUS

Jefferies

Piper Jaffray

William Blair

Raymond James

Stifel

LOYAL3 Securities

February 5, 2015