SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported):
February 16, 1999

CBRL GROUP, INC.
(Exact name of Registrant as specified in its Charter)

Tennessee	0-25225	62-1749513
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification Number)

305 Hartmann Drive, Lebanon, Tennessee	37087
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(615) 444-5533

N/A
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits

(a), (b) No financial statements are required by this item with respect to the acquisition described in Item 2 of this form under Rule 3-05 of Regulation S-X. However, the following audited consolidated financial statements of Logan's Roadhouse, Inc. for fiscals year ended December 27, 1998 and December 28, 1997 are included by the registrant at its option because the registrant believes they may be of importance to security holders.

LOGAN'S ROADHOUSE, INC.

Financial Statements

December 27, 1998 and December 28, 1997

(With Independent Auditors' Report Thereon)

Independent Auditors' Report

The Board of Directors
Logan's Roadhouse, Inc.:

We have audited the accompanying balance sheets of Logan's Roadhouse, Inc. as of December 27, 1998 and December 28, 1997, and the related statements of earnings, shareholders' equity, and cash flows for each of the years in the three-year period ended December 27, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Logan's Roadhouse, Inc. as of December 27, 1998 and December 28, 1997, and the results of its operations and its cash flows for each of the years in the three-year period ended December 27, 1998, in conformity with generally accepted accounting principles.

/s/KPMG LLP
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January 27, 1999, except as to Note 12
which is as of February 16, 1999

LOGAN'S ROADHOUSE, INC.

Balance Sheets

December 27, 1998 and December 28, 1997

Assets	1998	1997
Current assets:		
Cash and cash equivalents	$ 3,320,546	6,466,775
Investments, at amortized cost (note 2)	0	17,900,052
Interest receivable	0	115,304
Accounts receivable	1,065,954	697,319
Inventories	830,400	471,150
Preopening costs	3,222,949	923,225
Prepaid expenses and other current assets	1,452,221	762,185
Total current assets	9,892,070	27,336,010
Investments, at amortized cost (note 2)	1,036,095	0
Property and equipment, net (note 3)	88,770,115	51,075,003
Other assets	401,968	112,198
Total assets	$100,100,248	78,523,211
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 4,012,402	2,402,763
Accrued payroll and related expenses	3,828,294	1,466,149
Deferred revenue	859,977	492,804
Income taxes payable (note 7)	3,344	280,458
Accrued state and local taxes	1,099,210	732,338
Deferred income taxes (note 7)	1,225,605	332,178
Total current liabilities	11,028,832	5,706,690

Long-term debt	6,176,000	0
Deferred income taxes (note 7)	2,091,232	1,191,299
Total liabilities	19,296,064	6,897,989
Shareholders' equity (note 6):		
Common stock, $0.01 par value; 15,000,000 shares authorized; 7,199,150 and 7,142,418 shares issued and outstanding in 1998 and 1997, respectively	71,992	71,424
Additional paid-in capital	60,845,755	60,048,611
Retained earnings	19,886,437	11,505,187
Total shareholders' equity	80,804,184	71,625,222
Commitments and contingencies (notes 5, 10 and 12)		
Total liabilities and shareholders' equity	$100,100,248	78,523,211

See accompanying notes to financial statements.

LOGAN'S ROADHOUSE, INC.

Statements of Earnings

Years ended December 27, 1998, December 28, 1997, and December 29, 1996

	1998	1997	1996
Net restaurant sales	$101,025,075	66,530,400	41,044,121
Costs and expenses:			
Cost of restaurant sales:			
Food and beverage	33,118,074	21,884,389	13,661,800
Labor and benefits	28,954,487	18,583,426	11,211,976
Occupancy and other	15,258,963	9,548,697	5,974,489
Depreciation and amortization	5,189,522	3,597,666	1,869,502
General and administrative expenses	5,318,455	3,567,647	2,449,029
	87,839,501	57,181,825	35,166,796
Income from operations	13,185,574	9,348,575	5,877,325
Other income (expense):			
Interest income	331,736	600,614	378,097
Franchise income (note 8)	305,902	204,079	124,742
Interest expense	0	0	(69,606)
Merger transaction costs (note 12)	(615,389)	0	0
	22,249	804,693	433,233
Earnings before income taxes	13,207,823	10,153,268	6,310,558
Income tax expense (note 7)	4,826,573	3,517,750	2,161,997
Net earnings	$ 8,381,250	6,635,518	4,148,561
Net earnings per share:			
Basic	$ 1.17	1.02	0.73
Diluted	$ 1.14	0.99	0.71

See accompanying notes to financial statements.

LOGAN'S ROADHOUSE, INC.

Statements of Shareholders' Equity

Years ended December 27, 1998, December 28, 1997, and December 29, 1996

	Common Stock	Paid-in Capital	Additional Retained Earnings	Total
Balance at December 31, 1995	$ 47,175	14,286,310	721,108	15,054,593
Net earnings	0	0	4,148,561	4,148,561
Net proceeds from issuance of 1,293,750 shares of common stock	12,937	20,760,086	0	20,773,023
Net proceeds from exercise of 2,555 stock options and related tax benefits	26	25,630	0	25,656
Balance at December 29, 1996	60,138	35,072,026	4,869,669	40,001,833
Net earnings	0	0	6,635,518	6,635,518
Net proceeds from issuance of 1,100,000 shares of common stock	11,000	24,555,019	0	24,566,019
Net proceeds from exercise of 28,634 stock options and related tax benefits	286	421,566	0	421,852
Balance at December 28, 1997	71,424	60,048,611	11,505,187	71,625,222
Net earnings	0	0	8,381,250	8,381,250
Net proceeds from exercise of 56,732 stock options and related tax benefits	568	797,144	0	797,712
Balance at December 27, 1998	$ 71,992	60,845,755	19,886,437	80,804,184

See accompanying notes to financial statements.

LOGAN'S ROADHOUSE, INC.

Statements of Cash Flows

Years Ended December 27, 1998, December 28, 1997, and December 29, 1996

	1998	1997	1996
Cash flows from operating activities:			
Net earnings	$ 8,381,250	6,635,518	4,148,561
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization of property and equipment	3,011,444	1,912,588	1,054,031
Amortization of preopening costs	2,178,079	1,685,078	815,471
Net amortization and (accretion) of premiums and discounts on investment securities	0	81,043	(232,352)
Deferred income tax provision	1,793,360	575,649	626,628
Change in assets and liabilities:			
Interest receivable	115,304	33,357	(137,597)
Accounts receivable	(368,635)	(344,069)	(168,375)
Inventories	(359,250)	(220,568)	(92,644)
Preopening costs deferred	(4,477,803)	(1,776,740)	(1,271,020)
Prepaid expenses and other current assets	(690,036)	(491,829)	(37,568)
Other assets	(139,770)	(40,325)	(15,856)
Accounts payable and accrued payroll and related expenses	3,971,784	329,085	2,366,303

Deferred revenue	319,078	100,428	152,417
Income taxes payable	(277,114)	191,295	56,117
Accrued state and local taxes	366,872	244,266	37,597
Net cash provided by operating activities	13,824,563	8,914,776	7,301,713
Cash used by investing activities:			
Additions to property and equipment	(42,155,074)	(19,295,817)	(18,145,511)
Proceeds from sale of property	1,346,613	0	0
Purchases of investments	(5,804,129)	(29,435,362)	(19,000,000)
Proceeds from maturities of investments	22,668,086	20,515,000	10,171,619
Net cash used by investing activities	(23,944,504)	(28,216,179)	(26,973,892)
Cash flows from financing activities:			
Net proceeds from issuance of common stock	0	24,566,019	20,773,023
Net proceeds from exercise of stock options	797,712	421,852	9,002
Net proceeds from long-term debt obligations	6,176,000	0	0
Payments on long-term obligations	0	0	(2,579,251)
Net cash provided by financing activities	6,973,712	24,987,871	18,202,774
Net increase (decrease) in cash and cash equivalents	(3,146,229)	5,686,468	(1,469,405)
Cash and cash equivalents at beginning of year	6,466,775	780,307	2,249,712
Cash and cash equivalents at end of year	$ 3,320,546	6,466,775	780,307
Supplemental disclosures:			
Cash paid for interest	$ 36 500	0	69,606
Cash paid for income taxes	3,221,742	2,696,551	1,416,000
Note received as consideration on asset sale	150,000	0	0

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

At December 27, 1998, Logan's Roadhouse, Inc. (the Company), operated forty-one Company-owned restaurants and had four restaurants under franchise agreements. The Company's concept is intended to offer casual dining customers a relaxed environment that is both lively and entertaining. The Company's restaurants are located in mid-sized metropolitan markets and smaller markets in the Southeastern and Midwestern areas of the United States. See note 12.

The Company was formed on March 30, 1995 for the purpose of acquiring the partnership interests of Logan's Partnership (the Predecessor) pursuant to an exchange agreement between the Company and the partners of the Predecessor. Such exchange took place immediately prior to the initial public offering of the Company's common stock on July 26, 1995. The Predecessor commenced operations on August 10, 1992 to own, develop and manage an existing Logan's Roadhouse restaurant and to acquire and develop additional restaurant locations.

The Company's fiscal year ends on the last Sunday in December. Fiscal years 1998, 1997 and 1996 were comprised of 52 weeks.

(b) Use of Estimates

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

(c) Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(d) Investments

Investment securities consist of municipal and corporate debt securities. The Company classifies its debt and equity securities in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities in which the Company has the ability and intent to hold the security until maturity. All other securities not included in trading or held-to-maturity are classified as available-for-sale.

Trading and available-for-sale securities are recorded at fair value. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized holding gains and losses on trading securities are included in earnings. Unrealized holding gains and losses, net of the related tax effect, on available-for-sale securities are excluded from earnings and are reported as a separate component of shareholders' equity until realized. Realized gains and losses from the sale of available-for-sale securities are determined on a specific identification basis.

A decline in the market value of any available-for-sale or held-to-maturity security below cost that is deemed other than temporary results in a reduction in carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective interest method. Dividend and interest income are recognized when earned.

(e) Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market and consist primarily of food, beverages and supplies. The Company maintains its inventory at a level which management believes is sufficient to meet customer sales volume.

(f) Preopening Costs

Preopening costs represent costs incurred prior to a restaurant opening. These costs are capitalized and amortized over a 12-month period commencing the date the restaurant opens.

On April 13, 1998, the AICPA Accounting Standards Executive Committee (AcSEC) issued Statement of Position 98-5, Reporting on the Costs of Start-Up Activity. SOP 98-5 is effective for financial statements issued for fiscal years beginning after December 15, 1998. The SOP requires that costs incurred during a start-up activity (including organization costs) be expensed as incurred. The Company will adopt SOP 98-5 effective December 28, 1998. As a result, the Company will recognize, as a cumulative effect of a change in accounting principle, a charge equal to the after tax effect of the unamortized preopening costs recorded on the accompanying balance sheet at December 27, 1998, and expense such costs as incurred thereafter.

(g) Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is calculated on a straight-line method over the following estimated useful lives: building and building improvements - 30 years, and furniture, fixtures and equipment - five to ten years. Leasehold improvements are amortized over the shorter of the asset's estimated useful life or the lease term. Gains or losses are recognized upon the disposal of property and equipment and the asset and related accumulated depreciation and amortization are removed from the accounts. Maintenance and repairs are charged to costs and expenses as incurred.

(h) Deferred Revenue

Deferred revenue consists of gift certificates sold, but unredeemed and unearned franchise fees.

(i) Advertising Costs

The Company expenses advertising costs as incurred.

(j) Franchise Income

Franchise fees are recognized when the Company's obligated services are substantially performed and the franchisee's restaurant has opened for business. Monthly franchise royalties are recognized on an accrual basis and related costs are expensed when incurred. Franchise expenses are included in general and administrative expenses on the accompanying statements of earnings.

(k) Income Taxes

The Company provides for income taxes in accordance with the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(l) Earnings Per Share Data

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 128 Earnings Per Share, during the fourth quarter of 1997. Accordingly, all prior period earnings per share data has been restated in accordance with SFAS No. 128. Basic earnings per share data has been computed on the basis of the weighted average number of shares outstanding and diluted earnings per share data has been computed on the basis of the weighted average number of shares outstanding, including stock equivalents, which consist of stock options.

(m) Fair Value of Financial Instruments

The fair values of the financial instruments are estimates based upon current market conditions and quoted market prices for the same or similar instruments as of December 27, 1998 and December 28, 1997. Book value approximates fair value for substantially all of the Company's assets and liabilities which fall under the definition of financial instruments.

(n) Stock Option Plan

Prior to January 1, 1996, the Company accounted for its stock option plan in accordance with the provisions of Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. As such, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. On January 1, 1996, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation, which permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and future years as if the fair-value-based method defined in SFAS No. 123 had been applied. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

(o) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

The Company adopted the provisions of SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, on January 1, 1996. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement had no impact on the Company's financial position, results of operations, or liquidity.

(p) Comprehensive Income

The Company had no items of other comprehensive income during the three-year period ended December 27, 1998. Thus, comprehensive income was comprised solely of net earnings.

(2) Investment Securities

The Company classifies investment securities at December 27, 1998 and December 28, 1997 as held-to-maturity. The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and approximate fair values for investment securities by major security type and class at such dates were as follows:

	December 27, 1998			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Held-to-maturity:				
Corporate securities	$ 1,036,095	- -	(15,525)	1,020,570

	December 28, 1997			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Held-to-maturity:				
Municipal securities	9,164,691	3,090	- -	9,167,781
Corporate securities	8,735,361	- -	(302)	8,735,059
	17,900,052	3,090	(302)	17,902,840

Maturities of debt securities are as follows:

	December 27, 1998		December 28, 1997	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ - -	- -	17,900,052	17,902,840
Due after one year	1,036,095	1,020,570	- -	- -
	$1,036,095	1,020,570	17,900,052	17,902,840

(3) Property and Equipment

Property and equipment at December 27, 1998 and December 28, 1997, consist of the following:

	1998	1997
Land	$26,473,933	14,636,730
Building and building improvements	29,180,503	15,750,182
Furniture, fixtures and equipment	18,705,470	11,126,312
Leasehold improvements	16,538,828	9,779,559
Construction in progress	4,582,097	3,556,435
	95,480,831	54,849,218
Less accumulated depreciation	(6,710,716)	(3,774,215)
	$88,770,115	$51,075,003

(4) Long-term Obligations

The Company is party to a loan agreement dated February 16, 1996, as amended through December 24, 1998, whereby the Company has available a secured $17,000,000 revolving line of credit. Interest accrues at an annual rate equal to the bank's index rate or a rate equal to LIBOR plus 150 basis points. In addition, the Company pays an annual commitment fee equal to 20 basis points on the unfunded portion of the line. The loan agreement is subject to certain financial and non-financial covenants. Amounts outstanding under the line of credit at December 27, 1998 totaled $6,176,000. The line of credit matures on December 31, 1999. Interest costs incurred during fiscal year 1998 totaling $36,500 were capitalized to property and equipment as such advances were used to finance the construction of restaurant facilities.

(5) Lease Commitments

The Company has various leases for its corporate offices and certain restaurant land and buildings under operating lease agreements. Under these leases, the Company pays taxes, insurance and maintenance costs in addition to the lease payments. Certain of these leases provide for additional contingent rentals based on a percentage of sales in excess of a minimum rent.

Future minimum lease payments at December 27, 1998, are as follows:

	Operating Leases
1999	$1,814,267
2000	1,628,400
2001	1,628,919
2002	1,607,897
2003	1,571,840
Thereafter	19,596,138
Total minimum rentals	$27,847,461

Rent expense for operating leases for each of the years in the three-year period ending December 27, 1998 is as follows:

	1998	1997	1996
Minimum rentals	$ 1,343,559	889,787	561,469
Contingent rentals	141,949	119,743	102,846
	$ 1,485,508	1,009,530	664,315

(6) Shareholders' Equity

(a) Public Offerings

In July 1997, the Company completed an equity offering of 1,100,000 shares of its common stock and received net proceeds of $24,566,019.

In June 1996, the Company distributed a three-for-two stock split effected in the form of a 50% stock dividend on outstanding shares. All common shares and per share data included in the financial statements and footnotes thereto have been restated to reflect the stock split.

In April 1996, the Company completed a secondary public offering of its common stock in which 1,293,750 shares were sold by the Company for net proceeds of $20,773,023. In addition, 207,000 shares were sold by certain shareholders of the Company.

(b) Stock Options

In May 1995, the Company adopted the Logan's Roadhouse, Inc. 1995 Incentive Stock Plan and the 1995 Non-Employee Director Stock Option Plan. During March 1998, the Company amended the 1995 Incentive Stock Plan to increase the number of authorized shares available to 922,500 shares of common stock for issuance pursuant to options to be granted under the Incentive Stock Plan. A number of shares equal to 2% of the outstanding shares of common stock currently outstanding have been reserved for the Non-Employee Director Stock Option Plan. As of December 27, 1998, a total of 1,066,483 shares of common stock have been reserved for both plans. Options are granted at a price not less than fair market value at the date of grant. Non-employee director stock options vest one year from the date of grant, and employee options vest twenty-five percent per year commencing one year from the date of grant.

At December 27, 1998, there were 280,202 shares available for grant under the Plans. The per share weighted-average fair value of stock options granted during 1998, 1997 and 1996 was $8.99, $13.98 and $8.24, respectively, on the date of grant using the Black

Scholes option-pricing model. The following weighted-average assumptions were used for 1998, 1997 and 1996: expected dividend yield 0%, risk-free interest rate of 6.0% and an expected life of five years. An expected volatility used for 1998, 1997 and 1996 was 60.3%, 60.2% and 52.3%, respectively.

The Company applies APB Opinion No. 25 in accounting for its Plans and, accordingly, no compensation cost has been recognized for its stock options in the financial statements. Had the Company determined compensation cost based on the fair value at the grant date for its stock options under SFAS No. 123, the Company's net income would have been reduced to the pro forma amounts indicated below:

	1998	1997	1996
As reported:			
Net earnings	$8,381,250	6,635,518	4,148,561
Earnings per share - basic	$1.17	1.02	0.73
Earnings per share - diluted	$1.14	0.99	0.71
Pro forma SFAS No. 123:			
Net earnings	$7,345,511	6,005,411	3,816,704
Earnings per share - basic	$1.02	0.92	0.68
Earnings per share - diluted	$1.00	0.89	0.66

The following table summarizes the transactions pursuant to the Plans for each of the years in the three-year period ended December 27, 1998:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 1995	327,450	$9.05
Granted	182,350	15.76
Exercised	3,748	9.00
Canceled	17,663	9.00
Outstanding at December 29, 1996	488,389	11.50
Granted	102,400	24.49
Exercised	28,634	9.62
Canceled	10,064	11.53
Outstanding at December 28, 1997	552,091	14.04
Granted	280,850	17.12
Exercised	56,732	9.71
Canceled	79,042	14.69
Outstanding at December 27, 1998	697,167	$15.58

The following table summarizes information about stock options outstanding at December 27, 1998:

Exercise Price	Options Outstanding: Number Outstanding at 12/27/98	Weighted Average Remaining Contractual Life	Average Exercise Price	Options Exercisable: Number Exercisable at 12/27/98	Weighted Average Exercise Price
$9.00 to $11.33	211,953	7.10 years	$ 9.42	160,839	$ 9.45
$15.50 to $19.50	133,014	8	16.70	66,507	16.70
$22.75 to $26.50	86,900	9	24.13	46,100	23.49
$16.25 to $24.50	265,300	10	17.14	- -	- -
	697,167	8.61 years	$ 15.58	273,446	$ 13.58

Options exercisable and the weighted average exercise price for such options were 180,752 and $10.70 at December 28, 1997, respectively, and 112,163 and $9.04 at December 29, 1996, respectively.

(c) Preferred Stock

The Company's charter authorizes 5,000,000 shares of preferred stock. At December 27, 1998, no preferred shares have been issued.

(7) Income Taxes

Income tax expense from earnings for each of the years in the three-year period ended December 27, 1998 consists of the following:

	Federal	State and Local	Total
1998:			
Current	$2,697,773	335,440	3,033,213
Deferred	1,566,358	227,002	1,793,360
Income tax expense	$4,264,131	562,442	4,826,573

	Federal	State and Local	Total
1997:			
Current	$2,366,445	575,656	2,942,101
Deferred	480,678	94,971	575,649
Income tax expense	$2,847,123	670,627	3,517,750
1996:			
Current	$1,231,168	304,201	1,535,369
Deferred	468,355	158,273	626,628
Income tax expense	$1,699,523	462,474	2,161,997

Total income taxes for each of the years in the three-year period ended December 27, 1998, are allocated as follows:

	1998	1997	1996
Income tax expense			

from earnings	$4,826,573	3,517,750	2,161,997
Shareholders equity tax benefit derived from stock options exercised	(246,698)	(146,457)	(16,654)
Total income taxes	$4,579,875	3,371,293	2,145,343

The effective rate of income tax expense is 36.5% in 1998, 34.6% in 1997, and 34.3% in 1996. The actual income tax expense differs from the "expected" tax expense (computed by applying U.S. Federal corporate income tax rate of 34% to earnings before taxes) as follows:

	1998	1997	1996
Computed "expected" tax expense	$4,490,660	3,452,111	2,145,590
Increase (deduction) in income tax resulting from:			
State and local income taxes, net of federal income tax benefit	371,212	442,614	305,233
Tax exempt interest income	(59,803)	(145,920)	(105,591)
Utilization of tax credits	(217,642)	(160,719)	(103,031)
Dividends received	(37,449)	(43,812)	- -
Non-deductible merger expenses	209,232	- -	- -
Other	70,363	(26,524)	(80,204)
Income tax expense	$4,826,573	3,517,750	2,161,997

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset and deferred tax liability at December 27, 1998 and December 28, 1997, are as follows:

	1998	1997
Deferred tax assets:		
Insurance reserve, not yet deductible for tax purposes	$16,382	30,521
State tax credit carryforwards	41,530	- -
Total gross deferred tax asset	57,912	30,521
Deferred tax liabilities:		
Plant and equipment, principally due to differences in depreciation and capitalized lease amortization	2,091,232	1,191,299
Preopening costs, due to costs in excess of amortization	1,283,517	362,699
Total gross deferred tax liability	3,374,749	1,553,998
Net deferred tax liability	$3,316,837	1,523,477

The net deferred tax liability is presented in the December 27, 1998 and December 28, 1997 balance sheets as follows:

	1998	1997
Current deferred tax liability	$ 1,225,605	$ 332,178
Noncurrent deferred tax liability	2,091,232	1,191,299
Net deferred tax liability	$ 3,316,837	$1,523,477

(8) Franchising

In January 1996 and March 1997, respectively, the Company entered into franchise agreements with two separate entities controlled by significant shareholders. The agreements provide for the franchising of Logan's Roadhouse restaurants in select market areas which are not in the Company's immediate expansion plans. Pursuant to the terms of such agreements, one franchisee obtained the exclusive right to develop within certain counties of Arkansas, Oklahoma and Texas until December 31, 2000, and the other franchisee obtained the exclusive right to develop within the states of North Carolina and South Carolina and Augusta, Georgia until March 31, 2002. Each agreement is subject to automatic renewal for an additional five-year term upon the satisfaction of certain conditions. The agreements require the franchisee to pay an initial $30,000 franchise fee and a monthly royalty fee of 3% of gross sales. In addition, the Company may require the franchisees to contribute up to 1% of gross sales to the Company's general advertising account and expend on an annual basis up to 3% of gross sales for local promotional activities, subject to the approval of the Company. The Company is obligated to provide a three week training program for a fee ranging from $45,000 to $55,000 per restaurant. The franchisees are responsible for all expenses incurred by its personnel while training, including travel and living expenses. Income relating to the franchise agreements for the three fiscal years ended December 27, 1998, was $305,902, $204,079 and $124,742, respectively.

Management is also considering other franchising opportunities on a limited basis in areas which are not in the Company's immediate expansion plans, and has had preliminary discussions with third parties.

(9) Commitments and Contingencies

At December 27, 1998, the Company has ten restaurants under construction. Management estimates that the remaining costs to complete the construction, including furniture, fixtures, and equipment, are $16.8 million.

The Company is subject to various legal proceedings and claims which arise in the ordinary course of its business. Except as to the litigation discussed in note 12, in the opinion of management, the ultimate liability with respect to those claims will not materially affect the financial position or results of the Company's operations.

(10) Earnings Per Share

The following is a reconciliation of basic and diluted earnings per share:

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	For the Year Ended December 27, 1998		
Basic EPS			
Income available to common shareholders	$ 8,381,250	7,170,831	$ 1.17
Effect of Dilutive Securities			
Stock options	- -	201,443	
Diluted EPS			
Income available to common shareholders	$8,381,250	7,372,274	$ 1.14
	For the Year Ended December 28, 1997		
Basic EPS			
Income available to common shareholders	$6,635,518	6,505,194	$ 1.02
Effect of Dilutive Securities			
Stock options	- -	220,345	
Diluted EPS			
Income available to common shareholders	$6,635,518	6,725,539	$ 0.99
	For the Year Ended December 29, 1996		
Basic EPS			
Income available to common shareholders	$4,148,561	5,652,354	$ 0.73
Effect of Dilutive Securities			
Stock options	- -	173,414	
Diluted EPS			
Income available to common shareholders	$4,148,561	5,825,768	$ 0.71

For the years ending December 27, 1998 and December 28, 1997, options to purchase a weighted average of 114,100 and 55,039 shares, respectively, of the Company's common stock were excluded from the computation of diluted earnings per share as these options were anti-dilutive for such period.

(11) Year 2000

As the year 2000 approaches, a critical business issue has emerged regarding how existing application software programs and operating systems can accommodate this date value. Many existing application software products in the marketplace were designed to accommodate only two-digit date entries. Beginning in the year 2000, these systems and products will need to be able to accept four-digit entries to distinguish years beginning with 2000 from prior years. As a result, computer systems and software used by many companies may need to be upgraded to comply with such Year 2000 requirements. The Company has developed a plan to minimize the risk that its operations will be adversely affected by Year 2000 software failures and is in the process of preparing for Year 2000. Management believes that the Company's critical information technology software applications are Year 2000 compliant. As of December 27, 1998, the Company has a known issue regarding an operating system requiring an update from the manufacturer which it expects will be installed no later than April 30, 1999. During the first quarter 1999, the Company will be performing Year 2000 checks on all PC's to ensure that all hardware is compliant. Management believes that less than 20% of the Company's PC's may be affected, requiring an immaterial amount of funds to be expended. Through December 27, 1998, the Company has not incurred any significant costs in connection with Year 2000 compliance and expects to incur costs of approximately $5,000 on normal system software and equipment upgrades separate from the Year 2000 issue which the Company anticipated incurring and budgeted in the normal course of business.

The Company has been informed by its principal supplier that as of December 31, 1998, it is Year 2000 compliant. The Company's other food product suppliers are primarily comprised of small, local vendors, some of whom do not use computer-based systems for distribution and billing. In any event, management of the Company believes that any unresolved Year 2000 issues facing such vendors would not materially affect the Company. Finally, management of the Company plans to contact the utility companies providing services to its restaurants during 1999 to ensure that such service providers are or expect to be Year 2000 compliant so that no restaurant will experience an interruption of service as a result of any Year 2000 compliance problem.

The malfunction or complete failure of the Company's systems would likely have a material adverse effect on the results of operations and financial condition of the Company. The Company currently does have a contingency plan to address the failure of the Company's systems or the systems of its principal food supplier to be Year 2000 compliant. Should the remaining review of the Company's Year 2000 risks reveal potentially non-compliant systems or material third party risks, contingency plans will be developed to address the deficiencies revealed at that time. The Company's statements regarding Year 2000 issues are dependent on many factors, some of which are beyond the Company's control. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third-party suppliers and customers, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the Company's operations, liquidity or financial condition.

(12) Merger Agreement and Subsequent Events

On December 10, 1998, the Company entered into a definitive merger agreement whereby the Company agreed to merge with CBRL Group, Inc. (CBRL). The transaction is expected to be accounted for as a purchase. Under the terms of the merger agreement, CBRL purchased all of the outstanding shares of common stock of the Company for $24.00 per share in cash, an aggregate purchase price of approximately $179 million. Among other things, the merger agreement provides that all outstanding options to acquire common stock of the Company become exercisable at the exercise price set forth in such options and convert into the right to receive $24 per share in cash. The accompanying statement of earnings for the year ended December 27, 1998 reflects $615,389 of costs incurred by the Company through the end of fiscal year 1998 associated with the proposed merger. Additional merger related transaction costs will be incurred by the Company, including fees to the Company's investment advisor payable at the closing date.

On January 13, 1999, an action was filed naming as defendants the Company, its directors and its investment advisor in connection with the merger. The plaintiff sought to enjoin the merger, or alternatively, recover damages in the event the merger was consummated. The plaintiffs claimed, among other things, that the merger consideration was unfair and inadequate. On February 2, 1999, the court denied plaintiff's motion to enjoin the meeting of the Company's shareholder to vote on the merger.

On February 5, 1999, a majority of the Company's shareholders voted to approve the merger at a special meeting of shareholders.

On February 8, 1999, the merger agreement was amended to, among other things, set February 16, 1999 as the closing date for the merger. On such date the Company entered into a Memorandum of Understanding pursuant to which the parties agreed in principle to settle the aforementioned litigation. The proposed settlement is subject to, among other things, court approval. Management estimates that the agreement in principle to settle the litigation will result in the Company incurring costs of approximately $1,200,000. The Company is in discussions with its insurance providers to determine what portion of these costs, if any, may be recovered by the Company. The accompanying financial statements do not reflect a provision for loss related to this proposed settlement.

On February 16, 1999, the merger was consummated.

SIGNATURES

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

CBRL GROUP, INC.

Date: June ___, 1999

By: /s/ James F. Blackstock
James F. Blackstock
Vice President, General
Counsel and Secretary