FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

For the Quarterly Period Ended January 28, 1994

Commission file number 0-7536

CRACKER BARREL OLD COUNTRY STORE, INC.

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

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

615-444-5533

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

Yes X   No_

59,803,900 Shares of Common Stock
Issued and Outstanding

PART I

Item 1. Financial Statements

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED BALANCE SHEETS	(Unaudited) January 28, 1994	(Audited) July 30, 1993
ASSETS		
Cash and cash equivalents	$ 15,572,725	$ 38,552,111
Short-term investments	55,948,717	65,094,791
Receivables	1,295,285	2,436,918
Inventories	32,465,695	28,426,408
Prepaid expenses	489,905	832,262
Deferred income taxes	4,014,475	--
Total current assets	109,786,802	135,342,490
Property and equipment	409,134,162	362,587,593
Accumulated depreciation and amortization	67,345,597	56,991,727
Property and equipment-net	341,788,565	305,595,866

Long-term investments	23,130,817	27,421,378
Other assets	526,226	712,783
Total assets	$475,232,410	$469,072,517

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	$ 16,909,811	$ 23,137,298
Other current liabilities	31,347,043	36,089,916
Total current liabilities	48,256,854	59,227,214
Long-term debt	23,500,000	36,575,799
Capital lease obligations	1,762,602	1,801,900
Deferred income taxes	7,809,144	4,682,931
Stockholders' equity:		
Common stock	29,896,888	29,785,234
Additional paid-in capital	191,265,289	187,929,934
Retained earnings	172,741,633	149,069,505
Total stockholders' equity	393,903,810	366,784,673
Total liabilities and stockholders' equity	$475,232,410	$469,072,517

Note: The balance sheet as of July 30, 1993 has been taken from the audited financial statements at that date, and condensed.

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Quarters Ended January 28, 1994	For the Quarters Ended January 29, 1993
Net sales	$150,831,678	$119,575,294
Cost of goods sold	54,056,184	41,865,742
Gross profit on sales	96,775,494	77,709,552
Expenses:		
Store operations	71,748,488	57,464,767
General and administrative	9,256,389	7,584,681
Total expenses	81,004,877	65,049,448
Operating income	15,770,617	12,660,104
Interest expense	751,538	769,792
Interest income	892,543	332,114
Income before income taxes and cumulative effect of change in accounting principle	15,911,622	12,222,426
Provision for income taxes	5,998,681	4,571,187
Income before cumulative effect of change in accounting principle	9,912,941	7,651,239
Cumulative effect on prior years of changing method of accounting for income taxes	--	--
Net income	$ 9,912,941	$ 7,651,239
Earnings per share:		
Before cumulative effect of change in accounting principle	$ .16	$ .13
Cumulative effect on prior years of changing method of accounting for income taxes	--	--
Net earnings per share	$ .16	$ .13
Average common and common equivalent shares outstanding	60,621,566	57,635,867
Dividends per common share	$ 0.00500	$ 0.00417

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Six Months Ended January 28, 1994	For the Six Months Ended January 29, 1993
Net sales	$303,330,575	$242,555,480
Cost of goods sold	104,449,484	82,214,301
Gross profit on sales	198,881,091	160,341,179
Expenses:		
Store operations	143,518,607	115,915,381
General and administrative	18,566,737	15,229,731
Total expenses	162,085,344	131,145,112
Operating income	36,795,747	29,196,067
Interest expense	1,373,720	1,578,283
Interest income	1,946,056	793,216
Income before income taxes and cumulative effect of change in accounting principle	37,368,083	28,411,000
Provision for income taxes	14,087,767	10,625,714
Income before cumulative effect of change in accounting principle	23,280,316	17,785,286
Cumulative effect on prior years of changing method of accounting for income taxes	988,262	--
Net income	$ 24,268,578	$ 17,785,286
Earnings per share:		
Before cumulative effect of change in accounting principle	$ .38	$ .31
Cumulative effect on prior years of changing method of accounting for income taxes	.02	--
Net earnings per share	$ .40	$ .31
Average common and common equivalent shares outstanding	60,540,887	57,191,346
Dividends per common share	$ 0.01000	$ 0.00834

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Six Months Ended January 28, 1994	For the Six Months Ended January 29, 1993
Cash flows from operating activities:		
Net income	$24,268,578	$17,785,286
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	10,456,295	7,812,105
Loss on disposition of property and equipment	9,879	3,067
(Increase)decrease in inventories	(4,039,287)	1,690,912
Decrease in other assets	186,557	42,970
Decrease in accounts payable	(6,227,487)	(2,009,183)
(Decrease)increase in other current assets and liabilities	(2,936,727)	2,000,493
(Decrease)increase in deferred income taxes	(888,262)	100,000
Net cash provided by operating activities	20,829,546	27,425,650
Cash flows from investing activities:		
Decrease(increase) in short-term and long-term investments	13,436,635	(57,031,762)
Purchase of property and equipment	(46,715,632)	(37,378,530)
Proceeds from sale of property and equipment	56,759	31,928
Net cash used in investing activities	(33,222,238)	(94,378,364)
Cash flows from financing activities:		
Proceeds from issuance of capital stock	--	69,501,753
Proceeds from exercise of stock options	3,447,009	9,667,491
Principal payments under long-term debt and capital lease obligations	(13,437,253)	(1,104,657)
Dividends on common stock	(596,450)	(464,313)
Net cash (used in) provided by financing activities	(10,586,694)	77,600,274
Net (decrease)increase in cash and cash equivalents	(22,979,386)	10,647,560
Cash and cash equivalents, beginning of year	38,552,111	12,951,661
Cash and cash equivalents, end of quarter	$15,572,725	$23,599,221

Supplemental disclosures of cash flow information:		
Cash paid during the six months for:		
Interest	$ 2,221,856	$ 1,826,065
Income taxes	15,057,919	8,108,168

See notes to financial statements.

CRACKER BARREL OLD COUNTRY STORE, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. Condensed Financial Statements

The condensed balance sheet as of January 28, 1994 and the related condensed statements of income and cash flows for the quarters and six-month periods ended January 28, 1994 and January 29, 1993, have been prepared by the Company, without audit; in the opinion of management, all adjustments, including normal recurring accruals, have been made for a fair presentation of such condensed financial statements.

These condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's annual report for the year ended July 30, 1993.

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

2. Long Term Debt

The Company elected to prepay the following two outstanding debt issues during the second quarter of fiscal year 1994, unsecured notes payable of $6,800,000 and Industrial Development Revenue Bonds of $3,465,000. The unsecured notes payable of $6,800,000 had annual installments of $800,000 through 1999, and a final installment due August 5, 2000. The annual interest rate on the notes was 9.5% through 1997 and thereafter at a rate equal to the U.S. Treasury Note rate plus 1.2%. The $3,465,000 Industrial Development Revenue Bonds were redeemable in annual installments of $700,000 from December 1, 2009 through December 1, 2012, with a final installment due on December 1, 2013, with interest at an annual rate of 8.5%.

3. Income Taxes

The provision for income taxes for the quarter and six-month period ended January 28, 1994 has been computed based on management's estimate of the tax rate for the entire fiscal year. The variation between the statutory tax rate and the effective tax rate is due primarily to credits for FICA tax on tips above minimum wage and targeted jobs tax credits.

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes", effective July 31, 1993. This Statement supersedes Accounting Principles Board Opinion No. 11, "Accounting for Income Taxes", which was the Company's prior method of accounting for income taxes. The cumulative effect of adopting SFAS No. 109 on the Company's financial statements increased income by $988,262 ($0.02 per share), for the six months ended January 28, 1994. The adjustment represents the impact of adjusting deferred taxes to new rates as opposed to the higher tax rates in effect when the deferred taxes originated.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's net deferred tax liability as of July 31, 1993 are as follows:

Deferred tax assets:

Financial accruals without economic performance	$ 3,778,730
Other	797,357
	4,576,087

Deferred tax liabilities:

Excess tax depreciation over book	8,235,680
Other	35,076
	8,270,756
Net deferred tax liability	$(3,694,669)

The Company provided no valuation allowance against deferred tax assets recorded as of July 31, 1993 and January 28, 1994, as the "more-likely-than-not" valuation method determined all deferred assets to be fully realizable in future taxable periods.

The provision for income tax expense for the six months ended January 28, 1994 was $14,087,767 of which $13,987,767 is current income tax expense and $100,000 is deferred income tax expense. The Company's effective tax rate for fiscal year 1994 is estimated to be 37.7%.

The provision for income tax expense for the six months ended January 29, 1993 was $10,625,714 of which $10,525,714 was current income tax expense and $100,000 was deferred income tax expense.

The Company's effective tax rate for fiscal year 1993 was 37.4%. The adoption of SFAS No. 109 had no impact on the Company's effective tax rate for fiscal years 1993 or 1994.

4. Seasonality

The sales and profits of the Company are affected significantly by seasonal travel and vacation patterns because of its interstate highway locations. Historically, the Company's greatest sales and profits have occurred during the period of June through August. Early December through the last part of February, excluding the Christmas holidays, has historically been the period of lowest sales and profits. Therefore, the results of operations for the quarter and six-month period ended January 28, 1994 cannot be considered indicative of the operating results for the full year.

5. Stock Split

Per share amounts and average common and common equivalent shares for the quarter and six-month period ended January 29, 1993 have been restated to give effect to the three-for-two stock split in March 1993.

6. Reclassifications

Certain reclassifications have been made in the January 29, 1993 and July 31, 1992 condensed balance sheets to conform to the classifications used in fiscal 1994 and in the 1993 annual report for the purpose of preparing the January 29, 1993 condensed statement of cash flows.

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

Results of Operations

The following table highlights operating results for the second quarter of fiscal 1994 as compared to the fiscal 1993 second quarter:

	Relationship to Net Sales Quarters Ended 01/28/94	01/29/93	Period to Period Increase(Decrease)
Net sales:			
Restaurant	74.0%	75.4%	24%
Gift shop	26.0%	24.6%	33%
Total sales	100.0%	100.0%	26%
Cost of goods sold	35.8%	35.0%	29%
Expenses:			
Store operations	47.6%	48.1%	25%
General and administrative	6.1%	6.3%	22%
Total expenses	53.7%	54.4%	25%
Operating income	10.5%	10.6%	25%
Interest expense	0.5%	0.6%	(2%)
Interest income	0.6%	0.3%	169%
Income before income taxes and cumulative effect of change in accounting principle	10.5%	10.2%	30%
Provision for income taxes	4.0%	3.8%	31%
Income before cumulative effect of change in accounting principle	6.6%	6.4%	30%
Cumulative effect on prior years of changing method of accounting for income taxes	--	--	--
Net income	6.6%	6.4%	30%

	Same Store Sales Analysis 127 Store Average ($000)		
Restaurant	$674.7	$650.4	4%
Gift shop	232.3	211.4	10%
Restaurant & gift shop	$907.0	$861.8	5%

The following table highlights operating results for the six months ended January 28, 1994 as compared to the same period last year:

	Relationship to Net Sales Year to Date 01/28/94	01/29/93	Period to Period Increase(Decrease)
Net sales:			
Restaurant	76.6%	77.2%	24%
Gift shop	23.4%	22.8%	29%
Total sales	100.0%	100.0%	25%
Cost of goods sold	34.4%	33.9%	27%
Expenses:			
Store operations	47.3%	47.8%	24%
General and administrative	6.1%	6.3%	22%
Total expenses	53.4%	54.1%	24%
Operating income	12.1%	12.0%	26%
Interest expense	0.5%	0.7%	(13%)
Interest income	0.6%	0.3%	145%
Income before income taxes and cumulative effect of change in accounting principle	12.3%	11.7%	32%
Provision for income taxes	4.6%	4.4%	33%
Income before cumulative effect of change in accounting principle	7.7%	7.3%	31%
Cumulative effect on prior years of changing method of accounting for income taxes	.3%	--	--
Net income	8.0%	7.3%	36%

	Same Store Sales Analysis 127 Store Average ($000)		
Restaurant	$1,439.9	$1,385.2	4%
Gift shop	434.6	406.2	7%
Restaurant & gift shop	$1,874.5	$1,791.4	5%

Net sales for the second quarter of fiscal 1994 increased 26% over last year's second quarter. Same store restaurant sales increased 3.7%, including .5% in real terms. Same store gift shop sales increased 9.9%. Sales from new stores accounted for the remainder of the increase. Net sales for the six months ended January 28, 1994, increased 25% over the six month period ended January 29, 1993. Same store restaurant sales increased 3.9%, including .8% in real terms and same store gift shop sales increased 7.0%. Sales from new stores accounted for the remainder of the increase.

Cost of goods sold as a percentage of net sales were 35.8% in the second quarter of this year compared to 35.0% in the same period a year ago. This increase was primarily due to an increasing mix of gift shop sales, which have a higher cost than restaurant sales. In addition, this increase was partially due to an increase in restaurant cost of goods sold as a percentage of sales, which was primarily due to a new seasonal promotion instituted in the second quarter of fiscal 1994. For the six months ended January 28, 1994, cost of goods sold were 34.4% compared to 33.9% for the same period a year ago. This increase was primarily due to both an increasing mix of gift shop sales, which have a higher cost than restaurant sales, and due to an increase in food cost.

Total operating expenses as a percentage of net sales were 53.7% and 53.4% in the quarter and six-month period ended January 28, 1994, compared to 54.4% and 54.1%, respectively, in the same periods a year ago. The decreases in store operating expenses as a percent to net sales were primarily due to increased volume. General and administrative expenses as a percentage of sales were lower this year compared to the second quarter and six-month period of last year primarily due to higher volume.

Interest expense decreased to $751,538 and $1,373,720 for the quarter and six-month period ended January 28, 1994 from $769,792 and $1,578,283, respectively, in the same periods a year ago. The decreases were primarily due to lower average debt outstanding during the quarter and six-month period ended January 28, 1994. Interest income increased to $892,543 and $1,946,056 in the quarter and six-month period ended January 28, 1994 from $332,114 and $793,216, respectively, in the same periods a year ago. The primary reason for the increase in interest income was higher average funds available for investment.

Liquidity and Capital Resources

The Company's operating activities provided net cash of $20.8 million for the six months ended January 28, 1994. Net income adjusted by depreciation and amortization provided most of the cash. Decreases in accounts payable, increases in inventories and decreases in other current assets and liabilities partially offset the cash provided by net income adjusted by depreciation and amortization.

Capital expenditures were $20.6 million in the second quarter of fiscal 1994 and $46.7 million for the six months ended January 28,1994. Land purchases and cost of new stores accounted for substantially all of these expenditures. The gift shop warehouse expansion capital expenditures were $3.2 million for the six-month period ended January 28, 1994.

The Company's internally generated cash and short-term and long-term investments were sufficient to finance all of its growth in the first six months of fiscal 1994.

The Company estimates that its capital expenditures for fiscal 1994 will be approximately $100 million, substantially all of which will be land purchases and cost of new stores, except for $4 million relating to the gift shop warehouse expansion. Management believes that cash and short-term and long-term investments at January 28, 1994, along with cash generated from the Company's operating activities, will be sufficient to finance its continued expansion in fiscal 1994 and its continued expansion plans through fiscal 1997. Presently the Company has an unused revolving credit line of $15 million.

INDEPENDENT ACCOUNTANTS' REPORT

Cracker Barrel Old Country Store, Inc.

We have made a review of the condensed balance sheet of Cracker Barrel Old Country Store, Inc. as of January 28, 1994, and the related condensed statements of income and cash flows for the quarters and six-month periods ended January 28, 1994 and January 29, 1993, in accordance with standards established by the American Institute of Certified Public Accountants.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the balance sheet of Cracker Barrel Old Country Store, Inc. as of July 30, 1993, and the related statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated September 10, 1993, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed balance sheet as of July 30, 1993 is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

DELOITTE & TOUCHE

March 9, 1994

PART II

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

A. The annual meeting of shareholders was held November 23, 1993.

B. Election of Directors: Previously reported.

C. Other matters: Previously reported.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

Letter regarding unaudited financial information.

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.

CRACKER BARREL OLD COUNTRY STORE, INC.

Date: 3/09/94 By /s/Jimmie D. White

Jimmie D. White, Chief Financial Officer

Date: 3/09/94 By /s/Patrick A. Scruggs

Patrick A. Scruggs, Assistant Treasurer

March 9, 1994

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

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim financial information of Cracker Barrel Old Country Store, Inc. for the quarters and six-month periods ended January 28, 1994 and January 29, 1993, as indicated in our reports dated March 9, 1994; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our reports referred to above, which were included in your Quarterly Report on Form 10-Q for the quarter ended January 28, 1994, is incorporated by reference in Registration Statement Nos. 2-86602, 33-15775, 33-37567 and 33-45482 on Forms S-8 and Registration Statement No. 33-59582 on Form S-3.

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

DELOITTE & TOUCHE

Nashville, Tennessee