FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended October 31, 1997	Commission File Number: 0-19133

FIRST CASH, INC.
(Exact name of registrant as specified in its charter)

Delaware (State of Incorporation)	75-2237318 (IRS Employers Identification Number)
690 East Lamar, Suite 400 Arlington, Texas (Address of principal executive offices)	76011 (Zip Code)

(817)460-3947
(Registrant's telephone number, including area code)

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

As of December 15, 1997, there were 4,465,792 shares of Company common stock, par value $.01 per share ("Common Stock"), issued and outstanding.

Part I. Financial Information
Item 1. Financial Statements

FIRST CASH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	October 31, 1997 (unaudited)	July 31, 1997
	(in thousands, except share data)	
ASSETS		
Cash and cash equivalents	$ 1,002	$ 1,139
Service charges receivable	2,055	1,949
Loans	13,651	12,877
Inventories	10,969	10,035
Prepaid expenses and other current assets	1,987	1,122
Total current assets	29,664	27,122
Property and equipment, net	6,563	6,554
Intangible assets, net	22,509	22,256
Other	720	745
	$ 59,456	$ 56,677
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt and notes payable	$ 365	$ 942
Accounts payable and accrued expenses	2,193	2,437
Income taxes payable	474	127

Total current liabilities	3,032	3,506
Revolving credit facility	18,725	15,575
Long-term debt and notes payable, net of current portion	1,937	2,735
Debentures Due 1999	6,022	6,022
Debentures Due 2004	500	500
Deferred income taxes	2,181	2,060
	32,397	30,398
Stockholders' equity:		
Preferred stock; $.01 par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; $.01 par value; 20,000,000 shares authorized; 4,936,751 and 4,931,376 shares issued, respectively; 4,465,792 and 4,460,417 shares outstanding, respectively	50	50
Additional paid-in capital	21,027	21,005
Retained earnings	8,247	7,489
Common stock held in treasury, at cost, 470,959 shares	(2,265)	(2,265)
	27,059	26,279
	$ 59,456	$ 56,677

The accompanying notes are an integral
part of these condensed consolidated financial statements.

FIRST CASH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended October 31, 1997 (unaudited)	1996 (unaudited)
	(in thousands, except per share amounts)	
Revenues:		
Merchandise sales	$ 8,473	$ 6,748
Pawn service charges	4,631	4,061
Other	75	71
	13,179	10,880
Cost of goods sold and expenses:		
Cost of goods sold	5,839	4,629
Operating expenses	4,239	3,610
Interest expense	546	564
Depreciation	196	162
Amortization	166	155
Administrative expenses	961	872
	11,947	9,992
Income before income taxes	1,232	888
Provision for income taxes	474	335
Net income	$ 758	$ 553
Primary earnings per share	$ .15	$ .13
Fully diluted earnings per share	$ .14	$ .12

The accompanying notes are an integral part
of these condensed consolidated financial statements.

FIRST CASH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended October 31, 1997 (unaudited)	1996 (unaudited)
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 758	$ 553
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation and amortization	362	317
Changes in operating assets and liabilities, net of effect of purchases of existing stores:		
Service charges receivable	(72)	(34)
Inventories	(813)	(1,656)
Prepaid expenses and other assets	(840)	(508)
Accounts payable and accrued expenses	(244)	715
Current and deferred income taxes	468	103
Net cash flows from operating activities	(381)	(510)
Cash flows from investing activities:		
Net increase in loans	(549)	(347)
Purchases of property and equipment	(130)	(39)
Acquisition of existing pawnshops	(874)	(1,808)
Net cash flows from investing activities	(1,553)	(2,194)
Cash flows from financing activities:		
Proceeds from debt	1,975	4,850
Repayments of debt	(200)	(2,323)
Proceeds from exercise of stock options	22	-
Net cash flows from financing activities	1,797	2,527
Increase (decrease) in cash and cash equivalents	(137)	(177)
Cash and cash equivalents at beginning of the period	1,139	680
Cash and cash equivalents at end of the period	$ 1,002	$ 503
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 552	$ 589
Income taxes	$ 8	$ 253

The accompanying notes are an integral part of these condensed consolidated financial statements.

FIRST CASH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 - Basis of Presentation

The accompanying unaudited consolidated financial statements, including the notes thereto, include the accounts of First Cash, Inc. and its wholly-owned subsidiaries, American Loan & Jewelry, Inc. and Famous Pawn, Inc. Such unaudited consolidated financial statements are condensed and do not include all disclosures and footnotes required by generally accepted accounting principles for complete financial statements. Such interim period financial statements should be read in conjunction with the Company's consolidated financial statements which are included in the Company's 1997 Annual Report to Stockholders. All significant intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements as of October 31, 1997 and for the periods ended October 31, 1997 and 1996 are unaudited, but in management's opinion, include all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flows for such interim periods. Operating results for the period ended October 31, 1997 are not necessarily indicative of the results that may be expected for the full fiscal year.

Note 2 - Earnings Per Share
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Earnings per common share is calculated using the Modified Treasury Stock Method as required by Accounting Principles Board Opinion No.15 ("APB 15"), which requires a dual computation. The first computation divides net income available to common shareholders by the weighted average shares of common stock outstanding during the period. The second computation requires all common stock equivalents, whether dilutive or anti-dilutive, be included in an aggregate computation, however, the number of common shares assumed to be repurchased into treasury is limited to 20% of the number of common shares outstanding at the end of the period. The remaining excess proceeds are then assumed to first retire outstanding debt, and second, to purchase certain "risk-free" securities. Pursuant to APB 15, if the result of the aggregate computation is dilutive, when compared to the first computation, its result must be reported as earnings per share; otherwise, the result of the first computation is reported. As a result of this computation, the proceeds from the assumed exercise of common stock equivalents were assumed to be used to repurchase 20% of the outstanding common shares at the average stock price during the quarter and the remaining proceeds were used to retire debt and invest in 5.25% securities. This increased adjusted net income by $221,000 and $263,000, respectively, and increased the share count by 2,233,000 and 2,690,000 shares, respectively, for the three months ended October 31, 1997 and 1996. Thus, the adjusted net income and share count used in computing primary earnings per share were $979,000 and $816,000, respectively, and 6,694,000 and 6,409,000 shares, respectively, for the three months ended October 31, 1997 and 1996. For purposes of calculating primary earnings per share, convertible debentures are not included as they are not considered common stock equivalents. Fully diluted earnings per share is calculated in a similar manner except that all convertible debentures are also included in this computation and the higher of the closing stock price or average stock price for the quarter is used. Fully diluted earnings per share's adjusted net income increased $337,000 and $435,000, respectively, and the share count increased 3,631,000 and 4,790,000 shares, respectively, for the three months ended October 31, 1997 and 1996. Thus, the adjusted net income and share count used in computing fully diluted earnings per share were $1,095,000 and $988,000, respectively, and 8,096,000 and 8,509,000 shares, respectively, for the three months ended October 31, 1997 and 1996.

In February 1997 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("FAS 128"), which the Company is required to adopt during the quarter beginning November 1, 1997. FAS 128 permits a pro forma disclosure of the new earnings per share computations in periods prior to adoption. Using the computations in FAS 128, the Company's basic and diluted earnings per share for the three months ended October 31, 1997 would be $0.17 and $0.13, respectively, compared to basic and diluted earnings per share of $0.15 and $0.12, respectively for the three months ended October 31, 1996.

Note 3 - Revolving Credit Facility
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Effective November 1, 1997, the Company increased its long-term line of credit with its senior commercial lender to $35,000,000 (the "Credit Facility"). At October 31, 1997, $18,725,000 was outstanding under this Credit Facility and an additional $6,275,000 would have been available to the Company pursuant to the available borrowing base under its November 1, 1997 loan agreement. The Credit Facility bears interest at the prevailing LIBOR rate plus one percent, and matures on November 1, 2000. Amounts available under the Credit Facility are limited to 325% of the Company's earnings before income taxes, interest, depreciation and amortization for the trailing twelve months. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain technical covenants. The Company was in compliance with these requirements and covenants during the first three months of fiscal 1998 and as of December 15, 1997.

Note 4 - Business Acquisitions
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In August, September, and October 1997, the Company acquired the assets of seven individual stores in various regions where the Company operates. These acquisitions were financed with proceeds from the Company's Credit Facility. In December 1997, the Company acquired 100% of the common stock of Silver Hill Pawn, Inc. and Capital Pawnbrokers, Inc., which operate one store each.

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

GENERAL

The Company's revenues are derived primarily from service charges on pawn loans and the sale of unredeemed goods, or "merchandise sales". Loans are made for a 30-day term with an automatic extension of 60 days in Texas, 30 days in Oklahoma and 15 to 45 days in Maryland and Washington, DC. All loans are collateralized by tangible personal property placed in the custody of the Company. The annualized service charge rates on the loans are set by state laws and range between 12% and 240% in Texas and 36% and 240% in Oklahoma, depending on the amount of the loan. In Maryland, annualized service charge rates range from 144% to 240%, with a $6 monthly minimum. In Washington, DC, loans up to $40 bear a flat $2 charge per month, while loans over $40 bear a 60% annualized rate. In its Texas stores, the Company recognizes service charges at the inception of the loan at the lesser of the statutory amount for the initial 30-day term or $15, in accordance with state law. In Oklahoma, Maryland and Washington, DC the Company recognizes service charges at the inception of the loan at the amount allowed by law for the first 30 days. Pawn service charge income applicable to the remaining term and/or extension period is not recognized until the loan is repaid or renewed. If a loan is not repaid prior to the expiration of the automatic extension period, the property is forfeited to the Company and held for resale.

As a result of the Company's policy of accruing pawn service charges only for the initial 30-day term, unredeemed merchandise is transferred to inventory at a value equal to the loan principal plus one-month's accrued interest. The Company's accounting policy defers recognition of an amount of income equal to the amount of pawn service charges relating to the remaining term and/or extension period until the loan is repaid, renewed, or until the merchandise is resold. As a result of this policy, the Company's annualized loan yield is lower than certain of its publicly traded competitors. Conversely, this revenue recognition policy results in inventory being recorded at a lower value, which results in realization of a larger gross profit margin on merchandise sales than would be realized by certain of its publicly traded competitors, which lessens the risk that the inventory's cost will exceed its realizable value when sold. However, if the pawn loan is repaid or renewed, or if the forfeited merchandise is resold, the amount of income which would be recognized by the Company or certain of its publicly traded competitors would be the same over time.

Although the Company has had significant increases in revenues due to acquisitions and store openings, the Company has also incurred increases in operating expenses attributable to the additional stores and increases in administrative expenses attributable to establishing a management team and supporting personnel associated with the Company's growth. Operating expenses consist of all items directly related to the operation of the Company's stores, including salaries and related payroll costs, rent, utilities, equipment depreciation, advertising, property taxes, licenses, supplies and security. Administrative expenses consist of items relating to the operation of the corporate office, including the salaries of corporate officers, area supervisors and other management, accounting and administrative costs, liability and casualty insurance, outside legal and accounting fees and stockholder-related expenses.

RESULTS OF OPERATIONS

Three months ended October 31, 1997 compared to the three months ended October 31, 1996

Total revenues increased 21% to $13,179,000 for the three month period ended October 31, 1997 ("the First Quarter of Fiscal 1998") as compared to $10,880,000 for the three month period ended October 31, 1996 ("the First Quarter of Fiscal 1997"). The increase resulted from $1,101,000 of revenues generated by the 14 stores which were opened or acquired on or subsequent to August 1, 1996, and an increase of $1,198,000 for the 50 stores which were in operation during all of the First Quarter of Fiscal 1997 and the First Quarter of Fiscal 1998. Of the $2,299,000 increase in total revenues, 75%, or $1,725,000, was attributable to increased merchandise sales, 25%, or $570,000, was attributable to increased pawn service charges, and the remaining increase of $4,000 was attributable to an increase in other income. As a percentage of total revenues, merchandise sales increased from 62% to 64%, pawn service charges decreased from 37% to 35%, and other income remained 1% during the First Quarter of Fiscal 1998 as compared to the First Quarter of Fiscal 1997. The gross profit as a percentage of merchandise sales was 31% during the First Quarter of Fiscal 1998 and the First Quarter of Fiscal 1997.

The aggregate loan balance increased 10% from $12,467,000 as of October 31, 1996 to $13,651,000 as of October 31, 1997. Of the $1,184,000 increase,

$525,000 was attributable to the addition of 10 stores acquired subsequent to October 31, 1996. The remaining increase was attributable to increases in aggregate loan balances of $659,000 at the 54 stores in operation at both October 31, 1996 and October 31, 1997.

Operating expenses increased 17% to $4,239,000 during the First Quarter of Fiscal 1998 compared to $3,610,000 during the First Quarter of Fiscal 1997, primarily as a result of the addition of the 14 stores subsequent to August 1, 1996. Administrative expenses increased 10% to $961,000 during the First Quarter of Fiscal 1998 compared to $872,000 during the First Quarter of Fiscal 1997, primarily due to the addition of supervisory staff and other overhead related to the above-mentioned 14 stores acquired. Interest expense decreased from $564,000 in the First Quarter of Fiscal 1997 to $546,000 in the First Quarter of Fiscal 1998. This decrease resulted primarily from interest expense savings due to the conversion into common stock of certain convertible debentures during fiscal 1997.

For the First Quarter of Fiscal 1998 and the First Quarter of Fiscal 1997, the Company's tax provision of 38% of income before income taxes differed from the statutory federal rate of 34% primarily due to state income taxes, net of the federal tax benefit.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations and acquisitions have been financed with funds generated from operations, bank borrowings, seller-financed indebtedness, the private placement of convertible debentures.

Effective November 1, 1997, the Company increased its long-term line of credit with its senior commercial lender to $35,000,000 (the "Credit Facility"). At October 31, 1997, $18,725,000 was outstanding under this Credit Facility and an additional $6,275,000 would have been available to the Company pursuant to the available borrowing base under its November 1, 1997 loan agreement. The Credit Facility bears interest at the prevailing LIBOR rate plus one percent, and matures on November 1, 2000. Amounts available under the Credit Facility are limited to 325% of the Company's earnings before income taxes, interest, depreciation and amortization for the trailing twelve months. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain technical covenants. The Company was in compliance with these requirements and covenants during the first three months of fiscal 1998 and as of December 15, 1997.

In August, September, and October 1997, the Company acquired seven individual stores in various regions where the Company operates. These acquisitions were financed with proceeds from the Company's Credit Facility. In December 1997, the Company acquired 100% of the common stock of Silver Hill Pawn, Inc. and Capital Pawnbrokers, Inc., which operate one store each.

As of October 31, 1997, the Company's primary sources of liquidity were $1,002,000 in cash and cash equivalents, $2,055,000 in service charges receivable, $13,651,000 in loans, $10,969,000 in inventories and $6,275,000 of available and unused funds under the Company's Credit Facility. The Company had working capital as of October 31, 1997 of $26,632,000 and a total liabilities to equity ratio of 1.2 to 1. During the First Quarter of Fiscal 1998, the Company received proceeds of $22,000 from the issuance of 5,375 shares of common stock relating to the exercise of outstanding common stock warrants and options.

Net cash used by operating activities for the Company during the First Quarter of Fiscal 1998 was $381,000 as compared with $510,000 used for operating activities during the First Quarter of Fiscal 1997. Net cash used for investing activities during the First Quarter of Fiscal 1998 was $1,553,000 as compared with $2,194,000 used for investing activities during the First Quarter of Fiscal 1997. Net cash provided by financing activities of $1,797,000 during the First Quarter of Fiscal 1998 compares to net cash provided by financing activities of $2,527,000 during the First Quarter of Fiscal 1997.

The profitability and liquidity of the Company are affected by the amount of loans outstanding, which is controlled in part by the Company's loan decisions. The Company is able to influence the frequency of forfeiture of collateral by increasing or decreasing the amount loaned in relation to the resale value of the pledged property. Tighter credit decisions generally result in smaller loans in relation to the estimated resale value of the pledged property and can thereby decrease the Company's aggregate loan balance and, consequently, decrease pawn service charges. Additionally, small loans in relation to the pledged property's estimated sale value tend to increase loan redemptions and improve the Company's liquidity. Conversely, providing larger loans in relation to the estimated sale value of the pledged property can result in an increase in the Company's pawn service charge income. Also larger average loan balances can result in an increase in loan forfeitures, which increases the quantity of goods on hand and, unless the Company increases inventory turnover, reduces the Company's liquidity. In each of the Company's last three fiscal years, at least 70% of the amounts loaned were either paid in full or renewed. The Company's renewal policy allows customers to renew pawn loans by repaying all accrued interest on such pawn loans. In addition to these factors, the Company's liquidity is affected by merchandise sales and the pace of store expansions.

Management believes that the Credit Facility, current assets and cash generated from operations will be sufficient to accommodate the Company's current operations for at least the next twelve months. The Company has no significant capital commitments as of December 15, 1997. The Company currently has no written commitments for additional borrowings or future acquisitions; however, the Company intends to continue to grow and will likely seek additional capital to facilitate expansion. The Company will evaluate acquisitions, if any, based upon opportunities, acceptable financing, purchase price, strategic fit and qualified management personnel.

The Company intends to continue to engage in a plan of expansion through existing store acquisitions and new store openings. While the Company continually looks for, and is presented with, potential acquisition candidates, the Company has no definitive plans or commitments for further acquisitions. If the Company encounters an attractive opportunity to acquire or open a new store in the near future, the Company will seek additional financing, the terms of which will be negotiated on a case-by-case basis. Between August 1, 1997 and December 15, 1997, the Company has acquired nine individual stores in various regions where the Company operates. These acquisitions were financed with proceeds from the Company's Credit Facility.

FORWARD LOOKING INFORMATION

Statements, either written or oral, which express the Company's expectation for the future with respect to financial performance or operating strategies can be identified as "forward-looking statements." These statements are made to provide the public with management's assessment of the Company's business. The Company may or may not update information contained in previously released forward-looking statements and does not assume the duty to do so.

Certain portions of this report contain forward-looking statements, particularly the portion captioned "Liquidity and Capital Resources". Factors such as changes in regional or national economic or competitive conditions, changes in government regulations, changes in regulations governing pawn service charges, unforeseen litigation, changes in interest rates or tax rates, significant changes in the prevailing market price of gold, future business decisions and other uncertainties may cause results to differ materially from those anticipated by some of the statements made in this report. Such factors are difficult to predict and many are beyond the control of the Company.

PART II. OTHER INFORMATION

ITEM 4. Submission of matters to a vote of security holders

ITEM 6. Exhibits and reports on Form 8-K

a. Exhibits

27.0 Financial Data Schedules (Edgar version only).

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.

Dated: December 15, 1997	FIRST CASH, INC.
	(Registrant)
Phillip E. Powell	Rick L. Wessel
Phillip E. Powell	Rick L. Wessel
Chairman of the Board and	Chief Accounting Officer

Chief Executive Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED BALANCE SHEETS AND CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOUND IN THE COMPANY'S FORM 10-Q FOR THE YEAR TO DATE, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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JUL-31-1998
OCT-31-1997
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10,969
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