

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the Quarter Ended
September 30, 2003

Commission File Number:
0-19133

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

Delaware
(state or other jurisdiction of
incorporation or organization)

75-2237318
(IRS Employer Identification No.)

690 East Lamar Blvd., Suite 400
Arlington, Texas
(Address of principal executive offices)

76011
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act). Yes No

As of November 7, 2003, there were 10,019,887 shares of Common Stock outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,	
	2003	2002	2002	
	(unaudited)			
	(in thousands, except share data)			
ASSETS				
Cash	\$ 13,665	\$ 12,005	\$ 12,735	
Service charges receivable.....	3,615	2,995	3,174	
Receivables.....	30,989	25,646	27,314	
Inventories.....	15,011	13,093	13,648	
Prepaid expenses and other current assets	1,239	1,466	1,161	
Income taxes receivable.....	2,043	1,304	109	

Total current assets	66,562	56,509	58,141	
Property and equipment, net.....	12,926	10,597	11,750	
Goodwill, net	53,194	53,194	53,194	
Receivable from Cash & Go, Ltd.....	4,943	6,924	7,351	
Other.....	612	409	563	

	\$138,237	\$127,633	\$130,999	
	=====			
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current portion of long-term debt.....	\$ -	\$ 1,200	\$ 900	
Accounts payable and accrued expenses....	11,775	9,767	10,054	

Total current liabilities	11,775	10,967	10,954	
Revolving credit facility.....	11,000	29,000	28,000	
Long-term debt, net of current portion...	-	627	602	

Deferred income taxes.....	5,824	4,750	4,923
	-----	-----	-----
	28,599	45,344	44,479
	-----	-----	-----
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; 9,827,387, 8,871,187 and 8,871,187 shares outstanding, respectively	106	96	96
Additional paid-in capital	60,273	51,907	51,908
Retained earnings	52,274	38,450	41,759
Notes receivable from officers	-	(5,149)	(4,228)
Common stock held in treasury, at cost, 654,181 shares	(3,015)	(3,015)	(3,015)
	-----	-----	-----
	109,638	82,289	86,520
	-----	-----	-----
	\$138,237	\$127,633	\$130,999
	=====	=====	=====

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

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002

	(unaudited, in thousands, except per share amounts)			
Revenues:				
Merchandise sales.....	\$ 17,283	\$ 13,282	\$ 49,986	\$ 40,615
Service charges.....	18,996	15,552	51,932	41,665
Check cashing fees.....	670	642	2,109	2,026
Other.....	292	279	876	767
	-----	-----	-----	-----
	37,241	29,755	104,903	85,073
	-----	-----	-----	-----
Cost of goods sold and expenses:				
Cost of goods sold.....	10,245	7,628	29,570	23,620
Operating expenses.....	16,602	14,161	45,377	38,929
Interest expense.....	108	238	412	698
Interest income.....	(133)	(161)	(467)	(427)
Depreciation	828	718	2,176	1,859
Administrative expenses.	3,110	3,143	10,855	8,471
	-----	-----	-----	-----
	30,760	25,727	87,923	73,150
	-----	-----	-----	-----
Income before income taxes	6,481	4,028	16,980	11,923
Provision for income taxes	2,465	1,450	6,465	4,292
	-----	-----	-----	-----
Net income.....	\$ 4,016	\$ 2,578	\$ 10,515	\$ 7,631
	=====	=====	=====	=====
Net income per share:				
Basic	\$ 0.42	\$ 0.29	\$ 1.15	\$ 0.87
	=====	=====	=====	=====
Diluted	\$ 0.37	\$ 0.27	\$ 1.02	\$ 0.80
	=====	=====	=====	=====

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

FIRST CASH FINANCIAL SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	Sept. 30, 2003	Sept. 30, 2002
	-----	-----
	(unaudited)	(unaudited)
	(in thousands)	
Cash flows from operating activities:		
Net income	\$ 10,515	\$ 7,631
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation	2,176	1,859
Stock option and warrant income tax benefit	3,298	211
Changes in operating assets and liabilities:		
Service charges receivable	(441)	(178)
Inventories	(1,363)	(412)
Prepaid expenses and other assets	(127)	(145)
Accounts payable and accrued expenses	1,721	(274)
Current and deferred income taxes	(1,033)	211
	-----	-----
Net cash flows from operating activities ..	14,746	8,903
	-----	-----
Cash flows from investing activities:		
Net increase in receivables	(3,675)	(2,090)
Purchases of property and equipment	(3,352)	(2,422)
Decrease in receivable from Cash & Go, Ltd	2,408	184
	-----	-----
Net cash flows from investing activities ..	(4,619)	(4,328)
	-----	-----
Cash flows from financing activities:		
Proceeds from debt	-	7,000
Repayments of debt	(18,502)	(11,166)
Decrease (increase) in notes receivable		
from officers	4,228	(98)
Proceeds from exercise of options and warrants.	5,077	442
	-----	-----
Net cash flows from financing activities ..	(9,197)	(3,822)
	-----	-----
Change in cash and cash equivalents.....	930	753
Cash and cash equivalents at beginning of the period.....	12,735	11,252
	-----	-----
Cash and cash equivalents at end of the period..	\$ 13,665	\$ 12,005
	=====	=====
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ 471	\$ 717
	=====	=====
Income taxes	\$ 4,215	\$ 4,034
	=====	=====

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

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

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements, including the notes thereto, include the accounts of First Cash Financial Services, Inc. (the "Company") and its wholly owned subsidiaries. Such unaudited consolidated financial statements are condensed and do not include all disclosures and footnotes required by generally accepted accounting principles in the United States of America 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 December 31, 2002 Annual Report on Form 10-K. All significant inter-company accounts and transactions have been eliminated in consolidation. The consolidated financial statements as of September 30, 2003 and for the periods ended September 30, 2003 and 2002 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 September 30, 2003 are not necessarily indicative of the results that may be expected for the full fiscal year.

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities - an interpretation of ARB No. 51. FIN 46 addresses consolidation by business enterprises of variable interest entities (formerly special purpose entities). In general, a variable interest entity is a corporation, partnership, trust or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. On October 9, 2003 the FASB deferred implementation of FIN 46 until the fourth quarter of 2003. The Company has evaluated the applicability of FIN 46 to its existing 50% investment in Cash & Go, Ltd., a Texas limited partnership, which owns and operates approximately 40 check-cashing/short term advance kiosks inside convenience stores in the Texas market. As a result, the Company expects that effective December 31, 2003, it will consolidate into its financial statements the assets, liabilities and operating results of Cash & Go, Ltd.

Note 2 - Revolving Credit Facility

The Company maintains a long-term line of credit with a group of commercial lenders (the "Credit Facility"). The Credit Facility provides a \$25,000,000 long-term line of credit that matures on August 9, 2005 and bears interest at the prevailing LIBOR rate (which was approximately 1.1% at September 30, 2003) plus an applicable margin based on a defined leverage ratio for the Company. Based on the Company's existing leverage ratio, the margin is currently 1.375%, the most favorable rate provided under the terms of the agreement. The Company elected to reduce the total amount available under the facility from \$30,000,000 to \$25,000,000 during the Third Quarter of 2003. Amounts available under the Credit Facility are limited to 300% of the Company's earnings before income taxes, interest, depreciation and amortization for the trailing twelve months. At September 30, 2003, the Company had \$14,000,000 available for additional borrowings. 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 the requirements and covenants of the Credit Facility as of September 30, 2003 and November 7, 2003. The Company is required to pay an annual commitment fee of 1/5 of 1% on the average daily-unused portion of the Credit Facility commitment. The Company's Credit Facility contains provisions, which will allow the Company to repurchase stock and/or pay cash dividends within certain parameters. Substantially all of the unencumbered assets of the Company have been pledged as collateral against indebtedness under the Credit Facility.

Note 3 - Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
Numerator:				
Net income for calculating basic and diluted earnings per share	\$ 4,016 =====	\$ 2,578 =====	\$10,515 =====	\$ 7,631 =====
Denominator:				
Weighted-average common shares for calculating basic earnings per share	9,533	8,871	9,105	8,820
Effect of dilutive securities: Stock options and warrants	1,372 -----	699 -----	1,173 -----	769 -----
Weighted-average common shares for calculating diluted earnings per share	10,905 =====	9,570 =====	10,278 =====	9,589 =====
Basic earnings per share	\$ 0.42 =====	\$ 0.29 =====	\$ 1.15 =====	\$ 0.87 =====
Diluted earnings per share	\$ 0.37 =====	\$ 0.27 =====	\$ 1.02 =====	\$ 0.80 =====

There were no shares excluded from the calculation of diluted earnings per share.

Note 4 - Employee Stock Incentive Plans

The Company accounts for its employee stock incentive plans under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees and the related interpretations under Financial Accounting Standards Board (FASB) Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation. Accordingly, no stock-based employee compensation cost is reflected in net income as all options and warrants granted had an exercise price equal to the market value of the underlying common stock on the date of grant. In accordance with SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, the following table illustrates the effect on net income and earnings per share as if the Company had applied the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
Net income, as reported	\$ 4,016	\$ 2,578	\$10,515	\$ 7,631
Less: Stock based employee compensation determined under the fair value requirements of SFAS 123, net of income tax benefits	40	28	951	1,217
Adjusted net income	\$ 3,976 =====	\$ 2,550 =====	\$ 9,564 =====	\$ 6,414 =====
Earnings per share:				
Basic, as reported	\$ 0.42	\$ 0.29	\$ 1.15	\$ 0.87
Basic, adjusted	0.42	0.29	1.05	0.73
Diluted, as reported	0.37	0.27	1.02	0.80
Diluted, adjusted	0.36	0.27	0.93	0.67

The fair values were determined using a Black-Scholes option-pricing model using the following assumptions:

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2003	Sept. 30, 2002	Sept. 30, 2003	Sept. 30, 2002
Dividend yield	-	-	-	-
Volatility	55.1%	58.0%	54.5%	58.0%

Risk-free interest rate	3.5%	3.5%	3.5%	3.5%
Expected life	7 years	7 years	7 years	7 years

During the period from January 1, 2003 through September 30, 2003, the Company issued 956,200 shares of common stock relating to the exercise of outstanding stock options and warrants for an aggregate exercise price of \$8,375,000, including income tax benefit.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

First Cash Financial Services, Inc. (the "Company") is the nation's third largest publicly traded pawnshop operator and currently owns pawn stores in Texas, Oklahoma, Washington, D.C., Maryland, Missouri, South Carolina, Virginia and Mexico. The Company's pawn stores engage in both consumer finance and retail sales activities. The Company's pawn stores provide a convenient source for consumer advances, advancing money against pledged tangible personal property such as jewelry, electronic equipment, tools, sporting goods and musical equipment. These pawn stores also function as retailers of previously owned merchandise acquired in forfeited pawn transactions and over-the-counter purchases from customers. Many of the Company's pawn stores also offer short-term, unsecured advances ("short-term advances").

The Company also owns and operates check cashing and short-term advance stores in Texas, California, Washington, Oregon, Illinois, South Carolina and Washington, D.C. The short-term advances, also known as payday loans, are unsecured loans in amounts that generally range from \$100 to \$500 for terms of 30 days or less. The stores in California, Washington and Oregon also provide money orders, money transfers and bill payment services. In addition, the Company is a 50% partner in Cash & Go, Ltd., a Texas limited partnership, which owns and operates check cashing and short-term advance kiosks located inside convenience stores.

For the quarter ended September 30, 2003, the Company's revenues were derived 46% from merchandise sales, 51% from service charges on pawn loans and short-term advances, and 3% from other sources, primarily check-cashing fees.

The Company opened a total of twelve stores during the quarter ended September 30, 2003, bringing total year-to-date store openings to 34 and the total store count to 224 units. The Company's business plan is to continue to expand its operations by opening both new check cashing/short-term advance stores and new pawn stores in selected geographic markets.

Although the Company has had significant increases in revenues due to new store openings in 2002 and 2003, the Company has also incurred increases in operating expenses attributable to the additional stores and increases in administrative expenses attributable to building a management team and the support personnel required by 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, security and bad debt and collection expenses for both check cashing and short-term advances. Administrative expenses consist of items relating to the operation of the corporate office, including the compensation and benefit costs of corporate officers, area supervisors and other operations management, accounting and administrative costs, information technology costs, liability and casualty insurance, outside legal and accounting fees and stockholder-related expenses.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related revenues and expenses and disclosure of gain and loss contingencies at the date of the financial statements. Such estimates and assumptions are subject to a number of risks and uncertainties, which may cause actual results to differ materially from the Company's estimates. Both the significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the reported financial results and the effects of recent accounting pronouncements have been reported in the Company's 2002 Annual Report on Form 10-K.

In January 2003, the Financial Accounting Standards Board ("FASB")

issued Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities - an interpretation of ARB No. 51. FIN 46 addresses consolidation by business enterprises of variable interest entities (formerly special purpose entities). In general, a variable interest entity is a corporation, partnership, trust or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. On October 9, 2003 the FASB deferred implementation of FIN 46 until the fourth quarter of 2003. The Company has evaluated the applicability of FIN 46 to its existing 50% investment in Cash & Go, Ltd., a Texas limited partnership, which owns and operates approximately 40 check-cashing/short term advance kiosks inside convenience stores in the Texas market. As a result, the Company expects that effective December 31, 2003, it will consolidate into its financial statements the assets, liabilities and operating results of Cash & Go, Ltd. As part of the initial consolidation, the Company projects that it will incur a change in accounting charge of approximately \$400,000, net of income taxes. The expected fourth quarter charge results from the Company recognizing the other partner's share of the previously accumulated losses of the joint venture as a result of the consolidation. There have been no subsequent changes in the Company's accounting policies nor have there been any other subsequently issued accounting pronouncements which materially affect the preparation of the Company's financial statements.

RESULTS OF OPERATIONS

Three months ended September 30, 2003 compared to the three months ended September 30, 2002

Total revenues increased 25% to \$37,241,000 for the three months ended September 30, 2003 ("the Third Quarter of 2003") as compared to \$29,755,000 for the three months ended September 30, 2002 ("the Third Quarter of 2002"). The change resulted from an increase in revenues of \$3,292,000 generated by the 58 pawn and check cashing/short-term advance stores which were opened since July 1, 2002, an increase of \$4,495,000 at the 166 stores which were in operation during all of the Third Quarter of 2002 and the Third Quarter of 2003, net of a decrease in revenues of \$301,000 from the four stores consolidated since July 1, 2002. Same store revenues increased 15% primarily due to increased consumer demand for short-term loan products and continued maturation of the 32 new stores opened in 2001 and the first half of 2002. Of the \$7,486,000 increase in total revenues, 53%, or \$4,001,000, was attributable to increased merchandise sales, 46%, or \$3,444,000 was attributable to a net increase in service charges on pawn and short-term advances, and 1% or \$41,000 was attributable to other income, comprised primarily of check cashing fees. A significant component of the increase in merchandise sales was non-retail bulk sales of scrap jewelry merchandise, which increased from \$952,000 in the Third Quarter of 2002 to \$2,982,000 in the Third Quarter of 2003. Service charges from short-term advances increased from \$9,780,000 in the Third Quarter of 2002 to \$11,362,000 in the Third Quarter of 2003, while service charges from pawns increased from \$5,772,000 in the Third Quarter of 2002 to \$7,634,000 in the Third Quarter of 2003. As a percentage of total revenues, merchandise sales increased from 45% to 46% during the Third Quarter of 2003 as compared to the Third Quarter of 2002, service charges decreased from 52% to 51%, and check-cashing fees and other income as a percentage of total revenues were 3% during both the Third Quarter of 2003 and the Third Quarter of 2002.

The receivables balance increased 21% from \$28,641,000 at September 30, 2002 to \$34,604,000 at September 30, 2003. Of the \$5,963,000 increase, an increase of \$2,420,000 was attributable to the 176 pawn stores and check cashing/short-term advance stores which were in operation as of September 30, 2003 and 2002 and an increase of \$3,543,000 was attributable to growth at the 48 pawn and check cashing/short-term advance stores opened or acquired since September 30, 2002, net of closed stores. The aggregate receivables balance at September 30, 2003 was comprised of \$22,917,000 of pawn loan receivables and \$11,687,000 of short-term advance receivables, compared to \$18,388,000 of pawn loan receivables and \$10,253,000 of short-term advance receivables at September 30, 2002.

Gross profit margins as a percentage of total merchandise sales were 41% during the Third Quarter of 2003 compared to 43% during the Third Quarter of 2002. The decrease in overall margins was primarily due to the increased volume of scrap jewelry sales, which generate lower margins. Retail merchandise margins, which do not include bulk scrap jewelry sales were 45% over the same periods.

Operating expenses increased 17% to \$16,602,000 during the Third Quarter of 2003 compared to \$14,161,000 during the Third Quarter of 2002, primarily as a result of the net addition of 44 pawn stores and check cashing/short-term advance stores since July 1, 2002, which is a 24% increase in store count. The Company's net bad debt expense relating to short-term advances increased from \$2,789,000 in the Third Quarter of 2002 to \$3,009,000 in the Third Quarter of 2003 as a result of an increase in volume of short-term advances. As a percentage of short-term advance service charge revenues, net bad debts decreased from 29% during the Third Quarter of 2002 to 26% during the Third Quarter of 2003. Administrative expenses decreased 1% to \$3,110,000 during the Third Quarter of 2003 compared to \$3,143,000 during the Third Quarter of 2002. Increased costs for administrative/supervisory compensation and benefits, insurance, accounting and legal fees and other expenses necessary to support the Company's growth strategy and increase in store counts were offset by \$767,000 in insurance recoveries related to a prior year store robbery claims. Interest expense decreased to \$108,000 in the Third Quarter of 2003 compared to interest expense of \$238,000 in the Third Quarter of 2002 as a result of lower average outstanding debt balances during the Third Quarter of 2003. Interest income decreased to \$133,000 in the Third Quarter of 2003 compared to \$161,000 in the Third Quarter of 2002, due primarily to a decrease in the note receivable from Cash & Go, Ltd.

For the Third Quarter of 2003 and 2002, the Company's effective federal income tax rates of 38% and 36%, respectively, differed from the statutory tax rate of approximately 34% primarily as a result of state and foreign income taxes.

Nine months ended September 30, 2003 compared to the nine months ended September 30, 2002

Total revenues increased 23% to \$104,903,000 for the nine months ended September 30, 2003 ("the Nine-Month 2003 Period") as compared to \$85,073,000 for the nine months ended September 30, 2002 ("the Nine-Month 2002 Period"). The change resulted from an increase in revenues of \$10,343,000 generated by the 72 pawn and check cashing/short-term advance stores which were opened since January 1, 2002, an increase of \$10,788,000 at the 152 stores which were in operation during all of the Nine-Month 2002 Period and the Nine-Month 2003 Period, net of a decrease in revenues of \$1,301,000 from the nine stores consolidated since January 1, 2002. Same store revenues increased by 13% primarily due to increased consumer demand for short-term loan products and continued maturation of 18 new stores opened in 2001. Of the \$19,830,000 increase in total revenues, 47%, or \$9,371,000, was attributable to increased merchandise sales, 52%, or \$10,267,000 was attributable to a net increase in service charges on pawn and short-term advances, and 1% or \$192,000 was attributable to an increase in other income, primarily check cashing fees. A significant component of the increase in merchandise sales was non-retail bulk sales of scrap jewelry merchandise, which increased from \$2,253,000 in the Nine-Month 2002 Period to \$7,541,000 in the Nine-Month 2003 Period. Service charges from short-term advances increased from \$26,132,000 in the Nine-Month 2002 Period to \$31,136,000 in the Nine-Month 2003 Period, while service charges from pawns increased from \$15,533,000 in the Nine-Month 2002 Period to \$20,796,000 in the Nine-Month 2003 Period. As a percentage of total revenues, merchandise sales were 48% during the Nine-Month 2003 Period, which was consistent with merchandise sales as a percentage of total revenues during the Nine-Month 2002 Period, service charges increased from 49% to 50%, check-cashing fees and other income as a percentage of total revenues decreased from 3% to 2% during the Nine-Month 2003 Period as compared to the Nine-Month 2002 Period.

The receivables balance increased 21% from \$28,641,000 at September 30, 2002 to \$34,604,000 at September 30, 2003. Of the \$5,963,000 increase, an increase of \$2,420,000 was attributable to the 176 pawn stores and check cashing/short-term advance stores which were in operation as of September 30, 2003 and 2002 and an increase of \$3,543,000 was attributable to growth at the 48 pawn and check cashing/short-term advance stores opened or acquired since September 30, 2002, net of closed stores. The aggregate receivables balance at September 30, 2003 was comprised of \$22,917,000 of pawn loan receivables and \$11,687,000 of short-term advance receivables, compared to \$18,388,000 of pawn loan receivables and \$10,253,000 of short-term advance receivables at September 30, 2002.

Gross profit margins as a percentage of total merchandise sales were 41% during the Nine-Month 2003 Period as compared with 42% during the Nine-Month 2002 Period. The decrease in overall margins was primarily due to the increased volume of scrap jewelry sales, which generate lower margins. Retail merchandise margins, which do not include bulk scrap jewelry sales, increased from 44% to 45% over the same periods.

Operating expenses increased 17% to \$45,377,000 during the Nine-Month

2003 Period compared to \$38,929,000 during the Nine-Month 2002 Period, primarily as a result of the net addition of 66 pawn stores and check cashing/short-term advance stores since January 1, 2002, which is a 41% increase in store count. The Company's net bad debt expense relating to short-term advances increased from \$6,076,000 in the Nine-Month 2002 Period to \$7,137,000 in the Nine-Month 2003 Period as a result of an increase in volume of short-term advances. Net bad debts as a percentage of short-term advance service charge revenues were 23% during the Nine-Month 2003 and 2002 Periods. Administrative expenses increased 28% to \$10,855,000 during the Nine-Month 2003 Period compared to \$8,471,000 during the Nine-Month 2002 Period. Increased costs for administrative/supervisory compensation and benefits, insurance, accounting and legal fees and other expenses necessary to support the Company's growth strategy and increase in store counts were offset by \$767,000 in insurance recoveries related to a prior year store robbery claims. Interest expense decreased to \$412,000 in the Nine-Month 2003 Period compared to interest expense of \$698,000 in the Nine-Month 2002 Period as a result of lower average outstanding debt balances and lower average interest rates during the Nine-Month 2003 Period. Interest income increased to \$467,000 in the Nine-Month 2003 Period compared to \$427,000 in the Nine-Month 2002 Period.

For the Nine-Month Period of 2003 and 2002, the Company's effective federal income tax rates of 38% and 36%, respectively, differed from the statutory tax rate of approximately 34% primarily as a result of state and foreign income taxes.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations, acquisitions and store openings have been financed with funds generated from operations, bank and other borrowings, and the issuance of the Company's securities.

The Company's Credit Facility provides a \$25,000,000 long-term line of credit that matures on August 9, 2005 and bears interest at the prevailing LIBOR rate (which was approximately 1.1% at September 30, 2003) plus an applicable margin based on a defined leverage ratio for the Company. Based on the Company's current leverage ratio, the margin is 1.375%, the most favorable rate provided under the terms of the agreement. The Company elected to reduce the total amount available under the facility from \$30,000,000 to \$25,000,000 during the Third Quarter of 2003. Amounts available under the Credit Facility are limited to 300% 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 the requirements and covenants of the Credit Facility as of September 30, 2003 and November 7, 2003. The Company is required to pay an annual commitment fee of 1/5 of 1% on the average daily-unused portion of the Credit Facility commitment. The Company's Credit Facility contains provisions, which will allow the Company to repurchase stock and/or pay cash dividends within certain parameters. Substantially all of the unencumbered assets of the Company have been pledged as collateral against indebtedness under the Credit Facility.

As of September 30, 2003, the Company's primary sources of liquidity were \$13,665,000 in cash and cash equivalents, \$34,604,000 in receivables, \$15,011,000 in inventories and \$14,000,000 of available and unused funds under the Company's Credit Facility. The Company had working capital of \$54,787,000 as of September 30, 2003, and total liabilities to equity ratio of 0.26 to 1.

The Company utilized positive cash flows from operations in the Nine-Month 2003 Period to fund investing and financing activities primarily related to opening new stores and reduction of debt. Net cash provided by operating activities of the Company during the nine months ended September 30, 2003 was \$14,746,000, consisting primarily of net income of \$10,515,000 plus non-cash adjustments for depreciation of \$2,176,000 and stock option and warrant tax benefit of \$3,298,000, plus an increase in accounts payable and accrued expenses of \$1,721,000, net of an increase in inventory and prepaid expenses of \$1,363,000 and \$127,000, respectively, and an increase in accrued service charges and current and deferred taxes of \$441,000 and \$1,033,000 respectively. Net cash used by investing activities during the nine months ended September 30, 2003 was \$4,619,000, which was primarily comprised of an increase in receivables of \$3,675,000, cash paid for fixed asset additions of \$3,352,000, net of a decrease in the receivable from the Cash & Go, Ltd. joint venture of \$2,408,000. The year-to-date opening of 34 new stores in 2003 contributed significantly to the volume of fixed asset additions. Net cash used by financing activities was \$9,197,000 during the nine months ended September 30, 2003, which primarily consisted of a decrease in the Company's debt of \$18,502,000, net of repayments of notes

receivable from officers of \$4,228,000 and proceeds from exercises of stock options and warrants of \$5,077,000.

The Company funds substantially all of the working capital needs of Cash & Go, Ltd. The Company's net receivable from the joint venture was \$4,943,000 at September 30, 2003.

The profitability and liquidity of the Company is affected by the amount of pawn loans outstanding, which is controlled in part by the Company's lending decisions. The Company is able to influence the frequency of pawn redemption by increasing or decreasing the amount loaned in relation to the resale value of the pawned property. Tighter credit decisions generally result in smaller pawn loans in relation to the estimated resale value of the pledged property and can thereby decrease the Company's aggregate pawn loan balance and, consequently, decrease pawn service charges. Additionally, small advances in relation to the pledged property's estimated resale value tend to increase pawn redemptions and improve the Company's liquidity. Conversely, providing larger pawn loans in relation to the estimated resale value of the pledged property can result in an increase in the Company's pawn service charge income. Also, larger average pawn loan balances can result in an increase in pawn forfeitures, which increases the quantity of goods on hand and, unless the Company increases inventory turnover, reduces the Company's liquidity. The Company's renewal policy allows customers to renew pawns by repaying all accrued interest on such pawns, effectively creating a new pawn transaction.

The amount of short-term advances outstanding and related potential bad debt expense also affect the profitability and liquidity of the Company. An allowance for losses is provided on active short-term advances and service charges receivable, based upon expected default rates, net of estimated future recoveries of previously defaulted short-term advances and service charges receivable. The Company considers short-term advances to be in default if they are not repaid on the due date, and writes off the principal amount and service charges receivable as of the default date, leaving only active receivables in the reported balances. Net defaults and changes in the short-term advance allowance are charged to bad debt expense, which is included in operating expenses.

In addition to these factors, merchandise sales and the pace of store expansions affect the Company's liquidity. Management believes that the Credit Facility and cash generated from operations will be sufficient to accommodate the Company's current operations for Fiscal 2003. The Company has no significant capital commitments. The Company currently has no written commitments for additional borrowings or future acquisitions; however, the Company intends to continue to grow and may seek additional capital to facilitate expansion.

While the Company continually looks for, and is presented with potential acquisition candidates, the Company has no definitive plans or commitments for further acquisitions. The Company will evaluate acquisitions, if any, based upon opportunities, acceptable financing, purchase price, strategic fit and qualified management personnel. If the Company encounters an attractive opportunity to acquire or open additional new stores in the near future, the Company may seek additional financing, the terms of which will be negotiated on a case-by-case basis.

CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

Forward-Looking Statements

This quarterly report may contain forward-looking statements about the business, financial condition and prospects of the Company. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "projects," "expects," "may," "estimates," "will," "should," "plans," "intends," or "anticipates" or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. Forward-looking statements include, without limitation, the earnings per share discussion, the expectation of increased revenue growth and increased profitability, the expectation for additional store openings, and the anticipated effect of new accounting pronouncements. These statements are made to provide the public with management's assessment of the Company's business. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, there can be no assurances that such expectations will prove to be accurate. Security holders are cautioned that such forward-looking statements involve risks and uncertainties. The forward-looking statements contained in this report speak only as of the date of this report, and the Company expressly disclaims any obligation or undertaking to release any updates or revisions to any such statement to reflect any change in the Company's expectations or

any change in events, conditions or circumstance on which any such statement is based. Certain factors 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, but may include changes in regional or national economic conditions, the ability to integrate new stores, the ability to maintain favorable banking relationships as it relates to short-term lending products, changes in governmental regulations, unforeseen litigation, changes in interest rates or tax rates, changes in gold prices, changes in foreign currency exchange rates, future business decisions, other risks indicated in the Company's 2002 Annual Report to Stockholders and other uncertainties.

Regulatory Changes

Governmental action to prohibit or restrict short-term advances has been advocated over the past few years by consumer-advocacy groups and by media reports and stories. The consumer groups and media stories typically focus on the cost to a consumer for that type of short-term advance, which is higher than the interest typically charged by credit-card issuers to a more creditworthy consumer. The consumer groups and media stories typically characterize short-term advance activities as abusive toward consumers. During the last few years, legislation has been introduced in the United States Congress and in certain state legislatures, and regulatory authorities have proposed or publicly addressed the possibility of proposing regulations, that would prohibit or restrict short-term advances.

The U.S. Office of Comptroller of the Currency has initiated enforcement actions that essentially eliminates the ability of nationally chartered banks to establish or maintain relationships with loan servicers in order to make out-of-state short-term advance loans. The Company does not currently maintain nor intend in the future to establish loan-servicing relationships with nationally chartered banks. The Federal Deposit Insurance Corporation, ("FDIC"), which regulates the ability of state chartered banks to enter into relationships with loan servicers, enacted new examiner guidelines in July 2003 under which such arrangements are permitted. Texas is the only state in which the Company functions as loan servicer through a relationship with a state chartered bank, County Bank of Rehoboth Beach, Delaware, that is subject to the new FDIC examiner guidelines. If the implementation of the FDIC's new guidelines were to ultimately restrict the ability of all or certain state banks to maintain relationships with loan servicers, it could have a materially adverse impact on the Company's operations and financial results.

Legislation and regulatory developments at a state level continue to affect consumer-lending activities. While some states have recently enacted legislation that is favorable to short-term advance providers, other states are restricting, or attempting to restrict, short-term advance lending activities. The Company intends to continue, with others in the short-term advance industry, to oppose legislative or regulatory action that would prohibit or restrict short-term advances. But if legislative or regulatory action with that effect were taken on the federal level or in states such as Texas, in which the Company has a significant number of stores, that action could have a material adverse effect on the Company's short-term advance-related activities and revenues. There can be no assurance that additional local, state, or federal legislation will not be enacted or that existing laws and regulations will not be amended, which would materially, adversely impact the Company's operations and financial condition.

Other

Certain factors 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, but may include changes in regional or national economic conditions, changes in competition from various sources including both financial services entities and retail businesses, the ability to integrate new stores, changes in governmental regulations, unforeseen litigation, changes in capital markets, changes in interest rates or tax rates, the ability to maintain a loan servicing relationship with an out-of-state bank necessary to generate service charges from short-term advances in the Texas market, future business decisions, changes in gold prices, changes in foreign currency exchange rates, other risks indicated in the Company's 2002 Annual Report to Stockholders and other uncertainties.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to the Company's operations result primarily from changes in interest rates, gold prices and foreign currency exchange rates and are described in detail in the Company's 2002 Annual Report on Form 10-K. The Company does not engage in speculative or leveraged transactions,

nor does it hold or issue financial instruments for trading purposes. There have been no material changes to the Company's exposure to market risks since December 31, 2002.

ITEM 4. CONTROLS AND PROCEDURES

- (a) Under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, management of the Company has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2003. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, the Company's disclosure controls and procedures are effective in timely alerting them to the material information relating to the Company required to be included in its periodic filings with the Securities and Exchange Commission.
- (b) During the period covered by this report, there were no significant changes in the Company's internal controls or, to management's knowledge, in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material developments in the litigation and arbitration "previously reported" in the Company's 2002 Annual Report to Stockholders filed on Form 10-K.

ITEM 2. CHANGES IN SECURITIES

During the period from January 1, 2003 through November 7, 2003, the Company issued 441,950 shares of common stock relating to the exercise of outstanding stock warrants for an aggregate exercise price of \$4,673,000 (including income tax effect) and issued warrants to purchase 270,000 shares of common stock at an average exercise price of \$11.20, expiring in ten years.

The transactions set forth in the above paragraph were completed pursuant to either Section 4(2) of the Securities Act or Rule 506 of Regulation D of the Securities Act. With respect to issuances made pursuant to Section 4(2) of the Securities Act, the transactions did not involve any public offering and were sold to a limited group of persons. Each recipient either received adequate information about the Company or had access, through employment or other relationships, to such information, and the Company determined that each recipient had such knowledge and experience in financial and business matters that they were able to evaluate the merits and risks of an investment in the Company. With respect to issuances made pursuant to Rule 506 of Regulation D of the Securities Act, the Company determined that each purchaser was an "accredited investor" as defined in Rule 501(a) under the Securities Act. All sales of the Company's securities were made by officers of the Company who received no commission or other remuneration for the solicitation of any person in connection with the respective sales of securities described above. The recipients of securities represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions.

During the period from January 1, 2003 through November 7, 2003, the Company issued 706,750 shares of common stock relating to the exercise of outstanding stock options for an aggregate exercise price of \$5,875,000 (including income tax effect) and issued options to purchase 335,000 shares of common stock at an average exercise price of \$18.55, expiring in ten years.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(1) Exhibits:

31.1 Chief Executive Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act

31.2 Chief Financial Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act

32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(2) Reports on Form 8-K:

July 22, 2003	Item 9. Regulation FD Disclosure
	Item 12. Results of Operations and Financial Condition

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: November 7, 2003

FIRST CASH FINANCIAL SERVICES, INC.

(Registrant)

/s/ PHILLIP E. POWELL

Phillip E. Powell
Chief Executive Officer

/s/ R. DOUGLAS ORR

R. Douglas Orr
Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
31.1	Chief Executive Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act
31.2	Chief Financial Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

CHIEF EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO SECTION 13A-14 OF THE SECURITIES EXCHANGE ACT

I, Phillip E. Powell, Chief Executive Officer of First Cash Financial Services, Inc. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

Date: November 7, 2003

/s/ PHILLIP E. POWELL

Phillip E. Powell
Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION
PURSUANT TO SECTION 13A-14 OF THE SECURITIES EXCHANGE ACT

I, R. Douglas Orr, Chief Financial Officer of First Cash Financial Services, Inc. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

Date: November 7, 2003

/s/ R. DOUGLAS ORR

R. Douglas Orr
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of First Cash Financial Services, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Phillip E. Powell, Chief Executive Officer of the Company, and R. Douglas Orr, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2003

/s/ PHILLIP E. POWELL

Phillip E. Powell
Chief Executive Officer

/s/ R. DOUGLAS ORR

R. Douglas Orr
Chief Financial Officer