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STEAK & SHAKE CO  
Form 8-K  
January 20, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549-1004

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 20, 2004  
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THE STEAK n SHAKE COMPANY  
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(Exact name of registrant as specified in its charter)

Indiana	000-08445	37-0684070
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

36 S. Pennsylvania St., Suite 500 Indianapolis, Indiana . . . . .	46204
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (317) 633-4100  
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ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 20, 2004, The Steak n Shake Company (the "Registrant" or "Company") issued a Press Release announcing its fiscal year 2004 first quarter results. The information in the Press Release is attached hereto as Exhibit 99.1.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

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registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE STEAK N SHAKE COMPANY

By: /s/ James W. Bear  
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James W. Bear,  
Senior Vice President and  
Chief Financial Officer

Dated: January 20, 2004

Exhibit Index

Number assigned in Regulation S-K Item -----	Description of Exhibits -----
(__)	99.1 Press Release, dated January 20, 2004, announcing fiscal year 2004 first quarter results.

Exhibit 99.1

[GRAPHIC OMITED]

THE STEAK N SHAKE COMPANY ANNOUNCES  
STRONG SALES AND EARNINGS INCREASES

INDIANAPOLIS, January 20, 2004 - The Steak n Shake Company (NYSE:SNS) -----  
reported today its revenues and earnings for the First Quarter of Fiscal Year 2004 ended December 17, 2003.

Highlights of the Quarter include:

- Net Earnings increased 35% to \$4,590,141
- Diluted Earnings per Share increased 30.8% to \$0.17
- System wide sales increased 12.3% to \$136,279,158 for the Quarter.
- In First Quarter, Revenues for the Company increased 12.2% to \$114,472,813.

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- As previously announced, the FY2004 Earnings objective is between \$0.98 and \$1.02 Diluted Earnings per Share.
- Same store sales increased 11.2%.

The same store sales momentum marked the fourth consecutive quarter of customer count and same store sales growth. This growth continued in the first period of the Fiscal Second Quarter (Period 4) with same store sales growth of almost 8% despite less couponing and the strong sales of the prior year due to the rollout of credit cards.

The Company continues to focus on five key fundamentals that are linked in a "virtuous cycle". These elements working together appear to have contributed to the sales and profit momentum.

- Supporting and Enabling Effective Field Leadership
- Improving Associate Satisfaction and Training
- Growing Guest Counts
- Continually Improving Margins
- Expanding the Brand

Progress continues in reducing management turnover and in meeting staffing goals to support both current operations and future expansion.

Progress has been made in improving associate satisfaction through increased training, enhanced benefit offerings, and associate involvement in the planning process, which have all contributed to turnover reduction.

Guest counts grew during the Quarter due to optimized and integrated marketing programs based on the results of consumer research. New products like the Eggnog and Chocolate Mint Milk Shakes and the Takhomacard gift card program created news and consumer interest. New television markets in the Quarter were Toledo, Lansing, Dothan, Topeka and Charlotte.

In the Quarter the Company made incremental investments in marketing, consumer research and field management bonuses. Additionally, the Company experienced food cost inflation in the Quarter, particularly in beef and cheese products. However, these costs were more than offset by the incremental profit generated by the 11.2% increase in same store sales resulting in an increase of 35% in Net Earnings. The 11.2% increase is compared to a 4% decrease in comparable sales experienced in the First Quarter of last year.

As of December 17, 2003, there were 412 Steak n Shake restaurants, of which 59 are franchised operating in eighteen states. During the Quarter, the Company opened a total of three restaurants in Dallas, Indianapolis, and Pittsburgh. Two franchise restaurants opened, one in the Atlanta DMA and one in the Springfield, MO DMA. The Company is on track to open 15-20 restaurants as announced previously, of which several will be franchise locations.

Steak n Shake is a full service, casual dining restaurant serving a core menu of its famous Steakburgers, thin 'n crispy French Fries and old fashioned hand-dipped Milk Shakes. Menu variety includes sandwiches, such as the Turkey Melt and the Grilled Chicken Breast, as well as Chili, home style soups, fresh salads, a variety of desserts and breakfast. All of the food is prepared to the customer's order and served by friendly, well-trained employees. Steak n Shake restaurants feature full-service dining areas, counter service and drive-thru windows. Restaurants are open 24 hours a day, seven days a week.

This press release contains various "forward looking statements" which represent the company's expectations or beliefs concerning future events. Investors are cautioned that reliance on "forward looking statements" involves risks and

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uncertainties, and although the Company believes that the assumptions on which the "forward looking statements" contained herein are based, are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the "forward looking statements" based upon those assumptions also could be incorrect. Investors are referred to the full discussion of risk and uncertainties associated with "forward looking statements" contained in the company's filings with the Securities and Exchange Commission.

Contact: Victor F. Yeandel

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www.steaknshake.com  
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(317) 633-410

### THE STEAK N SHAKE COMPANY CONSOLIDATED STATEMENTS OF EARNINGS

	TWELVE WEEKS ENDED	
	12/17/2003 (UNAUDITED)	12/18/2002 (UNAUDITED)
	-----	-----
<b>REVENUES</b>		
Net sales . . . . .	\$113,515,648	\$101,284,729
Franchise fees . . . . .	957,165	770,030
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	114,472,813	102,054,759
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<b>COSTS AND EXPENSES</b>		
Cost of sales . . . . .	26,571,398	22,752,278
Restaurant operating costs . . . . .	57,133,360	51,742,281
General and administrative . . . . .	9,134,845	8,212,768
Depreciation and amortization . . . . .	5,552,748	5,439,226
Marketing . . . . .	4,224,152	3,655,650
Interest . . . . .	3,006,441	3,215,398
Rent . . . . .	1,896,526	1,602,492
Pre-opening costs . . . . .	379,888	628,023
Other income, net . . . . .	(513,686)	(483,413)
	-----	-----
	107,385,672	96,764,703
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<b>EARNINGS BEFORE INCOME TAXES . . . . .</b>	<b>7,087,141</b>	<b>5,290,056</b>
<b>INCOME TAXES . . . . .</b>	<b>2,497,000</b>	<b>1,888,000</b>
	-----	-----
<b>NET EARNINGS . . . . .</b>	<b>\$ 4,590,141</b>	<b>\$ 3,402,056</b>
	=====	=====

NET EARNINGS PER COMMON AND  
COMMON EQUIVALENT SHARE:

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Basic . . . . .	\$	0.17	\$	0.13
Diluted . . . . .	\$	0.17	\$	0.13

WEIGHTED AVERAGE SHARES  
AND EQUIVALENTS:

Basic . . . . .	27,190,222	26,945,360
Diluted . . . . .	27,498,629	26,992,796

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	12/17/2003	9/24/2003
	-----	-----
<b>ASSETS</b>		
Current assets . . . . .	\$ 41,977,360	\$ 39,255,997
Property and equipment - net . . . . .	359,549,461	360,878,710
Leased property - net . . . . .	3,640,850	3,721,063
Other assets . . . . .	10,490,021	10,779,813
	-----	-----
Total assets . . . . .	\$415,657,692	\$414,635,583
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities . . . . .	\$ 58,213,085	\$ 61,795,680
Deferred income taxes and credits . . . . .	3,068,887	2,897,887
Obligations under capital leases . . . . .	144,278,640	145,124,559
Senior note . . . . .	16,203,175	16,203,175
Shareholders' equity . . . . .	193,893,905	188,614,282
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Total liabilities and shareholders' equity . . . . .	\$415,657,692	\$414,635,583
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