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

FORM 10-Q

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

For the quarterly period ended September 5, 2000

Commission file numbers 33-89818, 33-96568, 333-08041 and 333-57107

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

Delaware (State or other jurisdiction of incorporation or organization)	**75-2778488** (I.R.S. employer identification no.)
3030 LBJ Freeway, Suite 700 (Address of principal executive offices)	**Dallas, Texas 75234** (Zip Code)

Registrant's telephone number, including area code: **(972) 243-6191**

Former name, former address and former fiscal year,
if changed since last report: **NONE**

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 ___.

The number of shares of the Registrant's Common Stock outstanding as of October 3, 2000 was 94,216,333.

CLUBCORP, INC.

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
ClubCorp, Inc.:

We have reviewed the consolidated balance sheet of ClubCorp, Inc. and subsidiaries (ClubCorp) as of September 5, 2000, and the related consolidated statements of operations for the twelve weeks and thirty six weeks ended September 5, 2000 and September 7, 1999 and cash flows for the thirty six weeks ended September 5, 2000 and September 7, 1999. These consolidated financial statements are the responsibility of ClubCorp's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of 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 auditing standards generally accepted in the United States of America, 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 reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of ClubCorp as of December 28, 1999, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for the year then ended (not presented herein); and in our report dated February 25, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 28, 1999, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

Dallas, Texas
October 13, 2000

Consolidated Balance Sheet
(Dollars in thousands, except share amounts)
(Unaudited)

Assets	December 28, 1999	**September 5, 2000**
Current assets:		
Cash and cash equivalents	$ 36,606	**$ 31,241**
Membership and other receivables, net	109,391	**123,213**
Inventories	22,937	**23,410**
Other assets	16,213	**27,547**
Total current assets	185,147	**205,411**
Property and equipment, net	1,122,369	**1,271,709**
Other assets	239,014	**255,946**
	$ 1,546,530	**$ 1,733,066**

Liabilities and Stockholders' Equity	December 28, 1999	**September 5, 2000**
Current liabilities:		
Accounts payable and accrued liabilities	$ 76,063	**$ 74,944**
Long-term debt - current portion	57,867	**65,181**
Other liabilities	106,120	**124,961**
Total current liabilities	240,050	**265,086**
Long-term debt	454,258	**601,661**
Other liabilities	118,069	**136,464**
Membership deposits	96,365	**103,476**
Redemption value of common stock held by benefit plan	72,835	**70,936**
Stockholders' equity:		
Preferred stock, $.01 par value, 150,000,000 shares authorized, none issued or outstanding	-	**-**
Common stock, $.01 par value, 250,000,000 shares authorized, 99,594,408 issued, 94,436,903 outstanding at December 28, 1999 and 94,216,333 outstanding at September 5, 2000	996	**996**
Additional paid-in capital	160,408	**161,065**
Accumulated other comprehensive income (loss)	841	**(1,906)**
Retained earnings	449,840	**447,232**
Treasury stock, 5,157,505 shares at December 28, 1999 and 5,378,075 shares at September 5, 2000	(47,132)	**(51,944)**
Total stockholders' equity	564,953	**555,443**
	$ 1,546,530	**$ 1,733,066**

See accompanying condensed notes to consolidated financial statements.

Consolidated Statement of Operations
(Dollars in thousands, except per share amounts)
(Unaudited)

	12 Weeks Ended		36 Weeks Ended	
	September 7, 1999	**September 5, 2000**	September 7, 1999	**September 5, 2000**
Operating revenues	$ 266,809	**$ 254,020**	$ 706,741	**$ 721,241**
Operating costs and expenses	206,848	**196,263**	551,961	**570,648**
Depreciation and amortization	17,600	**21,732**	47,497	**60,772**
Selling, general and administrative expenses	19,483	**19,002**	55,894	**57,923**
Impairment loss from assets to be held and used	-	**-**	13,483	**-**
Operating income	22,878	**17,023**	37,906	**31,898**
Gain (loss) on divestitures and sales of assets	(1,193)	**118**	1,746	**134**
Interest and investment income	1,021	**666**	2,547	**1,959**
Interest expense	(11,878)	**(13,615)**	(29,349)	**(36,265)**
Income (loss) from operations before income tax provision and minority interest	10,828	**4,192**	12,850	**(2,274)**
Income tax provision	(4,123)	**(3,060)**	(6,744)	**(3,421)**
Minority interest	-	**189**	-	**1,188**
Net income (loss)	$ 6,705	**$ 1,321**	$ 6,106	**$ (4,507)**
Basic and diluted income (loss) per share	$ .08	**$ .01**	$ .07	**$ (.05)**

See accompanying condensed notes to consolidated financial statements.

Consolidated Statement of Cash Flows
(Dollars in thousands)
(Unaudited)

	36 Weeks Ended	
	September 7, 1999	**September 5, 2000**
Cash flows from operations:		
Net income (loss)	$ 6,106	**$ (4,507)**
Adjustments to reconcile net income (loss) to cash flows provided from operations:		
Depreciation and amortization	47,497	**60,772**
Impairment loss from assets to be held and used	13,483	**-**
Gain on divestitures and sales of assets	(1,746)	**(134)**
Minority interest in net loss of subsidiaries	-	**(1,188)**
Equity in earnings of joint ventures	(2,233)	**(593)**
Amortization of discount on membership deposits	7,113	**6,787**
Deferred income taxes	5,605	**1,299**
Decrease in real estate held for sale	7,728	**10,536**
Increase in membership and other receivables, net	(12,497)	**(13,774)**
Increase (decrease) in accounts payable and accrued liabilities	6,781	**(2,922)**
Net change in deferred membership revenues	8,235	**11,118**
Other	(12,531)	**11,944**
Cash flows provided from operations	73,541	**79,338**
Cash flows from investing activities:		
Additions to property and equipment	(96,349)	**(113,815)**
Development of new facilities	(14,862)	**(35,225)**
Development of real estate held for sale	(9,620)	**(20,989)**
Acquisition of facilities	(248,185)	**(32,598)**
Investment in affiliates	(41,886)	**(5,272)**
Proceeds from disposition of subsidiaries and assets, net	2,921	**10,303**
Other	(175)	**(1,478)**
Cash flows used by investing activities	(408,156)	**(199,074)**
Cash flows from financing activities:		
Borrowings of long-term debt	343,352	**133,695**
Repayments of long-term debt	(36,274)	**(16,131)**
Membership deposits received, net	1,904	**1,632**
Treasury stock transactions, net	(1,924)	**(4,825)**
Cash flows provided from financing activities	307,058	**114,371**
Total net cash flows	(27,557)	**(5,365)**
Cash and cash equivalents at beginning of period	75,342	**36,606**
Cash and cash equivalents at end of period	$ 47,785	**$ 31,241**

See accompanying condensed notes to consolidated financial statements.

Condensed Notes to Consolidated Financial Statements

Note 1. Summary of significant accounting policies

Consolidation

The Consolidated Financial Statements include the accounts of ClubCorp, Inc. (Parent) and its subsidiaries (collectively ClubCorp). All material intercompany balances and transactions have been eliminated.

Interim presentation

The accompanying Consolidated Financial Statements have been prepared by ClubCorp and are unaudited. Certain information and footnote disclosures normally included in financial statements presented in accordance with accounting principles generally accepted in the United States of America have been omitted from the accompanying statements. ClubCorp's management believes the disclosures made are adequate to make the information presented not misleading. However, the financial statements should be read in conjunction with the Consolidated Financial Statements and notes thereto of ClubCorp for the year ended December 28, 1999 which were a part of ClubCorp's Form 10-K.

In the opinion of ClubCorp management, the accompanying unaudited Consolidated Financial Statements reflect all adjustments necessary (consisting of normal recurring accruals) to present fairly the consolidated financial position of ClubCorp as of September 5, 2000, the consolidated results of operations for the twelve weeks and thirty six weeks ended September 7, 1999 and September 5, 2000, and the consolidated cash flows for the thirty six weeks ended September 7, 1999 and September 5, 2000, respectively. Interim results are not necessarily indicative of fiscal year performance because of the impact of seasonal and short-term variations and other factors such as timing of acquisitions and dispositions of facilities.

Recent pronouncements

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". It requires that all derivatives be recognized as either assets or liabilities on the balance sheet and such instruments be measured at their fair value. The Statement, as amended, is effective for all quarters of years beginning after June 15, 2000. In June 2000, SFAS 133 was further amended with the issuance of SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" which clarified certain accounting and reporting issues of SFAS 133. Based on management's preliminary review of ClubCorp's derivative instruments, the effect of these new pronouncements is not expected to have a significant impact on the balance sheet or statement of operations. SFAS 133 will be reflected in ClubCorp's first quarter 2001 Consolidated Financial Statements.

In March 2000, the FASB issued FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation: an Interpretation of APB Opinion No. 25", which was effective July 1, 2000. This interpretation clarifies various accounting issues for stock compensation plans. ClubCorp's management has determined that the interpretation will not have an effect on its financial statements.

Reclassifications

Certain amounts previously reported have been reclassified to conform with the current period presentation.

Note 2. Acquisitions

ClubCorp's acquisitions in 1999 and 2000 were accounted for using the purchase method and, accordingly, the acquired assets and liabilities were recorded based on their estimated fair values at the dates of acquisition.

During the first thirty six weeks of 1999, ClubCorp purchased the minority interest in a previously consolidated resort property and substantially all the assets of 26 golf facilities, including 22 from The Cobblestone Golf Group. The 26 facilities include ten country clubs, 14 golf clubs and two public golf courses.

During the first thirty six weeks of 2000, ClubCorp purchased the remaining interest in a previously non-consolidated joint venture and substantially all the assets of two public golf courses, one golf club under construction and one sports club.

The following unaudited proforma financial information assumes the acquisitions occurred at the beginning of their acquisition year and the preceding year. This proforma summary does not necessarily reflect the results of operations as they would have occurred or the results which may occur in the future (dollars in thousands, except per share data):

	36 Weeks Ended	
	September 7, 1999	**September 5, 2000**
Operating revenues	$ 732,897	**$ 728,954**
Net income (loss)	$ 1,686	**$ (5,870)**
Diluted income (loss) per share	$ .02	**$ (.06)**

Note 3. Income tax provision

The income tax provisions for the twelve weeks and thirty six weeks ended September 7, 1999 and September 5, 2000 differ from amounts computed by applying the U.S. Federal tax rate of 35% to Income (loss) from operations before income taxes and minority interest primarily due to foreign and state income taxes, net of Federal benefit, and the effect of consolidated operations of foreign and other entities not consolidated for Federal tax purposes.

Note 4. Weighted average shares

The following table summarizes the weighted average number of shares used to calculate basic and diluted earnings per share:

	12 Weeks Ended		36 Weeks Ended	
	September 7, 1999	**September 5, 2000**	September 7, 1999	**September 5, 2000**
Weighted average shares outstanding	85,118,307	**94,216,333**	85,166,184	**94,339,198**
Incremental shares from assumed conversions:				
Options	1,378,857	**1,259,205**	1,334,332	**-**
Warrants	-	**7,096**	-	**-**
Diluted weighted average shares	86,497,164	**95,482,634**	86,500,516	**94,339,198**

Diluted weighted average shares for the twelve weeks ended September 5, 2000 excludes the assumed conversion of 1,034,500 options due to their antidilutive effect. Diluted weighted average shares for the thirty six weeks ended September 5, 2000 excludes incremental shares from assumed conversion of 1,284,079 shares due to the net loss for the period.

Note 5. Property and equipment

Property and equipment consists of the following (dollars in thousands):

	December 28, 1999	**September 5, 2000**
Land and land improvements	$ 528,466	**$ 612,998**
Buildings and recreational facilities	378,560	**426,603**
Leasehold improvements	112,570	**112,805**
Furniture and fixtures	118,107	**128,740**
Machinery and equipment	222,762	**264,848**
Construction in progress	104,050	**109,131**
	1,464,515	**1,655,125**
Accumulated depreciation and amortization	(342,146)	**(383,416)**
	$ 1,122,369	**$ 1,271,709**

Note 6. Comprehensive income (loss)

The following summarizes the components of comprehensive income (loss) (dollars in thousands):

	12 Weeks Ended		36 Weeks Ended	
	September 7, 1999	**September 5, 2000**	September 7, 1999	**September 5, 2000**
Net income (loss)	$ 6,705	**$ 1,321**	$ 6,106	**$ (4,507)**
Foreign currency translation adjustment	(831)	**(730)**	(212)	**(2,747)**
Total comprehensive income (loss)	$ 5,874	**$ 591**	$ 5,894	**$ (7,254)**

Note 7. Segment reporting

ClubCorp operations are organized into three principal business segments according to the type of facility or service provided: Country club and golf facilities, Business and sports clubs and Resorts. Management uses Adjusted EBITDA to monitor the performance of the Company and its facilities. Adjusted EBITDA consists of EBITDA, an industry standard calculation of earnings before interest, taxes, depreciation and amortization, adjusted for net membership deposits and fees, a joint venture adjustment and excludes impairment loss from assets to be held and used. Financial information for the segments is as follows (dollars in thousands):

	12 Weeks Ended		36 Weeks Ended	
	September 7, 1999	**September 5, 2000**	September 7, 1999	**September 5, 2000**
Operating revenues:				
Country club and golf facilities	$ 118,090	**$ 125,107**	$ 316,451	**$ 350,428**
Business and sports clubs	55,026	**52,344**	177,594	**171,226**
Resorts	78,243	**53,653**	174,151	**145,228**
Total operating revenues for reportable segments	251,359	**231,104**	668,196	**666,882**
Other operations	12,847	**20,372**	26,503	**40,739**
Corporate services	2,603	**2,544**	12,042	**13,620**
Consolidated operating revenues	$ 266,809	**$ 254,020**	$ 706,741	**$ 721,241**
Adjusted EBITDA:				
Country club and golf facilities	$ 28,234	**$ 30,642**	$ 82,887	**$ 88,909**
Business and sports clubs	3,020	**3,974**	15,825	**17,689**
Resorts	19,443	**11,210**	33,080	**25,738**
Total Adjusted EBITDA for reportable segments	50,697	**45,826**	131,792	**132,336**
Other operations	4,114	**8,747**	3,792	**9,831**
Corporate services	(10,210)	**(10,453)**	(27,212)	**(32,276)**
Consolidated Adjusted EBITDA	44,601	**44,120**	108,372	**109,891**
Depreciation and amortization	(17,600)	**(21,732)**	(47,497)	**(60,772)**
Impairment loss from assets to be held and used	-	**-**	(13,483)	**-**
Net membership deposits and fees	(1,717)	**(2,542)**	(7,059)	**(12,583)**
Joint venture adjustment	(2,406)	**(2,823)**	(2,427)	**(4,638)**
Consolidated operating income	$ 22,878	**$ 17,023**	$ 37,906	**$ 31,898**

Note 8. Commitments and contingencies

ClubCorp is subject to certain pending or threatened litigation and other claims. Management, after review and consultation with legal counsel, believes ClubCorp has meritorious defenses to these matters and that any potential liability from these matters would not reasonably be expected to materially affect ClubCorp's Consolidated Financial Statements.

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

Introduction

ClubCorp, Inc. (referred to as ClubCorp ® or the Company) is a holding company incorporated under the laws of the State of Delaware that, through its subsidiaries, owns, operates and/or manages country clubs, golf clubs, public golf courses, business clubs, sports clubs, resorts, and certain related real estate through sole ownership, partial ownership (including joint venture interests) and management agreements. The Company's primary sources of revenue include membership dues, fees and deposits, food and beverage sales, and revenues from golf operations and lodging facilities. The Company also receives management fees with respect to facilities that it manages for third parties.

The earliest predecessor corporation of ClubCorp was organized in 1957 under the name Country Clubs, Inc. All historical references herein to ClubCorp include Country Clubs, Inc. and its successor corporations. For purposes of this document, unless the context indicates otherwise, references to the Company include ClubCorp and its subsidiaries. However, each of ClubCorp and its subsidiaries is careful to maintain its separate legal existence, and general references to the Company should not be interpreted to reduce in any way the legal distinctions among the subsidiaries or among ClubCorp and its subsidiaries.

The following discussion of the Company's financial condition and results of operations for the 12 and 36 weeks ended September 7, 1999 and September 5, 2000 should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 28, 1999, as filed with the Securities and Exchange Commission.

Results of Operations

12 Weeks Ended September 7, 1999 Compared to 12 Weeks Ended September 5, 2000

Consolidated Operations

Operating revenues decreased $12.8 million to $254.0 million for the 12 weeks ended September 5, 2000 from $266.8 million for the 12 weeks ended September 7, 1999. This decrease is primarily due to operating revenues at Pinehurst for the 12 weeks ended September 7, 1999 of approximately $28.0 million related to the hosting of the 1999 U.S. Open during the first five days of the period. This decrease is partially offset by increases in operating revenues at same store facilities (i.e., those for which a comparable period of activity exists, generally those owned for at least eighteen months to two years).

Operating costs and expenses, consisting of direct operating costs, facility rentals, and maintenance, decreased 5.1% to $196.3 million for the 12 weeks ended September 5, 2000 from $206.8 million for the 12 weeks ended September 7, 1999 primarily as a result of operating costs and expenses of approximately $19.0 million incurred during the 12 weeks ended September 7, 1999 as a result of hosting the 1999 U.S. Open at Pinehurst partially offset by increases in the current period operating costs and expenses incurred at same store facilities resulting from increased revenues at these facilities.

Depreciation and amortization for the 12 weeks ended September 5, 2000 increased $4.1 million or 23.3% primarily due to capital expansions at existing facilities and increases in technology related assets.

The income tax provisions for the 12 weeks ended September 7, 1999 and September 5, 2000 differ from amounts computed by applying the U.S. Federal tax rate of 35% to pretax net income primarily due to foreign and state income taxes, net of Federal benefit, and the effect of consolidated operations of foreign and other entities not consolidated for Federal tax purposes.

Net income for the 12 weeks ended September 5, 2000 was $1.3 million compared to $6.7 million for the 12 weeks ended September 7, 1999, due primarily to the current period decrease in operating income of approximately $9.0 million relating to the hosting of the 1999 U.S. Open at Pinehurst for the period ended September 7, 1999. Also impacting net income was the $1.7 million increase in interest expense. The increase in interest expense for the 12 week period ended September 5, 2000 is primarily due to both the increase in the outstanding debt balance and the increase in the interest rate on the majority of the debt outstanding of approximately 225 basis points.

Management uses Adjusted EBITDA to monitor the performance of the Company and its facilities. Adjusted EBITDA consists of EBITDA, an industry standard calculation of earnings before interest, taxes, depreciation and amortization from consolidated entities, adjusted for net membership deposits and fees, a joint venture adjustment and excludes impairment loss from assets to be held and used. Net membership deposits and fees represent the difference between current period sales of initiation deposits and fees and the revenue recognized from initiation deposits and fees, less incremental direct selling costs. Revenues from membership deposits are calculated as the difference between the amount of the membership deposits sold and the present value of the obligation. The joint venture adjustment is comprised of depreciation, amortization, interest, income taxes and net membership deposits and fees for joint venture entities at the Company's ownership percentage. Adjusted EBITDA is not intended to represent cash flow in accordance with generally accepted accounting principles and is not necessarily a measure of the Company's ability to fund its cash needs. The Company's Adjusted EBITDA from continuing operations may not be comparable to similarly titled measures reported by other companies.

Consolidated Adjusted EBITDA decreased to $44.1 million for the 12 weeks ended September 5, 2000 from $44.6 million for the 12 weeks ended September 7, 1999. This decrease is primarily due to decreased operating income due to the hosting of the U.S. Open, which resulted in Adjusted EBITDA of approximately $9.0 million. Excluding the impact of the U.S. Open, Adjusted EBITDA would have increased approximately 24.0% from $35.6 million to $44.1 million due to increases in operating income before depreciation and amortization as discussed in the following paragraphs and increased net membership deposits and fees at developing country club and golf facilities.

Segment and Other Information

Country Club and Golf Facilities

The following table presents certain summary financial data and other operating data for the Company's country club and golf facilities segment for the 12 weeks ended September 7, 1999 and September 5, 2000 (dollars in thousands):

	Same Store Country Club and Golf Facilities		Total Country Club and Golf Facilities	
	1999	2000	1999	2000
Number of facilities	90	90	127	127
Operating revenues	$ 94,401	$ 96,966	$ 118,090	$ 125,107
Operating costs and expenses	71,995	75,396	91,693	97,732
Depreciation and amortization	6,383	7,417	11,190	11,929
Segment operating income	$ 16,023	$ 14,153	$ 15,207	$ 15,446
Adjusted EBITDA	$ 22,546	$ 19,968	$ 28,234	$ 30,642

Operating revenues from total country club and golf facilities increased 5.9% primarily due to increased golf operations revenue at developing facilities. Increased golf operations revenue at developing facilities is primarily attributable to facilities acquired or opened after September 7, 1999. Operating costs and expenses from total country club and golf facilities increased 6.6% due primarily to the increased operating costs related to increased revenues, increased general and administrative costs and the addition of the costs at facilities acquired or opened after September 7, 1999.

Adjusted EBITDA for total country club and golf facilities increased 8.5% primarily due to an increase in net membership deposits and fees at developing clubs partially offset by a decrease in net membership deposits and fees at same store facilities.

Business and Sports Clubs

The following table presents certain summary financial data and other operating data for the Company's business and sports clubs segment for the 12 weeks ended September 7, 1999 and September 5, 2000 (dollars in thousands):

	Same Store Business and Sports Clubs		Total Business and Sports Clubs	
	1999	2000	1999	2000
Number of facilities	79	79	90	80
Operating revenues	$ 51,952	$ 52,229	$ 55,026	$ 52,344
Operating costs and expenses	47,699	47,683	51,431	48,061
Depreciation and amortization	2,358	2,853	2,515	2,868
Segment operating income	$ 1,895	$ 1,693	$ 1,080	$ 1,415
Adjusted EBITDA	$ 3,635	$ 4,231	$ 3,020	$ 3,974

Adjusted EBITDA for total business and sports clubs increased 31.6% due to an increase in net membership deposits and fees at same store facilities and a slight increase in gross margin resulting from the prior year divestitures of underperforming facilities and the positive impact of lease buyouts at two facilities.

Resorts

The following table presents certain summary financial data and other operating data for the Company's resorts segment for the 12 weeks ended September 7, 1999 and September 5, 2000 (dollars in thousands):

	Same Store Resorts		Total Resorts	
	1999	2000	1999	2000
Number of facilities	4	4	5	5
Operating revenues	$ 78,036	$ 53,461	$ 78,243	$ 53,653
Operating costs and expenses	59,590	43,003	60,022	43,131
Depreciation and amortization	2,479	3,643	2,550	3,684
Segment operating income	$ 15,967	$ 6,815	$ 15,671	$ 6,838
Adjusted EBITDA	$ 19,615	$ 11,146	$ 19,443	$ 11,210
Lodging data:				
Room nights available	114,445	126,269		
Occupancy rate	61.9%	64.5%		
Average daily room rate per occupied room	$178	$183		
Average daily revenue per occupied room	$701	$657		

For the 12 weeks ended September 7, 1999, operating revenues included approximately $28.0 million of merchandise sales, ticket sales and corporate hospitality tent revenue related to the hosting of the U.S. Open at Pinehurst during the first five days of the period. Excluding the impact of this event, operating revenues from same store resorts would have increased approximately 7.0% from approximately $50.0 million to $53.5 million for the 12 week period ended September 5, 2000. This increase is attributable to increased lodging and food and beverage revenues at same store facilities. Also included in the 12 weeks ended September 7, 1999 same store resorts results are the operating costs and expenses related to the hosting of the U.S. Open of approximately $19.0 million. Excluding the impact of this event, operating costs and expenses during the 12 weeks ended September 5, 2000 would have increased approximately $2.4 million due to increased operating costs related to increased revenues. The increase of 47.0% in depreciation and amortization at same store facilities is due to capital expansions and renovations at all same store resorts which occurred during the previous year.

Excluding the $9.0 million impact of the U.S. Open on same store facilities, the change in Adjusted EBITDA would have been an increase of approximately 5.0% due to increased operations as discussed in the preceding paragraph.

Other Operations

Realty operating revenues increased from $8.3 million for the 12 weeks ended September 7, 1999 to $15.1 million for the 12 weeks ended September 5, 2000, due primarily to increased real estate revenues at the Owner's Club programs at several locations. Operating income (loss) for realty increased from ($0.5) million for the 12 weeks ended September 7, 1999 to $4.0 million for the 12 weeks ended September 5, 2000.

36 Weeks Ended September 7, 1999 Compared to 36 Weeks Ended September 5, 2000

Consolidated Operations

Operating revenues increased to $721.2 million for the 36 weeks ended September 5, 2000 from $706.7 million for the 36 weeks ended September 7, 1999 due primarily to the addition of the revenues from the Cobblestone facilities which were acquired on March 31, 1999, increased membership revenue at total country club and golf facilities, increased lodging revenue at same store resorts and increased real estate sales. This increase exceeds the offsetting decrease of approximately $37.0 million of revenues associated with hosting the 1999 U.S. Open at Pinehurst during the 36 weeks ended September 7, 1999. The increase in lodging revenue is attributable to increased occupancy percentages at two same store resorts and the increase in real estate sales is primarily a result of increased sales at Owner's Club properties. Operating revenues of same store facilities decreased to $591.2 million for the 36 weeks ended September 5, 2000 from $599.8 million for the 36 weeks ended September 7, 1999, primarily due to hosting the U.S. Open at Pinehurst during the 36 weeks ended September 7, 1999 which is offset by increased revenues at all segments during the 36 weeks ended September 5, 2000.

Operating costs and expenses, consisting of direct operating costs, facility rentals, and maintenance, increased to $570.6 million for the 36 weeks ended September 5, 2000 from $552.0 million for the 36 weeks ended September 7, 1999. This change is comprised of approximately $27.0 million at same store resorts due to operating costs and expenses incurred during the 36 weeks ended September 7, 1999 as a result of hosting the 1999 U.S. Open at Pinehurst. The decrease is offset by an increase in operating costs and expenses at same store facilities resulting from increased revenues at these facilities and the addition of the operating costs and expenses of the Cobblestone facilities.

Depreciation and amortization for the 36 weeks ended September 5, 2000 increased 28.0% or $13.3 million primarily due to the addition of the Cobblestone facilities, capital expansions at existing facilities and increases in technology related assets.

For the 36 weeks ended September 7, 1999, an impairment loss of $13.5 million relating to long-lived assets at a resort facility was recorded. The Company assessed the recoverability of the assets by determining whether such assets could be recovered over their remaining estimated life through estimated future cash flows. This loss is reported separately as a component of operating income in the Company's Consolidated Financial Statements.

The income tax provisions for the 36 weeks ended September 7, 1999 and September 5, 2000 differ from amounts computed by applying the U.S. Federal tax rate of 35% to pretax net income primarily due to foreign and state income taxes, net of Federal benefit, and the effect of consolidated operations of foreign and other entities not consolidated for Federal tax purposes.

Net income (loss) for the 36 weeks ended September 5, 2000 decreased to ($4.5) million compared to $6.1 million for the 36 weeks ended September 7, 1999, due primarily to an increase in depreciation and amortization, an increase in interest expense and the impact of approximately $10.0 million in operating income from the U.S. Open at Pinehurst for the period ended September 7, 1999. This is partially offset by the impact of the $13.5 million impairment loss recognized in the 36 weeks ended September 7, 1999. The $6.9 million increase in interest expense for the 36 weeks ended September 5, 2000 is primarily due to both the increase in the outstanding debt balance and the increase in the interest rate on the majority of the debt outstanding of approximately 225 basis points.

As discussed previously, the U.S. Open had a significant impact on the 36 weeks ended September 7, 1999. ClubCorp recognized total profit of $7.0 million for the marketing, preparation and hosting of the event which is reflected in the results of operations for 1999 and prior years.

Consolidated Adjusted EBITDA increased $1.5 million to $109.9 million for the 36 weeks ended September 5, 2000 from $108.4 million for the 36 weeks ended September 7, 1999. Excluding the $10.0 million impact of the U.S. Open, Adjusted EBITDA would have increased approximately 12.0% from approximately $98.0 million due to increases in operating income before depreciation and amortization and increases in net membership deposits and fees. The increase in net membership deposits and fees is due to the acquisition and opening of developing country club and golf facilities and increased initiation fees at a same store resort facility.

Segment and Other Information - 36 Weeks

Country Club and Golf Facilities

The following table presents certain summary financial data and other operating data for the Company's country club and golf facilities segment for the 36 weeks ended September 7, 1999 and September 5, 2000 (dollars in thousands):

	Same Store Country Club and Golf Facilities		Total Country Club and Golf Facilities	
	1999	2000	1999	2000
Number of facilities	90	90	127	127
Operating revenues	$ 266,343	$ 277,883	$ 316,451	$ 350,428
Operating costs and expenses	199,944	210,092	242,411	272,060
Depreciation and amortization	20,151	21,513	28,459	34,526
Segment operating income	$ 46,248	$ 46,278	$ 45,581	$ 43,842
Adjusted EBITDA	$ 67,912	$ 67,426	$ 82,887	$ 88,909

Operating revenues from total country club and golf facilities increased 10.7% due primarily to the addition of the Cobblestone properties on March 31, 1999 and other developing facilities and increased membership revenues at same store facilities. Operating costs and expenses from total country club and golf facilities increased 12.2% due primarily to the addition of the operating costs and expenses of the Cobblestone facilities and other developing facilities. The slight decrease in gross margin at same store facilities is due to increased maintenance and repair expenses and depreciation and amortization at these facilities. The addition of the Cobblestone facilities is responsible for the majority of the additional increased depreciation and amortization for total country club and golf facilities.

The 7.3% increase in Adjusted EBITDA for total country club and golf facilities is primarily due to increased operating income before depreciation and amortization and increased net membership deposits and fees at developing facilities for the 36 weeks ended September 5, 2000.

Business and Sports Clubs

The following table presents certain summary financial data and other operating data for the Company's business and sports clubs segment for the 36 weeks ended September 7, 1999 and September 5, 2000 (dollars in thousands):

	Same Store Business and Sports Clubs		Total Business and Sports Clubs	
	1999	2000	1999	2000
Number of facilities	79	79	90	80
Operating revenues	$ 165,545	$ 168,891	$ 177,594	$ 171,226
Operating costs and expenses	147,046	150,228	159,867	152,766
Depreciation and amortization	7,754	8,602	8,425	8,717
Segment operating income	$ 10,745	$ 10,061	$ 9,302	$ 9,743
Adjusted EBITDA	$ 16,631	$ 17,877	$ 15,825	$ 17,689

The slight decrease in segment gross margin for same store business and sports clubs is due to increased depreciation and amortization, resulting from increased technology related assets, decreased membership deposits and fees revenue partially offset by the positive impact of lease buyouts at two facilities. The increase in segment gross margin for total business and sports clubs is due to the divestiture of underperforming facilities during 1999.

Resorts

The following table presents certain summary financial data and other operating data for the Company's resorts segment for the 36 weeks ended September 7, 1999 and September 5, 2000 (dollars in thousands):

	Same Store Resorts		Total Resorts	
	1999	2000	1999	2000
Number of facilities	4	4	5	5
Operating revenues	$ 167,973	$ 144,394	$ 174,151	$ 145,228
Operating costs and expenses	138,006	121,423	142,966	121,866
Depreciation and amortization	6,574	9,577	6,839	9,716
Segment operating income before impairment loss	23,393	13,394	24,346	13,646
Impairment loss from assets to be held and used	13,483	-	13,483	-
Segment operating income	$ 9,910	$ 13,394	$ 10,863	$ 13,646
Adjusted EBITDA	$ 31,862	$ 25,345	$ 33,080	$ 25,738
Lodging data:				
Room nights available	332,861	349,849		
Occupancy rate	55.8%	59.6%		
Average daily room rate per occupied room	$179	$184		
Average daily revenue per occupied room	$702	$693		

For the 36 weeks ended September 7, 1999, operating revenues included approximately $37.0 million of merchandise sales, ticket sales and corporate hospitality tent revenue related to the hosting of the U.S. Open at Pinehurst. Excluding the impact of this event, operating revenues from same store resorts would have increased approximately 10.2% from approximately $131.0 million to $144.4 million for the 36 weeks ended September 5, 2000. This increase is attributable to increased membership, lodging and food and beverage revenues at same store resorts. The increase in membership revenues is primarily attributable to increased membership at Barton Creek in relation to the opening of a new golf course. Increased lodging and food and beverage revenues are primarily attributable to increased occupancy rates at The Homestead and Daufuskie. Also included in the 36 weeks ended September 7, 1999 same store resorts results are the operating costs and expenses related to the hosting of the U.S. Open of approximately $27.0 million. Excluding the impact of this event, operating costs and expenses in the 36 weeks ended September 5, 2000 would have increased approximately 9.4% from approximately $111.0 million to $121.4 million due to increased lodging and food and beverage costs resulting from increased revenues in these areas and increased marketing costs at same store resorts. Also included in 1999 same store resorts segment operating income is an impairment loss of $13.5 million related to long-lived assets at Daufuskie.

The decrease in Adjusted EBITDA at same store resorts of 20.5% is primarily attributable to the impact of the U.S. Open. Excluding the impact of the U.S. Open, the change would have been an increase of approximately 15.0% from approximately $22.0 million to $25.3 million due to increased segment operating income as discussed in the preceding paragraph and an increase in initiation fees at Barton Creek related to the opening of a new golf course. Typically, the volume of initiation deposits and fees is higher during the initial marketing of memberships for a new course. Within the first year of the course opening, these tend to stabilize at a lower level.

Other Operations

Realty operating revenues increased 57.2% from $18.7 million for the 36 weeks ended September 7, 1999 to $29.4 million for the 36 weeks ended September 5, 2000, due primarily to increased real estate revenues of the Owner's Club programs at several locations. Revenues during the 36 weeks ended September 7, 1999 were primarily comprised of the sales of land held for sale in Colorado. Operating income for realty increased from $0.8 million for the 36 weeks ended September 7, 1999 to $2.0 million for the 36 weeks ended September 5, 2000.

Seasonality of Demand; Fluctuations in Quarterly Results

The Company's quarterly results fluctuate as a result of a number of factors. Usage of the Company's country club and golf facilities and resorts declines significantly during the first and fourth quarters, when colder temperatures and shorter days reduce the demand for golf and golf-related activities. The Company's business facilities generate a disproportionately greater share of their yearly revenues in the fourth quarter, which includes the holiday and year-end party season. In addition, the fourth quarter consists of 16 weeks of operations and the first, second and third quarters consist of 12 weeks. As a result of these factors, the Company usually generates a disproportionate share of its revenues in the second, third, and fourth quarters of each year and has lower revenues in the first quarter. The timing of purchases, sales, or leases of facilities, such as the purchase of the Cobblestone facilities, also has caused and may cause the Company's results of operations to vary significantly in otherwise comparable periods. In addition, the Company's results can be affected by non-seasonal and severe weather patterns.

Liquidity and Capital Resources

Historically, the Company has financed its operations and capital expenditures primarily through cash flows from operations, long-term debt and, in a 1999 transaction, through the sale of common stock for total consideration of $150.0 million to an investor group. The Company distinguishes capital expenditures to refurbish and replace existing property and equipment (i.e., capital replacements) from discretionary capital expenditures such as the expansion of existing facilities (i.e., capital expansions). Most capital expenditures other than capital replacements are considered discretionary and could be curtailed in periods of low liquidity. Capital replacements are planned expenditures made each year to maintain high quality standards of facilities for the purpose of meeting existing members' expectations and to attract new members. Capital replacements have ranged from 5.6% to 9.0% of operating revenues during the last three years, which has grown in the last year due to the information technology initiative which the Company has substantially completed. Capital expansions are discretionary expenditures, which create new amenities or enhance existing amenities at existing facilities. Development of the Company's new facilities and planned expansions at existing facilities are expected to require capital expenditures of approximately $80.0 million and $87.0 million, respectively, over the next two years to be financed with external financing of ClubCorp, Inc. and cash flows from operations.

The total long-term debt outstanding for the Company increased $154.7 million during the 36 weeks ended September 5, 2000 due to borrowings for development of new facilities and real estate held for sale, expansion at existing facilities, borrowings of $32.6 million for acquisitions and the assumption of long-term debt of $27.8 million in conjunction with the purchase of the remaining interest in a previously non-consolidated joint venture.

Factors That May Affect Future Operating Results and the Accuracy of Our Forward-Looking Statements

Certain information in this Quarterly Report on Form 10-Q may contain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of these provisions, including projections of earnings, revenues or other financial items, statements of the plans and objectives of management for future operations, statements concerning proposed new services, statements regarding future economic conditions or performance and statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "estimates," "potential" or "continue," or the negative thereof or other comparable terminology. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Company's forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which are summarized in this section and in the Company's Form 10-K for the year ended December 28, 1999.

The Company's success depends on its ability to attract and retain members at its clubs and maintain or increase usage of its facilities. The Company has experienced varying levels of membership enrollment and attrition rates and, in certain areas, decreased levels of usage of its facilities during its operating history. Although management devotes substantial efforts to ensuring that members and guests are satisfied, many of the factors affecting club membership and facility usage are beyond the Company's control, including weather conditions, general economic conditions, changes in demand for golf and private club services and changes in the federal tax laws. There can be no assurance that the Company will be able to maintain or increase membership or facility usage. Significant periods where attrition rates exceed enrollment rates, or where facilities' usage is below historical levels would have a material adverse effect on the Company's business, operating results, and financial condition. Other factors that may affect the Company's operating results include, but are not limited to, the actions of our competitors, changes in labor costs, the timing and success of acquisitions and dispositions and changes in law.

During 2000, the Company invested approximately $9.0 million in Internet related ventures as an opportunity to further expand the offering of its services and products to its members and to create synergies with other companies in the marketplace to decrease operating expenses. As with any venture, the expected financial impact of these developing enterprises is unsure and equity in the earnings and losses of such ventures could have a significant impact on the results of operations of the Company. For the 36 weeks ended September 5, 2000, the Company recorded an equity loss of $1.8 million on these ventures.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits
- 10.1 - Fourth Amendment to ClubCorp, Inc. Executive Stock Option Plan
- 10.2 - Second Amendment to ClubCorp, Inc. Omnibus Stock Plan
- 15.1 - Letter from KPMG LLP regarding unaudited interim financial statements
- 24.1 - Power of Attorney
- 27.1 - Financial Data Schedule

(b) Reports on Form 8-K
Not applicable

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.

ClubCorp, Inc.

Date: October 20, 2000

By: /s/Charles A. Little
Charles A. Little
Chief Accounting Officer