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

PROXY STATEMENT

Pursuant to Section 14 (a) of the Securities Exchange Act of 1934

CRACKER BARREL OLD COUNTRY STORE, INC.
(Name of Registrant)

JAMES F. BLACKSTOCK
Vice President, General Counsel and Secretary
Cracker Barrel Old Country Store, Inc.
P.O. Box 787 - Hartmann Drive
Lebanon, Tennessee 37088-0787
(615) 444-5533
(Name of Person Filing Proxy Statement)

Filed by the Registrant /X/ Filed by a Party
other than the Registrant / /

Check the appropriate box:

/ / Preliminary Proxy Statement / / Definitive Additional Materials

/X/ Definitive Proxy Statement / / Soliciting Material Pursuant to
Section 240.14a-11 (c) or
Section 240.14a-12

Payment of Filing Fee (Check the appropriate box):

/X/ No fee required.
/ / Fee computed on table below per Exchange Act Rules 14a-(i) (4)
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1) Title of each class of securities to which transaction applies:
____

2) Aggregate number of securities to which transaction applies:
____

3) Per unit price or other underlying value of transaction computed
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4) Proposed maximum aggregate value of transaction:
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or the Form or Schedule and the date of its filing.

1) Amount Previously Paid: ______________________________________

2) Form Schedule or Registration Statement No.: _________________

3) Filing Party: ____

4) Date Filed: ____

CRACKER BARREL OLD COUNTRY STORE, INC.
305 Hartmann Drive
Lebanon, Tennessee 37087

Notice of Annual Meeting of Shareholders
to be held on Tuesday, November 25, 1997

Notice is hereby given that the Annual Meeting of Shareholders of Cracker Barrel Old Country Store, Inc.(the "Company") will be held at the offices of the Company located on Hartmann Drive, Lebanon, Tennessee, on Tuesday, November 25, 1997 at 10:00 a.m., local time, for the following purposes:

(1) to elect 13 directors to serve until the next Annual Meeting and until their successors are duly elected and qualified;

(2) to consider and vote upon the adoption of a proposed amendment to the Cracker Barrel Old Country Store, Inc. Amended and Restated Stock Option Plan to increase the number of shares of Company Common Stock available under the Plan from 14,025,702 to 17,525,702;

(3) to approve the selection of Deloitte & Touche LLP as the Company's independent auditors for the 1998 fiscal year;

(4) to consider and take action on a shareholder proposal requesting that the Compensation and Stock Option Committees link executive compensation to social policy goals; and

(5) to transact such other business as may properly be brought before the meeting or any adjournment of the meeting.

The Board of Directors has fixed the close of business on September 29, 1997 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting.

Your attention is directed to the Proxy Statement accompanying this notice for a more complete statement regarding matters to be acted upon at the Annual Meeting.

By Order of the Board of Directors

James F. Blackstock, Secretary

Lebanon, Tennessee
October 24, 1997

YOUR REPRESENTATION AT THE MEETING IS IMPORTANT. TO ENSURE YOUR REPRESENTATION, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD. SHOULD YOU DESIRE TO REVOKE YOUR PROXY, YOU MAY DO SO AS PROVIDED IN THE ACCOMPANYING PROXY STATEMENT, AT ANY TIME BEFORE IT IS VOTED.

CRACKER BARREL OLD COUNTRY STORE, INC.
305 Hartmann Drive
Lebanon, Tennessee 37087

PROXY STATEMENT

The accompanying proxy is solicited by, and on behalf of, the Board of Directors of Cracker Barrel Old Country Store, Inc. (the "Company") for use at the Annual Meeting of Shareholders to be held on November 25, 1997, and any adjournment of that meeting. Notice of the Annual Meeting is attached to this Proxy Statement.

This Proxy Statement, and the Annual Report of the Company for the fiscal year ended August 1, 1997, have been mailed on or about October 24, 1997, to all shareholders of record on September 29, 1997.

The purpose of the Annual Meeting is to elect 13 directors, to adopt an amendment to the Cracker Barrel Old Country Store, Inc. Amended and Restated Stock Option Plan to increase the number of shares authorized under the Plan, to approve the selection of Deloitte & Touche LLP as the Company's independent auditors for the next fiscal year, and to vote on a shareholder proposal requesting that the Compensation and Stock Option Committees link executive compensation to social policy goals.

A shareholder of record who signs and returns a proxy in the accompanying form may revoke the proxy at any time before the designated proxy holder votes, by attending the Annual Meeting and electing to vote in person, by filing with the Secretary of the Company a written revocation or by duly executing a written proxy bearing a later date. Unless duly revoked, the shares represented by the proxy will be voted at the Annual Meeting. Where a choice is specified on the proxy, the represented shares will be voted in accordance with the specifications. If no specification is made, proxy shares will be voted FOR the election of all director nominees, FOR the adoption of the amendment to the Amended and Restated Stock Option Plan, FOR the approval of Deloitte & Touche LLP as the Company's independent auditors for the 1998 fiscal year, and AGAINST the shareholder proposal.

Directors shall be elected by a plurality of the votes cast in the election by the holders of Company Common Stock represented and entitled to vote at the Annual Meeting, if a quorum is present. Assuming the existence of a quorum, every other proposal submitted to the shareholders shall be approved if the votes cast favoring the proposal exceed the votes cast opposing it. Abstentions will be counted as present for purposes of determining the existence of a quorum and for determining the total number of votes cast. Abstentions are disregarded in determining if a director receives a plurality of the votes cast or whether votes cast for a proposal exceed votes cast against it. Broker non-votes are disregarded for the purpose of determining the total number of votes cast with respect to a proposal.

The Board of Directors knows of no other matters which are to be brought to a vote at the Annual Meeting. However, if any other matters properly come before the meeting, the persons appointed in the proxy or their substitutes will vote in accordance with their best judgment on those matters.

The Board of Directors has fixed the close of business on September 29, 1997 as the record date for the Annual Meeting. The Company's only class of securities is its Common Stock, with a par value of $0.50 per share. On September 29, 1997, the Company had outstanding 61,395,068 shares of Common Stock. Only shareholders of record at the close of business on that date will be entitled to vote at the Annual Meeting. For each share held, those shareholders will be entitled to one vote which may be given in person or by proxy authorized in writing.

The cost of solicitation of proxies will be borne by the Company, including expenses in connection with preparing, assembling and mailing this Proxy Statement. The solicitation will be made by mail, and may also be made by the Company's officers or employees personally or by telephone or telegram. No officers or employees of the Company will receive additional compensation for soliciting proxies. The Company may reimburse brokers, custodians and nominees for their expenses in sending proxies and proxy material to beneficial owners. The Company retains Corporate Communications, Inc., 523 Third Avenue South, Nashville, Tennessee to assist in the management of the Company's investor relations and other shareholder communications issues. As part of its duties, Corporate Communications, Inc. may assist in the solicitation of proxies. Corporate Communications, Inc. receives a fee of approximately $2,000 per month, plus reimbursement of out-of-pocket expenses. See "Other Transactions and Relationships" later in this document.

As it has done previously, the Company will continue to employ an independent tabulator to receive and tabulate the proxies, and independent inspectors of election to certify the results. The Company will also continue its practice of holding the votes of all shareholders in confidence from Company directors, officers and employees, except (i) to allow the independent inspectors of election to certify the results of the vote, (ii) as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company, (iii) in case of a contested proxy solicitation, or (iv) when a shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management.

PROPOSAL 1. ELECTION OF DIRECTORS

The Company Bylaws provide that the Board of Directors shall consist of not more than 15 persons. The Board of Directors has established Board size at 13 directors. Proxies cannot be voted for more than 13 persons. The terms of all present directors will expire upon the election of new directors at the Annual Meeting. The Board of Directors proposes the election of the nominees listed below to serve until the next Annual Meeting and until their successors are duly elected and qualified. All of the nominees are presently directors of the Company and were elected at the Annual Meeting held on November 26, 1996. Unless contrary written instructions are received, it is intended that the shares represented by proxies solicited by the Board of Directors will be voted in favor of the election of all named nominees as directors. If for any reason any nominee is unable to serve, the persons named in the proxy have advised that they will vote for a substitute nominee as proposed by the Company Board of Directors. Each nominee has consented to act as a director, if elected, and the Board of Directors has no reason to expect that any nominee will fail to be a candidate at the meeting. Therefore, it does not at this time have any substitute nominees under consideration. The information relating to the 13 nominees set forth below has been furnished to the Company by the named individuals.

Directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election at the Annual Meeting. The Board of Directors recommends that shareholders vote "FOR" the nominees listed below. Proxies, unless they contain contrary written instructions, will be voted "FOR" the listed nominees.

Name, Age, Position with the Company	First Became a Director	Business Experience During the Past Five Years
James C. Bradshaw, 66 Director	1970	Practicing physician, Lebanon, Tennessee
Robert V. Dale, 61 Director	1986	President of Windy Hill Pet Food Company, Nashville, Tennessee since March 1995; Partner in PFB Partnership, Nashville, Tennessee from August 1994 to March 1995; President of Martha White Foods, Inc., Nashville, Tennessee from October 1985 to August 1994
Dan W. Evins, 62 Director, Chairman and Chief Executive Officer (1)	1970	Chairman and Chief Executive Officer of the Company; President of the Company until August 1995; Member of Board of Directors of Clayton Homes, Inc.
Edgar W. Evins, 65 Director (1)	1970	Retired in June 1987; President, DeKalb County Bank and Trust Company, Alexandria, Tennessee from 1958 until June 1987

William D. Heydel, 68 Director	1970	Retired in 1987; for the previous five years, Tennessee manager of American Family Life Assurance Company, Nashville, Tennessee
Robert C. Hilton, 60 Director	1981	Chairman, President and CEO of Home Technology Healthcare, Inc., Nashville, Tennessee since October 1991
Charles E. Jones, Jr., 52 Director	1981	President, Corporate Communications, Inc., a financial public relations firm, Nashville, Tennessee
Charles T. Lowe, Jr., 65 Director	1970	Retired in 1993; previously President of Travel World, Inc., a travel agency, Lebanon, Tennessee
B. F. Lowery, 60 Director	1971	Attorney; President and Chairman, LoJac Companies, asphalt paving, highway construction and building materials supplier and contractor, Lebanon, Tennessee
Ronald N. Magruder, 50 Director, President and Chief Operating Officer	1995	President and Chief Operating Officer of the Company since August 1995; Vice-Chairman of Darden Restaurants from December 1994 to August 1995; Executive Vice President, General Mills Restaurants and President of Olive Garden from 1987 to 1994
Gordon L. Miller, 63 Director	1974	Dentist, Lebanon, Tennessee
Martha M. Mitchell, 57 Director	1993	Senior Vice President (since January 1987) and Partner (since January 1993) of Fleishman-Hillard, a public relations firm, St. Louis, Missouri
Jimmie D. White, 56 Director	1993	Retired on December 11, 1995; Senior Vice President - Finance and Chief Financial Officer of the Company from 1985 to 1995

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(1) Dan W. Evins and Edgar W. Evins are brothers.

Committees and Meetings

During the fiscal year ended August 1, 1997, the Board of Directors held five meetings. No incumbent director attended fewer than 75% of the Board meetings in fiscal 1997.

The Executive Committee is currently composed of Robert V. Dale, Dan W. Evins, Charles E. Jones, Jr., B. F. Lowery, Ronald N. Magruder, Charles T. Lowe, Jr. and Martha M. Mitchell. The Executive Committee has all the duties and powers of the Board of Directors, subject to the general direction, approval and control of the Board. The Executive Committee met six times in fiscal year 1997.

The Stock Option Committee is currently composed of Robert C. Hilton, James C. Bradshaw and William D. Heydel. This committee, which met once during the fiscal year ended August 1, 1997, is responsible for the administration of the Company's Incentive Stock Option Plan of 1982, its 1987 Stock Option Plan and its Amended and Restated Stock Option Plan.

The Audit Committee is currently composed of Robert C. Hilton, James C. Bradshaw, Robert V. Dale and Gordon L. Miller. This committee, which met three times during the fiscal year ended August 1, 1997, reviews the Company's internal accounting controls and systems, the results of the Company's annual audit and the Company's accounting policies and any change in those policies.

The Compensation Committee is currently composed of Robert V. Dale, Edgar W. Evins, William D. Heydel and Robert C. Hilton. This committee, which met once during the fiscal year ended August 1, 1997, reviews and recommends to the Board of Directors the salaries, bonuses and other cash compensation of the executive officers of the Company.

The Nominating Committee is currently composed of Robert V. Dale, B.F. Lowery, Charles E. Jones, Jr., Martha M. Mitchell, Dan W. Evins, Edgar W. Evins, and Robert C. Hilton. The Nominating Committee reviews director nominees and makes recommendations to the Board of Directors prior to each Annual Meeting of shareholders. The Nominating Committee will consider nominees recommended in writing by shareholders who submit director nominations to the Company prior to the deadline for shareholder proposals as further described under "Proposals of Shareholders" later in this document.

The Company pays to each of its outside directors an annual retainer of $20,000 plus $1,000 as a director's fee for each Board meeting attended. Outside directors who are members of the Executive Committee, Audit Committee, Compensation Committee and Stock Option Committee receive a fee of $1,000 for each committee meeting attended. The chairperson of these committees receives an additional fee of $200 for each committee meeting attended. All outside directors are reimbursed by the Company for out-of-pocket expenses incurred in connection with attendance at meetings. No director's fees are paid to directors who are also employees of the Company.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following information pertains to Company Common Stock beneficially owned, directly or indirectly, by 5% or greater shareholders as reported to the Company by NASD.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (Common Stock)
Montag & Caldwell Inc. 3343 Peachtree Rd. N.E. Atlanta, GA 30326	4,985,000	8.1%

Security Ownership of Management

The following information pertains to Company Common Stock beneficially owned, directly or indirectly, by all directors and nominees and by all directors and officers as a group, as of September 29, 1997. Unless otherwise noted, the named persons may be contacted at the Company's executive offices and they have sole voting and investment power with respect to the shares indicated.

Names of Beneficial Owners	Amount and Nature of Beneficial Ownership (1)	Percent Of Class (Common Stock)
James C. Bradshaw	545,719 (2)	*
Robert V. Dale	104,728	*
Dan W. Evins	696,666	1.1%
Edgar W. Evins	69,157 (3)	*
William D. Heydel	543,327 (2)	*
Robert C. Hilton	99,299	*
Charles E. Jones, Jr.	102,761	*
Charles T. Lowe, Jr.	914,025 (4)	1.5%
B. F. Lowery	240,125	*
Ronald N. Magruder	344,134	*
Gordon L. Miller	167,167	*
Martha M. Mitchell	41,872	*
Jimmie D. White	30,290	*
All Officers and Directors as a group (39 persons)	4,686,333	7.1%

*Less than one percent

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(1) Includes the following number of shares subject to options exercisable by the named holders within 60 days:

James C. Bradshaw	142,670	Charles T. Lowe, Jr.	66,734
Robert V. Dale	92,046	B. F. Lowery	142,670
Dan W. Evins	256,666	Ronald N. Magruder	273,334
Edgar W. Evins	66,734	Gordon L. Miller	66,734
William D. Heydel	142,670	Martha M. Mitchell	41,422
Robert C. Hilton	92,046	Jimmie D. White	-
Charles E. Jones, Jr.	92,046		

All Officers and Directors as a group 2,104,681

The shares described in this note are deemed to be outstanding for the purpose of computing the percentage of outstanding Common Stock owned by each named individual and by the group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(2) Includes shares owned jointly with spouse, with whom voting and investment power is shared: Dr. Bradshaw 403,049 and Mr. Heydel 400,657.

(3) Includes 223 shares owned by Mr. Evins' wife in her SEP, for which voting and investment power is shared.

(4) Voting and investment power with respect to 43,491 shares is shared by Mr. Lowe and his wife, the owner of these shares.

REPORT OF THE COMPENSATION COMMITTEE AND THE STOCK OPTION COMMITTEE OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION

The Company's compensation policies for its executive officers are administered by two committees of the Board of Directors - the Compensation Committee and the Stock Option Committee. All members of these committees are outside, non-employee directors.

The primary components of executive compensation are base salary, bonus and longer-term incentives such as stock options. The Compensation Committee recommends to the Board of Directors the salaries and bonus plan for the executive officers. The Stock Option Committee administers the stock option plans pursuant to which all employee stock options are granted.

Base Salary

In setting the fiscal 1997 base salary for each executive officer, the Compensation Committee reviewed the then-current salary for each of the officers in relation to average salaries within the industry for comparable areas of responsibility as presented in a report prepared for the Company by independent executive compensation consultants. In addition, the Compensation Committee considered the contribution made by each executive officer during fiscal 1996, as reported by the Chief Executive Officer, as well as salary recommendations from management for the executive officers other than the Chairman and Chief Executive Officer, Dan W. Evins. The Compensation Committee employed procedures similar to those used for each of the other executive officers to determine the fiscal 1997 salary for Dan W. Evins.

Bonus

The Compensation Committee has determined that the financial performance of the Company should be a significant factor in rewarding its executive officers. Therefore, in July of each year, the Compensation Committee reviews the expected financial performance of the Company for the concluding fiscal year and considers the internal budget established for the next fiscal year in setting certain financial goals and criteria for executive officer bonuses.

In fiscal 1997, the Company operated pursuant to a Management Incentive Plan affecting executive officers and senior managers. The purpose of the Management Incentive Plan is to link individual job performance and resulting compensation to the financial performance of the Company. This ensures that all participants achieve individual goals while remaining focused on the Company's overall financial results. The Plan is also designed to ensure that participants' financial interests remain directly tied to those of Cracker Barrel's shareholders. A participant's target bonus percentage varies based on salary grade level.

Generally, bonus awards are calculated based on the following factors: (i) Company financial results compared to the Company's business plan, (ii) individual performance against his or her stated goals, (iii) the individual's fiscal year base salary amount, and (iv) the individual's target bonus percentage. Maximum bonus percentages available to executive officers range from 75% to 225% of base salary (225% for Mr. Evins, 180% for Mr. Magruder, and Mr. Woodhouse, 135% for Mr. Adkins and Mr. Parsons, 105% for all other senior officers, and from 75% to 105% for all other executive officers.) Bonuses earned for fiscal 1997, as a percent of total salary and bonuses, were 146% for Mr. Evins, 117% for Mr. Magruder, 117% for Mr. Woodhouse, 91% for Mr. Adkins, and 90% for Mr. Parsons.

Stock Options

In contrast to salary and bonus awards, which are generally for past work performance, stock options are based on future performance which contributes to stock price appreciation. They are granted at an exercise price which is equal to the closing market price of the Company's Common Stock on the day before the date of grant, and therefore have no value until the stock trading price increases.

The Stock Option Committee has generally granted nonqualified stock options annually. In recent years, the Committee has extended option grants down into the organization as far as the top hourly level positions in the stores. See "Stock Option Plans" later in this document.

Stock Performance Graph

The following graph sets forth the yearly percentage change in the cumulative total shareholder return on the Company's Common Stock during the preceding five fiscal years, ended August 1, 1997, compared with the Standard & Poor's 400 MidCap Index and a Total Return Index comprised of all NASDAQ companies with the same two-digit SIC (Standard Industrial Classification) code (58 - Eating and Drinking Places) as the Company.

	1992	1993	1994	1995	1996	1997
Cracker Barrel Old Country Store, Inc.	100	117	104	94	99	130
NASDAQ	100	117	106	119	115	105
S & P 400 MIDCAP	100	117	121	150	162	236

Summary Compensation Table

The following table sets forth information concerningthe compensation of the Chief Executive Officer and the four other most highly compensated executive officers who served in such capacities as of August 1, 1997.

			Annual Compensation		Long Term Compensation		
Name	Principal Position	Fiscal Year	Salary(1)	Bonus	Securities Underlying Options Granted	Restricted Stock Awards(1)	Other Annual Compensa-tion(2)
Dan W. Evins	Chairman of the	1997	$385,000	$545,613	40,000	-	$ 31,439
	Board and Chief	1996	385,000	299,330	40,000	-	30,754
	Executive Officer	1995	385,000	661,495	40,000	-	28,541
Ronald N. Magruder	President and Chief	1997	350,000	396,809	35,000	-	104,814
	Operating Officer	1996	344,697	217,694	285,000	$656,000	1,740
		1995	-	-	-	-	-
Michael A. Woodhouse	Senior Vice President/	1997	231,000	261,894	25,000	-	95,762
	Finance and Chief	1996	141,667	110,000	25,000	93,750	10,310
	Financial Officer	1995	-	-	-	-	-
Michael D. Adkins	Senior Vice President/	1997	165,000	158,776	20,000	-	6,096
	Restaurant Operations	1996	150,000	46,649	12,000	-	5,792
		1995	125,000	85,908	12,000	-	5,606
Richard G. Parsons	Senior Vice President/	1997	167,400	146,442	20,000	-	7,835
	Merchandising	1996	155,000	48,204	12,000	-	7,522
		1995	155,000	106,526	12,000	-	7,596

(1) On August 7, 1995, the effective date of Mr. Magruder's employment with the Company, he received a restricted stock award of 32,000 shares worth $656,000 based on the value of Company Common Stock on July 5, 1995. The shares vest at a rate of 20% per annum, and based on the value of Company Common Stock at the end of fiscal 1997, were worth $926,000. On December 11, 1995, the effective date of Mr. Woodhouse's employment with the Company, he received a restricted stock award of 5,000 shares worth $93,750 based on the value of Company Common Stock on December 8, 1995. These shares vest at a rate of 20% per annum, and based on the value of Company Common Stock at the end of fiscal 1997, were worth $144,688. No dividends are paid on these restricted shares until the shares actually vest.

(2) Includes premiums paid on Life and Disability insurance for coverage above that available to all salaried employees of $29,893 for Mr. Evins, $1,740 for Mr. Magruder, $18,117 for Mr. Woodhouse, $4,418 for Mr. Adkins, and $6,663 for Mr. Parsons; the Company's contributions to its 401(k) Employee Savings Plan for each named officer, and moving expenses paid or accrued by the Company in fiscal 1997 of $100,157 for Mr. Magruder and $77,645 for Mr. Woodhouse.

Options Granted During Fiscal Year Ended August 1, 1997

The following table sets forth all options to acquire shares of Company Common Stock granted to the named executive officers during the fiscal year ended August 1, 1997.

Name	Individual Grants (1) # Options Granted	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price $/Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (2) 5%	10%
Dan W. Evins	40,000	3.1%	$22.75	08-29-06	$572,294	$1,450,306
Ronald N. Magruder	35,000	2.7%	22.75	08-29-06	500,757	1,269,017
Michael A. Woodhouse	25,000	1.9%	22.75	08-29-06	357,684	906,441
Michael D. Adkins	20,000	1.5%	22.75	08-29-06	286,147	725,153
Richard M. Parsons	20,000	1.5%	22.75	08-29-06	286,147	725,153

(1) The exercise price of the options granted is equal to the closing market price of the Company's Common Stock on the day before the date of grant. Options are exercisable as to not more than 1/3 of the total number of shares under the option during each 12-month period following one year from the date of grant for all options granted during the fiscal year ended August 1, 1997. To the extent any optionee does not exercise an option as to all shares for which the option was exercisable during any 12-month period, the balance of the unexercised options shall accumulate and the option with respect to those shares will be exercisable at any later time before expiration. Options expire 10 years from the date of the grant.

(2) The potential realizable values illustrate values that might be realized upon exercise immediately prior to the expiration of the term of these options using 5% and 10% appreciation rates, as required by the Securities and Exchange Commission, compounded annually. These values do not, and are not intended to, forecast possible future appreciation, if any, of the Company's stock price. Additionally, these values do not take into consideration the provisions of the options providing for vesting over a period of years or termination of options following termination of employment.

Option Exercises and Fiscal Year End Values

The following table sets forth all stock options exercised during the fiscal year ended August 1, 1997 by the named executive officers and the number and value of unexercised options held by these executive officers at fiscal year end.

	#Shares Acquired on Exercise	Value Realized(1)	Number of Unexercised Options at FY-End		Value of Unexercised In-The-Money Options at FY-End (2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Dan W. Evins	0	0	243,333	66,667	$1,651,455	$ 509,170
Ronald N. Magruder	0	0	178,334	141,666	1,499,901	1,138,224
Michael A. Woodhouse	0	0	8,333	41,667	84,892	324,483
Michael D. Adkins	0	0	41,125	28,000	230,742	202,250
Richard M. Parsons	12,000	$327,362	176,780	28,000	2,903,076	202,250

(1) Value realized is calculated based on the difference between the option exercise price and the actual sales price of shares sold, and the market value of Company Common Stock on the date of exercise for 3,500 shares acquired upon exercise but not sold by Mr. Parsons.

(2) The last trade of the Company's Common Stock as reported by NASDAQ on August 1, 1997 was $28.9375. That price was used in calculating the value of unexercised options.

Executive Employment Agreements

An employment agreement has been granted to Dan W. Evins (Chairman of the Board and Chief Executive Officer) which, upon the occurrence of certain events, authorizes a severance payment approximately equal to three times his annual salary in effect on the date of termination. Although not intended primarily as a standard employment contract, the agreement does provide for payment of a specified annual salary which shall not be decreased, and which may be increased from time to time. This agreement does not preclude Mr. Evins' from participating in any other Company benefit plans or arrangements. Under the agreement, Mr. Evins may terminate his employment and receive the three-year severance payment if there is a "change in control of the Company" (as defined in the agreement), accompanied by: (1) a decrease in his base salary or bonus percentage; or (2) a reduction in the importance of his job responsibilities; or (3) a geographical relocation without his consent. The three- year severance payment shall also be made to Mr. Evins if the Company breaches the terms of the agreement. The employment agreement also describes rights to compensation if Mr. Evins' employment is terminated or suspended due to death, disability, poor performance or wrongful activities.

Effective August 7, 1995, the Company employed Mr. Ron Magruder as its Chief Operating Officer. On the date he signed his offer of employment, July 5, 1995, he was awarded an option under the 1987 Stock Option Plan for 250,000 shares of Company Common Stock at the market closing price on the previous day. These options vest at a rate of 1/3 each year and expire 10 years from the date of grant. To remedy Mr. Magruder's loss of non-vested options in the stock of his former employer, the Company provided him 32,000 shares of restricted Common Stock which vests at 20% each year. If Mr. Magruder's employment is involuntarily terminated for performance rather than for cause, the Company will provide him a severance package consisting of one year's base salary and estimated bonus, as well as $600,000. That amount decreases by 20% per year from the date of employment. Mr. Magruder was also provided with funds to pay for his relocation to Tennessee, which accrued in the amount of $100,157 in fiscal 1997.

Effective December 11, 1995, the Company employed Mr. Michael Woodhouse as Senior Vice President of Finance and Chief Financial Officer. Mr. Woodhouse was granted an option under the 1987 Stock Option Plan for 25,000 shares of Company Common Stock on his start date, with the option vesting at a rate of 1/3 each year following one year from the grant date and expiring 10 years after the date of grant. To remedy Mr. Woodhouse's loss of non-vested options in the stock of his former employer, the Company granted him 5,000 shares of restricted Common Stock which vests at 20% per year. Mr. Woodhouse was also provided with funds to pay for his relocation to Tennessee, which accrued in the amount of $77,645 in fiscal 1997.

Stock Option Plans

On February 25, 1982, the Company's Board of Directors adopted an incentive stock option plan, which was approved by the shareholders of the Company on November 23, 1982. The 1982 Plan authorized the Stock Option Committee to issue options to certain key employees for 2,475,095 shares of the Company's Common Stock, which were all granted prior to adoption of the 1987 Stock Option Plan and have been exercised. In 1986, Congress adopted the Tax Reform Act of 1986, and in response to the 1986 Code amendments, the Company's Board of Directors voted to discontinue the 1982 Plan and adopt in its place the 1987 Stock Option Plan. The shareholders adopted the 1987 Plan at the 1987 Annual Meeting of shareholders.

The 1987 Plan would have expired on June 25, 1997. The Company's Board of Directors proposed that the 1987 Plan be amended and that it be retitled the Cracker Barrel Old Country Store, Inc. Amended and Restated Stock Option Plan (the "Current Plan"). The Board of Directors approved the adoption of the Current Plan on August 29, 1996 and the Company's shareholders approved the Current Plan on November 26, 1996. The Current Plan makes only non-qualified options available for grant, allows for the possibility of transferability and assignability of options, and is designed to facilitate continued compliance with Section 16 of the Securities Exchange Act of 1934, particularly Rule 16b-3.

The Current Plan, like the 1987 Plan and the 1982 Plan, is administered by the Stock Option Committee. Members of that Committee are directors appointed by the Board. Options may be granted only to key executive personnel and other employees who hold responsible positions with the Company. The Stock Option Committee is authorized to determine, at time periods within its discretion and subject to the direction of the Board, which key employees shall be granted options, the number of shares covered by each option granted, and within applicable limits, the terms and conditions relating to the exercise of options. The Stock Option Committee may impose on the option, or its exercise, restrictions it deems reasonable and which are within the restrictions authorized by the Current Plan. The option price per share under the Current Plan must be at least 100% of the fair market value of a share of the Company's Common Stock at the close of business on the trading day immediately preceding the day the option is granted, and options must be exercised not later than 10 years after the grant date.

The Stock Option Committee is authorized to grant options to purchase an aggregate of 14,025,702 shares of Company Common Stock under the Current Plan. For information concerning the proposed increase in the number of shares available under the Current Plan, see: "Proposal 2. Increase Number of Shares of Common Stock Available Under Amended and Restated Stock Option Plan" later in this document. During fiscal 1997, the aggregate number of shares subject to options granted was 1,296,600, including 262,000 shares granted to the Company's executive officers as a group, which includes the individuals named in the Summary Compensation Table. These options were granted at prices ranging from $21.875 to $28.375 per share, pursuant to the Current Plan and are exercisable as to not more than 1/3 of the total number of shares granted during each 12-month period following one year from the date of the grant. To the extent, however, that any optionee does not exercise an option as to all shares for which the option was exercisable during any 12-month period, the balance of unexercised options shall accumulate and the option will be exercisable with respect to those shares until the option expires.

The aggregate number of shares exercised pursuant to all employee stock option plans during fiscal 1997 was 422,131, including 37,000 exercised by the Company's executive officers as a group. The net value of shares purchased (market value less option exercise price) or cash realized upon exercise of options was $4,290,520 in the aggregate, including $700,762 relating to options exercised by the Company's executive officers as a group.

In 1989, the directors and shareholders of the Company adopted the 1989 Stock Option Plan for Non-Employee Directors (the "1989 Plan"). The total number of shares of Company Common Stock issuable upon the exercise of all options granted under the 1989 Plan could not, in the aggregate, exceed 1,518,750 shares. Under the 1989 Plan, all non-employee directors of the Company automatically received an annual stock option grant for 25,312 shares of the Company's Common Stock. There are no shares now available to be granted under the 1989 Plan. 1989 Plan options became exercisable 6 months after the date of each grant. The stock options were granted at an exercise price equal to the fair market value of the underlying stock on the date of grant and expire one year from the date of a director's retirement from the Board. Mr. James H. Stewart, who retired from the Board of Directors on November 26, 1996, exercised options under the 1989 Plan on 41,422 shares of Common Stock in fiscal 1997. The net value from those exercised options (market value less option exercise price) was $140,663.

Employee Savings Plans

401(k) Employee Savings Plan - On September 24, 1996, the Board of Directors adopted the Godwins, Booke & Dickenson Prototype Profit-Sharing and Employee Savings Plan and Trust (the "401(k) Plan") as an Employee Savings Plan which provides for retirement benefits for employees, and which is qualified under Section 401(k) of the Internal Revenue Code. Generally, all Company employees who have completed one year of service, who have worked in excess of 1,000 hours with the Company, and who have reached the age of 21, are eligible to participate. Eligible employees may elect to participate in the 401(k) Plan as of the beginning of each calendar month.

Eligible employees who choose to participate may elect to have up to 16% (not to exceed $9,500 in calendar 1997) of their compensation contributed to the 401(k) Plan. The Company matches 25% of employee contributions for each participant, up to 6% of the employee's compensation. In addition to these limits, employee contributions and the Company match for highly compensated participants are limited by a special annual nondiscrimination test imposed under Section 401(k) of the Internal Revenue Code. This test uses the percentages of compensation contributed by, and matched for, rank and file participants to limit the contributions of, and Company match for, highly compensated participants.

Participants in the 401(k) Plan have a fully-vested interest in their contributions. A participant's interest in Company matching contributions begins to vest one year from the date of employment and continues to vest at the rate of 20% per year until fully vested. Generally participants may self-direct investments in one or more available mutual funds, but they may not withdraw either their contributions or their vested interest in Company matching contributions prior to retirement or termination of their employment with the Company. Limited hardship withdrawals are tightly controlled by the provisions of the 401(k) Plan and the Internal Revenue Code.

Deferred Compensation Plan - Effective January 1, 1994, the Company's Board of Directors adopted a Deferred Compensation Plan to provide retirement and incidental benefits for certain executive employees and outside directors of the Company. At the beginning of each calendar year, participants in this plan may make an election to defer a portion of their compensation. Interest is credited to each participant's account quarterly at a rate equal to the 10-year Treasury Bill rate in effect as of the beginning of the quarter, plus 1.5%. The total interest credited to all participants' accounts during fiscal 1997 was $48,365.

Non-Qualified Savings Plan - On December 21, 1995, the Company's Board of Directors adopted a Non-Qualified Savings Plan (the "Savings Plan") which became effective January 1, 1996. The Savings Plan is intended primarily to encourage savings on the part of a small group of management and highly compensated Company employees, who typically receive refunds from the Company's 401(k) Plan due to the required annual nondiscrimination test imposed under Section 401(k) of the Internal Revenue Code. In the discretion of the Company's Compensation Committee, other Company employees may also participate in the Savings Plan. Fundamentally, the Savings Plan allows participants to annually defer from 1% to 50% of their salary and bonus. Employee contributions are placed in a Company trust and are invested in a selection of mutual funds. The Company may in its discretion match employee contributions for each participant, up to 6% of the employee's compensation. Employees are at all times fully vested in their savings contributions, but only become vested in any Company match in increments of 20% per year. Currently, there is no Company matching contribution.

OTHER TRANSACTIONS AND RELATIONSHIPS

The Company leases its stores in Clarksville, Tennessee and Macon, Georgia from B. F. Lowery, a director of the Company. Under the terms of an August 1981 agreement, Mr. Lowery purchased the land, constructed the restaurant buildings and facilities to the Company's specifications and leased the stores to the Company for a 15-year term. The annual rent for the Macon store is the greater of (i) 12% of the total initial cost of the land, buildings and improvements, or (ii) 5% of the total restaurant sales plus 3% of the gift shop sales. The annual rent for the Clarksville store is the greater of (i) 12% of the total initial cost of the land, building and improvements, or (ii) 5% of the total restaurant sales plus 3% of the gift shop sales, if the total of those percentages exceeds $65,000. Taxes, insurance and maintenance are paid by the Company. The Company has options to extend the Clarksville and Macon leases for up to 20 years. During the fiscal year ended August 1, 1997, the Company paid a total of $373,801 in lease payments to Mr. Lowery. During the fiscal year ended August 1, 1997, the Company paid $75,000 as a retainer to Mr. Lowery for corporate legal services. The Company also rented Mr. Lowery's personal jet for Company use throughout the year while the Company jet was undergoing maintenance or repairs. The cost for the aircraft rental was $22,750.

The Company uses the services of Corporate Communications, Inc., a financial public relations firm in Nashville, Tennessee, of which Charles E. Jones, Jr., a director of the Company, is president and the major shareholder. During the past fiscal year, the Company paid $24,000 to Corporate Communications, Inc. for services and $423,924 for reimbursement of direct expenses including preparation, distribution and design of the Company's annual report, proxy materials, and quarterly reports.

The foregoing transactions were negotiated by the Company on an arms-length basis, and management believes that these transactions are fair and reasonable and on terms no less favorable than those which could be obtained from unaffiliated parties.

PROPOSAL 2. INCREASE NUMBER OF SHARES OF COMMON STOCK AVAILABLE UNDER AMENDED AND RESTATED STOCK OPTION PLAN

On September 25, 1997, the Board of Directors approved an amendment to the Cracker Barrel Old Country Store, Inc. Amended and Restated Stock Option Plan, increasing the number of shares authorized under that Plan from 14,025,702 to 17,525,702, subject to shareholder approval. Options under this Stock Option Plan may be granted to key executive personnel and to other employees holding responsible positions with the Company, which includes store-level management and the highest level of hourly employees in the stores. The proposed increase in the number of shares authorized is to ensure the existence and availability of sufficient shares for the granting of options under this Stock Option Plan in the future.

For adoption of this proposal, the votes cast favoring the proposal must exceed the votes cast opposing it. The Board of Directors recommends that shareholders vote "FOR" the proposal. Proxies, unless they contain contrary written instructions, will be voted "FOR" the proposal.

PROPOSAL 3. APPROVAL OF APPOINTMENT OF AUDITORS

The Board of Directors has selected and appointed Deloitte & Touche LLP as independent auditors of the Company for the 1998 fiscal year, subject to shareholder approval. Deloitte & Touche LLP have served as the Company's independent auditors since the fiscal year ended July 31, 1973. A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting with the opportunity to make a statement, if the representative desires, and to be available to respond to appropriate questions.

For adoption of this proposal, the votes cast favoring the proposal must exceed the votes cast opposing it. The Board of Directors recommends that shareholders vote "FOR" the proposal. Proxies, unless they contain contrary written instructions, will be voted "FOR" the proposal.

PROPOSAL 4. SHAREHOLDER PROPOSAL

Mercy Consolidated Asset Management Program, 20 Washington Square North, New York, NY, has stated that it is the beneficial owner of 2,000 shares of Company Common Stock, and the New York City Employees' Retirement System, Office of the Comptroller, 1 Centre Street, New York, NY 10007, has stated that it is the beneficial owner of 156,984 shares of Company Common Stock and they have each informed the Company that they intend to present the following proposal at the Annual Meeting:

WHEREAS, recruitment of employees from the widest possible talent pool available can help promote efficiency in corporate operations, WHEREAS, hiring policies based on non-job related criteria can lead to less efficient operations, and

WHEREAS, lower efficiency in corporate operations can in turn lead to a loss in shareholder value,

RESOLVED, that shareholders hereby request that the Compensation and Stock Option committees in determining levels of executive compensation, consider corporate progress towards ensuring that management policies are designed to recruit workers from the broadest possible talent pool, without regard to race, color, creed, gender, age, or sexual orientation.

For adoption of this proposal, the votes cast favoring it must exceed the votes cast opposing it. The Board of Directors recommends a vote "AGAINST" this proposal for the reasons cited below. Proxies, unless they contain contrary written instructions, will be voted "AGAINST" the proposal.

The Company's Position

The Company's compensation policies for its executive officers are administered by two committees of the Board of Directors - the Compensation Committee and the Stock Option Committee. To help ensure impartiality, the members of these committees are outside, non-employee directors. A survey prepared by outside, independent executive compensation consultants, Alexander & Alexander, in fiscal 1997 is used to review the Company's executive salaries and bonuses in relation to those of other selected companies in the restaurant and food service industry. In addition, executive officers participate in the Company's Management Incentive Program which is designed to substantially tie individual compensation to actual Company financial performance. The Board of Directors believes that this process of setting executive compensation addresses overall job performance and serves to enhance company profitability and shareholder value. While an executive's ability to recruit the most capable workers, from whatever sector of society, is certainly an asset which may be considered in the compensation evaluation process, since the company hires from geographically and demographically distinct areas, since the Company already adheres to equal opportunity hiring policies, and since "progress" is impossible to measure unless some quantifiable but undefined numerical or similar goals were to be established, the Board does not feel that social issues should be specifically singled out for separate consideration within the context of the business judgment involved in setting executive compensation.

The Board of Directors for these reasons, recommends a vote "AGAINST" this shareholder proposal.

PROPOSALS OF SHAREHOLDERS

Shareholders intending to submit proposals for presentation at the Company's 1998 Annual Meeting of Shareholders, and for inclusion in the Proxy Statement and form of proxy for that meeting, should forward their proposals to the Corporate Secretary, Cracker Barrel Old Country Store, Inc., P.O. Box 787, Hartmann Drive, Lebanon, Tennessee 37088-0787. Shareholder proposals must be in writing, should be sent to the Company by certified mail, return receipt requested, and must be received by the Company prior to June 26, 1998.

ANNUAL REPORT AND FINANCIAL INFORMATION

A copy of the Company's Annual Report to Shareholders for fiscal year 1997 is being mailed to each shareholder with this Proxy Statement. A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K, AND A LIST OF ALL ITS EXHIBITS, WILL BE SUPPLIED WITHOUT CHARGE TO ANY SHAREHOLDER UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES: CRACKER BARREL OLD COUNTRY STORE, INC. ATTENTION: INVESTOR RELATIONS, PO BOX 787, LEBANON, TENNESSEE 37088-0787. EXHIBITS TO THE FORM 10-K ARE AVAILABLE FOR A REASONABLE FEE.