

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Cracker Barrel Old Country Store, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(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 pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, 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:



October 13, 2015

Dear Cracker Barrel Shareholders:

At the Cracker Barrel Annual Meeting of Shareholders, to be held on November 12, 2015, you are being asked to vote on the election of the Company's nine directors and several other proposals, including, importantly, the approval of the Company's Shareholder Rights Plan. We believe this is a critical choice for you to make in protecting your investment.

By way of background, a Shareholder Rights Plan substantially identical to the version up for approval now has been in place since shareholders overwhelmingly approved it at our 2012 annual meeting. That Plan was adopted as a response to the rapid open-market acquisition program by Biglari Holdings of our outstanding common stock. That Plan expired on April 9, 2015 and the Board of Directors, acting after thoughtful deliberation and in what it believes to be in the best interest of all Cracker Barrel shareholders, approved and implemented a substantially identical Plan for an additional three years, subject to shareholder approval at this year's Annual Meeting.

As we sit here today, Biglari Holdings remains a threat: with a 19.7% ownership position in Cracker Barrel, we believe that Sardar Biglari desires a controlling stake in our Company. By keeping this Plan in place, our shareholders will continue to be protected from Biglari Holdings, or any other party, who tries to accumulate a potentially controlling position in the Company through any takeover strategies that do not provide ALL Cracker Barrel shareholders an equal opportunity to benefit from a change in control premium.

BIGLARI'S ACTIONS WITHIN HIS OWN COMPANY CONTINUE TO MAKE HIM A THREAT TO CRACKER BARREL SHAREHOLDERS

We believe Mr. Biglari's questionable governance track record within his own company speaks volumes as to why Cracker Barrel needs the continued protections of a Shareholder Rights Plan. In recent years, Mr. Biglari has pursued numerous tactics that, in our view, seem designed primarily to gain unchallenged control of Biglari Holdings for Mr. Biglari at the expense of his own shareholders. This has included advocating for a dual-class stock structure that would reserve a higher proportion of the voting power to shares controlled by Mr. Biglari, installing a lucrative licensing agreement for the use of his own name that would make any move to replace Mr. Biglari as CEO difficult and costly, altering voting bylaws in his favor and utilizing shareholder money to acquire a controlling stake in a publicly traded company of which he is already the Chairman and CEO.

For more information on Mr. Biglari's track record of poor governance actions we encourage you to review the presentation available on the Cracker Barrel investor website at investor.crackerbarrel.com.

PROTECTING SHAREHOLDER VALUE THROUGH THE RIGHTS PLAN

The Plan before you for approval is not intended to prevent a takeover or deter fair offers for securities of the Company. To the contrary, it is designed to encourage anyone seeking to acquire the Company to negotiate with the Board of Directors prior to attempting a takeover and contains a "qualifying offer" provision which allows for all-cash, fully financed tender offers to proceed without triggering rights under the Plan. This should enable all shareholders to realize the full value of their investment in our Company. We believe this Plan is shareholder friendly and provides effective protection against creeping acquisitions of control and other abusive takeover tactics.

If shareholders approve the Plan at the Annual Meeting, it will remain effective through April 9, 2018. Therefore, it is important that shareholders vote to maintain this critical protection.

CRACKER BARREL CONTINUES TO DELIVER SUPERIOR RESULTS

Fiscal year 2015 was a year of continued success on many fronts as we demonstrated the strength of the differentiated brand and our ability to execute effectively on our strategic initiatives to generate strong results. During the year, we drove increased traffic which resulted in comparable-store restaurant sales growth of more than 5% and earnings per share growth of more than 20%. We also generated \$334 million in cash from operations, which allowed us to increase our quarterly dividend and declare a special dividend.

The success of 2015 builds on our strong existing track record of executing on our growth initiatives and creating value for shareholders. In fact, Cracker Barrel has delivered total shareholder returns of 65%, 172%, and 261%, respectively, during the last one-, three- and five-fiscal year periods, substantially outperforming the S&P MidCap 400® index.

As we continue to execute on our proven strategic priorities, we believe it is vitally important to have a Rights Plan in place that protects against Biglari Holdings or another third party potentially derailing the momentum we have achieved and allows management and the Board to remain focused on delivering superior returns for all of our shareholders.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE SHAREHOLDER RIGHTS PLAN

Whether or not you expect to be present at the Annual Meeting, please vote and submit your proxy as soon as possible via the Internet, by phone, or if you have requested to receive printed proxy materials, by mailing a proxy card enclosed with those materials.

If you have any questions or require assistance with voting your proxy card, please call MacKenzie Partners, Inc., toll-free, at (800) 322-2885.

Sincerely,



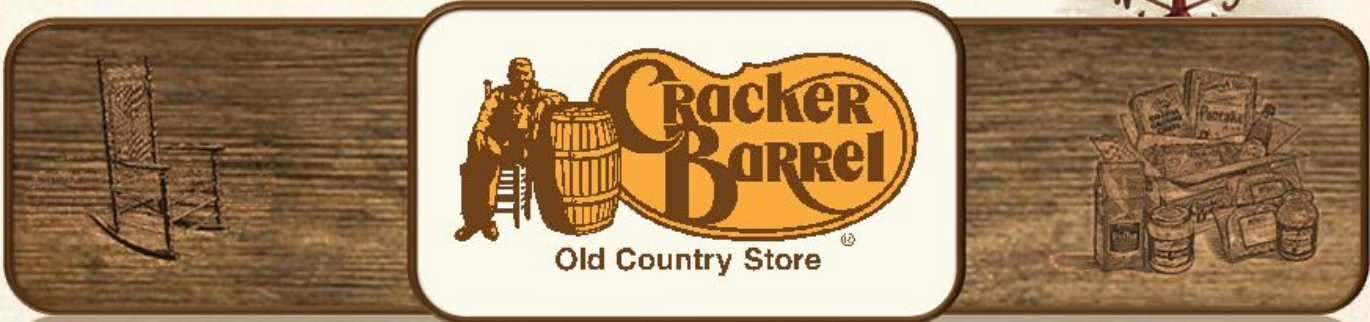
Sandra B. Cochran
President and Chief Executive Officer

Important Additional Information

Cracker Barrel, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Cracker Barrel shareholders in connection with the matters to be considered at Cracker Barrel's 2015 annual meeting of shareholders to be held on November 12, 2015. On October 2, 2015, Cracker Barrel filed a definitive proxy statement (as it may be amended, the "Proxy Statement") with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Cracker Barrel shareholders. INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Cracker Barrel with the SEC for no charge at the SEC's website at www.sec.gov. Copies are also available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.

The following materials were first used in a presentation to investors on October 12, 2015 and posted to the Company's Investor Relations website, investor.crackerbarrel.com.

Delivering a Best-in-Class Guest Experience and Exceptional Shareholder Returns



Fall 2015 – Investor Presentation



Important Additional Information

Cracker Barrel Old Country Store, Inc. (the "Company") urges caution in considering current trends and earnings guidance disclosed in this presentation. Except for specific historical information, matters discussed in this presentation are forward looking statements that involve risks, uncertainties and other factors that may cause actual results and performance of the Company to differ materially from those expressed or implied in this discussion. All forward-looking information is provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995.

More detailed information on risks, uncertainties and other factors is provided in the Company's filings with the U.S. Securities and Exchange Commission ("SEC"), press releases and other communications.

The Company, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from the Company's shareholders in connection with the matters to be considered at the Company's 2015 annual meeting of shareholders to be held on November 12, 2015. On October 2, 2015, the Company filed a definitive proxy statement (as it may be amended, the "Proxy Statement") with the SEC in connection with any such solicitation of proxies from the Company's shareholders. INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by the Company with the SEC for no charge at the SEC's website at www.sec.gov. Copies are also available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.



Table of Contents

I. Cracker Barrel's Track Record – Delivering Superior Results

II. Why We Are Here – Protecting Shareholder Value

III. Conclusion – Vote to Approve the Shareholder Rights Plan

Appendix – Additional Materials



I. CBRL's Track Record – Delivering Superior Results





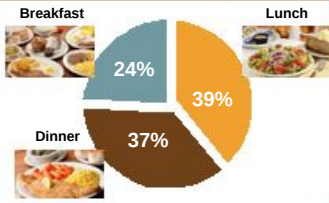
Cracker Barrel's Heritage – Pleasing People Since 1969

The Cracker Barrel Concept

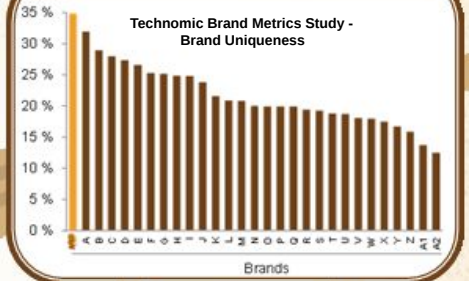
- ▶ Highly differentiated concept providing wholesome connections to guests
- ▶ 635 old-fashioned country stores welcome ~6,700 guests a week
- ▶ ~\$2.84bn in annual revenues; ~20% of annual revenues coming from retail business
- ▶ Welcome break for travelers across 42 states



Diversified Menu and Meal Offerings¹



Cracker Barrel is Perceived to be More Unique Than Competitors²



Delivering a Recognized Guest Experience



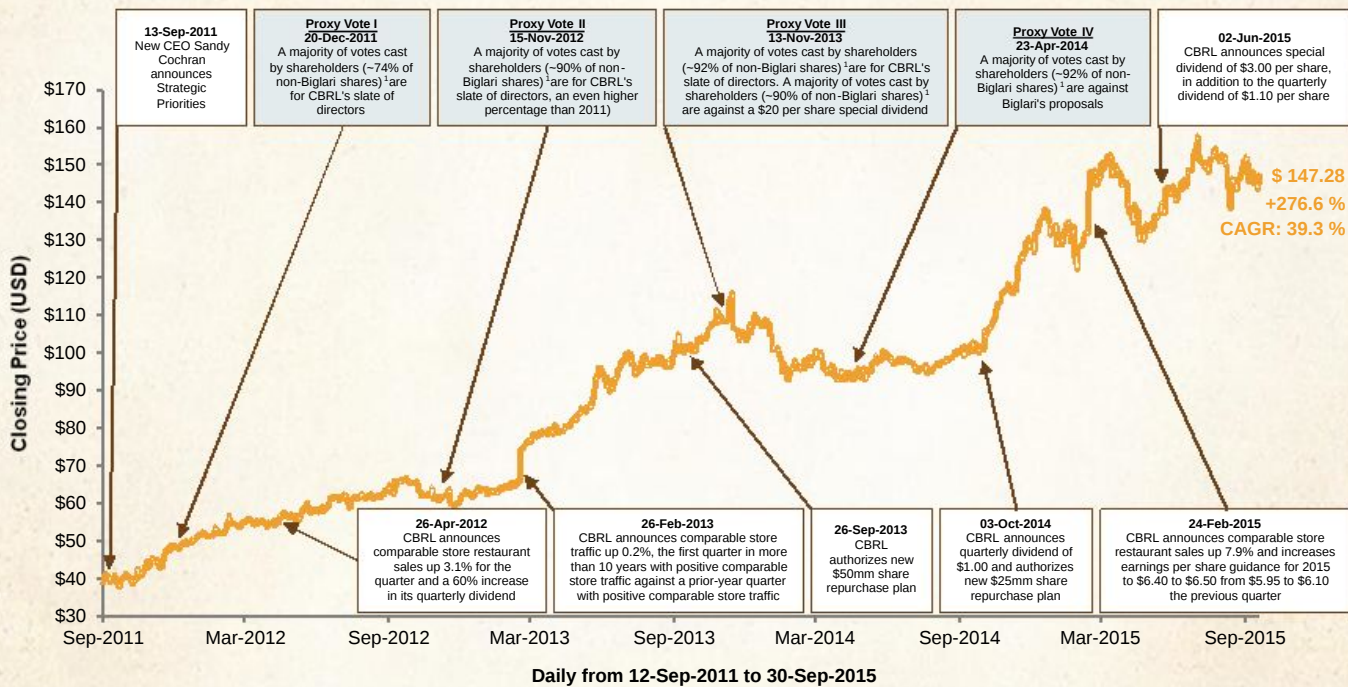
Source: Public filings, Technomic and Company website

(1) Percentages represent each day-part's percentage of restaurant sales in FY2015.

(2) Brands include: A: The Cheesecake Factory, B: P.F. Chang's China Bistro, C: Bonefish Grill, D: Buffalo Wild Wings Grill & Bar, E: Olive Garden, F: Texas Roadhouse, G: Famous Dave's, H: Red Lobster, I: California Pizza Kitchen, J: IHOP, K: Outback Steakhouse, L: Carrabba's Italian Grill, M: Romano's Macaroni Grill, N: Mimi's Café, O: Waffle House, P: On The Border Mexican Grill & Cantina, Q: BJ's Restaurant & Brewhouse, R: Logan's Roadhouse, S: LongHorn Steakhouse, T: Bob Evans, U: Ruby Tuesday, V: TGI Friday's, W: Chili's Grill & Bar, X: Friendly's, Y: O'Charley's, Z: Shoney's, A1: Denny's, A2: Perkins Restaurants & Bakery.



CBRL Has Delivered Exceptional Shareholder Value Since the Original Six Priorities Were Announced

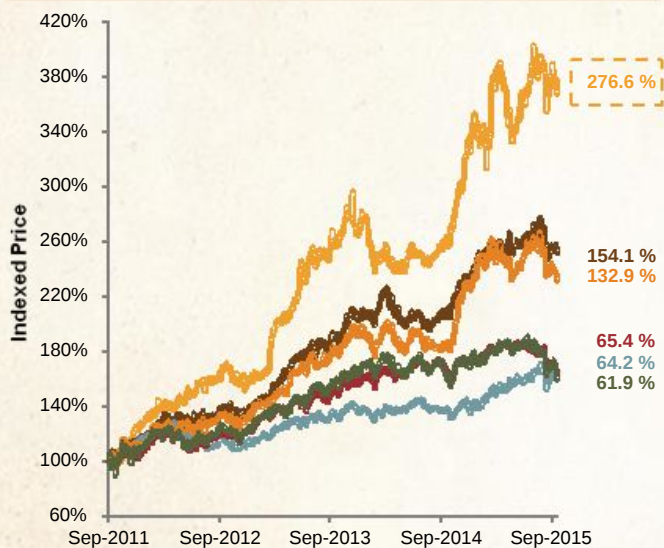


Source: Public filings, Bloomberg, market data as of 30-Sep-2015
 Note: 12-Sep-2011 represents the day prior to announcement of Strategic Priorities on 13-Sep-2011.
 (1) Percentages based on number of shares voted excluding shares controlled by Biglari.

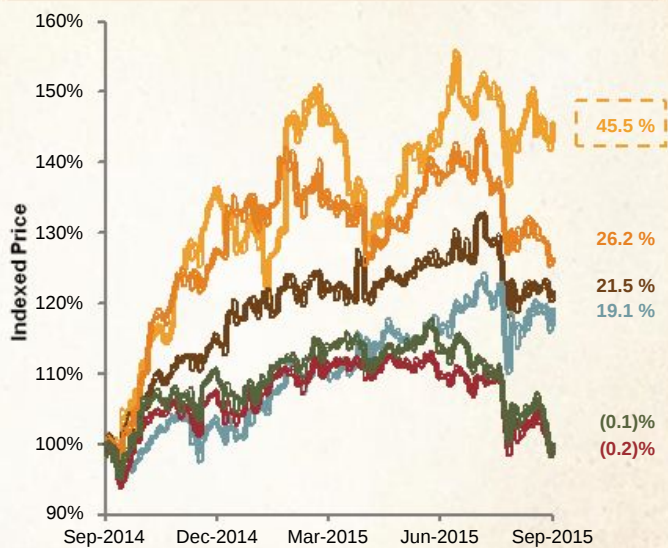


CBRL Stock Price has Outperformed Its Benchmarks...

Since Announcement of Strategic Priorities ¹



Last Twelve Months



■ Cracker Barrel ■ S&P 400 Restaurant Index ■ S&P 500 Restaurant Index ■ S&P 600 Restaurant Index ■ S&P 400 Mid-Cap Index ■ Russell 2000 Index

Source: Bloomberg, market data as of 30-Sep-2015

Note: S&P 400 Restaurant Index includes Panera, Buffalo Wild Wings, Cheesecake Factory, Brinker, Cracker Barrel, Jack in the Box, Domino's Pizza, Dunkin' Brands and Wendy's. S&P 500 Restaurant Index includes Chipotle, Darden, McDonald's, Starbucks and YUM! Brands. S&P 600 Restaurant Index includes Papa John's, Texas Roadhouse, DineEquity, Popeyes Louisiana Kitchen, Sonic, Red Robin Gourmet Burgers, Bob Evans, BJ's Restaurants, Biglari Holdings, Ruth's Hospitality and Ruby Tuesday.

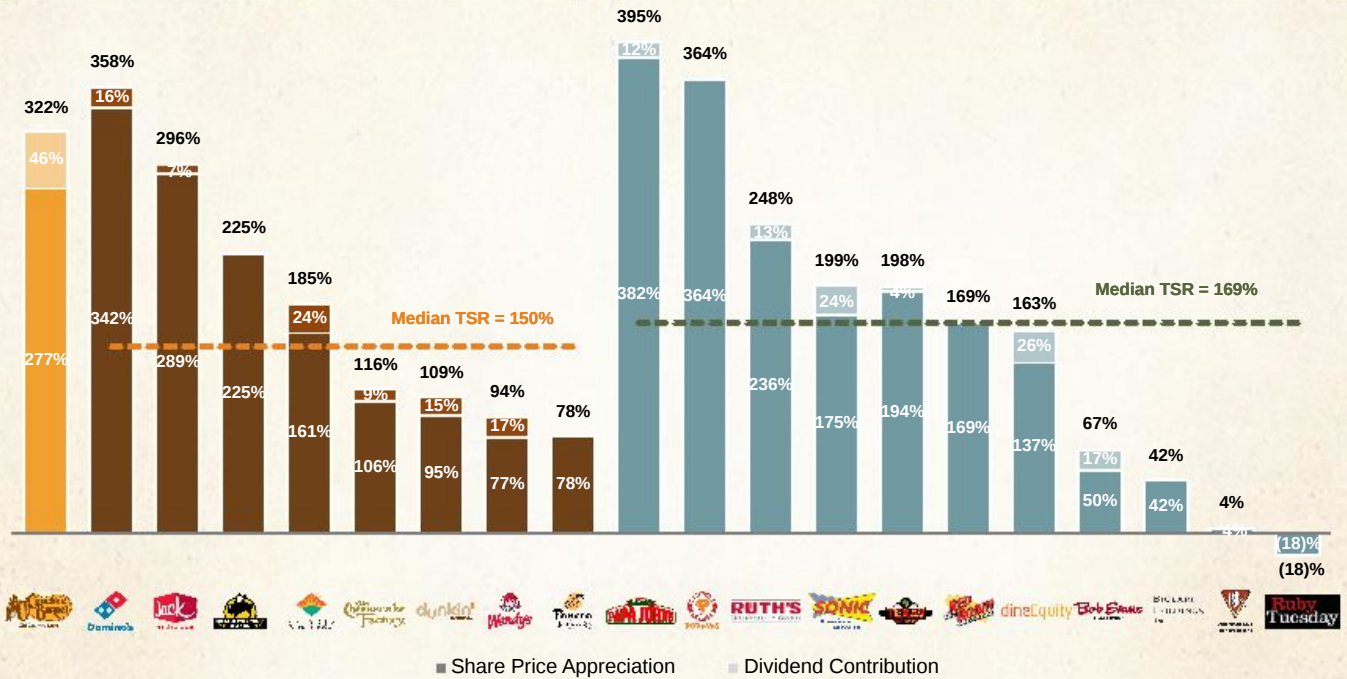
(1) 12-Sep-2011 is closing price the day prior to announcement of Strategic Priorities on 13-Sep-2011.



...Performance Has Been Even More Dramatic When Layering in Dividends

S&P 400 Restaurants

S&P 600 Restaurants



Source: Bloomberg as of 30-Sep-2015

Note: Represents Total Shareholder Return over the period 12-Sep-2011 through 30-Sep-2015. Total Shareholder Return calculated by share price appreciation and dividends paid (assumes dividends paid are re-invested into the stock (purchasing more shares) on the ex-dividend date). 12-Sep-2011 represents the day prior to announcement of Strategic Priorities on 13-Sep-2011.



CBRL is Keenly Focused on Continuing to Create Value for Shareholders

Business Priorities for 2016

- | | | | |
|---|---|--|--|
| 1 | Drive traffic and sales through advertising, menu strategies and targeted marketing programs | | <ul style="list-style-type: none">➤ Continue to use seasonal menu promotions to drive frequency➤ Further expand retail offerings to appeal to a larger segment of the population and reach new markets➤ Increase number of on air weeks, sustain the successful use of pulsing strategy and broaden media mix with greater digital spend |
| 2 | Apply technology and process improvements to enhance overall guest experience | | <ul style="list-style-type: none">➤ Integration of new digital technology as a way to add convenience and enhance the guest experience➤ Test online waitlist capabilities through new dining room management system➤ Launch of the Cracker Barrel Games App |
| 3 | Implement cost savings initiatives to further drive operating margins | | <ul style="list-style-type: none">➤ Improve operating margins through process enhancements, reductions in food costs, utilities and restaurant and retail labor➤ Several of these important initiatives to be completed during FY16 |
| 4 | Invest in long-term growth through new unit expansion and development of the fast casual concept | | <ul style="list-style-type: none">➤ Expand Cracker Barrel footprint, including growth outside the core market➤ Offer a different type of guest experience through fast casual concept restaurants |



II. Why We Are Here – Protecting Shareholder Value





We Are Asking You to Approve Our Shareholder-Friendly Rights Plan

ISS Commentary on 2012 Shareholder Rights Plan (02-Nov-2012)

A vote FOR this proposal is warranted because the rights plan contains features that protect shareholders from entrenchment risk. Specifically, the pill has a three-year term, a 20-percent trigger, and a robust qualifying offer clause and there is no dead-hand or slow-hand provision. In addition, there are no significant governance concerns at the company.

	Identical to the Rights Plan Approved by Shareholders by a Substantial Margin in 2012		
	CBRL 20% Rights Plan – Adopted in Apr-2015	ISS Guidelines	In Guidelines?
Rationale	<ul style="list-style-type: none"> Deter creeping acquisition of control without premium by investor with history of doing so 	<ul style="list-style-type: none"> Should be thoroughly explained 	✓
Term	<ul style="list-style-type: none"> 3 years from adoption 	<ul style="list-style-type: none"> No more than 3 years 	✓
Threshold	<ul style="list-style-type: none"> 20% trigger 	<ul style="list-style-type: none"> No lower than a 20% trigger, flip-in or flip-over, but just under 5% for NOL rights plan 	✓
Limitations on Future Redemptions	<ul style="list-style-type: none"> No dead-hand, slow-hand, no-hand or similar feature that limits the ability of a future board to redeem the pill 	<ul style="list-style-type: none"> No dead-hand, slow-hand, no-hand or similar feature that limits the ability of a future board to redeem the pill 	✓
Mandatory Redemption	<ul style="list-style-type: none"> If the board refuses to redeem the pill 90 days after a qualifying offer is announced, 10% of the shares may call a special meeting or seek a written consent to vote on rescinding the rights plan 	<ul style="list-style-type: none"> If the board refuses to redeem the pill 90 days after a qualifying offer is announced, 10% of the shares may call a special meeting or seek a written consent to vote on rescinding the rights plan 	✓
Shareholder Ratification	<ul style="list-style-type: none"> If existing CBRL Rights Plan not approved by shareholders, will terminate upon certification of shareholder vote 	<ul style="list-style-type: none"> Within 12 months of adoption 	✓

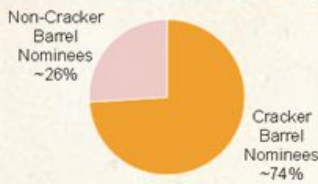
The plan before you is not intended to prevent a take-over or to deter fair offers for securities of the Company, and contains a “qualifying offer” provision for all-cash, fully financed tender offers

Source: 2015 ISS United States Summary Proxy Voting Guidelines

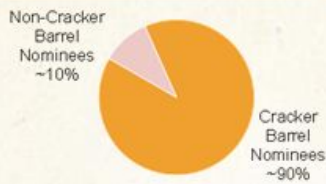


Our Shareholders Have Overwhelmingly Supported Us in the Past

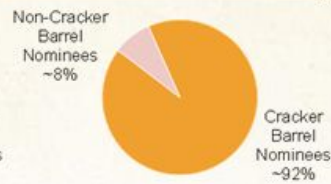
2011 Proxy Vote¹



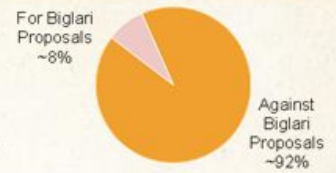
2012 Proxy Vote¹



2013 Proxy Vote¹



2014 Special Meeting Vote¹



Proxy Advisory Firms' Recommendations

WITH MANAGEMENT

The company's key performance trends, careful executive succession process, and current board renewal efforts strongly suggest that the dissident's arguments are poorly-founded, and that there is not a compelling need for shareholders to effect board change at this time.

-ISS, Dec-2011

WITH MANAGEMENT

All this... coincides not only with the dissident's announcement of their first, failed proxy contest, but with the new CEO's announcement of her strategic objectives, which thus far appear to (be) delivering the goods and driving meaningful increases in shareholder value.

-ISS, Nov-2012

WITH MANAGEMENT

Given the strong operating and financial performance under the reconstituted board... the dissidents have not made a compelling case that board change is necessary.

-ISS, Oct-2013

WITH MANAGEMENT

Support for this proposal, therefore, is not warranted given the firm's relatively strong performance and because the board appears to be exercising prudent stewardship of capital.

-ISS, Apr-2014

WITH DISSIDENT

Accordingly, we recommend that shareholders use Biglari's GOLD proxy card to vote.

-Glass Lewis, Dec-2011

WITH MANAGEMENT

Further foundering Biglari's most recent solicitation are a series of relatively unconvincing and, at times, specious arguments, which collectively do little to support a forward operating plan that is decidedly light on detail.

-Glass Lewis, Nov-2012

WITH MANAGEMENT

We believe investors should reasonably consider the dubious corporate governance principles promulgated by Biglari when considering the prospective appeal of electing either of Messrs. Biglari or Cooley.

-Glass Lewis, Nov-2013

WITH MANAGEMENT

We find no meaningful footing for the Dissident's current solicitation. In the simplest terms, the submitted resolutions are unnecessarily prescriptive, impractical and counterproductive.

-Glass Lewis, Apr-2014

Source: Press releases, Public filings

(1) Percentages based on number of shares voted excluding shares controlled by Biglari Holdings and its affiliates.



We Believe Biglari's Actions Within His Own Company Demonstrate the Need to Protect CBRL Shareholders (1/2)

Sardar Biglari has a track record of dubious corporate governance

Sardar Biglari Used His Shareholders' Money to Usurp Voting Control of Biglari Holdings

- ▶ **In 2010, Sardar Biglari used shareholder funds to obtain personal voting control of ~15% of Biglari Holdings shares**
 - Mr. Biglari used Biglari Holdings cash to invest in his personally-controlled investment vehicle, The Lion Fund, which The Lion Fund then used to buy Biglari Holdings stock, allowing the shares to remain outstanding and allowing him to claim personal voting control (even though he directly owned only ~1%)

- ▶ **In 2015, Sardar Biglari increased his control of Biglari Holdings to 49.5% through a controversial tender offer via The Lion Fund, again using Biglari Holdings shareholder money to do it**
 - This tender offer followed a closely contested proxy fight at Biglari Holdings and now serves to effectively entrench Mr. Biglari's position
 - The maneuver was facilitated by a change to the corporate by-laws (the day before the tender offer), which included allowing Mr. Biglari to personally vote all 49.5% of shares and only allowing for special meetings to be called by the Board or Chairman
 - Glass Lewis referred to Mr. Biglari's structure as: "a circuitous and economically misaligned ownership framework between Biglari Holdings and Mr. Biglari's shareholder-funded investment vehicle"
 - Lucian Bebchuck, Director of the Program on Corporate Governance at Harvard Law School, said of the move: "the tender offer is an aggressive entrenchment move aimed at enabling the CEO [Sardar Biglari] to use shareholders' money to gain control over the Company"

Source: Public filings, company websites, other public sources



We Believe Biglari's Actions Within His Own Company Demonstrate the Need to Protect CBRL Shareholders (2/2)

Sardar Biglari Has Also Engaged in Several Other Transactions That Served to Further Entrench His Position

- ▶ In 2013, Biglari Holdings transferred ~3.8 million shares of CBRL stock to The Lion Fund (controlled by Sardar Biglari through his ownership of Biglari Capital Corp., the general partner) with a 5-year lock-up
 - This restructuring transferred control over an asset that constituted ~58% of Biglari Holdings' market cap¹ from the public company to Mr. Biglari's personally-controlled private investment entity
- ▶ In 2013, Biglari Holdings entered into a Trademark License Agreement with Sardar Biglari which requires the Company to pay him 2.5% of revenues per year upon certain events such as his termination from the Company or a Change of Control
 - 2.5% of Biglari Holdings' FY2014² revenues was ~\$20 million

Other Self-Interested Transactions

- ▶ Biglari Holdings' restructurings have allowed Sardar Biglari to circumvent his shareholder-approved \$10.9mm compensation cap³ – Sardar Biglari paid himself more than \$25mm in 2013 and more than \$35mm in 2014⁴
 - The 2015 tender offer may allow Mr. Biglari to enhance his personal pay package even further by allowing him to collect hedge fund-like fees on nearly 50% of Biglari Holdings stock
- ▶ Sardar Biglari has proposed a dual class, high vote / low vote stock structure at Biglari Holdings on multiple occasions
- ▶ As part of the 2013 restructuring, Sardar Biglari acquired 100% of the stock in Biglari Capital Corp. (the general partner of The Lion Fund) from Biglari Holdings for ~\$1.7mm, an asset that Biglari Holdings had previously purchased from Sardar Biglari in 2010 for ~\$4.1mm⁵

Given Sardar Biglari's corporate governance track record, we believe Cracker Barrel shareholders need the continued protections of a shareholder rights plan

Source: Public filings, company websites, other public sources

(1) Percentage represents value of ~4.0mm CBRL shares held in The Lion Fund II (\$103.18 per share) divided by BH market capitalization of \$711mm as of 30-Sep-2013.

(2) FY2014 ending 24-Sep-2014. On 16-Oct-2014, Biglari Holdings changed their fiscal year end from September to December.

(3) Forbes, "The Implosion Of A Warren Buffett Wannabe", 20-March-2015.

(4) Biglari Holdings Form 10-K/A filed 30-Apr-2015; Figure includes \$900k Base Salary, Biglari Holdings Bonus (\$10mm in 2013, \$0 in 2014), and Biglari Capital Corp. Incentive Reallocation (\$14.7mm in 2013, \$34.4mm in 2014); excludes Provision for Shared Services by Biglari Holdings to Biglari Capital Corp. which equaled \$1.6mm in 2014.

(5) Biglari Holdings Form 8-K, filed 3-Jul-2013; Biglari Holdings Form 10-K, filed 13-Dec-2010.



Third Party Views on Biglari's Governance Practices

Proxy Advisory Firms' Commentary on Biglari Holdings' Spring 2015 Proxy Contest With Groveland Capital

[Biglari Holdings'] numerous questionable governance practices, and particularly decisions by the independent directors regarding corporate investments in the CEO's personal hedge fund, raise significant questions about the stewardship of the incumbent directors.

-ISS, 26-Mar-2015

There is a case to be made that Steak n Shake might not have survived the financial crisis without some sort of activist intervention. There is also a case to be made, without contradicting the first case, that after having helped the company survive, the cure subsequently became as bad as the disease.

-ISS, 05-Oct-2015

*In lieu of acting as a check on Mr. Biglari's predilection for sole investment and management control, the incumbent board appears, at the very least, content with continuing to support any program or policy forwarded by Mr. Biglari. These policies and programs have included, among other things, failed attempts at creating a **dual class share structure** at no discernible benefit to ordinary investors, creation of a **circuitous and economically misaligned ownership framework** between BHI and Mr. Biglari's shareholder-funded investment vehicle and execution of an **array of licensing and compensation arrangements** that appear to do little more than transfer wealth to Mr. Biglari **without much regard to the operating performance of the Company's primary asset base or the tangible returns realized by BHI investors.***

-Glass Lewis, 26-Mar-2015

Sardar Biglari in the Press

The Implosion Of A Warren Buffett Wannabe

Antoine Gara, 20-March-2015

*In the case of Biglari Holdings, the holding company run by Buffett disciple Sardar Biglari, 37, there's **little evidence of the corporate stewardship, shareholder returns and investing prowess** that's made Berkshire Hathaway a hallmark of American capitalism. Instead, **shareholders in Biglari Holdings are beginning to tire with Biglari's excessive compensation, self-dealing and unchecked power, in addition to his company's murky and sharply declining financial results.***

Biglari's problems begin with CEO compensation and are illustrative of the poor judgement and overreach that can ruin a business.** Over the past six years, Mr. Biglari has been paid a total of \$75.9 million, with his 2014 pay exceeding \$34 million as annual operating income tumbled to a five-year low. **How Biglari hoodwinked shareholders into such an arrangement is indicative of his company's issues.

Forbes

Maxim's Relaunch As Men's 'Luxury Magazine' Falls Flat

Keith J. Kelly, 1-September-2015

***Biglari fancies himself a Warren Buffett-style conglomerate builder, although his publicly traded company has been underperforming the overall stock market for several years.** He recently cemented his power by compelling Lion Fund — an investment company that he controls — to snap up 29 percent of Biglari Holdings' stock at \$420 a share, giving him control of about 49 percent of the stock.*

NEW YORK POST

The Board Room Strikes Back

Steven Davidoff Solomon, 21-Apr-2015

***[Biglari Holdings'] victory is all the more remarkable because the company is a symbol of bad governance.** It paid Mr. Biglari \$34.4 million last year, prompting recommendations against the management slate from I.S.S. and Glass Lewis.*

The New York Times

Source: ISS, Glass Lewis, Forbes, The New York Times, New York Post



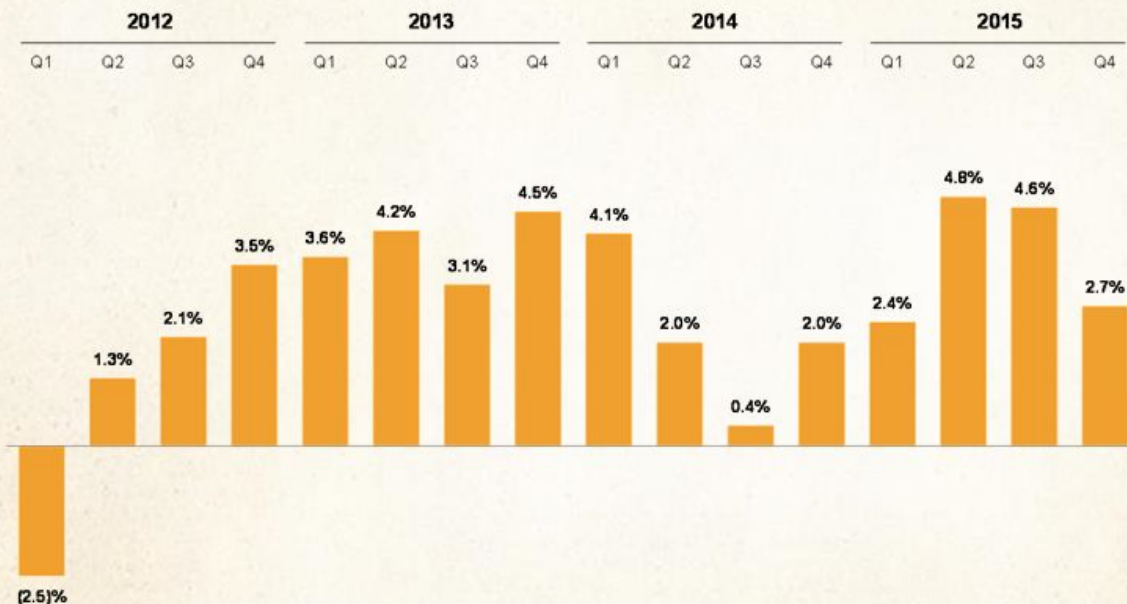
III. Vote to Approve the Shareholder Rights Plan





CBRL is Delivering Superior Performance...

Outperformed the Casual Dining Industry¹ 15 Out of the Last 16 Quarters

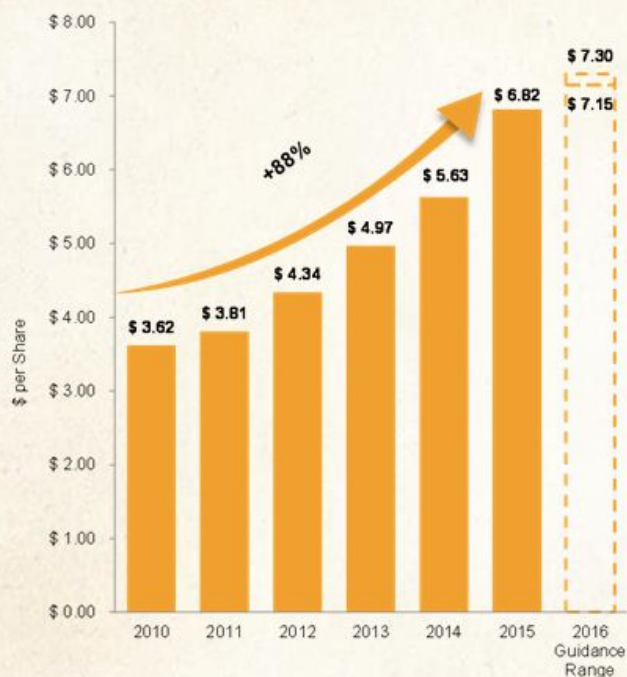


(1) Company same store restaurant sales measured against the Knapp-Track™ Casual Dining Index, based upon respective weekly averages. Quarters relate to Cracker Barrel's fiscal year.



...And Our Success is Reflected in Our Results

Cracker Barrel Annual Earnings Per Share



Cracker Barrel Annual Dividend Per Share



Source: Public filings, Press releases and Capital IQ as of 30-Sep-2015

Note: EPS numbers adjusted for 53rd week in 2012, and all years adjusted for proxy contest expenses, tax reinstatements, severance and restructuring charges where applicable. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results. Years relate to CBRL fiscal years.

(1) Current quarterly dividend of \$1.10 annualized by multiplying by four.



Three Years Ago We Presented Our Plan for FY 2013 to FY 2015






Metric	Plan	How did we do?
Adjusted Operating Income	8-10% annual growth	✓
Adjusted EPS	12-15% annual growth	✓
Adjusted Total Shareholder Return	15-18% per year	✓





We Achieved These Results Through the Successful Execution of Our Business Priorities

Business Priorities for 2015

1	Extending the reach of the Cracker Barrel brand to drive traffic and sales in both our restaurant and retail businesses		<ul style="list-style-type: none">➤ Grew comparable store restaurant sales by 5.1%➤ Grew comparable store retail sales by 3.6%➤ Increased comparable store traffic by 2.1%
2	Optimizing average guest check through the implementation of geographic pricing tiers		<ul style="list-style-type: none">➤ Developed geographic pricing model and implemented pricing tiers➤ Laid the foundation for further optimization of average guest check
3	Applying technology and process enhancements to drive store operating margins		<ul style="list-style-type: none">➤ Realized notable labor savings through our plateware reduction initiative and a systemwide update to our retail labor scheduling➤ Completed the rollout of the Dining Room Management system
4	Invest in long-term growth through new unit expansion and development of the fast casual concept		<ul style="list-style-type: none">➤ Since implementing new site selection tools, new stores have outperformed expectations➤ Opened first of our new store (Fusion) prototype, designed to save \$200K/year in operating costs
5	Maintaining our balanced approach to capital allocation		<ul style="list-style-type: none">➤ Declared a \$3 special dividend➤ Increased our regular quarterly dividend by 10%, bringing the total increase of our dividend to 400+% since 2011



Approve the Shareholder Rights Plan

Our Board unanimously recommends a vote for the approval of the Shareholder Rights Plan

- ✓ We are continuing to execute on our proven strategic priorities
- ✓ We believe it is vitally important to protect our shareholders from Biglari Holdings or any other party who attempts to accumulate a potentially controlling position without paying a change of control premium
- ✓ This is a critical choice for you to make in protecting your investment



Appendix – Additional Materials





Reconciliation of GAAP Basis Operating Results to Adjusted Non-GAAP Operating Results

(Unaudited and \$ in thousands, except per share data)

	Twelve Months Ended July 31, 2015			Twelve Months Ended August 1, 2014			Twelve Months Ended August 2, 2013		
	As Reported	Adjustments ^{6,7}	As Adjusted	As Reported	Adjustments ⁸	As Adjusted	As Reported	Adjustments ^{1,4,5}	As Adjusted
Total Revenue	\$ 2,842,284	–	\$ 2,842,284	\$ 2,683,677	–	\$ 2,683,677	\$ 2,644,630	–	\$ 2,644,630
Store Operating Income	402,424	–	402,424	337,793	–	337,793	344,786	–	344,786
General and Administrative Expenses	147,544	(3,519)	144,025	129,387	(4,313)	125,074	143,262	(5,634)	137,628
Impairment and Store Dispositions, Net	–	–	–	–	–	–	–	–	–
Operating Income	254,880	3,519	258,399	208,406	4,313	212,719	201,524	5,634	207,158
Interest Expense	16,679	–	16,679	17,557	–	17,557	35,742	–	35,742
Pretax Income	238,201	3,519	241,720	190,849	4,313	195,162	165,782	5,634	171,416
Provision for Income Tax	74,298	3,417	77,715	58,721	1,327	60,048	48,517	3,847	52,364
Net Income	\$ 163,903	\$ 102	\$ 164,005	\$ 132,128	\$ 2,986	\$ 135,114	\$ 117,265	\$ 1,787	\$ 119,052
Earning Per Share – Basic	\$ 6.85	\$ 0.01	\$ 6.86	\$ 5.55	\$ 0.13	\$ 5.68	\$ 4.95	\$ 0.08	\$ 5.02
Earning Per Share – Diluted	\$ 6.82	\$ –	\$ 6.82	\$ 5.51	\$ 0.12	\$ 5.63	\$ 4.90	\$ 0.07	\$ 4.97

	Twelve Months Ended August 3, 2012				Twelve Months Ended July 29, 2011		
	As Reported	Adjustments ^{1,4}	53rd Week	As Adjusted	As Reported	Adjustments ^{1,2,3,4}	As Adjusted
Total Revenue	\$ 2,580,195	–	\$ (51,059)	\$ 2,529,136	\$ 2,434,435	–	\$ 2,434,435
Store Operating Income	337,146	–	(11,093)	326,053	305,778	–	305,778
General and Administrative Expenses	\$146,171	(6,863)	(1,370)	137,938	139,222	(2,172)	137,050
Impairment and Store Dispositions, Net	–	–	–	–	(625)	830	205
Operating Income	190,975	6,863	(9,723)	188,115	167,181	1,342	168,523
Interest Expense	44,687	–	(811)	43,876	51,490	(5,136)	46,354
Pretax Income	146,288	6,863	(8,912)	144,239	115,691	6,478	122,169
Provision for Income Tax	43,207	2,027	(2,632)	42,602	30,483	1,707	32,190
Net Income	\$ 103,081	\$ 4,836	\$ (6,280)	\$ 101,637	\$ 85,208	\$4,771	\$ 89,979
Earnings Per Share – Basic	\$ 4.47	\$ 0.21	(0.27)	\$ 4.41	\$ 3.70	\$ 0.21	\$ 3.91
Earnings Per Share – Diluted	\$ 4.40	\$ 0.21	(0.27)	\$ 4.34	\$ 3.61	\$ 0.20	\$ 3.81

Source: Public filings

- (1) Severance, other charges and tax effects related to organizational changes.
- (2) (Charges) Gain and tax effects of impairment net of gain on sale of property.
- (3) Refinancing costs and tax effects related to the Company's \$750 million credit facility.
- (4) Charges and tax effects of the proxy contest concluded at the Company's annual meeting of shareholders.
- (5) Provision for taxes adjusted to exclude the \$2.1 million prior year favorable effect of the retroactive reinstatement of the work opportunity tax credit.
- (6) Accrued liability and tax effects related to the settlement of the Fair Labor Standards Act litigation. Full year adjustments includes the amount accrued in the first quarter of 2015, which was not previously included in the reconciliation schedule.
- (7) Provision for taxes adjusted to exclude the \$2.3 million prior year favorable effect of the retroactive reinstatement of the Work opportunity Tax Credit.
- (8) Charges and tax effects of the special meeting of shareholders or proxy contest at the annual shareholders meeting.



S&P Restaurant Index Composition

Respective S&P Restaurant Index Constituents

Ticker	Company Name	Logo	S&P 400	S&P 500	S&P 600	Ticker	Company Name	Logo	S&P 400	S&P 500	S&P 600
BH	Biglari Holdings				✓	MCD	McDonald's			✓	
BJRI	BJ's Restaurants				✓	PLKI	Popeyes Louisiana Kitchen				✓
BOBE	Bob Evans Farms				✓	PNRA	Panera Bread Company		✓		
BWLD	Buffalo Wild Wings		✓			PZZA	Papa John's International				✓
CAKE	The Cheesecake Factory		✓			RRGB	Red Robin Gourmet Burgers				✓
CBRL	Cracker Barrel Old Country Store		✓			RT	Ruby Tuesday				✓
CMG	Chipotle Mexican Grill			✓		RUTH	Ruth's Hospitality Group				✓
DIN	DineEquity				✓	SBUX	Starbucks			✓	
DNKN	Dunkin Brands Group		✓			SONC	Sonic				✓
DPZ	Domino's Pizza		✓			TXRH	Texas Roadhouse				✓
DRI	Darden Restaurants			✓		WEN	The Wendy's Company		✓		
EAT	Brinker International		✓			YUM	Yum! Brands				✓
JACK	Jack in the Box		✓								

Source: Standard & Poor's