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Cracker Barrel Updates Investment Community on Strategic Plans and Business Progress

LEBANON, Tenn.--(BUSINESS WIRE)-- Sandra B. Cochran, President and Chief Executive Officer of Cracker Barrel Old Country Store, Inc. ("Cracker Barrel" or the "Company") (Nasdaq: CBRL), today reviewed with securities analysts and institutional investors a series of strategic initiatives underway to enhance the Company's core business, expand its footprint, and extend the Cracker Barrel brand to drive total shareholder returns.

"We are intensifying our focus on operational excellence in existing units and profitable new restaurant growth, while beginning to pursue opportunities to extend our powerful brand beyond our physical stores," Ms. Cochran said. "In doing so, we seek to build on our continued gains in comparable store traffic, restaurant and retail sales, and the successful implementation of the six business initiatives we launched last September.

"The goal of our strategy is to drive average annual total shareholder return of 15-18%, built on sales growth of 5%, operating income growth of 8-10%, and earnings per share gains of 12-15%, over the next three years. We believe these goals are achievable under the leadership of an energized management team focused on value creation and a work force committed to pleasing people and to excellence in all aspects of our operations," Ms. Cochran added.

Ms. Cochran and the management team reported on the three key components of the strategic plan:

Enhancing the Core: Focusing on increasing average unit volume in existing stores, with an emphasis on innovation and productivity to enhance the competitive advantage of the Company's unique and differentiated brand.

Expanding the Footprint: Continued commitment to profitable new unit growth, with a new growth target of 2-3% annually, focused on best locations and flawless execution.

Extending the Brand: Capitalizing on Cracker Barrel's powerful brand by bringing it beyond the Company's physical stores to create long term value through e-commerce and licensing.

The Company also informed the investment community that it expects to continue its strong cash flow generation, allowing it to fully fund store development at current levels while also reducing debt and returning substantial capital to shareholders through dividend payments and share repurchases.

"While executing on this strategic plan, Cracker Barrel will continue to implement its board succession planning and to deliver on its commitment to return capital to shareholders, as evident in today's announcement of a 60% increase in our quarterly dividend," Ms. Cochran said. "With our truly unique brand and guest experience and an energized leadership team driving change, we are determined to deliver on our new strategy and provide a long runway of shareholder value creation."

The Company posted the complete presentation early this morning in the investor relations section of its website at www.crackerbarrel.com. The on-line replay of the presentation will remain available through May 20.

About Cracker Barrel

Cracker Barrel Old Country Store restaurants provide a friendly home-away-from-home in its old country stores and restaurants. Guests are cared for like family while relaxing and enjoying real home-style food and shopping that's surprisingly unique, genuinely fun and reminiscent of America's country heritage...all at a fair price. The restaurants serve up delicious, home-style country food such as meatloaf and homemade chicken n' dumplins as well as our signature biscuits using an old family recipe. The authentic old country retail store is fun to shop and offers unique gifts and self-indulgences.

Cracker Barrel Old Country Store, Inc. (Nasdaq: CBRL) was established in 1969 in Lebanon, Tenn. and operates 613 company-owned locations in 42 states. Every Cracker Barrel unit is open seven days a week with hours Sunday through Thursday, 6:00 a.m. — 10:00 p.m., and Friday and Saturday, 6:00 a.m. — 11:00 p.m. For more information, visit: crackerbarrel.com.

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Except for specific historical information, certain of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of Cracker Barrel Old Country Store, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is subject to completion of our financial procedures for Q3 FY12 and is provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "trends," "assumptions," "target," "guidance," "outlook," "opportunity," "future," "plans," "goals," "objectives," "expectations," "near-term," "long-term," "projection," "may," "will," "would," "could," "expect," "intend," "estimate," "anticipate," "believe," "potential," "regular," "should," "projects," "forecasts," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology and include the expected effects of operational improvement initiatives, such as new menu items and retail offerings. Factors which could materially affect actual results include, but are not limited to: the effects of uncertain consumer confidence, higher costs for energy, general or regional economic weakness, weather on sales and customer travel, and discretionary income or personal expenditure activity of our customers; our ability to identify, acquire and sell successful new lines of retail merchandise and new menu items at our restaurants; our ability successfully implement or sustain plans intended to improve operational or marketing execution and performance; changes in or implementation of additional governmental or regulatory rules, regulations and interpretations affecting tax, wage and hour matters, health and safety, pensions, insurance or other undeterminable areas; our ability to successfully implement plans intended to promote or protect our brands and products; commodity price increases; the ability of and cost to us to recruit, train, and retain qualified hourly and management employees in an escalating wage environment; the effects of increased competition at our locations on sales and on labor recruiting, cost, and retention; workers' compensation, group health and utility price changes; consumer behavior based on negative publicity or concerns over nutritional or safety aspects of our food or products or those of the restaurant industry in general, including concerns about pandemics, as well as the possible effects of such events on the price or availability of ingredients used in our restaurants; the effects of our substantial indebtedness and associated restrictions on our financial and operating flexibility and ability to execute or pursue our operating plans and objectives; changes in interest rates or capital market conditions affecting our financing costs and ability to refinance all or portions of our indebtedness; the effects of business trends on the outlook for individual restaurant locations and the effect on the carrying value of those locations; the availability and cost of suitable sites for restaurant development and our ability to identify those sites; changes in land, building materials and construction costs; the actual results of pending, future or threatened litigation or governmental investigations and the costs and effects of negative publicity associated with these activities; practical or psychological effects of natural disasters or terrorist acts or war and military or government responses; disruptions to our restaurant or retail supply chain; changes in foreign exchange rates affecting our future retail inventory purchases; implementation of new or changes in interpretation of existing accounting principles generally accepted in the United States of America; and other factors described from time to time in our filings with the Securities and Exchange Commission, press releases, and other communications.

Any forward-looking statement made by us herein, or elsewhere, speaks only as of the date on which made. We expressly disclaim any intent, obligation or undertaking to update or revise any forward-looking statements made herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Cracker Barrel Old Country Store, Inc.

Investor:

Lawrence E. Hyatt, 615-235-4432

Senior Vice President and Chief Financial Officer

or

Media:

Julie K. Davis, 615-443-9266

Senior Director, Corporate Communications

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