

**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:

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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:

Cracker Barrel Old Country Store, Inc. (the "Company") used the following investor presentation in meetings with investors beginning on October 16, 2012. This investor presentation was also posted to the "Proxy Contest" section of the Company's Investor Relations website, investor.crakerbarrel.com.



On the Right Track, Generating Exceptional Performance

**WHY WE BELIEVE SARDAR BIGLARI IS WRONG
FOR THIS BOARD**

Fall 2012

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 Securities and Exchange Commission, press releases and other communications.

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 2012 Annual Meeting. On October 4, 2012, 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.** Detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Annex A thereto. 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 will also be available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.



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I. Executive Summary

WHAT WE HAVE ACCOMPLISHED IN THE PAST YEAR

Delivering on the Company's Promises

- | | | |
|--|---|---|
|  Improve same store sales and traffic trends |  | ■ Accelerating same store sales growth in last three quarters with Q4 traffic up 1.4% |
|  Cut costs and leverage fixed costs to enhance profitability |  | ■ FY 2012 operating margin growth of 50 bps |
|  Reconfigure the Board with new members bringing a fresh perspective |  | ■ 7 new board members¹, including a new independent Chairman² |
|  Fill in key management positions to enhance functional capabilities |  | ■ Revitalized leadership – five senior executives new to Cracker Barrel or serving in new positions since January 2011 |
|  Develop a long-term plan to maintain operating momentum |  | ■ Same store sales outperforming casual dining peers in Knapp-Track™ for three consecutive quarters |

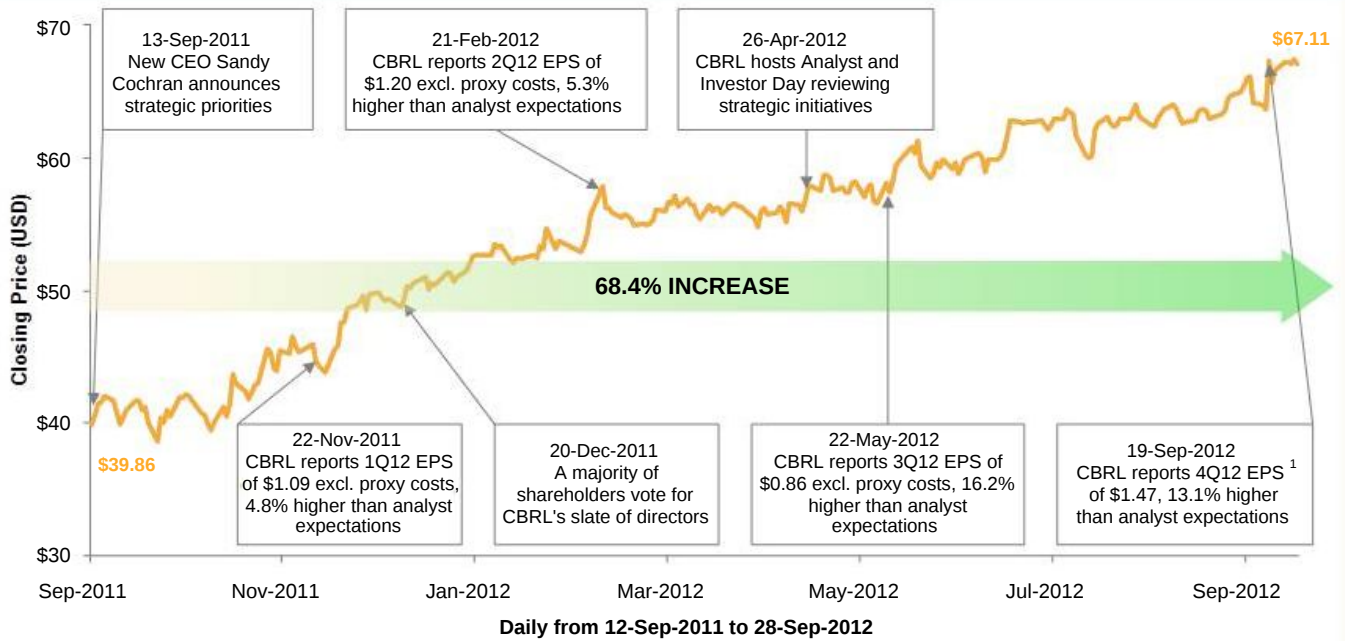


(1) Changes to board since 20-Jun-2011.

(2) As announced on 6-Aug-2012, to be effective following Michael A. Woodhouse's retirement in early November 2012.

CBRL STOCK PRICE HAS INCREASED SIGNIFICANTLY

Since Announcement of Our Strategic Priorities We Have Delivered Outstanding Shareholder Returns



Source: Bloomberg, public filings, Company press releases, and IBES

Note: 12-Sep-2011; is closing price the day prior to announcement of Strategic Priorities on 13-Sep-2011. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results.

(1) Figure used for comparability to IBES estimates is GAAP basis, earnings per diluted share of \$1.47. When adjusted for the impact of the extra week in FY' 12 and certain charges in the current and prior year, adjusted earnings per diluted share were \$1.20.



CBRL HAS SIGNIFICANTLY OUTPERFORMED ITS PEERS

No Matter What Benchmark You Use, CBRL Has Outperformed



Source: Bloomberg

Note: Peer set includes BH, BOBE, EAT, CAKE, DRI, DENN, RT, TXRH. S&P Restaurant Index includes the restaurant companies in the S&P 500 Index: CMG, DRI, MCD, SBUX, YUM. S&P 600 Restaurant Index includes the restaurant companies in the S&P 600 Index: BJRI, BH, BWLD, CEC, CBRL, DIN, JACK, PZZA, PEET, RRGB, RT, RUTH, SONC, TXRH. S&P 1,500 Restaurant Index includes the restaurant companies in the S&P 1,500 Index: BJRI, BH, BOBE, EAT, BWLD, CEC, CAKE, CMG, CBRL, DRI, DIN, JACK, MCD, PNRA, PZZA, PEET, RRGB, RT, RUTH, SONC, SBUX, TXRH, WEN, YUM.

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

(2) 20-Dec-2011; date of CBRL's 2011 Annual General Meeting, proxies voted.



OUR SHAREHOLDERS HAVE BENEFITED FROM OUR PERFORMANCE AND RETURN OF CAPITAL POLICIES

(\$ in millions)



Source: Public filings and Bloomberg

Note: 12-Sep-2011; is closing price the day prior to announcement of Strategic Priorities on 13-Sep-2011.



WE BELIEVE THIS VALUE CREATION RESULTS FROM SUCCESSFUL EXECUTION OF OUR STRATEGIC PRIORITIES

Our Customers Have Responded to Focus on Menu, Marketing, and Execution

Announcement
of Our Strategic
Priorities

	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Comparable Restaurant Traffic	(4.2)%	(3.8)%	1.1 %	0.6 %	1.4 %
Average Check	2.8 %	2.2 %	2.4 %	2.5 %	2.4 %
Comparable Restaurant Sales	(1.4)%	(1.6)%	3.5 %	3.1 %	3.8 %
Comparable Retail Sales	(0.7) %	(1.3)%	3.4 %	0.3 %	3.1%



Source: Public filings
Note: Announcement of Strategic Priorities on 13-Sep-2011.

WHY WE ARE HERE...AGAIN

- Despite losing by a significant margin in last year's proxy fight, Sardar Biglari remains inexplicably insistent in his campaign against Cracker Barrel. Why do we say "inexplicably?" Because of all we accomplished over the past year
- What would Biglari have done differently?
 - We don't know – he hasn't raised specific new ideas or suggestions to management or the Board, despite having many opportunities to do so
- We believe Sardar Biglari has a conflict of interest, a history of "creeping control" that is not in the best interest of shareholders, and a questionable track record on corporate governance
- Despite being offered two independent seats (for the second year), he turned the offer down
 - Biglari refuses to consider any settlement offer unless he is personally appointed to the Board
 - Our shareholders determined he was not right for the Board last year
 - We agreed and believe he is not right for the Board this year either
- This discussion should be about the business and who's got it on the right path





II. Delivering on our Six Priorities

WHAT WE TOLD YOU WE'D DO 12 MONTHS AGO

Key Priorities	Objectives
1 New marketing messaging	<i>Reinforce Authentic Value</i>
2 Refined menu and pricing	<i>Increase Variety & Everyday Affordability</i>
3 Enhanced restaurant operating platform	<i>Sustainably Improve the Guest Experience</i>
4 Innovative tactics driving retail sales growth	<i>Deliver Value & Connection With the Brand</i>
5 Focused cost reduction	<i>Offset Commodity Pressures and Other Costs</i>
6 Balanced approach to capital allocation	<i>Enhance Shareholder Value</i>



1 NEW MARKETING MESSAGE

“Hand Crafted by Cracker Barrel”

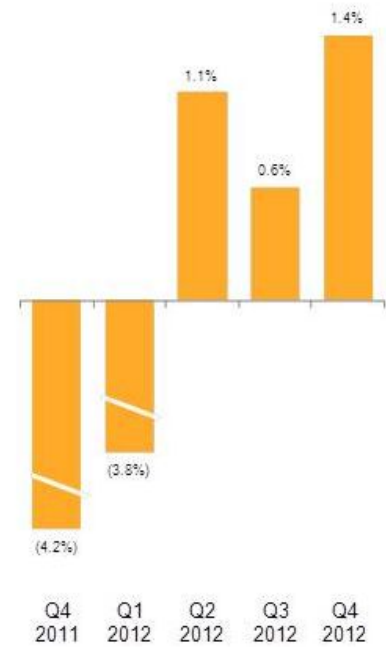
Continued Investment in Billboards



First National Television Campaign



Comparable Restaurant Traffic



- Launched national cable advertising for the first time, focusing on brand building during the busiest seasons (Q2 & Q4)
- Utilized radio advertising to promote products and value
- Leveraged billboards to support travel business
- Hired new advertising agency Havas Worldwide (formerly known as Euro RSCG Worldwide)



Source: Public filings

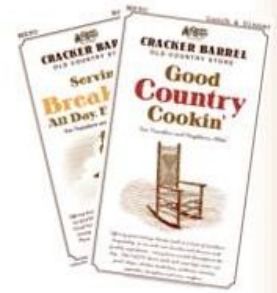
2 REFINE MENU AND PRICING

Guest Satisfaction Results Show Overall Value Scores at Historic Highs

Better-
For-You



- Launched salad refresh as part of the summer seasonal promotion
 - Feature salad, including dressing and crackers, under 600 calories
 - Exceeded expectations for mix and guest satisfaction



Daily
Lunch
Specials



- Highlighted an attractive \$5.99 price point
- Drove week-day lunch traffic
- Reinforced value perception across all day-parts



3

ENHANCE RESTAURANT OPERATING PLATFORM

Past Year's Focus on Guest Experience Has Driven Significant Improvements to Guest Satisfaction



CONSUMER PICKS
Overall Scores

Rank ¹	Chain	Score ²
1	Cracker Barrel Restaurant and Old Country Store	70.3%
2	MarieCallender's ³	62.1
3	Bob Evans Restaurants	61.2
4	The Original Pancake House ³	59.7
5	IHOP	53.5
6	Steak 'N Shake	52.1
7	Village Inn	51.9
8	Perkins Restaurant & Bakery	51.5
9	Big Boy	50.2
10	Friendly's Ice Cream	47.5
11	Shoney's	45.5
12	HuddleHouse ³	44.8
13	Denny's	43.9
14	Waffle House	41.4

FAMILY-DINING RESTAURANTS



- During the year, received all-time company high scores in nine categories on the guest feedback program
- For the second year in a row we have received top honors in the family dining segment of the Consumer Picks survey conducted for *Nation's Restaurant News* magazine



(1) Source: Nation's Restaurant News and WD Partners, 2012 Consumer Picks family dining segment survey.
 (2) Weighted by attribute importance.
 (3) 100-149 responses.

4 INNOVATIVE TACTICS DRIVING RETAIL SALES GROWTH

Game Plan for Growing Retail Sales...

Support the restaurant by reinforcing the emotional connection to the Brand

+

Be a destination retailer for specific occasions and drive traffic for the restaurant

Merchandising Strategy



Unique



Nostalgic



Seasonal



Everyday Needs

Quarterly Retail Same Store Sales



➤ April-2012: Appointed new SVP of Retail, Laura Daily



Source: Public filings

5 FOCUSED COST REDUCTION

Improving Productivity of the Box

Leveraging Our Support Cost Base

Eliminating Annual G&A and Labor Expenses

- April-2012: Realigned field leadership
- July-2011: Restructured home office

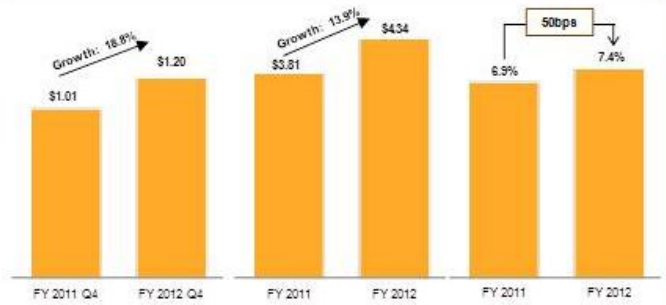
Labor Management System

- Improves direction of weekly training, productivity, and execution
- Hourly wage expense down 50bps in Q4 2012

Transportation Management System

- Improves efficiency in the distribution of retail merchandise

Adjusted EPS¹ & Operating Inc as % of Sales



Margin and Process Improvement



Increasing Labor Productivity



Improved Technology



Enhanced Operating Systems



Streamlined Supply Chain and Purchasing



Source: Public filings

(1) Adjusted for 53rd week in FY'12, proxy contest expenses, severance and restructuring charges. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results.

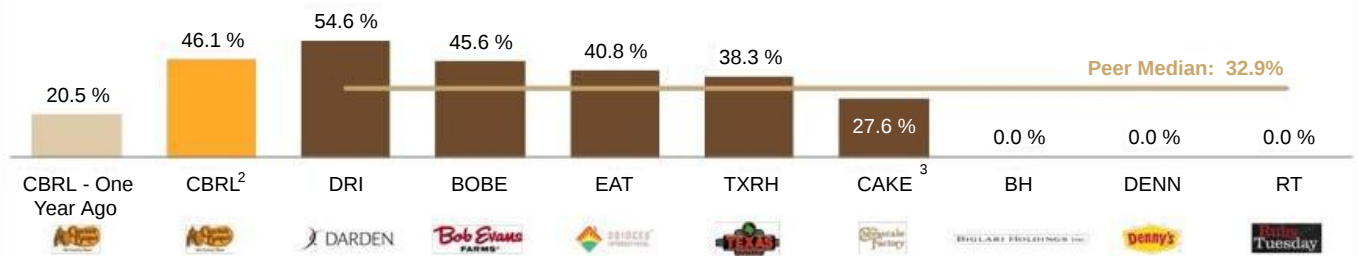
6

BALANCED APPROACH TO CAPITAL ALLOCATION

Dividend Yield



Dividend Payout Ratio¹



Source: Bloomberg and public filings

Note: Market data as of 28-Sep-2012.

(1) Calculated as latest annualized latest dividend per share divided by last twelve months reported diluted earnings per share. Adjusted diluted earnings per share and / or diluted earnings per share from continuing operations used as disclosed.

(2) Adjusted for 53rd week in FY'12, proxy contest expenses, severance and restructuring charges. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results.

(3) CAKE not adjusted for impact of 53rd week in FY'11 due to lack of disclosure.





III. Driving Best-in-Class Results

BUILDING ON OUR RECENT SUCCESS

Focus on Operational Excellence in Existing Units AND Profitable New Restaurant Growth

ENHANCE THE CORE

- Continued focus on six business priorities
- Focus on increasing average unit volume in existing stores
- Increase retail sales with unique and nostalgic merchandise
- Drive increased profitability in existing locations

EXPAND THE FOOTPRINT

- Continued commitment to profitable new unit growth
- Allocate capital in a way to maximize value
 - New store growth: 2-3% / per year; focus on most profitable growth, best locations, and flawless execution

EXTEND THE BRAND

- Extend the power of the brand beyond the physical store
- Long term value creation through e-commerce & development of branded products platform

2012 – 2015 Strategic Plan

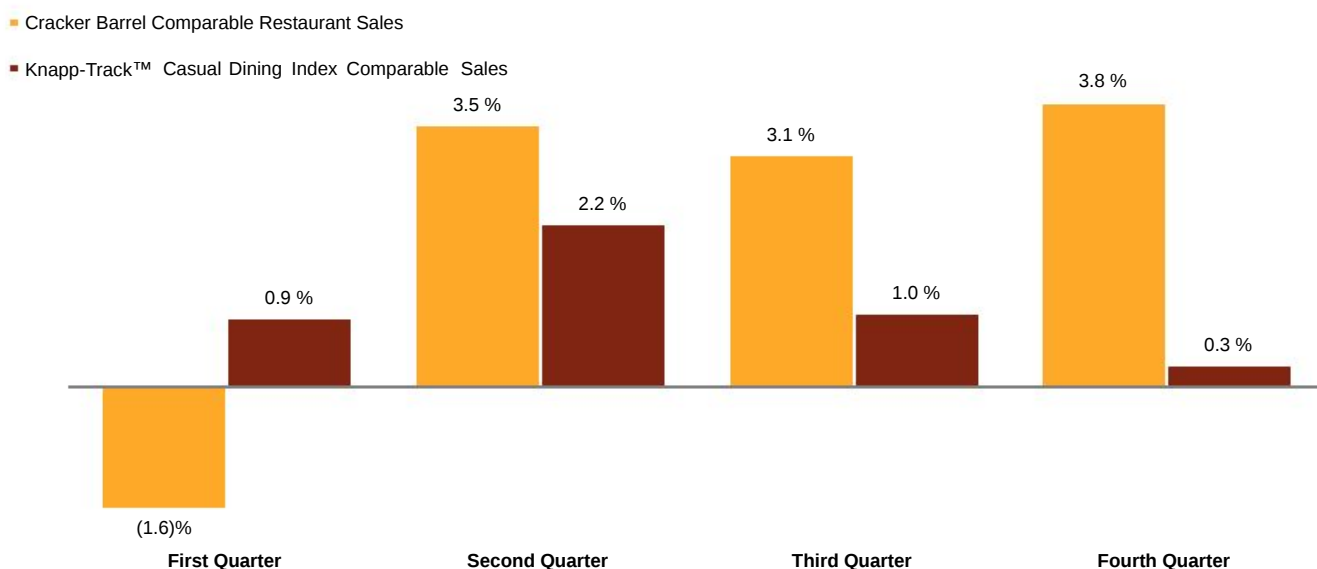
**Decisive Action Driving
Total Shareholder
Return**

Sales Growth	~5%
Operating Income Growth	~8-10%
Earnings Per Share Growth	~12-15%
Total Shareholder Return	~15-18%



ACCELERATION OF COMPARABLE RESTAURANT SAME STORE SALES VS. KNAPP-TRACK™

Three Consecutive Knapp-Track™ Beats in FY 2012



Cracker Barrel vs. Knapp-Track™ Δ

(2.5)%

1.3%

2.1%

3.5%

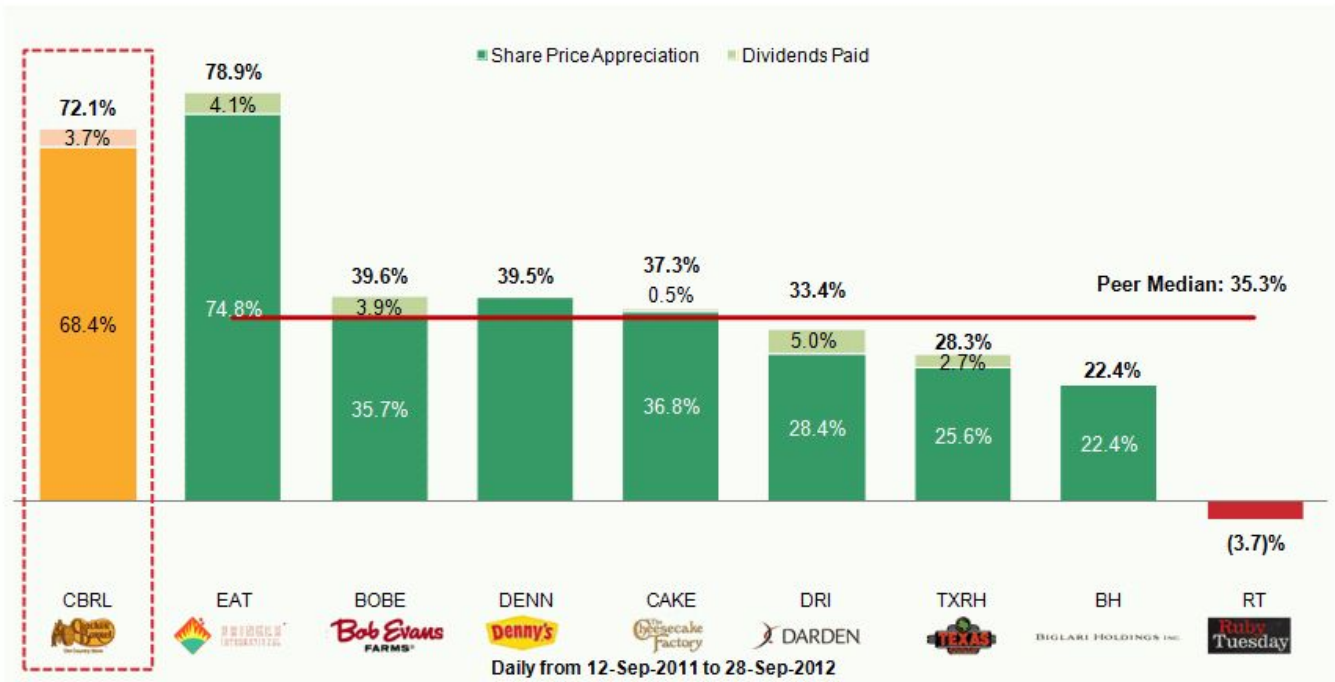


Source: Public filings and Knapp-Track™

Note: Knapp-Track™ Casual Dining Index Comparable Sales figure is an approximation based on respective weekly averages.

A SECTOR LEADER IN TOTAL SHAREHOLDER RETURN

TSR Since Announcement of our Strategic Priorities¹



Source: Bloomberg and public filings

Note: 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-date of the dividend) over the past year.

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



UPDATED BUSINESS PRIORITIES TO CONTINUE DRIVING PERFORMANCE THROUGH 2013

Key Priorities		Objectives
1	Refresh Select Menu Categories	<ul style="list-style-type: none"> ➤ Reinforce value proposition for guests with a refresh of Country Dinner Plates ➤ Introduce better-for-you programs, including new sides and Wholesome Fixins'
2	Grow Retail Sales with Unique Merchandise	<ul style="list-style-type: none"> ➤ Focus on unique, exclusive, authentic merchandise ➤ Improve productivity with visual merchandising and space planning
3	Build on Successful Handcrafted Marketing Campaign	<ul style="list-style-type: none"> ➤ Continue national media strategy ➤ Introduce new "Hand-crafted" creative advertisements for TV, radio, and billboards
4	Invest in and Leverage Technology to Support Operations and Reduce Costs	<ul style="list-style-type: none"> ➤ Implement technology to improve efficiencies and food quality ➤ Streamline processes to increase labor productivity
5	Focus on Maximizing Shareholder Returns	<ul style="list-style-type: none"> ➤ Target 2-3% annual new unit growth over the next three years ➤ Pay competitive dividends and repurchase shares
6	Improve E-commerce Business and Develop Branded Products Platform	<ul style="list-style-type: none"> ➤ Grow e-commerce awareness and revenues ➤ Lay groundwork to sell Cracker Barrel branded products in grocery stores



A RENEWED BOARD HELPING TO DRIVE PERFORMANCE

New Within Past 18 Months

	<u>Independent</u>
 Sandy Cochran, President and CEO, Cracker Barrel and former CEO, Books-A-Million	
 Tom Barr, Vice President, Global Coffee, at Starbucks Coffee Company	✓
 James Bradford, Dean of Vanderbilt's Owen Graduate School of Management and former President and CEO of AFG Industries, Inc.; Designated Independent Chairman of the Board of Cracker Barrel¹	✓
 Glenn Davenport, Retired Chairman and CEO, Morrison Management Specialists	✓
 Norman Johnson, Executive Chairman and Former CEO, CLARCOR Inc.	✓
 William McCarten, Chairman of the Board, DiamondRock Hospitality Company and former President and CEO, HMS Host Corporation	✓
 Coleman Peterson, President and CEO, Hollis Enterprises, LLC and former EVP and Chief People Officer, Walmart	✓
 Richard Dobkin, retired Managing Partner of the Tampa, FL office of Ernst & Young	✓
 Martha Mitchell, retired Senior Partner and SVP, Fleishman-Hillard, International Communications	✓
 Andrea Weiss, President and CEO, Retail Consulting and former Chairman, Cortefiel Group	✓

Note: Represents board changes as implemented or announced. Represents Board members standing for election at Cracker Barrel 2012 Annual Shareholder Meeting.

(1) As announced on 6-Aug-2012, to be effective following Michael A. Woodhouse's retirement in early November 2012.



ANALYSTS CONTINUE TO COMMENT FAVORABLY ON THE STRATEGY PUT FORTH BY THE INCUMBENT BOARD AND NEW MANAGEMENT...

Selected Analyst Commentary

"In our view, CBRL is generating positive growth in traffic—not just comps—thanks to its effective communication of its revamped value strategy, and we expect sales momentum to continue. At the same time, management continues to hone the efficiency of operations, which we argue is a key ingredient of CBRL's earnings power, and we anticipate this, in conjunction with positive sales and traffic growth, will offset the effect of higher food costs in the next 12 months."

- Stephen Anderson, Miller Tabak; 19-Sep-2012

"We credit management's outreach to local customers—which account for about 60% of CBRL's customer base—with sustained same-restaurant sales gains. Specifically, we think management's barbell strategy of appealing to value customers (e.g., \$5.99 lunch entrées) and customers seeking non-traditional menu options (e.g., seasonal and "better for you" menu items) with helping CBRL boost both sales and traffic."

- Stephen Anderson, Miller Tabak; 19-Sep-2012

"Since taking the CEO reins (sic) in 2011, Sandy Cochran identified several enhancements that have improved CBRL same-restaurant sales (SRS) and traffic trend; we believe the impact of these changes will continue benefiting SRS and traffic. In addition, the Company has identified \$30 million-\$45 million in cumulative cost savings that should be realized by year-end FY15, contributing roughly 100 bps to EBIT margin improvement during the next three years. Lastly, management appears receptive to returning more capital to shareholders in terms of dividends and share repurchases."

- Christopher O'Cull, KeyBanc Capital Markets; 12-Jul-2012

"Under the leadership of CEO Sandy Cochran, management has taken increasingly proactive steps to enhance its core and iconic Old Country Store brand; refine and increase the relevancy of its food, service and retail products; and improve the marketing of its concept to a broadened consumer marketplace."

- Bob Derrington, Northcoast Research; 28-Jun-2012



Source: Publicly available equity research reports, permission to use quotations neither sought nor obtained



IV. Why We Believe Sardar Biglari is Wrong for This Board

WHY WE BELIEVE SARDAR BIGLARI IS STILL WRONG FOR THIS BOARD

- X** New Cracker Barrel CEO and reconfigured Board laid out a new plan and are successfully executing that plan – we believe Biglari would be disruptive to current business momentum

- X** We believe Biglari’s presence on our Board would create a conflict of interest – he is the CEO of a family restaurant chain and CEO of a restaurant acquisition vehicle

- X** We believe Biglari would want to be operationally involved but has failed to disclose his specific plans or agenda for the business, either to management or directly to the Board

- X** His repeated public pronouncements highlight his combative approach – was offered two independent board seats for representation (twice) but turned BOTH offers down

- X** Biglari has a history of “creeping control” that we believe is not in the best interest of shareholders: took control of Steak ‘n Shake over time without paying a premium

- X** We believe Biglari has a questionable track record on corporate governance: still proposing dual class of high vote / low vote stock at Biglari Holdings and proposed excessive compensation for himself at Biglari Holdings which received negative shareholder and ISS responses

- X** Biglari Holdings just agreed to pay a \$850,000 civil penalty to resolve a Federal Trade Commission complaint for failing to comply with the Hart-Scott-Rodino Act in amassing its initial position in Cracker Barrel – a violation the FTC’s Chairman characterized as trying to abuse the law’s “passive investor” exemption



BIGLARI HAS ARGUED THAT HE PURCHASED CBRL STOCK FOR INVESTMENT PURPOSES ONLY...

However, Biglari's Rhetoric Changes Over Time and We Believe Cannot Be Relied Upon

“Our intention was that even if we were to purchase additional stock, we would keep ownership well under 20%.”

– Sardar Biglari¹

“...we told Chairman Michael Woodhouse that we have purchased stock for investment purposes only”

– Sardar Biglari¹

✘ Current ownership of 17.4% exceeds his previously announced intentions

✘ Biglari has twice attempted to gain board seats to influence the Company – not “investment purposes only”

✘ In September 2012, Biglari Holdings agreed to pay \$850,000 to settle charges that it violated anti-trust rules when it purchased Cracker Barrel shares



(1) Biglari Holdings, press release dated 23-Sep-2011.

...WHAT SARDAR BIGLARI RECENTLY CONFIRMED ABOUT BIGLARI HOLDINGS

- “We, however, are control investors”¹
- “Biglari Holdings is an unconventional public company because it is in the business of owning other businesses without regard to any particular industry along with the stipulation that all major capital allocation decisions are made by Sardar Biglari, Chairman and CEO.”²
- “The logic underlying the dual class structure indicates that we could gain increased flexibility in structuring acquisitions and financing transactions to augment our growth. As a holding company, we believe that the greater flexibility resulting from our proposal would transform into an advantage in our pursuit of other businesses. ... We may also use such stock to acquire other businesses or combinations thereof.”²

Source: Public filings

Note: Emphasis added.

(1) Biglari Holdings, 2011 Letter from the Chairman, dated 10-Dec-2011.

(2) Biglari Holdings, Schedule 14A, filed 12-Sep-2012.



WHAT DOES BIGLARI REALLY THINK?

“Biglari Holdings is a jockey stock.

You are choosing the jockey; I am choosing the horses.

It would be asinine to bet on the jockey and then deny him the saddle or whip.”¹

BIGLARI HOLDINGS INC.



Source: Public filings

(1) Biglari Holdings, 2011 Letter from the Chairman, dated 10-Dec-2011.

OUR VIEWS ON BIGLARI ARE SHARED BY WALL STREET ANALYSTS

Selected Analyst Commentary

"Mr. Biglari's argument seems to be less focused on corporate governance and shareholder performance, which was the basis of last year's proxy fight, and more focused on demanding that as the largest shareholder he deserves two seats on Cracker Barrel's board. We are skeptical that the other 82% of Cracker Barrel's shareholders would vote for two executives of a direct competitor, Steak 'n Shake, to join Cracker Barrel's board. We find it interesting that if you exclude the investment in Cracker Barrel, Biglari Holdings has not made many shareholder enhancing decisions the past two years. Assuming the market is reflecting the CBRL investment gain in BH's market valuation, we estimate BH's market value would be down about 10% since it became an active investor in Cracker Barrel on June 13, 2011 (vs. KBCM Restaurant Index +30%). We estimate the CBRL investment represents roughly 55% of BH's enterprise value. We expect Biglari Holdings will lose the proxy fight in November."

- Chris O'Cull, KeyBanc Capital Markets; 20-Sep-2012

"Mr. Biglari has not issued an alternative strategic plan for CBRL but has suggested aggressive goals to drive sales and traffic without supporting details as to how such results would be realized. Under Sandy Cochran, who became CEO in September 2011, the company has performed strongly. Numerous changes have been implemented ranging from board composition (much higher quality board in our opinion) to marketing, cost management, and willingness to return cash to shareholders. ...It is not clear what Mr. Biglari's plans might involve or if they could be as effective as management's recent performance."

- Joseph T. Buckley, Bank of America Merrill Lynch ; 19-Sep-2012



Source: Publicly available equity research reports, permission to use quotations neither sought nor obtained

OUR VIEWS ON BIGLARI ARE SHARED BY WALL STREET ANALYSTS (CONT.)

Selected Analyst Commentary

"Whatever Biglari's intentions for CBRL still may be, however, we continue to side with management in this fight, as the company already has enacted several measures to boost operational performance (as evidenced by CBRL's industry-leading comps in family dining), enhance shareholder value (e.g., increased dividend 14% for FY12, removed operating and corporate-level costs), and improve managerial oversight (e.g., splitting the roles of CEO and Chairman of the Board). ...We surmise there will be even less incentive for shareholders to side with a potential Biglari-sponsored slate of Board nominees this November. Although the potential for a second proxy fight remains, we now think a repeat of last year's contentious fight appears less likely."

- Stephen Anderson, Miller Tabak; 6-Aug-2012

"Mr. Biglari has a record of "creeping" takeovers. ...Biglari Holdings is essentially sending excess cash from Steak n Shake to the Lion Fund. These investments in the Lion Fund do not appear in Biglari Holdings' balance sheet due to the requirement to fully consolidate the Lion Fund in BH's financial statements. In addition, the Lion Fund's portfolio has purchased significant interests in BH common stock, which is classified on BH's balance sheet as treasury stock, yet the shares remain outstanding. BH's pro-rata ownership of its common stock through Lion Fund as of June 13, 2012 was roughly 100,000 shares, but the Lion Fund, in total, owns roughly 200,000 shares. Essentially, Mr. Biglari has voting control of roughly 15% of BH's common stock, but he personally owns roughly 10,000 shares (0.7%)."

We wonder how BH decides between allocating excess cash to the Lion Fund and investing more in Steak n' Shake (since Mr. Biglari argues it is doing so well) or just returning it to BH shareholders."

- Christopher O'Cull, KeyBanc Capital Markets; 12-Jul-2012

Source: Publicly available equity research reports, permission to use quotations neither sought nor obtained



BIGLARI OFTEN STATES HE IS A "CONTROL INVESTOR" BUT WE BELIEVE YOU SHOULD NOT ALLOW HIM TO TAKE CREEPING CONTROL OF CRACKER BARREL AS HE DID WITH STEAK 'N SHAKE



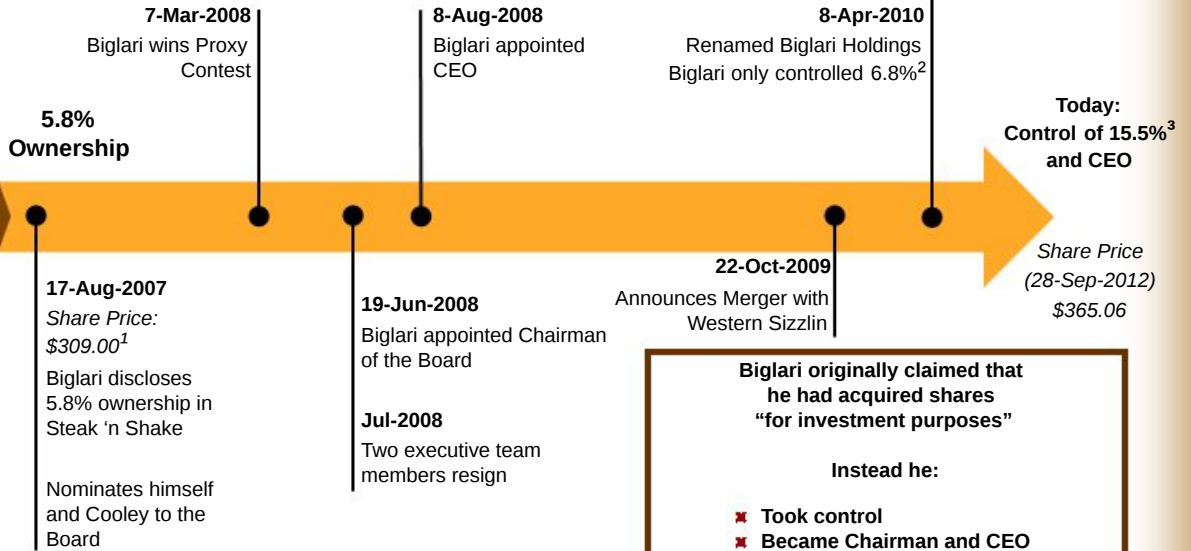
BIGLARI HOLDINGS INC.

Purchased through:

- Lion Fund
- Western Sizzlin
- P. Cooley

Call Options:

- 20,000 shares through Lion Fund
- 561,000 shares through Western Sizzlin



Biglari originally claimed that he had acquired shares "for investment purposes"

Instead he:

- ✗ Took control
- ✗ Became Chairman and CEO
- ✗ Merged with Western Sizzlin
- ✗ Renamed Biglari Holdings

Source: Public filings and Bloomberg

(1) Stock price adjusted for reverse split to be comparable to current market price.

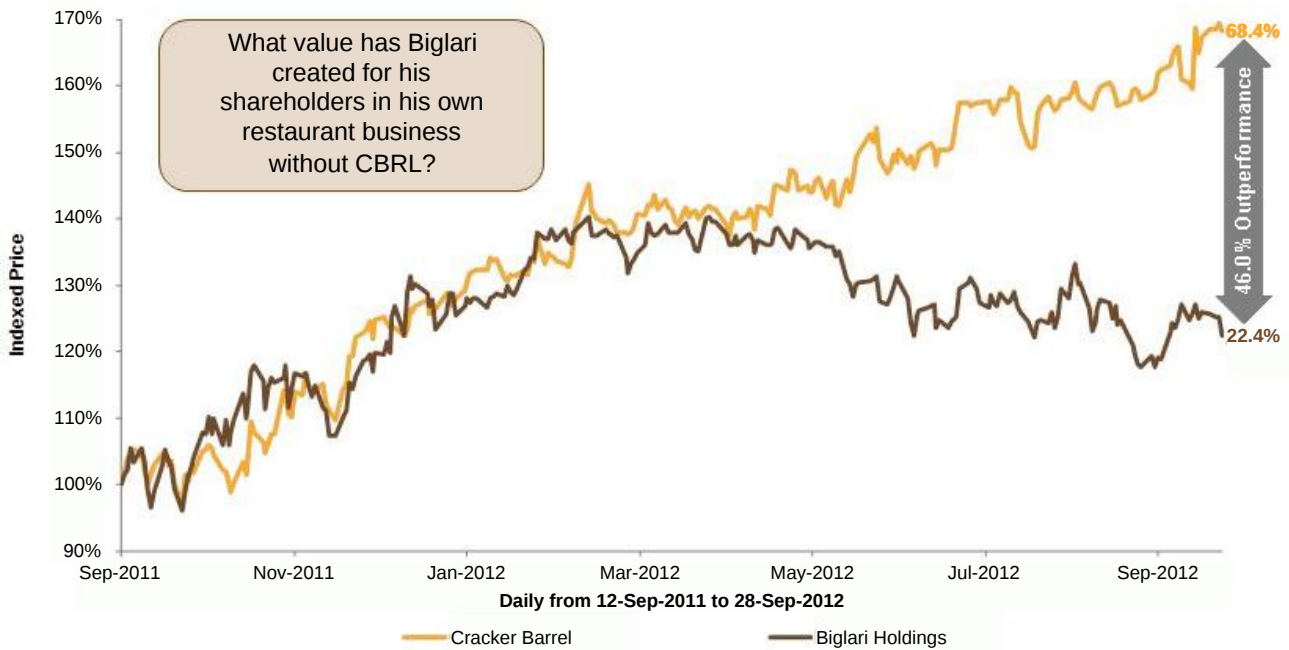
(2) As per Biglari's Schedule 13D/A filing on 3-Feb-2010.

(3) As per Biglari's preliminary proxy filing on 12-Sep-2012.



EVEN WITH BIGLARI HOLDINGS' LARGE STAKE, BH HAS SIGNIFICANTLY UNDERPERFORMED CBRL

CBRL Represents over 50% of BH's Market Cap



Source: Bloomberg and public filings
 Note: 12-Sep-2011; is closing price the day prior to announcement of Strategic Priorities on 13-Sep-2011.

BIGLARI AGAIN TURNED DOWN A GOOD FAITH SETTLEMENT OFFER

Biglari Rejected The Following Settlement Proposal:

- Biglari Holdings was offered two board seats subject only to the reasonable requirements that nominees:
 - Not be affiliated with Biglari Holdings
 - Not be a current executive officer or director of a competing restaurant company
 - Comply with CBRL's long-standing publicly disclosed qualification criteria

- This offer was subject to the minimal conditions that, Biglari Holdings:
 - Support the Board-recommended slate of nominees at the 2012 annual meeting that would include the two nominees of Biglari Holdings
 - Not nominate other candidates or present shareholder proposals at the 2012 annual meeting
 - Not seek to call or support any special meeting prior to the Company's 2013 annual meeting

- Many proxy fights are settled with the appointment of one or more directors that are not affiliated with the dissident, yet Biglari refuses even to consider nominating an independent director, insisting that it has to be him and Cooley

- **Does Mr. Biglari really want representation or simply a platform for himself?**
 - ***In voting Biglari down last year, shareholders determined last year he wasn't right for the Board***



ONE THING THAT HAS NOT CHANGED AT BIGLARI HOLDINGS...

....It's All About Sardar



OTHER SHAREHOLDER MATTERS

Shareholder-Friendly Rights Plan is Fully Consistent with ISS Guidelines, Including a 20% Threshold

- Adopted in April 2012 in response to threat that Biglari could gain creeping control without paying a control premium
 - In his 2011 “Letter From the Chairman,” Biglari said “We...are control investors when we own a sizeable block of stock engendering influence”
 - Tennessee law preventing shareholders from voting shares above 20% without shareholder approval is not sufficient. By acquiring shares above 20%, Biglari could still prevent other shareholders from voting those shares and gain greater influence by virtue of economic ownership
- Shareholder-friendly provisions include:
 - Rights plan would not be triggered by “qualifying offers” (all-cash, fully financed tender offers that remain open for at least 60 business days)
 - Rights plan is focused on creeping acquisitions above 20% and would not deter a non-coercive cash tender offer for all shares
 - Rights expire if shareholders do not approve rights plan at November 2012 annual meeting
 - If shareholders approve, rights would expire on April 9, 2015

Compensation – Pay for Performance Culture

- 80% of CEO’s target total direct 2012 compensation, and 69% of other named executive officers, is contingent upon measurable performance
- Incentive programs have one, two and three year performance periods to promote long term and current year shareholder value
- 2012 Total Shareholder Return significantly outperformed the S&P 500, 600, and 1,500 Restaurant indices
- Revenue growth, improved margins, incentive plan performance in excess of targets and recognized guest experience #1 in Family Dining segment in 2012 Consumer Picks



WHY YOU SHOULD VOTE THE WHITE PROXY CARD

- **We have accomplished a great deal over the last year – with more to come**
- **Our reconfigured Board is highly engaged and continuously seeks to create value**
- **We believe Biglari's and Cooley's presence would create a conflict of interest and would be detrimental to the functioning of our Board**
- **We again made a good faith offer this year to permit Biglari to appoint two independent directors to the Board and again he rejected. Is his fight about having representation or just about him?**
- **We believe Biglari's historic playbook of creeping control and poor corporate governance could harm Cracker Barrel and its shareholders**





Appendix

RECONCILIATION OF GAAP BASIS OPERATING RESULTS TO ADJUSTED NON-GAAP OPERATING RESULTS

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

	Fourth Quarter Ended August 3, 2012				Fourth Quarter Ended July 29, 2011		
	As Reported	Adjust	53rd Week	As Adjusted	As Reported	Adjust ^{1,2,3,4}	As Adjusted
Total Revenue	\$ 700,010		(51,059)	\$ 648,951	\$ 612,942		\$ 612,942
Store Operating Income	97,577	–	(11,093)	86,484	74,660	–	74,660
General and Administrative Expenses	37,671	–	(1,370)	36,301	35,323	(2,172)	33,151
Impairment and Store Dispositions, Net	–	–	–	–	1,249	(1,044)	205
Operating Income	59,906	–	(9,723)	50,183	38,088	3,216	41,304
Interest Expense	11,354	–	(811)	10,543	16,327	(5,136)	11,191
Pretax Income	48,552	–	(8,912)	39,640	21,761	8,352	30,113
Provision for Income Tax	13,856	–	(2,632)	11,224	4,218	2,201	6,419
Net Income	\$ 34,696	–	\$ (6,280)	\$ 28,416	\$ 17,543	\$ 6,151	\$ 23,694
Earning Per Share – Basic	\$ 1.49	–	(0.27)	\$ 1.22	\$ 0.77	\$ 0.27	\$ 1.04
Earning Per Share – Diluted	\$ 1.47	–	(0.27)	\$ 1.20	\$ 0.75	\$ 0.26	\$ 1.01

	Twelve Months Ended August 3, 2012				Twelve Months Ended July 29, 2011		
	As Reported	Adjust ^{1,4}	53rd Week	As Adjusted	As Reported	Adjust ^{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
Earning Per Share – Basic	\$ 4.47	\$ 0.21	(0.27)	\$ 4.41	\$ 3.70	\$ 0.21	\$ 3.91
Earning Per Share – Diluted	\$ 4.40	\$ 0.21	(0.27)	\$ 4.34	\$ 3.61	\$ 0.20	\$ 3.81

(1) Severance, other charges and tax effects related to operational restructuring.









(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.



























A NOTE REGARDING PEER SET USED FOR BENCHMARKING

Peer Set			Rationale for Inclusion
Ticker	Company Name	Logo	
BH	Biglari Holdings		<ul style="list-style-type: none"> ➤ Last year our peer set included: <ul style="list-style-type: none"> – Biglari Holdings, Brinker International, Cheesecake Factory, Darden Restaurants, P.F. Chang's China Bistro, Ruby Tuesday, and Texas Roadhouse – During the past year P.F. Chang's China Bistro was acquired by Centerbridge Partners and is no longer publicly traded – Based on feedback received we have added Bob Evans Farms and Denny's Corporation both full-service restaurants chains ➤ We believe this subset of casual and family dining restaurants represents the most comparable set of companies to benchmark CBRL performance <ul style="list-style-type: none"> – Leading casual / family dining concepts – Operational comparability – Similar scale – Geographical proximity
BOBE	Bob Evans Farms		
EAT	Brinker International		
CAKE	The Cheesecake Factory		
DRI	Darden Restaurants		
DENN	Denny's Corporation		
RT	Ruby Tuesday		
TXRH	Texas Roadhouse		



S&P RESTAURANT INDEX COMPOSITION

Respective S&P Restaurant Index Constituents

Ticker	Company Name	Logo	S&P 500	S&P 600	S&P 1,500	Ticker	Company Name	Logo	S&P 500	S&P 600	S&P 1,500
BJRI	BJ's Restaurants			✓	✓	MCD	McDonald's		✓		✓
BH	Biglari Holdings			✓	✓	PEET	Peet's Coffee & Tea			✓	✓
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			✓	✓
CEC	CEC Entertainment			✓	✓	RUTH	Ruth's Hospitality Group			✓	✓
CMG	Chipotle Mexican Grill		✓		✓	SBUX	Starbucks		✓		✓
DIN	DineEquity			✓	✓	SONC	Sonic			✓	✓
DRI	Darden Restaurants		✓		✓	TXRH	Texas Roadhouse			✓	✓
EAT	Brinker International				✓	WEN	The Wendy's Company				✓
JACK	Jack in the Box			✓	✓	YUM	Yum! Brands		✓		✓

