SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

[x] Annual Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934 For the fiscal year ended August 3, 2001

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (No Fee Required)

For the transition period from ________ to ________

Commission file number
000-25225

CBRL GROUP, INC.

(Exact name of registrant as specified in its charter)

Tennessee	62-1749513
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Hartmann Drive, P.O. Box 787	37088-0787
Lebanon, Tennessee	(Zip code)
(Address of principal executive offices)	

Registrant's telephone number, including area code:

(615)444-5533

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock
(Par Value $.01)

Common Stock Purchase Rights
(No Par Value)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

The aggregate market value of voting stock held by nonaffiliates of the registrant is $1,040,599,280 as of September 20, 2001. As of that date, there were 55,057,364 shares of common stock outstanding.

Documents Incorporated by Reference

Document from which Portions are Incorporated by Reference	Part of Form 10-K into which incorporated

Document	Part
1. Annual Report to Shareholders for the fiscal year ended August 3, 2001 (the "2001 Annual Report")	Part II
2. Proxy Statement for Annual Meeting of Shareholders to be held November 27, 2001 (the "2001 Proxy Statement")	Part III

Except for specific historical information, the matters discussed in this Form 10-K, as well as the 2001 Annual Report that is incorporated herein by reference, are forward-looking statements that involve risks, uncertainties and other factors which may cause actual results and performance of CBRL Group, Inc. to differ materially from those expressed or implied by those statements. All forward-looking information is provided by the Company 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 "assumptions", "target", "plans", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "potential", or "continue" (or the negative of each of these terms) or similar terminology. Factors which will affect actual results include, but are not limited to: adverse general economic conditions including high or escalating gasoline prices and declining consumer confidence; the actual results of pending or threatened litigation; the effects of negative publicity; commodity, group health and utility price increases; the effect of plans intended to improve operational execution and performance; the effects of increased competition at Company locations on sales and on labor recruiting, cost and retention; the ability of and cost to the Company to recruit, train and retain qualified restaurant hourly and management employees; the ability of the Company to identify successful new lines of retail merchandise; the availability and costs of acceptable sites for development; adverse weather conditions; the acceptance of the Company's concepts as the Company continues to expand into new markets and geographic regions; changes in interest rates affecting the Company's financing costs; changes in or implementation of additional governmental rules and regulations affecting wage and hour matters, health and safety, pensions and insurance; other undeterminable areas of government actions or regulations; and other factors described from time to time in the Company's filings with the Securities and Exchange Commission, press releases and other communications.

PART I

ITEM 1. BUSINESS

OVERVIEW

CBRL Group, Inc. (the "Company") is a holding company that, through certain subsidiaries, is engaged in the operation and development of the Cracker Barrel Old Country Store(R) and Logan's Roadhouse(R) restaurant and retail concepts. The Company was organized under the laws of the state of Tennessee in August 1998.

CONCEPTS

Cracker Barrel Old Country Store

Cracker Barrel Old Country Store, Inc. ("Cracker Barrel"), headquartered in Lebanon, Tennessee, through its various subsidiaries, as of October 12, 2001, operates 439 full service "country store" restaurants and gift shops, which are located in 40 states, primarily the southeast, midwest, mid-atlantic and southwest regions of the United States. Stores primarily are located along interstate highways, however, 10 stores are located at "tourist destinations" and 22 "off-interstate" stores are located at locations that are neither a tourist destination nor an interstate location. The restaurants serve breakfast, lunch and dinner between the hours of 6:00 a.m. and 10:00 p.m. (11:00 p.m. on Fridays and Saturdays) and feature home style country cooking prepared on the premises from Cracker Barrel's own recipes using quality ingredients and emphasizing authenticity. Menu items are moderately priced and include country ham, chicken, fish, roast beef, beans, turnip greens, vegetable plates, salads, sandwiches, pancakes, eggs, bacon, sausage and grits. The restaurants do not serve alcoholic beverages. The stores are constructed in a rustic, country store design and feature a separate retail area offering a wide variety of decorative and functional items specializing in hand-blown glassware, cast iron cookware, toys, apparel and wood crafts as well as various old fashioned candies, jellies and other foods. Cracker Barrel stores are intended to appeal to both the traveler and the local customer and consistently have been a consumer favorite. Cracker Barrel was ranked as the top family dining chain for the eleventh consecutive year in the 2000 Restaurants & Institutions magazine "Choice in Chains" annual customer survey.

Logan's Roadhouse

Logan's Roadhouse, Inc. ("Logan's"), headquartered in Nashville, Tennessee, through its various subsidiaries, as of October 12, 2001, operates 78 Logan's Roadhouse restaurants and franchises an additional eight Logan's restaurants in 15 states. Logan's restaurants feature steaks, ribs, chicken and seafood dishes served in a distinctive atmosphere reminiscent of an American roadhouse of the 1940s and 1950s. Logan's serves lunch and dinner between the hours of 11:00 a.m. and 10:00 p.m. (11:00 p.m. on Fridays and Saturdays). The Logan's concept is designed to appeal to a broad range of customers by offering generous portions of moderately-priced, high quality food in a very casual, relaxed dining environment that is lively and entertaining. The fun atmosphere is enhanced by display cooking of grilled items and complimentary peanuts, which the guests are encouraged to enjoy and let the shells fall on the floor. The restaurants are open seven days a week for lunch and dinner and offer full bar service. Alcoholic beverages represented approximately 9% of Logan's total revenue in fiscal 2001. The Logan's menu is designed to appeal to a wide variety of tastes, and emphasizes extra-aged, hand-cut USDA choice steaks and signature dishes such as baked sweet potatoes and made-from-scratch yeast rolls.

OPERATIONS

Cracker Barrel Old Country Store

Store Format: The format of Cracker Barrel stores consists of a rustic, country-store style building. All stores are freestanding buildings. Store interiors are subdivided into a dining room consisting of approximately 30% of the total interior store space, and a retail shop consisting of approximately 22% of such space, with the balance primarily consisting of kitchen and storage areas. All stores have stone fireplaces, which burn wood wherever permitted. All are decorated with antique-style furnishings and other authentic and nostalgic items, similar to those used and sold in the past in original old country stores. The front porch of each store features a row of the signature Cracker Barrel rocking chairs that are used by guests waiting for a table and are sold in the retail shop. The kitchens contain modern food preparation and storage equipment allowing for flexibility in menu variety and development.

Products: Cracker Barrel's restaurants, which generated approximately 76% of Cracker Barrel's total revenue in fiscal 2001, offer home-style country cooking featuring Cracker Barrel's own recipes. In keeping with Cracker Barrel's emphasis on authenticity and quality, Cracker Barrel restaurants prepare menu selections on the premises. The restaurants offer breakfast, lunch and dinner from a moderately-priced menu. Breakfast items can be ordered at any time throughout the day and include juices, eggs, pancakes, bacon, country ham, sausage, grits, and a variety of biscuit specialties, including gravy and biscuits and country ham and biscuits. Prices for a breakfast meal range from $1.99 to $7.99. Lunch and dinner items include country ham, chicken and dumplings, chicken fried chicken, meatloaf, country fried steak, pork chops, fish, steak, roast beef, vegetable plates, salads, sandwiches, soups and specialty items such as pinto beans and turnip greens. Lunches and dinners range in price from $2.99 to $13.99. The average check per customer for fiscal 2001 was $7.19. Cracker Barrel from time to time adjusts its prices. Price increases of approximately 1% each and totaling approximately 3% were instituted in December 2000, June 2001 and July 2001.

The retail area of the stores, which generated approximately 24% of Cracker Barrel's total revenue in fiscal 2001, offers a wide variety of decorative and functional items such as hand-blown glassware, cast iron cookware, old-fashioned crockery, handcrafted figurines, classic children's toys, apparel, a book-on-audio sale and exchange program and various other gift items, as well as various candies, preserves, smoked sausage, syrups and other food items. Many of the candy items, smoked bacon, jellies and jams, along with other high quality products, are sold under the "Cracker Barrel Old Country Store" brand name.

Product Development and Merchandising: Cracker Barrel maintains a product development department, which develops new and improved menu items in response to shifts in customer preferences and creates customer interest. Cracker Barrel merchandising specialists are involved on a continuing basis in selecting and positioning merchandise in the retail shop with an overall nostalgic theme. Management believes that Cracker Barrel has adequate flexibility to meet future shifts in consumer preference on a timely basis. Coordinated seasonal promotions are used regularly in the restaurants and retail shops.

Store Management and Quality Controls: Cracker Barrel store management typically consists of a general manager, four associate managers and a retail manager who are responsible for approximately 100 employees on two shifts. The relative complexity of operating a Cracker Barrel Old Country Store requires an effective management team at the individual store level. As a motivation to store managers to improve sales and operational efficiency, Cracker Barrel has a bonus plan designed to provide store management with an opportunity to share in the profits of their store. Starting in fiscal 2000, Cracker Barrel implemented a supplemental bonus plan, providing managers an opportunity to earn an additional bonus based on achieving specific operational targets. Cracker Barrel also offers managers and certain hourly employees stock options based on their position and tenure. To assure that individual stores are operated at a high level of quality, Cracker Barrel emphasizes the selection and training of store managers. It also employs District Managers to support individual store managers and Regional Vice Presidents to support individual District Managers. Each District Manager's individual span of control typically is seven to eight individual restaurants, and Regional Vice Presidents support eight to ten District Managers. Each store and District, respectively, are assigned to both a restaurant and a retail District Manager and Regional Vice President.

The store management recruiting and training program begins with an evaluation and screening process. In addition to multiple interviews and background and experience verification, Cracker Barrel conducts testing which is designed to identify those applicants most likely to be best suited to manage store operations. Those candidates who successfully pass this screening process are then required to complete an 11-week training program consisting of eight weeks of in-store training and three weeks of training at Cracker Barrel's corporate facilities. This program allows new managers the opportunity to become familiar with Cracker Barrel operations, culture, management objectives, controls and evaluation criteria before assuming management responsibility. Cracker Barrel provides its managers with ongoing training through its various management development classes. Additionally, the Company is developing internet-based computer-assisted instruction capability to train both hourly and management staff consistently at all locations.

Purchasing and Distribution: Cracker Barrel negotiates directly with food vendors as to price and other material terms of most food purchases. Cracker Barrel is a party to a prime vendor contract with an unaffiliated distributor with custom distribution centers in Lebanon, Tennessee; McKinney, Texas; Gainesville, Florida; and Belcamp, Maryland. The contract pricing terms were adjusted in July 2000, and the contract will remain in effect until both parties mutually modify it in writing or until terminated by either Cracker Barrel or the distributor upon 180 days written notice to the other party. Cracker Barrel purchases the majority of its food products and restaurant supplies on a cost-plus basis through its unaffiliated distributor. The distributor is responsible for placing food orders and warehousing and delivering food products to Cracker Barrel's stores. Deliveries generally are made once per week to the individual stores. Certain perishable food items are purchased locally by Cracker Barrel stores.

Three food categories (beef, pork and poultry) account for the largest shares of Cracker Barrel's food purchasing expense at approximately 15%, 14% and 12% each, respectively. The single food item within these categories accounting for the largest share of Cracker Barrel's food purchasing expense is chicken tenderloin. Cracker Barrel presently purchases its beef through six vendors, pork through seven vendors, and poultry through five vendors. Cracker Barrel purchases its chicken tenderloin through five vendors. Should any food items from these vendors become unavailable, management is of the opinion that these food items could be obtained in sufficient quantities from other sources at competitive prices.

The majority of retail items are centrally purchased directly by Cracker Barrel from domestic and international retail vendors and warehoused at its owned Lebanon distribution center. The distribution center fulfills retail item orders generated by Cracker Barrel's automated replenishment system and generally ships the retail orders once a week to the individual stores. Certain retail items, not centrally purchased and warehoused at the distribution center, are drop-shipped directly from Cracker Barrel's vendors to its stores. The distribution center is a 367,200 square foot warehouse facility with 36 foot ceilings and 170 bays, and includes an additional 13,800 square feet of office and maintenance space. The facility originally was built in 1993 and expanded in 1996.

On January 29, 2001, the Company entered into a new dedicated carriage agreement with an unaffiliated transportation company for the transportation of retail merchandise from the Cracker Barrel distribution center throughout the Cracker Barrel system. This agreement commenced on April 1, 2001 for a period of 60 months and is structured to facilitate the growth of Cracker Barrel's retail business over the term of the agreement, but is terminable by either party upon 180 days written notice to the other party. The transportation company or Cracker Barrel may terminate the agreement 90 days following notice of a breach that remains uncured.

Cost and Inventory Controls: Cracker Barrel's computer systems and various analysis tools are used to evaluate store operating information and provide management with reports to determine if any material variances in food costs, labor costs or operating expenses have occurred. Management also monitors individual store restaurant and retail sales on a daily basis and closely monitors sales mix, sales trends, operational costs and inventory levels. The information generated by the computer systems, analysis tools and monitoring processes are used to manage the operations of the store, replenish retail inventory levels and to facilitate retail purchasing decisions. These systems and processes also are used in the development of budget analyses and planning.

Guest Satisfaction: Cracker Barrel is committed to providing its guests a home-style, country-cooked meal, served with genuine hospitality in a comfortable environment, in a way that evokes memories of the past. The concept's commitment to offering guests a quality experience begins with its employees. Its mission statement, "Pleasing People", means all people, guests and employees alike, and the Company's employees are trained and reinforced on its importance in our culture of mutual respect. Cracker Barrel also is committed to staffing each store with an experienced management team to ensure attentive customer service and consistent food quality. Through the regular use of guest surveys and store visits by its District Managers and Regional Vice Presidents, management receives valuable feedback, which it uses in its ongoing efforts to improve the stores and to demonstrate Cracker Barrel's continuing commitment to pleasing its guests.

Marketing: Outdoor advertising (i.e., billboards) is the primary advertising medium utilized to reach consumers in the primary trade area for each Cracker Barrel store and also reach interstate travelers and tourists. Outdoor advertising accounted for approximately 50% of advertising expenditures in fiscal 2001. In recent years Cracker Barrel has utilized more effectively and efficiently other types of media, such as radio and print, in its core markets to maintain customer awareness, and outside of its core markets to increase name awareness and to build brand loyalty. Cracker Barrel defines its core markets based on geographic location, longevity in the market and name awareness in each market. Cracker Barrel plans to maintain its overall advertising spending at approximately 2% of Cracker Barrel's net sales in fiscal 2002, as it did in fiscal 2000 and fiscal 2001. Outdoor advertising should continue to represent approximately 50% of advertising expenditures in fiscal 2002. New store locations generally are not advertised in the media until several weeks after they have been opened in order to give the staff time to adjust to local customer habits and traffic volume, after which time a full marketing plan is implemented.

Logan's Roadhouse

Store Format: Logan's Roadhouse restaurants are constructed of rough-hewn cedar siding in combination with bands of corrugated metal outlined in red neon with a yellow washlight. Interiors are decorated with murals and other artifacts depicting scenes reminiscent of American roadhouses of the 1940s and 1950s, concrete and wooden planked floors and neon signs. The lively, upbeat,friendly, relaxed atmosphere seeks to appeal to families, couples, single adults and business persons. The restaurants feature display cooking and an old-fashioned meat counter displaying ribs and hand-cut steaks, and also include a spacious, comfortable bar area. While dining or waiting for a table, guests may eat complimentary roasted in-shell peanuts and toss the shells on the floor, and

watch as cooks prepare steaks and other entrees on gas-fired mesquite grills.

Products: Logan's restaurants offer a wide variety of items designed to appeal to a broad range of consumer tastes. Specialty appetizers include hot wings Roadhouse style, baby back ribs basket and Roadhouse nachos. Logan's dinner menu features an assortment of specially seasoned USDA choice steaks, extra-aged, and cut by hand on premises. Guests also may choose from slow-cooked baby back ribs, seafood, mesquite grilled shrimp, mesquite grilled pork chops, grilled chicken and an assortment of hamburgers, salads and sandwiches. All dinner entrees include dinner salad, made-from-scratch yeast rolls and a choice of brown sugar and cinnamon sweet potato, baked potato, mashed potatoes, steamed vegetables, fries or rice pilaf at no additional cost. Logan's express lunch menu provides specially priced items to be served in less than 15 minutes. All lunch salads are served with made-from-scratch yeast rolls, and all lunch sandwiches are served with home-style potato chips at no additional cost. Prices range from $4.79 to $8.49 for lunch items and from $5.39 to $17.99 for dinner entrees. The average check per customer for fiscal 2001 was $11.40. Logan's adjusts its prices from time to time and increased menu prices approximately 1% in July 2001.

Product Development and Merchandising: Logan's strives to obtain consistent quality items at competitive prices from reliable sources. Logan's tests various new products in an effort to obtain the highest quality products possible and to be responsive to changing customer tastes. In order to maximize operating efficiencies and provide the freshest ingredients for its food products, purchasing decisions are made by Logan's corporate management. Management believes that Logan's has adequate flexibility to meet future shifts in consumer preference on a timely basis.

Restaurant Management and Quality Controls: Restaurant management typically consists of a general manager, one kitchen manager and four assistant managers who are responsible for approximately 100 hourly employees. Each restaurant employs a skilled meat-cutter to cut steaks from USDA choice beef. The general manager of each restaurant is responsible for the day-to-day operations of the restaurant, including maintaining the standards of quality and performance established by Logan's corporate management. The relative complexity of operating a Logan's restaurant requires an effective management team at the individual restaurant level. As a motivation to restaurant managers to increase revenues and operational efficiency, Logan's has a bonus plan that rewards managers for improving sales and profits, achieving Logan's standard of guest satisfaction as measured through the secret shopper program, and achieving key operating costs targets. Management believes that guests benefit from the attentive service and high quality food, which results from having six managers in the majority of restaurants. Logan's restaurant management teams are typically comprised of two non-management employees promoted into management positions who therefore fully understand the Logan's concept, and four managers with high levels of previous management experience. To assure that individual restaurants are operated at a high level of quality, Logan's has Regional Managers to support individual restaurant managers, three Regional Directors and one Vice President of Operations to support individual Regional Managers. Each Regional Manager supports 4 to 5 individual restaurants, and each Regional Director supports 7 to 8 Regional Managers. Through regular visits to the restaurants, the Vice President of Operations, the Regional Directors and the Regional Managers ensure that the Logan's concept, strategy and standards of quality are being adhered to in all aspects of restaurant operations.

In November 2000 Logan's opened a modern training facility in Nashville, Tennessee to support and improve the training of new management candidates.

Logan's requires that its restaurant managers have significant experience in the full-service restaurant industry. All new managers are required to complete a comprehensive ten-week training course. This course is comprised of eight weeks of training at a Logan's restaurant and two weeks of classroom training conducted at the Logan's training facility in Nashville. The entire course emphasizes the Logan's operating strategy, procedures and standards.

Purchasing and Distribution: Logan's negotiates directly with food vendors as to price and other material terms of most food purchases. Logan's purchases the majority of its food products and restaurant supplies on a cost-plus basis through the same unaffiliated distributor that is used by Cracker Barrel. The distributor is responsible for placing food orders and warehousing and delivering food products for Logan's restaurants. Certain perishable food items are purchased locally by the restaurants.

The single food category accounting for the largest share (approximately 37%) of Logan's food purchasing expense is beef. Each Logan's restaurant employs a meat cutter who hand-cuts steak on premises. Logan's presently purchases its beef through two supply contracts. Should any beef items from these vendors become unavailable for any reason, management believes that such items could be obtained in sufficient quantities from other sources at competitive prices.

Cost and Inventory Controls: Management closely monitors sales, product costs and labor at each of its restaurants. Weekly restaurant operating results are analyzed by management to detect trends at each location, and negative trends are promptly addressed and remedied when possible. Financial controls are maintained through management of an accounting and information management system that is implemented at the restaurant level. Administrative and management staff prepare daily reports of sales, labor and customer counts. On a weekly basis, condensed operating statements are compiled by the accounting department and provide management a detailed analysis of sales, product and labor costs, with a comparison to budget and prior period performance. These systems also are used in the development of budget analyses and planning.

Guest Satisfaction: Logan's is committed to providing its guests prompt, friendly, efficient service, keeping table-to-server ratios low and staffing each restaurant with an experienced management team to ensure attentive guest service and consistent food quality. Through the regular use of guest surveys and an independently run "mystery shoppers" program, management receives valuable feedback, which it uses to improve restaurants and demonstrate a continuing interest in guest satisfaction.

Marketing: Logan's employs an advertising and marketing strategy designed to establish and maintain a high level of name recognition and to attract new customers. Logan's primarily uses radio and outdoor advertising in selected markets. Management's goal is to develop a sufficient number of restaurants in certain markets to permit the cost-efficient use of television, radio and outdoor advertising. Logan's currently spends approximately 1.5% of its net sales on advertising. Logan's also engages in a variety of promotional activities, such as contributing time, money and complimentary meals to charitable, civic and cultural programs, in order to increase public awareness of Logan's restaurants. Logan's also has numerous tie-ins with the National Football League's Tennessee Titans, including two concession facilities (named "Logan's Landing") inside Nashville, Tennessee's Adelphia Coliseum and various promotions during and around the games. Additionally, Logan's peanuts are sold at the Gaylord Entertainment Center, home of the Nashville Predators of the National Hockey League.

Franchising: Prior to the Company acquiring Logan's Roadhouse, Inc., Logan's entered into three area development agreements and accompanying franchise agreements. Subsequent to the acquisition, Logan's terminated one of the area development agreements. Franchisees operate 8 Logan's restaurants in 4 states, and they have rights under the existing agreements, subject to development terms, conditions and timing requirements, to open up to 19 additional locations in those same states plus parts of Oregon. Certain of the agreements provide for the possible acquisition of the franchise locations by Logan's under specified terms. Management currently is not planning any other future franchising opportunities beyond the current development agreements.

EXPANSION

The Company opened the following 15 new Cracker Barrel stores in fiscal 2001:

Interstate 35 (1)	San Marcos, Texas
Interstate 70 (1)	St. Clairsville, Ohio
Interstate 80 (1)	Mt. Arlington, New Jersey
Interstate 84 (1)	Sturbridge, Massachusetts
Interstate 95 (1)	Elkton, Maryland
Interstate 476 (1)	Plymouth Meeting, Pennsylvania
Off Interstate (9)	Florence and Foley, Alabama; Hot Springs, Arkansas; Murray, Kentucky; Traverse City, Michigan; Jacksonville, North Carolina; Gallatin and Memphis, Tennessee; Lynchburg, Virginia

The Company plans to open 20 new Cracker Barrel stores during fiscal 2002, of which the following two of those stores are already open:

Off Interstate (2)	Bloomington, Indiana; Pittsburgh, Pennsylvania

The Company opened the following 13 new Logan's restaurants in fiscal 2001:

Michigan (4)	Canton, Livonia, Southgate and Troy
Texas (3)	Laredo, Round Rock and San Angelo
Alabama (2)	Decatur and Oxford
Virginia (2)	Bristol and Fredricksburg
Indiana (1)	Greenwood
Tennessee(1)	Antioch

The Company plans to open nine new Logan's restaurants during fiscal 2002, of which the following three restaurants are already open:

Ohio (1)	Reynoldsburg
Tennessee(1)	Gallatin
Virginia (1)	Lynchburg

Prior to committing to a new location, Cracker Barrel and Logan's perform extensive reviews of various available sites, gathering cost, demographic, traffic and other data. This information is analyzed by computer models to help with the decision on building a store. Cracker Barrel and Logan's utilize in-house engineers to consult on architectural plans, develop engineering plans and oversee new construction. Cracker Barrel and Logan's are currently engaged in the process of seeking and selecting new sites, negotiating purchase or lease terms and developing chosen sites.

It has traditionally been the Company's strategy to own its store properties. However, on July 31, 2000, the Company's Cracker Barrel Old Country Store, Inc. subsidiary completed a sale-leaseback transaction involving 65 of its owned Cracker Barrel Old Country Store units. Under the transaction, the land, buildings and improvements at the locations were sold for net consideration of $138.3 million and have been leased back for an initial term of 21 years. Equipment was not included. The leases include specified renewal options for up to 20 additional years and have certain financial covenants related to fixed charge coverage for the leased units. Net rent expense during the initial term will be approximately $15.0 million annually, and the assets sold and leased back previously had depreciation expense of approximately $2.7 million annually. Net proceeds from the sale were used to reduce outstanding borrowings under the Company's Revolving Credit Facility, and the commitment under that facility was reduced by $70 million to $270 million. Of the 439 Cracker Barrel stores open as of October 12, 2001, the Company owns 341, while the other 98 properties are either ground leases or ground and building leases. Based on recent and projected new store development, the average cost for a new Cracker Barrel store is approximately $700,000 to $850,000 for land on purchased sites and development cost of $2,000,000 to $2,100,000, including approximately $585,000 in furniture, fixtures and equipment. In addition, approximately $200,000 is budgeted for pre-opening expenses. The current Cracker Barrel store prototype is approximately 10,000 square feet with 184 seats in the restaurant and 2,200 square feet in the retail gift shop. The Company typically projects that a new Cracker Barrel store will generate annual sales of approximately $4,200,000 and mature operating cash flow before rent of approximately 18% of sales. The Company plans, for the foreseeable future, to open a higher percentage of leased units than purchased units.

Of the 86 Logan's stores open as of October 12, 2001, 8 are franchised stores. Of the remaining 78 Logan's stores, the Company owns 47. The other 31 properties are ground leases. The average cost for a new Logan's, based on recent and projected new store development, is approximately $750,000 to $850,000 for land on purchased sites and $1,900,000 to $2,100,000 for development cost, including approximately $485,000 in furniture, fixtures and equipment. In addition, pre-opening expenses of approximately $130,000 are budgeted. The current Logan's store prototype is approximately 8,000 square feet with 277 seats, including 34 seats in the bar area. The Company typically projects annual sales for a new Logan's restaurant of approximately $3,175,000 and mature operating cash flow before rent of approximately 20% of sales. The Company's plans reflect a higher percentage of leased units than purchased units for the foreseeable future. During fiscal 2001 Logan's opened a new prototype restaurant designed to improve operational efficiency and guest perception; with some additional modifications, it will be used as the expansion vehicle for future unit development.

EMPLOYEES

As of August 3, 2001, CBRL Group, Inc. employed 19 people, of whom 7 were in advisory and supervisory capacities, and 5 were officers of the Company. Cracker Barrel employed 49,140 people, of whom 414 were in advisory and supervisory capacities, 2,671 were in store management positions and 30 were officers. Logan's employed 6,556 people, of whom 48 were in advisory and supervisory capacities, 440 were in store management positions and 6 were officers. Many of the restaurant personnel are employed on a part-time basis. Competition for and availability of qualified new employees has become more difficult in recent years, contributing to increases in store labor expenses. The Company's employees are not represented by any union, and management considers its employee relations to be good.

COMPETITION

The restaurant business is highly competitive and often is affected by changes in the taste and eating habits of the public, local and national economic conditions affecting spending habits, and population and traffic patterns. Restaurant industry segments overlap and often provide competition for widely diverse restaurant concepts. In exceptionally good economic times, consumers can be expected to patronize a broader range of restaurants and the breadth of competition at different restaurant segments is likewise increased. The principal basis of competition in the industry is the quality, variety and price of the food products offered. Site selection, quality and speed of service, advertising and the attractiveness of facilities are also important.

There are many restaurant companies catering to the public, including several franchised operations, a number of which are substantially larger and have greater financial and marketing resources than those of the Company and which compete directly and indirectly in all areas in which the Company operates.

TRADEMARKS

Cracker Barrel through its affiliate, CBOCS General Partnership, owns certain registered copyrights and trademarks relating to the name "Cracker Barrel Old Country Store", as well as its logo, menus, designs of buildings, general trade dress and other aspects of operations. Logan's owns or has applied for certain registered copyrights and trademarks relating to the name "Logan's Roadhouse", as well as its logo, menus, designs of buildings, general trade dress and other aspects of operations. The Company believes that the use of these names have value in maintaining the atmosphere and public acceptance of its mode of operations. The Company's policy is to pursue registration of its copyrights and trademarks whenever possible and to oppose vigorously any infringement of its copyrights and trademarks.

RESEARCH AND DEVELOPMENT

While research and development are important to the Company, these expenditures have not been material due to the nature of the restaurant and retail industry.

SEASONAL ASPECTS

Historically the profits of the Company have been lower in the second fiscal quarter than in the first and third fiscal quarters and highest in the fourth fiscal quarter. Management attributes these variations primarily to the decrease in interstate tourist traffic during the winter months and the increase in interstate tourist traffic during the summer months. The Company's retail sales historically have been highest in the Company's second fiscal quarter, which includes the Christmas holiday season.

SEGMENT REPORTING

The Company has one reportable segment. See Notes 2 and 9 to the consolidated financial statements contained in the 2001 Annual Report incorporated by reference in Part II of this Annual Report on Form 10-K for more information on segment reporting.

WORKING CAPITAL

In the restaurant industry, substantially all sales are either for cash or credit card. Like most other restaurant companies, the Company is able to, and may from time to time, operate with negative working capital. Restaurant inventories purchased through the Company's principal food distributor now are on terms of net zero days, while restaurant inventories purchased locally generally are financed from normal trade credit. Retail inventories purchased domestically generally are financed from normal trade credit, while imported retail inventories generally are purchased through letters of credit. These various trade terms are aided by rapid turnover of the restaurant inventory.

ITEM 2. PROPERTIES

The Company's corporate headquarters are located on approximately 10 acres of land owned by the Company in Lebanon, Tennessee. The Company utilizes 10,000 square feet of office space for its corporate headquarters.

The Cracker Barrel Old Country Store, Inc. corporate headquarters and warehouse facilities are located on approximately 120 acres of land owned by Cracker Barrel Old Country Store, Inc. in Lebanon, Tennessee. Cracker Barrel utilizes approximately 110,000 square feet of office space for its corporate headquarters and 367,200 square feet of warehouse facilities and an additional 13,800 square feet of office and maintenance space for its retail distribution center.

The Logan's Roadhouse, Inc. corporate headquarters and training facility are located in approximately 22,500 square feet of office space in Nashville, Tennessee, under a lease expiring on April 1, 2010.

Cracker Barrel Old Country Store, Inc. opened a retail-only mall store, named "The Store," in a regional mall in Nashville, Tennessee in July 1999 to test this growth opportunity to leverage the Cracker Barrel's merchandising and logistical expertise. The retail-only mall store is leased and is presently considered a research and development site.

In addition to the various corporate facilities, 17 properties owned or leased for future development, Cracker Barrel's retail-only mall store and 19 parcels of excess real property and improvements including three leased properties, which the Company intends to dispose of, the Company owns or leases the following Cracker Barrel and Logan's store properties as of October 12, 2001:

State	Cracker Barrel		Logan's		Combined	
	Owned	Leased	Owned	Leased	Owned	Leased
Tennessee	29	9	10	3	39	12
Texas	23	4	7	8	30	12
Florida	33	-	4	1	37	1
Georgia	23	5	5	2	28	7
Kentucky	16	6	-	5	16	11
Indiana	17	5	4	1	21	6
Ohio	20	5	1	1	21	6
Alabama	14	5	5	2	19	7
North Carolina	18	5	-	-	18	5
Virginia	15	1	6	1	21	2
Illinois	21	1	-	-	21	1
Michigan	13	2	2	4	15	6
Pennsylvania	8	7	-	-	8	7
South Carolina	10	5	-	-	10	5
Louisiana	7	2	3	2	10	4
Missouri	11	2	-	-	11	2
Arkansas	4	6	-	-	4	6
Mississippi	8	2	-	-	8	2
Arizona	2	7	-	-	2	7
New York	7	1	-	-	7	1
West Virginia	3	4	-	1	3	5
Oklahoma	4	2	-	-	4	2
Kansas	4	1	-	-	4	1
Wisconsin	5	-	-	-	5	-
Colorado	3	1	-	-	3	1
Maryland	3	1	-	-	3	1
New Jersey	1	3	-	-	1	3
Iowa	3	-	-	-	3	-
Massachusetts	-	3	-	-	-	3
New Mexico	2	1	-	-	2	1
Utah	3	-	-	-	3	-
Connecticut	1	1	-	-	1	1
Minnesota	2	-	-	-	2	-
Montana	2	-	-	-	2	-
Nebraska	1	1	-	-	1	1
Idaho	1	-	-	-	1	-
New Hampshire	1	-	-	-	1	-
North Dakota	1	-	-	-	1	-
Rhode Island	1	-	-	-	1	-
South Dakota	1	-	-	-	1	-
Total	341	98	47	31	388	129

See "Business-Operations" and "Business-Expansion" for additional information on the Company's stores.

ITEM 3. LEGAL PROCEEDINGS

The Company's Cracker Barrel Old Country Store, Inc. subsidiary is involved in certain lawsuits, two of which are not ordinary routine litigation incidental to its business: Serena McDermott and Jennifer Gentry v. Cracker Barrel Old Country Store, Inc., a collective action under the federal Fair Labor Standards Act ("FLSA"), was served on Cracker Barrel on May 3, 1999; and Kelvis Rhodes, Maria Stokes et al. v. Cracker Barrel Old Country Store, Inc., an action under Title VII of the Civil Rights Act of 1964 and Section 1981 of the Civil Rights Act of 1866, was served on Cracker Barrel on September 15, 1999. The McDermott case alleges that certain tipped hourly employees were required to perform non-serving duties and that certain hourly employees were required to wait "off the clock," without being paid the minimum wage or overtime compensation for that work or wait. The McDermott case seeks recovery of unpaid wages and overtime wages related to those claims. The Rhodes case seeks certification as a company-wide class action, a declaratory judgment to redress an alleged systemic pattern and practice of racial discrimination in employment opportunities, an order to effect certain hiring and promotion goals and back pay and other related monetary damages. No class has yet been certified in the Rhodes case. No punitive damages are sought in either case.

On March 17, 2000, the Court granted the plaintiffs' motion in the McDermott case to send notice to a provisional class of plaintiffs. The Court defined the provisional class as all persons employed as servers and all second-shift hourly employees at Cracker Barrel Old Country Store restaurants since January 4, 1996. That notice was sent to 376,207 persons, and 10,838 potential plaintiffs "opted-in" to the case by May 30, 2001. Some of the opt-ins asserted "off the clock" claims; some asserted they were required to perform non-serving duties at tipped wages; and some opt-ins asserted both types of claims. Because of the provisional status of the plaintiff collective action, the Court could subsequently amend its decision. If amended, the scope of the collective action could either be reduced or increased or, if appropriate, the Court could dismiss the collective aspects of the case entirely.

Cracker Barrel Old Country Store, Inc. believes it has substantial defenses to the claims made, and it is defending each of these cases vigorously. During fiscal year 2001, the parties engaged in mediation with respect to both cases, but focused on the FLSA claims that are the subject of the McDermott case. The mediation process is confidential by court order and the parties cannot comment on the process or the status of their discussions. Because only limited discovery has occurred to date, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to these cases can be determined at this time. Nevertheless, the Company has established a reserve of $3.5 million with respect to the McDermott case. Cracker Barrel Old Country Store, Inc. offered this amount to resolve the case and avoid the ongoing expenses and distractions associated with defending the litigation. With the exception of that reserve, no provision for any potential liability has been made in the consolidated financial statements of the Company with respect to these lawsuits. In the event of an unfavorable result in either of these cases, the Company's results of operation and financial condition could be materially and adversely affected.

In addition to the litigation described in the preceding paragraphs, the Company is a party to other legal proceedings incidental to its business. In the opinion of management, based upon information currently available, the ultimate liability with respect to these other actions will not materially affect the Company's consolidated financial statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

Pursuant to Instruction 3 to Item 401(b) of Regulation S-K and General Instruction G(3) to Form 10-K, the following information is included in Part I of this Form 10-K.

Executive Officers of the Registrant

The following table sets forth certain information concerning the executive officers of the Company, as of September 20, 2001:

Name	Age	Position with Registrant
Dan W. Evins	66	Chairman of the Board
Michael A. Woodhouse	56	President & Chief Executive Officer of the Company and CEO of Cracker Barrel Old Country Store, Inc.
Lawrence E. White	51	Senior Vice President, Finance & Chief Financial Officer
James F. Blackstock	54	Senior Vice President, General Counsel and Secretary
Donald M. Turner	53	President and Chief Operating Officer of Cracker Barrel Old Country Store, Inc.
Peter W. Kehayes	44	President and Chief Operating Officer of Logan's Roadhouse, Inc.

The following background material is provided for those executive officers who have been employed by the Registrant for less than five years:

Prior to his employment with the Company in January 1999, Mr. Evins was Chairman of the Board and Chief Executive Officer of Cracker Barrel Old Country Store, Inc. since its founding in 1969. He continued to serve as CEO of Cracker Barrel Old Country Store, Inc. until August 2001.

Prior to his employment with the Company in January 1999, Mr. Woodhouse was Senior Vice President of Finance and Chief Financial Officer of Cracker Barrel Old Country Store, Inc. since December 1995. He now also serves as CEO of Cracker Barrel Old Country Store, Inc.

Prior to his employment with the Company in September 1999, Mr. White was Executive Vice President and Chief Financial Officer of Boston Chicken, Inc. from 1998 to 1999. Mr. White was Executive Vice President and Chief Financial Officer of El Chico Restaurants, Inc. from 1992 to 1998 and also served as its Chief Operating Officer during a period in 1994 and 1995.

Mr. Blackstock served the Company as Vice President, General Counsel and Secretary from January 1999 to February 2000 when he was promoted to Senior Vice President. Prior to his employment with the Company in January 1999, Mr. Blackstock was Vice President, General Counsel and Secretary of Cracker Barrel Old Country Store, Inc. since June 1997. From 1993 to 1997 Mr. Blackstock served as Vice President, General Counsel and Secretary of TravelCenters of America, Inc.

Mr. Turner returned to Cracker Barrel Old Country Store, Inc. in December 1999, serving as Executive Vice President and Chief Operations Officer until his promotion to President and Chief Operating Officer in August 2001. Prior to his return to Cracker Barrel Old Country Store, Inc. in November 1999, Mr. Turner was retired. Mr. Turner retired from Cracker Barrel Old Country Store, Inc. as Senior Vice President and Chief Operations Officer in 1993, prior to which he served in various capacities since 1976.

Mr. Kehayes joined Logan's in August 1997, where he served as Senior Vice President of Operations from October 1997 until his promotion to President and Chief Operating Officer in April 2000. Prior to his employment with Logan's, Mr. Kehayes served as Senior Vice President of Operations of Cucina!Cucina! Inc. from June 1994 to August 1997 and Director of Regional Operations for Cooker Restaurant Corporation from June 1986 to June 1994.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is traded on The Nasdaq Stock Market (National Market System) ("Nasdaq") under the symbol CBRL. There were 16,283 shareholders of record as of September 20, 2001.

The table "Market Price and Dividend Information" on page 21 of the 2001 Annual Report is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The table "Selected Financial Data" on page 21 of the 2001 Annual Report is incorporated herein by this reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following portions of the 2001 Annual Report are incorporated herein by this reference:

Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 22 through 25.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The following portion of the 2001 Annual Report is incorporated herein by this reference:

Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 24 and 25.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following portions of the 2001 Annual Report are incorporated herein by this reference:

Consolidated Financial Statements and Independent Auditors' Report on pages 26 through 36.

Quarterly Financial Data (Unaudited) on page 35.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item with respect to directors of the Company is incorporated herein by this reference to the section entitled "Proposal 1: Election of Directors" in the 2001 Proxy Statement. The information required by this item with respect to executive officers of the Company is set forth in Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by this reference to the sections entitled "Board of Directors and Committees" and "Executive Compensation" in the 2001 Proxy Statement. The matters labeled "Report of the Compensation and Stock Option Committee" and "Shareholder Return Performance Graph" shall not be deemed to be incorporated by reference into this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is incorporated herein by this reference to the section entitled "Stock Ownership of Management and Certain Beneficial Owners" in the 2001 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is incorporated herein by this reference to the section entitled "Certain Transactions" in the 2001 Proxy Statement.

PART IV

ITEM 14. EXHIBITS AND REPORTS ON FORM 8-K

A. List of documents filed as part of this report:

1. The following Financial Statements and the Report of Deloitte & Touche LLP on pages 26 through 36 of the 2001 Annual Report are incorporated herein by this reference:

   Independent Auditors' Report dated September 13, 2001

   Consolidated Balance Sheet as of August 3, 2001 and July 28, 2000

   Consolidated Statement of Income for each of the three fiscal years ended August 3, 2001, July 28, 2000 and July 30, 1999

   Consolidated Statement of Changes in Shareholders' Equity for each of the three fiscal years ended August 3, 2001, July 28, 2000, and July 30, 1999

   Consolidated Statement of Cash Flows for each of the three fiscal years ended August 3, 2001, July 28, 2000 and July 30, 1999

   Notes to Consolidated Financial Statements

2. The exhibits listed in the accompanying Index to Exhibits on pages 18 and 19 are filed as part of this annual report.

B. Reports on Form 8-K:

   There were no reports filed on Form 8-K during the fourth quarter of the fiscal year ended August 3, 2001.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Cracker Barrel Old Country Store, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CBRL GROUP, INC.

By: /s/Michael A. Woodhouse	By: /s/Patrick A. Scruggs
Michael A. Woodhouse President and CEO (Principal Executive Officer)	Patrick A. Scruggs Assistant Treasurer (Principal Accounting Officer)

By: /s/Lawrence E. White

Lawrence E. White
Senior Vice President, Finance and CFO
(Principal Financial Officer)

Date: October 12, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

/s/James C. Bradshaw	
James C. Bradshaw, M.D., Director	Charles T. Lowe, Jr., Director
Date: October 12, 2001	Date:
/s/Robert V. Dale	/s/B.F. Lowery
Robert V. Dale, Director	B. F. Lowery, Director
Date: October 12, 2001	Date:October 12, 2001
/s/Dan W. Evins	/s/Gordon L. Miller
Dan W. Evins, Director	Gordon L. Miller, Director
Date: October 12, 2001	Date: October 12, 2001
/s/Edgar W. Evins	
Edgar W. Evins, Director	Martha M. Mitchell, Director
Date: October 12, 2001	Date:
/s/Robert C. Hilton	/s/Jimmie D. White
Robert C. Hilton, Director	Jimmie D. White, Director
Date: October 12, 2001	Date: October 12, 2001
/s/Charles E. Jones, Jr.	/s/Michael A. Woodhouse
Charles E. Jones, Jr., Director	Michael A. Woodhouse, Director
Date: October 12, 2001	Date: October 12, 2001

INDEX TO EXHIBITS

Exhibit	
3(I), 4(a)	Charter (1)
3(II), 4(b)	Bylaws (1)
4(c)	Shareholder Rights Agreement dated 9/7/1999 (2)
10(a)	Credit Agreement dated 2/16/1999, relating to the $50,000,000 Term Loan and the $300,000,000 Revolving Credit Facility (3)
10(b)	First Amendment to Credit Agreement dated 7/29/1999 (3)
10(c)	Second Amendment to Credit Agreement dated 9/29/1999 (3)
10(d)	Third Amendment to Credit Agreement dated 2/29/2000 (4)
10(e)	Fourth Amendment to Credit Agreement dated 9/12/2001
10(f)	Lease dated 8/27/1981 for lease of Macon, Georgia, store between Cracker Barrel Old Country Store, Inc. and B. F. Lowery, a director of the Company (5)
10(g)	The Company's 1987 Stock Option Plan, as amended (6)
10(h)	The Company's Amended and Restated Stock Option Plan, as amended (3)
10(i)	The Company's Non-Employee Director's Stock Option Plan, as amended (7)
10(j)	The Company's Non-Qualified Savings Plan, effective 1/1/1996, as amended (6)
10(k)	The Company's Deferred Compensation Plan, effective 1/1/1994 (5)
10(l)	The Company's Executive Employment Agreement for Dan W. Evins (8)
10(m)	Change-in-control Agreement for Dan W. Evins dated 10/8/1999 (3)
10(n)	Change-in-control Agreement for Michael A. Woodhouse dated 10/8/1999 (3)
10(o)	Change-in-control Agreement for Lawrence E. White dated 10/8/1999 (3)
10(p)	Change-in-control Agreement for James F. Blackstock dated 10/8/1999 (3)
10(q)	Change-in-control Agreement for Donald M. Turner dated 12/6/1999
10(r)	Master Lease dated July 31, 2000 between Country Stores Property I, LLC ("Lessor") and Cracker Barrel Old Country Store, Inc. ("Lessee") for lease of 21 Cracker Barrel Old Country Store(R)sites (4)
10(s)	Master Lease dated July 31, 2000 between Country Stores Property I, LLC ("Lessor") and Cracker Barrel Old Country Store, Inc. ("Lessee") for lease of 9 Cracker Barrel Old Country Store(R)sites*
10(t)	Master Lease dated July 31, 2000 between Country Stores Property II, LLC ("Lessor") and Cracker Barrel Old Country Store, Inc. ("Lessee") for lease of 23 Cracker Barrel Old Country Store(R)sites*
10(u)	Master Lease dated July 31, 2000 between Country Stores Property III, LLC ("Lessor") and Cracker Barrel Old Country

Store, Inc. ("Lessee") for lease of 12 Cracker Barrel Old
Country Store(R)sites*

13	Pertinent portions, incorporated by reference herein, of the Company's 2001 Annual Report to Shareholders
21	Subsidiaries of the Registrant
23	Consent of Deloitte & Touche LLP

*Document not filed because essentially identical in terms and conditions to Exhibit 10(r).

(1) Incorporated by reference to the Company's Registration Statement on Form S-4/A under the Securities Act of 1933 (File No. 333-62469).

(2) Incorporated by reference to the Company's Forms 8-K and 8-A under the Securities Exchange Act of 1934, filed September 21, 1999 (File No. 000-25225).

(3) Incorporated by reference to the Company's Annual Report on Form 10-K under the Securities Exchange Act of 1934 for the fiscal year ended July 30, 1999 (File No. 000-25225).

(4) Incorporated by reference to the Company's Annual Report on Form 10-K under the Securities Exchange Act of 1934 for the fiscal year ended July 28, 2000 (File No. 000-25225).

(5) Incorporated by reference to the Company's Registration Statement on Form S-7 under the Securities Act of 1933 (File No. 2-74266).

(6) Incorporated by reference to the Company's Registration Statement on Form S-8 under the Securities Act of 1933 (File No. 33-45482).

(7) Incorporated by reference to the Company's Annual Report on Form 10-K under the Securities Exchange Act of 1934 for the fiscal year ended August 2, 1991 (File No. 0-7536).

(8) Incorporated by reference to the Company's Annual Report on Form 10-K under the Securities Exchange Act of 1934 for the fiscal year ended July 28, 1989 (File No. 0-7536).

FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (the "Amendment") is dated this the 12th day of September, 2001 (effective August 3, 2001) by and between CBRL GROUP, INC., a Tennessee corporation ("Borrower") and SUNTRUST BANK, a Georgia state banking corporation as agent (the "Administrative Agent") for the Lenders, as described and defined below.

RECITALS:

A. Borrower, Administrative Agent and the Lenders are parties to a Credit Agreement dated as of February 16, 1999, as amended by a First Amendment to Credit Agreement dated July 29, 1999, as amended by a Second Amendment to Credit Agreement dated September 30, 1999 and as amended by a Third Amendment to Credit Agreement effective January 28, 2000 (as amended or restated from time to time, the "Credit Agreement").

B. SunTrust Bank, Fifth-Third Bank, Hibernia National Bank, First Union National Bank, AmSouth Bank, Firstar Bank, N.A. (as successor to Mercantile Bank National Association), Fleet National Bank (as assignee of Bank One, NA), Wachovia Bank, N.A. and Union Planters National Bank, presently constitute all the Lenders under the Credit Agreement.

C. The Borrower and the requisite percentage of Required Lenders desire to amend the Credit Agreement as hereinafter provided in order to: (i) reduce total Revolving Credit Commitments from $270,000,000 to $250,000,000; and (ii) to terminate and permanently prepay the Term Loan Notes.

D. Terms not defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

E. Attached hereto as collective Exhibit A are the requisite consents of the Required Lenders, consenting to this Amendment and to the Administrative Agent's execution and delivery of this Amendment on behalf of Lenders.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. The Administrative Agent, on behalf of the Lenders, acknowledges payment and termination of the Term Loan Notes and the Term Loan Commitments.

Section 2. Pursuant to Section 7.3(d) of the Credit Agreement, the Revolving Credit Commitments have previously been permanently reduced from $340,000,000 to $270,000,000. The Credit Agreement is amended as follows:

(a) The Revolving Credit Commitments are decreased as of the date of this Amendment from $270,000,000 to $250,000,000. The amount of the Revolving Credit Commitments and the Applicable Commitment Percentages are amended as follows:

SunTrust Bank	
Revolving Credit Commitment	$66,025,000
Applicable Commitment Percentag	26.41%
Wachovia Bank, N.A.	
Revolving Credit Commitment	$51,475,000
Applicable Commitment Percentage	20.59%
Fleet National Bank	
(assignee of Bank One, NA)	
Revolving Credit Commitment	$25,900,000
Applicable Commitment Percentage	10.36%
First Union National Bank	
Revolving Credit Commitment	$36,775,000
Applicable Commitment Percentage	14.71%
Union Planters Bank, National Association	
Revolving Credit Commitment	$19,425,000
Applicable Commitment Percentage	7.77%

Firstar Bank, N.A.
(as successor to Mercantile Bank, National Association)

Revolving Credit Commitment	$ 9,450,000
Applicable Commitment Percentage	3.78%

AmSouth Bank

Revolving Credit Commitment	$22,050,000
Applicable Commitment Percentage	8.82%

Hibernia National Bank

Revolving Credit Commitment	$ 9,450,000
Applicable Commitment Percentage	3.78%

Fifth-Third Bank

Revolving Credit Commitment	$ 9,450,000
Applicable Commitment Percentage	3.78%

(b) Borrower shall execute an Amended and Restated Revolving Credit Note to each of the Lenders listed in subsection (a) of this Section, in the forms as set forth in collective Exhibit B.

Section 3. In the calculation and determination of the Interest Coverage Ratio as set forth in Section 7.1(iii) of the Credit Agreement, the $10,428,000 write-down relating to exiting its Carmine Giardini's business will not be included.

Section 4. In consideration for the consents by the Required Lenders to this Amendment, the Borrower shall pay, concurrently with Administrative Agent's execution hereof, an amendment fee equal to five one hundreths of one percent of the Total Commitments (as amended by this Amendment), payable to the Lenders which consent to this Amendment prior to its execution. Such fee shall be paid to the Administrative Agent for payment to such consenting Lenders on a pro rata basis.

Section 5. All other documents executed and delivered in connection with the Credit Agreement are hereby amended to the extent necessary to conform to this Amendment. Except as specifically amended herein, the Credit Agreement shall remain unamended and in full force and effect.

Section 6. Borrower represents and warrants that the execution and terms of this Amendment have been duly authorized by all necessary corporate action.

Section 7. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.

Section 8. This Amendment may be executed in one or more counterparts, all of which shall, taken together, constitute one original. The parties agree that facsimile signatures shall be deemed to be and treated as original signatures of such parties.

IN WITNESS WHEREOF, the parties hereto have duly executed this Fourth Amendment to Credit Agreement as of the day and date first set forth above.

CBRL GROUP, INC.

By:/s/Lawrence E. White

Title: Senior Vice President and CFO

SUNTRUST BANK, as
Administrative Agent for the Lenders

By:/s/Ned Spitzer

Title: Assistant Vice President

December 6, 1999

Donald M. Turner
P.O. Box 292
Lebanon, TN 37088-0292

Re: Employee Retention Agreement

Dear Don:

The Board of Directors of the CBRL Group, Inc. recognizes the contribution that you have made to CBRL Group, Inc. or one of its direct or indirect subsidiaries (collectively, the "Company") and wishes to ensure your continuing commitment to the Company and its business operations. Accordingly, in exchange for your continuing commitment to the Company, and your energetic focus on continually improving operations, the Company promises you the following benefits if your employment with the Company is terminated in certain circumstances:

1. DEFINITIONS. As used in this Agreement, the following terms have the following meanings which are equally applicable to both the singular and plural forms of the terms defined:

1.1 "Cause" means any one of the following:

(a) personal dishonesty;
(b) willful misconduct;
(c) breach of fiduciary duty; or
(d) conviction of any felony or crime involving moral turpitude.

1.2 "Change in Control" means: (a) that after the date of this Agreement, a person becomes the beneficial owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding voting securities, unless that acquisition was approved by a vote of at least 2/3 of the directors in office immediately prior to the acquisition; (b) that during any period of 2 consecutive years following the date of this Agreement, individuals who at the beginning of the period constitute members of the Board of Directors of the Company cease for any reason to constitute a majority of the Board unless the election, or the nomination for election by the Company's shareholders, of each new director was approved by a vote of at least 2/3 of the directors then still in office who were directors at the beginning of the 2-year period; (c) a merger, consolidation or reorganization of the Company (but this provision does not apply to a recapitalization or similar financial restructuring which does not involve a material change in ownership of equity of the Company and which does not result in a change in membership of the Board of Directors); or (d) a sale of all or substantially all of the Company's assets.

1.3 "Change in Control Period" means a 2-year year period beginning the day after a Change in Control occurs.

1.4 "Change in Duties or Compensation" means any one of: (a) a material change in your duties and responsibilities for the Company (without your consent) from those duties and responsibilities for the Company in effect at the time a Change in Control occurs, which change results in the assignment of duties and responsibilities inferior to your duties and responsibilities at the time such Change in Control occurs (it being understood and acknowledged by you that a Change in Control that results in two persons of which you are one having similar or sharing duties and responsibilities shall not be a material change in your duties and responsibilities); (b) a reduction in your salary or a material change in benefits (excluding discretionary bonuses), from the salary and benefits in effect at the time a Change in Control occurs; or (c) a change in the location of your work assignment from your location at the time a Change in Control occurs to any other city or geographical location that is located further than 50 miles from that location.

2. TERMINATION OF EMPLOYMENT; SEVERANCE. Your immediate supervisor or the Company's Board of Directors may terminate your employment, with or without cause, at any time by giving you written notice of your termination, such termination of employment to be effective on the date specified in the notice. You also may terminate your employment with the Company at any time. The effective date of termination (the "Effective Date") shall be the last day of your employment with the Company, as specified in a notice by you, or if you are terminated by the Company, the date that is specified by the Company in its notice to you. The following subsections set forth your rights to severance in

the event of the termination of your employment in certain circumstances by either the Company or you. Section 5 also sets forth certain restrictions on your activities if your employment with the Company is terminated, whether by the Company or you. That section shall survive any termination of this Agreement or your employment with the Company.

2.1 Termination by the Company for Cause. If you are terminated for Cause, the Company shall have no further obligation to you, and your participation in all of the Company's benefit plans and programs shall cease as of the Effective Date. In the event of a termination for Cause, you shall not be entitled to receive severance benefits described in Section 3.

2.2 Termination by the Company Without Cause Other Than During a Change in Control Period. If your employment with the Company is terminated by the Company without Cause at a time other than during a Change in Control Period, you shall be entitled to only those severance benefits provided by the Company's severance policy or policies then in effect. You shall not be entitled to receive benefits pursuant to Section 3 of this Agreement.

2.3 Termination by the Company Without Cause During a Change in Control Period. If your employment with the Company is terminated by the Company without Cause during a Change in Control Period, you shall be entitled to receive Benefits pursuant to Section 3. A termination within 90 days prior to a Change in Control which occurs solely in order to make you ineligible for the benefits of this Agreement shall be considered a termination without Cause during a Change in Control Period.

2.4 Termination By You For Change in Duties or Compensation During a Change in Control Period. If during a Change in Control Period there occurs a Change in Duties or Compensation you may terminate your employment with the Company at any time within 30 days after the occurrence of the Change in Duties or Compensation, by giving to the Company not less than 120 nor more than 180 days notice of termination. During the notice period that you continue to work, any reduction in your Compensation will be restored. At the option of the Company, following receipt of this notice, it may: (a) change or cure, within 15 days, the condition that you claim has caused the Change in Duties or Compensation, in which case, your rights to terminate your employment with the Company pursuant to this Section 2.4 shall cease (unless there occurs thereafter another Change in Duties or Compensation) and you shall continue in the employment of the Company notwithstanding the notice that you have given; (b) allow you to continue your employment through the date that you have specified in your notice; or (c) immediately terminate your employment pursuant to Section 2.3. If you terminate your employment with the Company pursuant to this Section 2.4, you shall be entitled to receive Benefits pursuant to Section 3. Your failure to provide the notice required by this Section 2.4 shall result in you having no right to receive any further compensation from the Company except for any base salary or vacation earned but not paid, plus any bonus earned and accrued by the Company through the Effective Date.

3. SEVERANCE BENEFITS. If your employment with the Company is terminated as described in Section 2.3 or 2.4, you shall be entitled to the benefits specified in subsections 3.1, 3.2, and 3.3 (the "Benefits") for the period of time set forth in the applicable section.

3.1 Salary Payment or Continuance. You will be paid a single lump sum payment in an amount equal to 2.99 times the average of your annual base salary and any bonus payments for the 3 years immediately preceding the Effective Date. The determination of the amount of this payment shall be made by the Company's actuaries and benefit consultants and, absent manifest error, shall be final, binding and conclusive upon you and the Company.

3.2 Continuation of Benefits. During the 2 years following the Effective Date (the "Severance Period") that results in benefits under this Article 3, you shall continue to receive the medical, prescription, dental, employee life and group life insurance benefits at the levels to which you were entitled on the day preceding the Effective Date, or reasonably equivalent benefits, to the extent continuation is not prohibited or limited by applicable law. In no event shall substitute plans, practices, policies and programs provide you with benefits which are less favorable, in the aggregate, than the most favorable of those plans, practices, policies and programs in effect for you at any time during the 120-day period immediately preceding the Effective Date. However, if you become reemployed with another employer and are eligible to receive medical or other welfare benefits under another employer-provided plan, Company payments for these medical and other welfare benefits shall cease.

4. EFFECT OF TERMINATION ON STOCK OPTIONS AND RESTRICTED STOCK. In the event of any termination of your employment, all stock options and restricted stock held by you that are vested prior to the Effective Date shall be owned or exercisable in accordance with their terms; all stock options held by you that are not vested prior to the Effective Date shall lapse and be void; however, if your employment with the Company is terminated as described in Sections 2.3 or 2.4, then, if your option or restricted stock grants provide for immediate vesting in the event of a Change in Control, the terms of your option or restricted stock agreement shall control. If your option or restricted stock agreement does not provide for immediate vesting, you shall receive, within 30 days after the Effective Date, a lump sum cash distribution equal to: (a) the number of shares of the Company's ordinary shares that are subject to options or restricted stock grants held by you that are not vested as of the Effective Date multiplied by (b) the difference between: (i) the closing price of a share of the Company's ordinary shares on the NASDAQ National Market System as reported by The Wall Street Journal as of the day prior to the Effective Date (or, if the market is closed on that date, on the last preceding date on which the market was open for trading), and (ii) the applicable exercise prices or stock grant values of those non-vested shares.

5. DISCLOSURE OF INFORMATION. You recognize and acknowledge that, as a result of your employment by the Company, you have or will become familiar with and acquire knowledge of confidential information and certain trade secrets that are valuable, special, and unique assets of the Company. You agree that all that confidential information and trade secrets are the property of the Company. Therefore, you agree that, for and during your employment with the Company and continuing following the termination of your employment for any reason, all confidential information and trade secrets shall be considered to be proprietary to the Company and kept as the private records of the Company and will not be divulged to any firm, individual, or institution, or used to the detriment of the Company. The parties agree that nothing in this Section 6 shall be construed as prohibiting the Company from pursuing any remedies available to it for any breach or threatened breach of this Section 6, including, without limitation, the recovery of damages from you or any person or entity acting in concert with you.

6. GENERAL PROVISIONS.

6.1 Other Plans. Nothing in this Agreement shall affect your rights during your employment to receive increases in compensation, responsibilities or duties or to participate in and receive benefits from any pension plan, benefit plan or profit sharing plans except plans which specifically address benefits of the type addressed in Sections 3 and 4 of this Agreement.

6.2 Death During Severance Period. If you die during the Severance Period, any Benefits remaining to be paid to you shall be paid to the beneficiary designated by you to receive those Benefits (or in the absence of designation, to your surviving spouse or next of kin).

6.3 Notices. Any notices to be given under this Agreement may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing on the first page of this Agreement (to the attention of the Secretary in the case of notices to the Company), but each party may change the delivery address by written notice in accordance with this Section 7.3. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of the second day following deposit in the United States Mail.

6.4 Entire Agreement. This Agreement supersedes all previous oral or written agreements, understandings or arrangements between the Company and you regarding a termination of your employment with the Company or a change in your status, scope or authority and the salary, benefits or other compensation that you receive from the Company as a result of the termination of your employment with the Company (the "Subject Matter"), all of which are wholly terminated and canceled. This Agreement contains all of the covenants and agreements between the parties with respect to the Subject Matter. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with respect to the Subject Matter by any party, or anyone acting on behalf of any party, which are not embodied in this Agreement. Any subsequent agreement relating to the Subject Matter or any modification of this Agreement will be effective only if it is in writing signed by the party against whom enforcement of the modification is sought.

6.5 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, and it shall be enforced or challenged only in the courts of the State of Tennessee.

6.7 Waiver of Jury Trial. The Company and you expressly waive any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement, and agree that any such action or proceeding shall be tried before a court and not a jury. You irrevocably waive, to the fullest extent permitted by law, any objection that you may have now or hereafter to the specified venue of any such action or proceeding and any claim that any such action or proceeding has been brought in an inconvenient forum.

6.8 Miscellaneous. Failure or delay of either party to insist upon compliance with any provision of this Agreement will not operate as and is not to be construed to be a waiver or amendment of the provision or the right of the aggrieved party to insist upon compliance with the provision or to take remedial steps to recover damages or other relief for noncompliance. Any express waiver of any provision of this Agreement will not operate, and is not to be construed, as a waiver of any subsequent breach, irrespective of whether occurring under similar or dissimilar circumstances. You may not assign any of your rights under this Agreement. The rights and obligations of the Company under this Agreement shall benefit and bind the successors and assigns of the Company. The Company agrees that if it assigns this Agreement to any successor company, it will ensure that its terms are continued.

6.9 Certain Additional Payments by the Company.

a. The Company will pay you an amount (the "Additional Amount") equal to the excise tax under the United States Internal Revenue Code of 1986, as amended (the "Code"), if any, incurred by you by reason of the payments under this Agreement and any other plan, agreement or understanding between you and the Company or its parent, subsidiaries or affiliates (collectively, "Separation Payments") constituting excess parachute payments under Section 280G of the Code (or any successor provision). In addition, the Company will pay an amount equal to all excise taxes and federal, state and local income taxes incurred by you with respect to receipt of the Additional Amount. All determinations required to be made under this Section 6.9 including whether an Additional Amount is required and the amount of any Additional Amount, will be made by the independent auditors engaged by the Company immediately prior to the Change in Control (the "Accounting Firm"), which will provide detailed supporting calculations to the Company and you. In computing taxes, the Accounting Firm will use the highest marginal federal, state and local income tax rates applicable to you and will assume the full deductibility of state and local income taxes for purposes of computing federal income tax liability, unless you demonstrate that you will not in fact be entitled to such a deduction for the year of payment.

b. The Additional Amount, computed assuming that all of the Separation Payments constitute excess parachute payments as defined in Section 280G of the Code (or any successor provision), will be paid to you at the time that the payments made pursuant to Section 3.1 is made unless the Company, prior to the Severance Period, provides you with an opinion of the Accounting Firm that you will not incur an excise tax on part or all of the Separation Payments. That opinion will be based upon the applicable regulations under Sections 280G and 4999 of the Code (or any successor provisions) or substantial authority within the meaning of Section 6662 of the Code. If that opinion applies only to part of the Separation Payments, the Company will pay you the Additional Amount with respect to the part of the Separation Payments not covered by the opinion.

c. The amount of the Additional Amount and the assumptions to be utilized in arriving at the determination, shall be made by the Company's Accounting Firm, whose decision shall be final and binding upon both you and the Company. You must notify the Company in writing no later than 30 days after you are informed of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Additional Amount. You must also cooperate fully with the Company and give the Company any information reasonably requested relating to the claim, and take all action in connection with contesting the claim as the Company reasonably requests in writing from time to time.

If all of the terms and conditions in this Agreement are agreed to by you, please signify your agreement by executing the enclosed duplicate of this letter and returning it to us. At the date of your return, this letter shall constitute a fully enforceable Agreement between us.

CBRL GROUP, INC.

By: /s/Dan W. Evins
Dan W. Evins
Chairman and Chief Executive Officer

The foregoing is fully agreed to and accepted by:

Company Employee's Signature: /s/Donald M. Turner

Please Print or Type Name: Donald M. Turner

Please Print or Type Title: Executive Vice President and Chief Operations Officer

SELECTED FINANCIAL DATA

(In thousands except per share data)
For each of the fiscal years ended

	August 3, 2001(b)(c)(d)	July 28, 2000(e)	July 30, 1999(f)	July 31, 1998(g)	August 1, 1997
OPERATING RESULTS					
Total revenue	$1,963,692	$1,772,712	$1,531,625	$1,317,104	$1,123,851
Cost of goods sold	664,332	614,472	538,051	450,120	387,703
Gross profit	1,299,360	1,158,240	993,574	866,984	736,148
Labor & other related expenses	732,419	645,976	538,348	441,121	378,117
Other store operating expenses	353,334	294,012	248,208	197,098	162,675
Store operating income	213,607	218,252	207,018	228,765	195,356
General and administrative	102,541	95,289	82,006	63,648	57,798
Amortization of goodwill	14,370	3,994	2,169	208	--
Operating income	96,696	118,969	122,843	164,909	137,558
Interest expense	12,316	24,616	11,324	3,026	2,089
Interest income	84	352	1,319	2,847	1,988
Income before income taxes	84,464	94,705	112,838	164,730	137,457
Provision for income taxes	35,283	35,707	42,653	60,594	50,859
Net income	$ 49,181	$ 58,998	$ 70,185	$ 104,136	$ 86,598
SHARE DATA Net earnings per share:					
Basic	$.88	$1.02	$1.16	$1.68	$1.42
Diluted	.87	1.02	1.16	1.65	1.41
Dividends per share(a)	$.02	$ .01	$ .02	$ .02	$ .02
Weighted average shares outstanding:					
Basic	56,129	57,960	60,329	61,832	60,824
Diluted	56,799	58,041	60,610	63,028	61,456
FINANCIAL POSITION					
Working capital	$ (42,059)	$ (29,543)	$ (5,803)	$ 60,804	$ 60,654
Total assets	1,212,872	1,335,023	1,277,781	992,108	828,705
Property and equipment-net	955,028	1,075,134	1,020,055	812,321	678,167
Long-term debt	125,000	292,000	312,000	59,500	62,000
Other long-term obligations	8,829	1,762	902	1,502	1,302
Shareholders' equity	846,108	828,970	791,007	803,374	660,432

(a)On November 24, 1999, the Company's Board of Directors adopted a policy to consider and pay dividends, if declared, on an annual basis each January in the future. This new policy is intended to reduce administrative and mailing costs related to dividends.

(b)The Company recorded charges of $33,063 before taxes during the quarter ended August 3, 2001, principally as a result of exiting its Carmine Giardini's Gourmet Market(TM) business and the closing of four Cracker Barrel Old Country Store(R) units and three Logan's Roadhouse(R) units, as well as an accrual for a settlement proposal for a certain collective action under the Fair Labor Standards Act. Before the effect of these charges, net income would have been $73,654 and diluted net earnings per share would have been $1.30. (See Notes 2 and 10 to the Company's Consolidated Financial Statements.)

(c)The Company's fiscal year ended August 3, 2001 consisted of 53 weeks. As a result, comparisons to fiscal 2000 also reflect the impact of having one additional week in fiscal 2001 than in fiscal 2000. The estimated impact of the additional week was to increase consolidated fiscal 2001 results as follows: total revenue, $40,485; store operating income, $9,006; operating income, $8,056; net income, $4,954; and diluted earnings per share, $0.09.

(d)The Company completed a sale-leaseback transaction in the first quarter of fiscal 2001, under which $138,300 of long-term debt was paid down, operating income was reduced by $12,256 and interest expense was reduced by approximately $10,100. (See Note 12 to the Company's Consolidated Financial Statements.)

(e)The Company recorded charges of $8,592 before taxes during the quarter ended January 28, 2000, principally as a result of management changes and the

resulting refocused operating priorities. Before the effect of these charges, net income would have been $64,350 and diluted net earnings per share would have been $1.11. (See Note 2 to the Company's Consolidated Financial Statements.)

(f)The Company acquired Logan's Roadhouse, Inc. on February 16, 1999. (See Note 7 to the Company's Consolidated Financial Statements.)

(g)The Company acquired Carmine's Prime Meats, Inc. on April 1, 1998.

MARKET PRICE AND DIVIDEND INFORMATION

The following table indicates the high and low sales prices of the Company's common stock, as reported by The Nasdaq Stock Market (National Market), and dividends paid.

Quarter	Fiscal Year 2001			Fiscal Year 2000		
	Prices		Dividends	Prices		Dividends
	High	Low	Paid*	High	Low	Paid
First	$15.94	$11.75	--	$15.50	$12.81	$.005
Second	24.25	15.69	$.02	14.19	8.13	.005
Third	21.81	17.63	--	14.00	8.38	--
Fourth	21.94	16.26	--	15.31	11.88	--

*On November 24, 1999, the Company's Board of Directors adopted a policy to consider and pay dividends, if declared, on an annual basis each January in the future. This new policy is intended to reduce administrative and mailing costs related to dividends.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

All dollar amounts reported or discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations are shown in thousands.

The following table highlights operating results over the past three fiscal years (immediately following the table are details of the impact of certain charges taken in fiscal 2000 and fiscal 2001 on the values shown in the table):

	Relationship to Total Revenue			Period to Period Increase(Decrease)	
	2001	2000	1999	2001 vs 2000	2000 vs 1999
Net Sales:					
Restaurant	78.6%	77.8%	76.0%	12%	19%
Retail	21.4	22.2	24.0	7	7
Total net sales	100.0	100.0	100.0	11	16
Franchise fees and royalties	--	--	--	16	134
Total revenue	100.0%	100.0%	100.0%	11	16
Cost of goods sold	33.8	34.7	35.1	8	14
Gross profit	66.2	65.3	64.9	12	17
Labor & other related expenses	37.3	36.4	35.2	13	20
Other store operating expenses	18.0	16.6	16.2	20	18
Store operating income	10.9	12.3	13.5	(2)	5
General & administrative	5.2	5.4	5.4	8	16
Amortization of goodwill	0.8	0.2	0.1	260	84
Operating income	4.9	6.7	8.0	(19)	(3)
Interest expense	0.6	1.4	0.7	(50)	117
Interest income	--	--	0.1	(76)	(73)
Income before income taxes	4.3	5.3	7.4	(11)	(16)
Provision for income taxes	1.8	2.0	2.8	(1)	(16)
Net income	2.5	3.3	4.6	(17)	(16)

The Company recorded charges of $33,063 before taxes during the quarter ended August 3, 2001, principally as a result of exiting the Carmine Giardini's Gourmet Market(TM) ("Carmine's") business and the closing of four Cracker Barrel Old Country Store(R) ("Cracker Barrel") units and three Logan's Roadhouse(R) ("Logan's") units, as well as an accrual for a settlement proposal for a certain collective action under the Fair Labor Standards Act. These charges consisted primarily of $10,428 for the write-off of goodwill related to the acquisition of Carmine's and $14,003 for the write-down of fixed assets of all three Carmine's units, four Cracker Barrel units and three Logan's units in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121 (see Note 2 to the Company's Consolidated Financial Statements). These charges also consisted of $1,234 for severance and related expenses for approximately 1,000 employees, consisting primarily of store personnel, and $3,898 for other charges primarily consisting of lease termination costs, inventory write-downs related to the closed units and other unit closing costs. Additionally, the Company accrued $3,500 for a settlement proposal for a certain collective action under the Fair Labor Standards Act (see Note 10 to the Company's Consolidated Financial Statements). These charges affect line items in the company's Consolidated Statement of Income in dollars and as a percent of total revenue for the fiscal year ended August 3, 2001, respectively, as follows: Cost of goods sold $669, 0.0%; Labor and other related expenses $924, 0.0%; Other store operating expenses $20,552, 1.1%; General and administrative $490, 0.0%; and Amortization of goodwill $10,428, 0.6%. As of August 3, 2001, approximately $285 of the severance costs and $620 of the other charges had been paid with no changes from the original estimate. The Company has paid substantially all of the remaining severance in the first quarter of fiscal 2002 with no changes from the original estimates. The Company has paid substantially all of the remaining other charges in the first quarter of fiscal 2002, except the $1,213 accrued for certain lease termination costs, with no changes from the original estimates. After taking into effect the property and equipment write-downs, the Company's carrying value

of the property and equipment associated with the charges is approximately $2,946 as of August 3, 2001. The expected cash benefit reflected in the charges net of estimated proceeds from disposition of assets and tax benefit of the charges is approximately $5,000.

The Company recorded charges of $8,592 before taxes during the quarter ended January 28, 2000, principally as a result of management changes and the resulting refocused operating priorities. These charges consisted of $3,887 for

the write-down of certain Cracker Barrel properties no longer expected to be used for future development and for Cracker Barrel's test, retail-only mall store in accordance with SFAS No. 121 (see Note 2 to the Company's Consolidated Financial Statements), $1,955 for severance and related expenses for a total of 20 corporate employees, including 18 at Cracker Barrel, and $2,750 for other charges primarily consisting of the future minimum lease payments on certain properties no longer expected to be used for future development, the write-down of certain abandoned property, inventory write-downs related to the closing of Cracker Barrel's test outlet store and other contractual obligations. These charges affect line items on the Company's Consolidated Statement of Income in dollars and as a percent of total revenue for the fiscal year ended July 28, 2000, respectively, as follows: Cost of goods sold $205, 0.0%; Other store operating expenses $5,609, 0.3%; and General and administrative $2,778, 0.2%. As of July 28, 2000, substantially all of the amounts previously recorded had been paid or settled with no changes from the original estimates.

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and notes thereto. Except for specific historical information, the matters discussed in this Annual Report to Shareholders, as well as the Company's Form 10-K filed with the Securities and Exchange Commission for the year ended August 3, 2001, contain forward-looking statements that involve risks, uncertainties and other factors which may cause actual results and performance of CBRL Group, Inc. to differ materially from those expressed or implied by these statements. All forward-looking information is provided by the Company 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 "assumptions", "target", "plans", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "potential", or "continue" (or the negative of each of these terms) or similar terminology. Factors which will affect actual results include, but are not limited to: adverse general economic conditions including high or escalating gasoline prices and declining consumer confidence; the actual results of pending or threatened litigation; the effects of negative publicity; commodity, group health and utility price increases; the effect of plans intended to improve operational execution and performance; the effects of increased competition at Company locations on sales and on labor recruiting, cost and retention; the ability of and cost to the Company to recruit, train and retain qualified restaurant hourly and management employees; the ability of the Company to identify successful new lines of retail merchandise; the availability and costs of acceptable sites for development; adverse weather conditions; the acceptance of the Company's concepts as the Company continues to expand into new markets and geographic regions; changes in interest rates affecting the Company's financing costs; changes in or implementation of additional governmental rules and regulations affecting wage and hour matters, health and safety, pensions and insurance; other undeterminable areas of government actions or regulations; and other factors described from time to time in the Company's filings with the Securities and Exchange Commission, press releases and other communications.

CBRL Group, Inc. acquired Logan's on February 16, 1999 in the third quarter of the Company's fiscal year ended July 30, 1999, and, therefore, results for the fiscal years ended August 3, 2001 and July 28, 2000 are not directly comparable to the fiscal year ended July 30, 1999.

The following table highlights comparable store sales* results over the past two fiscal years:

	Cracker Barrel Old Country Store Period to Period Increase(Decrease)		Logan's Roadhouse Period to Period Increase(Decrease)	
	2001 vs 2000 (376 Stores)	2000 vs 1999 (326 Stores)	2001 vs 2000 (40 Stores)	2000 vs 1999 (25 Stores)
Restaurant	5%	1%	(1)%	3%
Retail	1	(2)	--	--
Restaurant & retail	4	0	(1)	3

*Comparable store sales consist of sales of stores open six full quarters at the

beginning of the fiscal year.

Cracker Barrel comparable store restaurant sales increased 5% in fiscal 2001 versus the comparable 53-week period of a year earlier. Comparable store restaurant sales increased 1% for the comparable 52 weeks of fiscal 2000 versus fiscal 1999. The increase in comparable store sales growth from fiscal 2000 to fiscal 2001 was primarily due to the increases in average check of approximately 3% and guest traffic of approximately 2%.

Cracker Barrel comparable store retail sales increased 1% in fiscal 2001 versus the comparable 53-week period of a year earlier. Comparable store retail sales decreased 2% for the comparable 52 weeks of fiscal 2000 versus fiscal 1999. The comparable store retail sales increase from fiscal 2000 to fiscal 2001 was primarily due to the restaurant guest traffic increase.

In fiscal 2001 total net sales (restaurant and retail) in the 376 Cracker Barrel comparable stores averaged $4,028.0. Restaurant sales were 76.5% of total net sales in the comparable 376 stores in fiscal 2001 and 75.9% in fiscal 2000.

Logan's comparable store sales decreased 1% in fiscal 2001 versus the comparable 53-week period of a year earlier. Comparable store sales increased 3% for the comparable 52 weeks of fiscal 2000 versus fiscal 1999. The comparable store sales decrease from fiscal 2000 to fiscal 2001 was primarily due to an increase in average check of approximately 1% and a decrease in guest traffic of approximately 2%.

Total revenue, which increased 11% and 16% in fiscal 2001 and 2000, respectively, benefited from the opening of 15, 30 and 40 new Cracker Barrel stores in fiscal 2001, 2000 and 1999, respectively, the opening of 13 and 12 new company-operated Logan's restaurants in fiscal 2001 and 2000, respectively, and the acquisition of Logan's in February 1999. (See Note 7 to the Company's Consolidated Financial Statements.) Additionally, fiscal 2001 benefited from a 53rd week.

Cost of goods sold as a percentage of total revenue decreased in fiscal 2001 to 33.8% from 34.7% in 2000. This decrease was primarily due to higher menu pricing, improved food cost management in the Cracker Barrel stores, lower bacon and potato prices, an increased mix of restaurant sales, which have a lower cost of goods than retail sales, and higher initial mark-ons and lower markdowns of retail merchandise versus the prior year. Additionally, the Company had the non-recurrence of $205 in charges to cost of goods sold related to management's decision during the second quarter of fiscal 2000 to close Cracker Barrel's test outlet store. These decreases were partially offset by commodity cost pressure in beef, ribs and butter, higher retail shrinkage versus the prior year, and $669 in charges to cost of goods sold related to management's decision during the fourth quarter of fiscal 2001 to exit the Carmine's business and to close four Cracker Barrel units and three Logan's units. Food cost as a percentage of net restaurant sales in fiscal 2001 decreased from fiscal 2000 primarily for the reasons described above.

Cost of goods sold as a percentage of total revenue decreased in fiscal 2000 to 34.7% from 35.1% in 1999. This decrease was primarily due to a decrease in markdowns of retail merchandise versus the prior year, lower retail shrinkage versus the prior year, an increased mix of restaurant sales, which have a lower cost of goods than retail sales, the benefit to cost of goods sold from the inclusion of Logan's, which has a lower cost of goods as a percentage of total revenue than Cracker Barrel, improved food cost management in the Cracker Barrel stores and lower dairy prices. These decreases were partially offset by commodity cost pressure in pork and beef and lower initial retail mark-ons. Additionally, the Company had $205 in charges to cost of goods sold related to management's decision during the second quarter of fiscal 2000 to close Cracker Barrel's test outlet store. Food cost as a percentage of net restaurant sales in fiscal 2000 increased slightly from fiscal 1999 primarily for the reasons described above.

Labor and other related expenses include all direct and indirect labor and related costs incurred in store operations. Labor expenses as a percentage of total revenue were 37.3%, 36.4% and 35.2% in fiscal 2001, 2000 and 1999, respectively. The year to year increase in fiscal 2001 versus fiscal 2000 was primarily due to hourly wage inflation in Cracker Barrel and Logan's stores, increases in Cracker Barrel's store manager staffing and wages, increased bonus payouts under the Cracker Barrel store-level bonus programs and increases in group health costs. Additionally, the Company had $924 in charges to labor and other related expenses related to management's decision during the fourth quarter of fiscal 2001 to exit the Carmine's business and to close four Cracker Barrel units and three Logan's units. These increases were partially offset by higher menu pricing and improved volume at Cracker Barrel stores.

The year to year increase in labor and other related expenses in fiscal 2000 versus fiscal 1999 was primarily due to hourly wage inflation in Cracker Barrel and Logan's stores, increases in Cracker Barrel's field management salary structure to attract and retain quality store managers, increased staffing levels at Cracker Barrel stores versus the prior year, increased bonus payouts under the Cracker Barrel store-level bonus programs and increases in group health costs and workers compensation insurance costs at Cracker Barrel stores. These increases were partially offset by improved hourly labor efficiency at

Cracker Barrel stores and the benefit to labor from adding Logan's, which has lower labor costs as a percentage of total revenue than Cracker Barrel.

Other store operating expenses include all unit-level operating costs, the major components of which are operating supplies, utilities, repairs and maintenance, advertising expenses, rent, depreciation and amortization. Other store operating expenses as a percentage of total revenue were 18.0%, 16.6% and 16.2% in fiscal 2001, 2000 and 1999, respectively. The year to year increase in fiscal 2001 versus fiscal 2000 was primarily due to charges in the fourth quarter of fiscal 2001 of $20,552, consisting primarily of impairment losses of $14,003 (see Note 2 to the Company's Consolidated Financial Statements). Additionally, this increase was due to the net effect of the Company's sale-leaseback transaction, which increased rent expense and decreased depreciation expense (see Note 12 to the Company's Consolidated Financial Statements). These increases were partially offset due to the non-recurrence of charges in the second quarter of fiscal 2000 of $5,609, consisting primarily of impairment losses of $3,887 (see Note 2 to the Company's Consolidated Financial Statements). The net effect of the fiscal 2001 charges and the sale-leaseback transaction reduced by the non-recurrence of fiscal 2000 charges was to increase other store operating expenses as a percentage of total revenue by 1.4%. Therefore, the changes from fiscal 2000 to fiscal 2001 in the other components of other store operating expenses as a percentage of total revenue offset each other. Higher utility and maintenance costs were offset by lower advertising spending at the Cracker Barrel concept and higher menu pricing and improved volume at Cracker Barrel stores.

The year to year increase in other store operating expenses in fiscal 2000 versus fiscal 1999 was primarily due to charges in the second quarter of fiscal 2000 of $5,609, consisting primarily of impairment losses of $3,887 (see Note 2 to the Company's Consolidated Financial Statements). Additionally, this increase was due to the inclusion of Logan's, which has higher other store operating expenses as a percentage of total revenue than Cracker Barrel. These increases were partially offset due to lower advertising spending at the Cracker Barrel concept.

General and administrative expenses as a percentage of total revenue were 5.2%, 5.4% and 5.4% in fiscal 2001, 2000 and 1999, respectively. General and administrative expenses as a percentage of total revenue decreased from fiscal 2000 to fiscal 2001 primarily due to the non-recurrence of charges of $2,778 in second quarter of fiscal 2000, consisting primarily of severance and related expenses (see Note 2 to the Company's Consolidated Financial Statements). These decreases were partially offset due to $490 in charges to general and administrative expenses related to management's decision during the fourth quarter of fiscal 2001 to exit the Carmine's business and to close four Cracker Barrel units and three Logan's units (see Note 2 to the Company's Consolidated Financial Statements).

General and administrative expenses as a percentage of total revenue were unchanged from fiscal 1999 to fiscal 2000 primarily due to an increase in corporate bonus accruals versus the prior year and $2,778 in second quarter fiscal 2000 charges, consisting primarily of severance and related expenses (see Note 2 to the Company's Consolidated Financial Statements) offset by the inclusion of Logan's, which had lower general and administrative expenses as a percentage of total revenue than Cracker Barrel and improved volume.

Interest expense decreased in fiscal 2001 to $12,316 from $24,616 in fiscal 2000. Interest expense increased in fiscal 2000 to $24,616 from $11,324 in fiscal 1999. The decrease from fiscal 2000 to fiscal 2001 was primarily due to net revolving principal payments from the proceeds of the Company's sale-leaseback transaction (see Note 12 to the Company's Consolidated Financial Statements) and from operating and other cash flow not otherwise needed in the Company's business and financing activities. The increase from fiscal 1999 to fiscal 2000 was primarily due to the full year effect of the Company's drawing on its bank revolving credit facility to finance the Logan's acquisition and the repurchase of stock in mid-fiscal 1999.

Interest income decreased to $84 in fiscal 2001 from $352 in fiscal 2000 and $1,319 in fiscal 1999. The primary reason for the decrease was lower average funds available for investment.

Provision for income taxes as a percent of pretax income was 41.8% for fiscal 2001, 37.7% for fiscal 2000 and 37.8% for fiscal 1999. The primary reason for the increase in the tax rate from fiscal 2000 to fiscal 2001 was the non-deductibility of the $10,428 write-off of goodwill related to Carmine's in fiscal 2001. (See Note 2 to the Company's Consolidated Financial Statements.) The primary reason for the decrease in the tax rate from fiscal 1999 to fiscal 2000 was decreases in effective state tax rates.

As a result of the Company's fiscal year ended August 3, 2001 consisting of 53 weeks, comparisons to fiscal 2000 also reflected the impact of having one additional week in fiscal 2001 than in fiscal 2000. The estimated

impact of the additional week was to increase consolidated fiscal 2001 results as follows: total revenue, $40,485; store operating income, $9,006; operating income, $8,056; net income, $4,954; and diluted earnings per share, $0.09.

Impact of Recent Accounting Pronouncements Not Yet Adopted

Recent accounting pronouncements not yet adopted - In July 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and No. 142 "Goodwill and Other Intangible Assets". SFAS No. 141 will require that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 and that the use of the pooling-of-interest method is no longer allowed. SFAS No. 142 requires that upon adoption, amortization of goodwill will cease and instead, the carrying value of goodwill will be evaluated for impairment on an annual basis. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". SFAS No. 142 is effective for fiscal years beginning after December 15, 2001; however, the Company may elect early adoption of this statement effective August 4, 2001, the beginning of its 2002 fiscal year. The Company is evaluating the impact of the adoption of these standards and has not yet determined the effect of adoption on its financial position and results of operations.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk. With certain instruments entered into for other than trading purposes, the Company is subject to market risk exposure related to changes in interest rates. As of October 12, 2001, the Company has in place a $250,000 bank credit facility, which matures December 31, 2003. The facility bears interest at a percentage point spread from LIBOR based on the Company's ratio of lease adjusted funded debt to EBITDAR (earnings before interest expense, income taxes, depreciation and amortization and rent expense), adjusted quarterly. As of August 3, 2001, the Company had $75,000 outstanding under the revolver at interest rates ranging from 5.10% to 6.75%. The remaining portion of the bank credit facility was a $50,000 5-year term loan bearing interest at LIBOR plus the Company's credit spread, adjusted quarterly. As of August 3, 2001, the Company's interest rate on the $50,000 term loan was 5.31%. On September 12, 2001, the Company amended its bank credit facility, thereby converting its $50,000 term loan into a revolving loan under the facility, and reduced the entire facility by $70,000 to the current $250,000 facility. The Company's credit spread on its bank credit facility decreased by 25 basis points on August 6, 2001 due to the Company's improving financial ratios. The Company's credit spread will increase by 25 basis points on November 5, 2001 due to the Company's charges to exit the Carmine's business. As of August 6, 2001, the weighted average interest rates through the expected maturity dates for the Company's term loan and revolving credit facility were 5.06% and 5.07%, respectively, based on the Company's then current credit spread of 1.0%. While changes in LIBOR would affect the cost of funds borrowed in the future, the Company believes that the effect, if any, of reasonably possible near-term changes in interest rates on the Company's consolidated financial position, results of operations or cash flows would not be material. Based on discounted cash flows of future payment streams, assuming rates equivalent to the Company's incremental borrowing rate on similar liabilities, the fair value of the $50,000 term loan and the $75,000 outstanding under the revolving credit facility approximates carrying value as of August 3, 2001.

Commodity Price Risk. Many of the food products purchased by the Company are affected by commodity pricing and are, therefore, subject to price volatility caused by weather, production problems, delivery difficulties and other factors which are outside the control of the Company and which are generally unpredictable. Three food categories (beef, pork and poultry) account for the largest shares of the Company's food purchases at approximately 18%, 13% and 11%, respectively. Other items affected by the commodities markets, such as dairy, produce and coffee, may each account for as much as 10% of the Company's food purchases. While the Company has some of its food items prepared to its specifications, the Company's food items are based on generally available products, and if any existing suppliers fail, or are unable to deliver in quantities required by the Company, the Company believes that there are sufficient other quality suppliers in the marketplace that its sources of supply can be replaced as necessary. The Company also recognizes, however, that commodity pricing is extremely volatile and can change unpredictably and over short periods of time. Changes in commodity prices would affect the Company and its competitors generally and often simultaneously. The Company also enters into supply contracts for certain of its products in an effort to minimize volatility of supply and pricing. In many cases, the Company believes it will be able to pass through any increased commodity costs by adjusting its menu pricing. From time to time, competitive circumstances may limit menu price flexibility, and in those circumstances increases in commodity prices can result in lower margins for the Company. The Company does not use financial instruments to hedge commodity prices. However, the Company believes that any changes in commodity

pricing which cannot be adjusted for by changes in menu pricing or other product delivery strategies would not be material.

Liquidity and Capital Resources

The Company's cash generated from operating activities was $147,762 in fiscal 2001. Most of this cash was provided by net income adjusted by depreciation and amortization and non-cash impairment loss. Decreases in receivables and increases in accounts payable, taxes withheld and accrued, income taxes payable, accrued employee compensation, accrued employee benefits, other accrued expenses and other long-term obligations were partially offset by increases in inventories, prepaid expenses and other assets and decreases in deferred income taxes.

Capital expenditures were $91,439 in fiscal 2001. Land purchases and costs of new stores accounted for substantially all of these expenditures.

The Company's internally generated cash along with cash balances at July 28, 2000 were sufficient to finance repurchase of stock and new store growth of its Cracker Barrel and Logan's concepts in fiscal 2001.

On November 22, 2000, the Company announced that the Board of Directors had authorized the repurchase of up to 2 million shares of the Company's common stock. The purchases were to be made from time to time in the open market at prevailing prices. As of August 3, 2001, the Company completed this share repurchase authorization for $36,444 or an average of $18.22 per share. This brings the Company's completed share repurchases over the past three fiscal years to 8 million shares or approximately 13% of the then outstanding shares.

On September 17, 2001, the Company announced that the Board of Directors had authorized the repurchase of up to 3 million shares of the Company's common stock. The purchases are to be made from time to time in the open market at prevailing prices. Upon completion of this latest authorization, the Company will have repurchased 11 million shares since these activities began in fiscal 1999, or approximately 18% of the shares outstanding at the beginning of these activities.

The Company estimates that its capital expenditures for fiscal 2002 will be approximately $100,000 to $105,000, substantially all of which will be land purchases and the construction of 20 new Cracker Barrel stores and nine new Logan's restaurants.

On February 16, 1999, the Company completed its merger and acquisition of Logan's Roadhouse, Inc. for $24 cash per share or approximately $188,039, excluding transaction costs. (See Note 7 to the Company's Consolidated Financial Statements.) In order to finance this acquisition and the Company's fiscal 1999 share repurchase authorization, the Company refinanced its $50,000 term loan and $75,000 revolving credit facility, which increased the credit spreads. The credit spread increase was primarily due to changes in the credit markets as compared to the credit spread environment when the Company entered into the $125,000 bank credit facility. As part of the February 16, 1999 bank facility refinancing, the Company increased the total bank credit facility to $350,000 from $125,000.

On October 1, 1999, the Company increased its bank revolving credit facility an additional $40,000.

On July 31, 2000, the Company completed a sale-leaseback transaction involving 65 of its owned Cracker Barrel units. Under the transaction, the land, buildings and improvements at the locations were sold for net consideration of $138,280 and have been leased back for an initial term of 21 years. Net proceeds from the sale were used to reduce outstanding borrowings under the Company's revolving credit facility, and the commitment under that facility was reduced by $70,000 to $270,000. (See Note 12 to the Company's Consolidated Financial Statements.)

During fiscal 2001 the Company made net payments of $29,000 beyond its sale-leaseback proceeds to reduce its revolving credit facility with excess available cash beyond its funding needs to complete its share repurchase program and to continue the expansion of its various concepts.

On September 12, 2001, the Company reduced its entire bank credit facility to $250,000 from $320,000 and converted its $50,000 term loan into a revolving loan. As of August 3, 2001, the Company's credit spread on its term loan and revolving credit facility was 1.25%. Due to the Company's improving financial ratios, the Company's credit spread decreased by 0.25% as of the beginning of the first quarter of fiscal 2002, but will increase 0.25% as of the beginning of the second quarter of fiscal 2002 due to the Company's charges to exit the Carmine's business.

Management believes that cash balances at August 3, 2001, along with cash generated from the Company's operating activities, will be sufficient to finance its continued operations and its continued expansion plans through fiscal 2002. The Company has approximately $125,000 available under its revolving credit facility following the conversion of the $50,000 term loan and reduction of the entire bank facility on September 12, 2001, which may be used for interim cash needs during fiscal 2002. The Company estimates that it will generate excess cash of approximately $60,000 which it intends to use in fiscal 2002 for its previously announced additional 3 million share repurchase. The Company's principal criteria for share repurchases are that they be accretive to earnings per share and that they do not unfavorably affect the Company's investment grade debt rating.

Employment Litigation

As more fully discussed in Note 10 to the Consolidated Financial Statements, the Company is a defendant in two lawsuits, one of which has been provisionally certified as a collective action. The Company believes it has substantial defenses in these actions and intends to defend each of them vigorously. Nevertheless, in order to avoid continuing distraction of management and to avoid continuing defense costs, the Company offered $3,500 to resolve one of the cases. As a result, the Company recorded an accrual of this amount in the fourth quarter of fiscal 2001. Except for that accrual there currently is no provision for any potential liability with respect to these lawsuits in the Consolidated Financial Statements. If there were to be an unfavorable outcome in either of these cases, the Company's results of operations, financial position and liquidity could be materially and adversely affected.

CONSOLIDATED BALANCE SHEET

(In thousands except share data)

Assets	August 3, 2001	July 28, 2000
Current Assets:		
Cash and cash equivalents	$ 11,807	$ 13,865
Receivables	10,201	11,570
Inventories	116,590	107,377
Prepaid expenses	10,019	6,916
Deferred income taxes	6,573	4,307
Total current assets	155,190	144,035
Property and Equipment:		
Land	261,988	299,709
Buildings and improvements	590,557	656,038
Buildings under capital leases	3,289	3,289
Restaurant and other equipment	309,070	301,907
Leasehold improvements	87,137	68,688
Construction in progress	8,511	20,168
Total	1,260,552	1,349,799
Less: Accumulated depreciation and amortization of capital leases	305,524	274,665
Property and equipment-net	955,028	1,075,134
Goodwill - net	92,882	107,253
Other Assets	9,772	8,601
Total	$1,212,872	$1,335,023
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	$ 64,939	$ 62,377
Current maturities of long-term debt and other long-term obligations	200	200
Taxes withheld and accrued	29,834	28,378
Income taxes payable	21,665	13,435
Accrued employee compensation	40,421	37,180
Accrued employee benefits	25,550	23,329
Other accrued expenses	14,640	8,679
Total current liabilities	197,249	173,578
Long-term Debt	125,000	292,000
Other Long-term Obligations	8,829	1,762
Deferred Income Taxes	35,686	38,713
Commitments and Contingencies (Note 10)		
Shareholders' Equity:		
Preferred stock - 100,000,000 shares of $.01 par value authorized; no shares issued	--	--
Common stock - 400,000,000 shares of $.01 par value authorized; 2001 - 55,026,846 shares issued and outstanding; 2000 - 62,668,349 shares issued and 56,668,349 shares outstanding	550	627
Additional paid-in capital	149,073	284,429
Retained earnings	696,485	648,489
	846,108	933,545
Less treasury stock, at cost, 0 and 6,000,000 shares, respectively	--	(104,575)
Total shareholders' equity	846,108	828,970
Total	$1,212,872	$1,335,023

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See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

(In thousands except per share data)
Fiscal years ended

	August 3, 2001	July 28, 2000	July 30, 1999
Net sales:			
Restaurant	$1,543,815	$1,378,753	$1,163,213
Retail	419,104	393,293	368,127
Total net sales	1,962,919	1,772,046	1,531,340
Franchise fees and royalties	773	666	285
Total revenue	1,963,692	1,772,712	1,531,625
Cost of goods sold	664,332	614,472	538,051
Gross profit	1,299,360	1,158,240	993,574
Labor & other related expenses	732,419	645,976	538,348
Other store operating expenses	353,334	294,012	248,208
Store operating income	213,607	218,252	207,018
General and administrative	102,541	95,289	82,006
Amortization of goodwill	14,370	3,994	2,169
Operating income	96,696	118,969	122,843
Interest expense	12,316	24,616	11,324
Interest income	84	352	1,319
Income before income taxes	84,464	94,705	112,838
Provision for income taxes	35,283	35,707	42,653
Net income	$ 49,181	$ 58,998	$ 70,185
Net earnings per share - basic	$.88	$1.02	$1.16
Net earnings per share - diluted	$.87	$1.02	$1.16

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balances at July 31, 1998	$31,240	$251,236	$520,898	--	$803,374
Cash dividends - $.015 per share	--	--	(955)	--	(955)
Exercise of stock options	21	1,244	--	--	1,265
Tax benefit realized upon exercise of stock options	--	609	--	--	609
Purchases of treasury stock	--	--	--	$(83,471)	(83,471)
Reduction in par value of common stock	(30,635)	30,635	--	--	--
Net income	--	--	70,185	--	70,185
Balances at July 30, 1999	626	283,724	590,128	(83,471)	791,007
Cash dividends - $.010 per share	--	--	(637)	--	(637)
Exercise of stock options	1	529	--	--	530
Tax benefit realized upon exercise of stock options	--	176	--	--	176
Purchases of treasury stock	--	--	--	(21,104)	(21,104)
Net income	--	--	58,998	--	58,998
Balances at July 28, 2000	627	284,429	648,489	(104,575)	828,970
Cash dividends - $.020 per share	--	--	(1,185)	--	(1,185)
Exercise of stock options	3	5,152	--	--	5,155
Tax benefit realized upon exercise of stock options	--	431	--	--	431
Purchases and retirement of treasury stock	(80)	(140,939)	--	104,575	(36,444)
Net income	--	--	49,181	--	49,181
Balances at August 3, 2001	$ 550	$149,073	$696,485	$ --	$846,108

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	(In thousands) Fiscal years ended		
	August 3, 2001	July 28, 2000	July 30, 1999
Cash flows from operating activities:			
Net income	$ 49,181	$ 58,998	$70,185
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	64,902	65,218	53,838
Loss(gain)on disposition of property and equipment	671	664	(259)
Impairment loss	24,431	3,887	--
Tax benefit realized upon exercise of stock options	431	176	609
Changes in assets and liabilities, net of effects from acquisition:			
Receivables	1,369	(2,635)	(2,270)
Inventories	(9,213)	(6,922)	(8,083)
Prepaid expenses	(3,103)	1,125	(1,516)
Other assets	(1,473)	(427)	(5,814)
Accounts payable	2,562	(4,909)	25,104
Taxes withheld and accrued	1,456	4,801	3,316
Income taxes payable	8,230	11,224	798
Accrued employee compensation	3,241	14,548	(2,759)
Accrued employee benefits	2,221	5,688	5,754
Other accrued expenses	892	773	(1,256)
Other long-term obligations	7,257	1,094	--
Deferred income taxes	(5,293)	6,944	3,886
Net cash provided by operating activities	147,762	160,247	141,533
Cash flows from investing activities:			
Purchase of property and equipment	(91,439)	(138,032)	(164,718)
Cash paid for acquisition, net of cash acquired	--	--	(182,392)
Proceeds from sale of property and equipment	141,283	17,333	3,383
Net cash provided by (used in) investing activities	49,844	(120,699)	(343,727)

Cash flows from financing activities:			
Proceeds from issuance of long-term debt	355,600	444,500	355,000
Proceeds from exercise of stock options	5,155	530	1,265
Principal payments under long-term debt and other long-term obligations	(522,790)	(467,234)	(113,976)
Treasury stock purchases	(36,444)	(21,104)	(83,471)
Dividends on common stock	(1,185)	(637)	(955)
Net cash (used in) provided by financing activities	(199,664)	(43,945)	157,863
Net decrease in cash and cash equivalents	(2,058)	(4,397)	(44,331)
Cash and cash equivalents, beginning of year	13,865	18,262	62,593
Cash and cash equivalents, end of year	$ 11,807	$ 13,865	$ 18,262

Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$ 12,739	$ 26,500	$ 11,742
Income taxes	32,642	19,333	37,846

Supplemental schedule of noncash investing and financing activities:

On February 16, 1999, the Company acquired all of the capital stock of Logan's Roadhouse, Inc. for cash of $24 per share or approximately $188,039. In conjunction with the acquisition, liabilities were assumed as follows:

Fair value of assets acquired	$109,367
Goodwill	101,172
Cash paid for the capital stock	(188,039)
Liabilities assumed	$ 22,500

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands except share and per share data)

1. DESCRIPTION OF THE BUSINESS

CBRL Group, Inc. and its subsidiaries (the "Company") are principally engaged in the operation and development of the Cracker Barrel Old Country Store(R)("Cracker Barrel") and Logan's Roadhouse(R)("Logan's") concepts. The Company exited its Carmine Giardini's Gourmet Market(TM)("Carmine's") concept at the end of fiscal 2001. (See Note 2.) CBRL Group, Inc. Common Stock is traded on The Nasdaq Stock Market (National Market) under the symbol CBRL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal year - The Company's fiscal year ends on the Friday nearest July 31st and each quarter consists of thirteen weeks unless noted otherwise. The Company's fiscal year ended August 3, 2001 consisted of 53 weeks and the fourth quarter of fiscal 2001 consisted of 14 weeks.

Principles of consolidation - The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All significant intercompany transactions and balances have been eliminated.

Cash and cash equivalents - The Company's policy is to consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Inventories - Inventories are stated at the lower of cost or market. Cost of restaurant inventory is determined by the first-in, first-out (FIFO) method. Cost of retail inventory is determined by the retail inventory method.

Start-up costs - The Company adopted Statement of Position ("SOP") 98-5, "Reporting of the Costs of Startup Activities", during the first quarter of fiscal 2000. This SOP requires the Company to expense the start-up costs of a new store when incurred rather its previous practice of expensing the costs when the store opened. The adoption of SOP 98-5 did not have a material impact on the Company's consolidated financial statements.

Property and equipment - Property and equipment are stated at cost. For financial reporting purposes, depreciation and amortization on these assets are computed by use of the straight-line and double-declining balance methods over the estimated useful lives of the respective assets, as follows:

	Years
Buildings and improvements	30-45
Buildings under capital leases	15-25
Restaurant and other equipment	3-10
Leasehold improvements	1-35

Accelerated depreciation methods are generally used for income tax purposes.

Interest is capitalized in accordance with Statement of Financial Accounting Standards ("SFAS") No. 34, "Capitalization of Interest Costs." Capitalized interest was $851, $1,511 and $1,827 for fiscal years 2001, 2000 and 1999, respectively.

Gain or loss is recognized upon disposal of property and equipment, and the asset and related accumulated depreciation and amortization amounts are removed from the accounts.

Maintenance and repairs, including the replacement of minor items, are charged to expense, and major additions to property and equipment are capitalized.

Impairment of long-lived assets - The Company evaluates long-lived assets and certain identifiable intangibles to be held and used in the business for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment is determined by comparing estimated undiscounted future operating cash flows to the carrying amounts of assets on a store by store basis. If an impairment exists, the amount of impairment is measured as the sum of the estimated discounted future operating cash flows of such asset and the expected proceeds upon sale of the asset less its carrying amount. Assets held for sale are reported at the lower of carrying amount or fair value less costs to sell. During fiscal 2001, the Company's other store operating expense included impairment losses of $14,003 and the Company's amortization of goodwill included $10,428 in accordance with SFAS No. 121, "Accounting for the Impairment of Certain Long-Lived Assets and for Long-Lived Assets to be Disposed Of". These impairment losses consisted of $10,428 for the write-off of goodwill related to the acquisition of Carmine's and $14,003 for the write-down of fixed assets of all three Carmine's units, four Cracker Barrel units and three Logan's units. During fiscal 2000, the Company's other store operating expense included impairment losses of $3,887 related to impairment of long-lived assets in accordance with SFAS No. 121. These impairment losses consisted of certain Cracker Barrel properties no longer

expected to be used for future development and for Cracker Barrel's test retail-only mall store.

Advertising - The Company generally expenses the costs of producing and communicating advertising the first time the advertising takes place. Net advertising expense was $38,886, $37,225 and $41,230 for the fiscal years 2001, 2000 and 1999, respectively.

Insurance - The Company retains a significant portion of the risk for its workers' compensation, employee health insurance, general liability, and property coverages. Accordingly, provisions are made for the Company's estimates of discounted future claim costs for such risks, the substantial majority of which are determined actuarially. To the extent that subsequent claim costs vary from those estimates, current earnings are charged or credited.

Goodwill - Goodwill represents the excess of the cost over the net tangible and identifiable intangible assets of acquired businesses, is stated at cost and is amortized, on a straight-line basis, over the estimated future periods to be benefited (20-30 years). On an annual basis the Company reviews the recoverability of goodwill based primarily upon an analysis of undiscounted cash flows from the acquired businesses. Accumulated amortization was $8,291 and $6,370 at August 3, 2001 and July 28, 2000, respectively. See Impairment of long-lived assets above regarding the write-off of Carmine's goodwill. See Recent accounting pronouncements not yet adopted on the next page regarding the effect on amortization of goodwill in the future.

Income taxes - The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Employer tax credits for FICA taxes paid on tip income are accounted for by the flow-through method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. (See Note 8.)

Earnings per share - The Company accounts for earnings per share in accordance with SFAS No. 128, "Earnings Per Share," which requires presentation of basic and diluted earnings per share. Basic earnings per share are computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share reflect the potential dilution that could occur if securities, options or other contracts to issue common stock were exercised or converted into common stock. Outstanding stock options issued by the Company represent the only dilutive effect reflected in diluted weighted average shares. Weighted average basic shares were 56,128,956, 57,959,646 and 60,328,593 for 2001, 2000 and 1999, respectively. Weighted average diluted shares were 56,799,124, 58,041,290 and 60,610,288 for 2001, 2000 and 1999, respectively.

Comprehensive income - The Company accounts for comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income." Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income for fiscal 2001, 2000 and 1999 is equal to net income as reported.

Stock-based compensation - SFAS No. 123, "Accounting for Stock-Based Compensation," encourages, but does not require, companies to adopt the fair value method of accounting for stock-based employee compensation. The Company has chosen to continue to account for stock-based employee compensation in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. (See Note 6.)

Segment Reporting - The Company accounts for its segment in accordance with SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information." SFAS No. 131 requires that a public company report annual and interim financial and descriptive information about its reportable operating segments. Operating segments, as defined, are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. SFAS No. 131 allows aggregation of similar operating segments into a single operating segment if the businesses are considered similar under the criteria established by SFAS No. 131. The Company primarily operates restaurants under the Cracker Barrel Old Country Store(R) and Logan's Roadhouse(R) brands. These two brands have similar investment criteria, customer demographics and economic and operating characteristics. Therefore, the Company has one reportable operating segment. (See Note 9.)

Derivative instruments and hedging activities - The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and its subsequent amendments, SFAS Nos. 137 and 138, in the first quarter 2001. These statements specify how to report and display derivative instruments and hedging activities. The adoption of these statements did not have a material effect on the Company's consolidated financial statements. Upon adoption of these statements on July 29, 2000, during fiscal 2001 and at August 3, 2001, the Company had no derivative financial instruments that required hedge accounting.

The Company is exposed to market risk, such as changes in interest rates and commodity prices. To manage the volatility relating to these exposures, the Company nets the exposures on a consolidated basis to take advantage of natural offsets. For the residual portion, the Company may enter into various derivative financial instruments pursuant to the Company's policies in areas such as counterparty exposure and hedging practices. The Company would review these

derivative financial instruments on a specific exposure basis to support hedge accounting. The changes in fair value of these hedging instruments would be offset in part or in whole by the corresponding changes in the fair value or cash flows of the underlying exposures being hedged. The Company does not hold or use derivative financial instruments for trading purposes. The Company's historical practice has been no to enter into derivative financial instruments.

The Company's policy has been to manage interest cost using a mix of fixed and variable rate debt. The Company has accomplished this objective through the use of interest rate swaps and/or sale-leaseback transactions. In an interest rate swap, the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional amount. In a sale-leaseback transaction, the Company finances its operating facilities by selling them to a third party and then leasing them back under a long-term operating lease at fixed terms. (See Note 12.)

Many of the food products purchased by the Company are affected by commodity pricing and are, therefore, subject to price volatility caused by weather, production problems, delivery difficulties and other factors which are outside the control of the Company and which are generally unpredictable. Changes in commodity prices would affect the Company and its competitors generally and often simultaneously. In many cases, the Company believes it will be able to pass through any increased commodity costs by adjusting its menu pricing. From time to time, competitive circumstances may limit menu price flexibility, an in those circumstances increases in commodity prices can result in lower margins for the Company. Some of the Company's purchase contracts are used to hedge commodity prices and may contain features that could be classified as derivative financial instruments under SFAS Nos. 133, 137 and 138. However, these features that could be classified as derivative financial instruments are exempt from hedge accounting based on the normal purchases exemption. The Company presently believes that any changes in commodity pricing which cannot be adjusted for by changes in menu pricing or other product delivery strategies would not be material.

Revenue recognition - The Company early adopted the Securities and Exchange Commission's ("SEC") Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," and its subsequent amendments SAB Nos. 101A and 101B in the first quarter of fiscal 2001. SAB No. 101 summarizes certain of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. The adoption of SAB No. 101 did not have a material effect on the Company's consolidated financial statements.

Use of estimates - Management of the Company has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent liabilities to prepare these consolidated financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Recent accounting pronouncements not yet adopted - In July 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations" and No. 142 "Goodwill and Other Intangible Assets". SFAS No. 141 will require that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 and that the use of the pooling-of-interest method is no longer allowed. SFAS No. 142 requires that upon adoption, amortization of goodwill will cease and instead, the carrying value of goodwill will be evaluated for impairment on an annual basis. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". SFAS No. 142 is effective for fiscal years beginning after December 15, 2001; however, the Company may elect early adoption of this statement effective August 4, 2001, the beginning of its 2002 fiscal year. The Company is evaluating the impact of the adoption of these standards and has not yet determined the effect of adoption on its financial position and results of operations.

3. Inventories

Inventories were composed of the following at:

	August 3, 2001	July 28, 2000
Retail	$ 87,445	$ 81,200
Restaurant	15,853	16,083
Supplies	13,292	10,094
Total	$116,590	$107,377

4. Debt

Long-term debt consisted of the following at:

	August 3, 2001	July 28, 2000
Term Loan payable on or before December 1, 2001 (5.31% at August 3, 2001 and 8.59% at July 28, 2000)	$ 50,000	$ 50,000
Revolving Credit Facility payable on or before December 31, 2003 (rates ranging from 5.10% to 6.75% at August 3, 2001 and 8.38% to 9.50% at July 28, 2000)	75,000	242,000
Long-term debt	$125,000	$292,000

On September 12, 2001, the Company amended its bank credit facility, thereby converting its $50,000 Term Loan into a $50,000 Revolving Credit Loan due December 31, 2003, as such, the $50,000 Term Loan is classified as long-term at August 3, 2001.

The financial covenants related to the Term Loan and the Revolving Credit Facility require that the Company maintain an interest coverage ratio of 2.5 to 1.0, a lease adjusted funded debt to total capitalization ratio not to exceed 0.4 to 1.0 and a lease adjusted funded debt to EBITDAR (earnings before interest expense, income taxes, depreciation and amortization and rent expense) ratio not to exceed 2.5 to 1.0. At August 3, 2001 and July 28, 2000, the Company was in compliance with all covenants.

The aggregate maturities of long-term debt subsequent to August 3, 2001 are as follows (see Note 12):

Fiscal year	
2002	--
2003	--
2004	$125,000
Total	$125,000

5. Common Stock

During fiscal 1999 and 1996 the Board of Directors granted certain executive officers upon their employment a total of 25,000 and 37,000 restricted shares, respectively which were to vest over five years. In fiscal 1999 another officer was granted 4,100 restricted shares which were to vest over three years. In fiscal 2000 two executive officers were granted a total of 39,000 restricted shares which vest over five years. One of the executive officers hired in fiscal 1996 left the Company in fiscal 1999 and forfeited 12,800 restricted shares. The executive officer hired in fiscal 1999 left the Company in fiscal 2000 and forfeited 20,000 restricted shares. The other officer granted 4,100 restricted shares in fiscal 1999 left the company in fiscal 2001 and forfeited 4,100 restricted shares. The Company's compensation expense for these restricted shares was $69, $70 and $135 in fiscal 2001, 2000 and 1999, respectively.

During the second quarter ended January 26, 2001, the Board of Directors authorized the retirement of the Company's treasury stock and authorized the retirement of all future repurchases of the Company's Common Stock. As a result of this retirement, the Company's Treasury Stock at cost was reclassified to reduce Common Stock and Additional Paid-in Capital. These retired shares will remain as authorized, but unissued, shares.

6. Stock Option Plans

The Company's employee stock option plans are administered by the Compensation and Stock Option Committee (the "Committee"). Members of the Committee are appointed by the Board of Directors and consist of independent members of the Board of Directors. The 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 the options granted to each, and within applicable limits, the terms and provisions relating to the exercise of such options.

On May 25, 2000, the Board of Directors approved a new stock option plan for employees who are not officers or directors of the Company. The new plan is known as the CBRL Group, Inc. 2000 Non-Executive Stock Option Plan ("Employee Plan"). The Committee is currently authorized to grant options to purchase an aggregate of 4,750,000 shares of the Company's common stock under the Employee Plan. The option price per share under the Employee Plan must be at least 100% of the fair market value of a share of the Company's common stock based on the closing price on the day preceding the day the option is granted. Options are generally intended to become exercisable each year on a cumulative

basis at a rate of 33% of the total shares covered by the option beginning one year from the date of grant, to expire ten years from the date of grant and to be non-transferable. At August 3, 2001, there were 3,154,325 shares of unissued common stock reserved for issuance under the Employee Plan.

As of August 3, 2001, the Committee is authorized to grant options to purchase an aggregate of 17,525,702 shares of the Company's common stock under the Company's Amended and Restated Stock Option Plan ("the Plan"). At August 3, 2001, there were 1,880,374 shares of unissued common stock reserved for issuance under the Plan. The option price per share under the Plan must be at least 100% of the fair market value of a share of the Company's common stock based on the closing price on the day preceding the day the option is granted. Options are generally exercisable each year on a cumulative basis at a rate of 33% of the total number of shares covered by the option beginning one year from the date of grant, expire ten years from the date of grant and are non-transferable. During fiscal 2000, a long-term incentive award was granted to certain officers, which included stock options. The options granted under this award vest at the end of five years after the grant (subject to earlier vesting upon accomplishments of specified Company performance goals), expire six months after vesting and are non-transferable.

In fiscal 1989, the Board of Directors adopted the 1989 Non-employee Plan ("Directors Plan") for non-employee directors. The stock options were granted with an exercise price equal to the fair market value of the Company's common stock as of the date of grant and expire one year from the retirement of the director from the board. An aggregate of 1,518,750 shares of the Company's common stock is authorized under this plan. Due to the overall plan limit, no shares have been granted under this plan since fiscal 1994.

A summary of the status of the Company's stock option plans for fiscal 2001, 2000 and 1999, and changes during those years follows:

(Shares in thousands)	2001		2000		1999	
Fixed Options	Shares	Weighted-Average Price	Shares	Weighted-Average Price	Shares	Weighted-Average Price
Outstanding at beginning of year	9,630	$20.89	7,714	$23.94	5,816	$24.18
Granted	2,481	14.76	3,253	13.85	2,888	23.24
Exercised	(357)	14.23	(67)	7.04	(107)	10.82
Forfeited or canceled	(1,250)	20.03	(1,270)	22.12	(883)	24.83
Outstanding at end of year	10,504	19.77	9,630	20.89	7,714	23.94
Options exercisable at year-end	5,919	23.16	5,075	23.56	3,867	23.04
Weighted-average fair value per share of options granted during the year		$ 7.16		$ 6.65		$10.32

The following table summarizes information about fixed stock options outstanding at August 3, 2001:

(Shares in thousands)

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 8/03/01	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 8/03/01	Weighted-Average Exercise Price
$ 5.09 - 10.00	160	3.80	$ 7.55	121	$ 6.84
10.01 - 20.00	5,981	7.85	15.15	1,871	16.74
20.01 - 30.00	3,395	4.59	25.28	2,959	25.31
30.01 - 31.75	968	6.15	31.01	968	31.01
$ 5.09 - 31.75	10,504	6.58	$19.77	5,919	$23.16

Had the fair value of options granted under these plans beginning in fiscal 1996 been recognized as compensation expense on a straight-line basis over the vesting period of the grant, the Company's net earnings and earnings per share would have been reduced to the pro forma amounts indicated below:

	2001	2000	1999

Net income:			
As reported	$49,181	$58,998	$70,185
Pro forma	36,082	46,792	58,831
Net earnings per share:			
As reported - diluted	.87	1.02	1.16
Pro forma - diluted	.64	.81	.97

The pro forma effect on net income for 2001, 2000 and 1999 is not representative of the pro forma effect on net income in future years because it does not take into consideration pro forma compensation expense related to grants made prior to 1996.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in fiscal 2001, 2000 and 1999: dividend yield of 0.1%, 0.2% and 0.1%, respectively; expected volatility of 43, 40 and 38 percent, respectively; risk-free interest rate ranges of 4.8% to 5.9%, 6.0% to 6.7% and 4.5% to 5.9%; and expected lives of six years.

The Company recognizes a tax deduction upon exercise of non-qualified stock options in an amount equal to the difference between the option price and the fair market value of the common stock. These tax benefits are credited to Additional paid-in capital.

7. Acquisitions

On February 16, 1999, the Company acquired all of the capital stock of Logan's Roadhouse, Inc. for cash of approximately $188,039, excluding transaction costs. The acquisition has been accounted for using the purchase method of accounting, and accordingly, the purchase price has been allocated to the assets purchased and the liabilities assumed based upon the fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was $101,172 and has been recorded as goodwill, which has been amortized on a straight-line basis over its estimated useful life, 30 years. The amount of goodwill amortization in both 2001 and 2000 was $3,372. The Company has the option to early adopt SFAS No. 142, "Goodwill and Other Intangible Assets," effective in the first quarter of fiscal 2002. This statement will require that goodwill no longer be amortized, but instead will be tested for impairment at least annually.

The net purchase price was allocated as follows:

Current assets, net of cash acquired	$ 3,329
Property and equipment	97,621
Other assets	286
Goodwill	101,172
Liabilities assumed	(20,016)
Purchase price, net of cash received	$182,932

The operating results of this acquired business have been included in the consolidated statement of income from the date of acquisition. On the basis of a pro forma consolidation of the results of operations as if the acquisition had taken place at the beginning of fiscal 1999 rather than at February 16, 1999, consolidated revenue, pretax income, net income and earnings per share would not have been materially different from the reported amounts for fiscal 1999 and are shown in the table below. Such pro forma amounts are not necessarily indicative of what the actual consolidated results of operations might have been if the acquisition had been effective at the beginning of fiscal 1999.

	Fiscal year ended July 30, 1999
Consolidated revenue	$1,583,628
Pretax income	111,577
Net income	68,767
Earnings per share:	
Basic	$1.14
Diluted	$1.13

8. Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's net deferred tax liability consisted of the following at:

	August 3, 2001	July 28, 2000
Deferred tax assets:		
Financial accruals without economic performance	$14,304	$12,364
Other	4,923	4,767
Deferred tax assets	19,227	17,131

Deferred tax liabilities:		
Excess tax depreciation over book	36,332	39,120
Other	12,008	12,417
Deferred tax liabilities	48,340	51,537
Net deferred tax liability	$29,113	$34,406

The Company provided no valuation allowance against deferred tax assets recorded as of August 3, 2001 and July 28, 2000, as the "more-likely-than-not" valuation method determined all deferred assets to be fully realizable in future taxable periods.

The components of the provision for income taxes for each of the three fiscal years were as follows:

	2001	2000	1999
Current:			
Federal	$34,959	$24,933	$32,534
State	5,617	4,216	6,233
Deferred	(5,293)	6,558	3,886
Total income tax provision	$35,283	$35,707	$42,653

A reconciliation of the provision for income taxes as reported and the amount computed by multiplying the income before the provision for income taxes by the U.S. federal statutory rate of 35% was as follows:

	2001	2000	1999
Provision computed at federal statutory income tax rate	$29,562	$33,147	$39,497
State and local income taxes, net of federal benefit	4,169	3,208	3,103
Amortization of goodwill and acquisition costs	5,034	1,398	770
Employer tax credits for FICA taxes paid on tip income	(3,420)	(2,889)	(2,281)
Other-net	(62)	843	1,564
Total income tax provision	$35,283	$35,707	$42,653

9. Segment Information

The Company operates restaurants under the Cracker Barrel Old Country Store and Logan's Roadhouse brands. These two brands have similar investment criteria and economic and operating characteristics. The Company also has operated units under the Carmine Giardini Gourmet Market brand which were a combination gourmet market and full-service Italian restaurant under one roof. This operating segment was not material to the Company. The Company exited the Carmine's concept at the end of fiscal 2001. (See Note 2.) Therefore, the Company believes it has one reportable operating segment. The following data is presented in accordance with SFAS No. 131 for all periods presented.

	Fiscal Years Ended		
Sales in Company-Owned Stores	August 3, 2001	July 28, 2000	July 30, 1999
Cracker Barrel - restaurant	$1,324,903	$1,196,680	$1,090,296
Cracker Barrel - retail	407,887	382,932	358,577
Cracker Barrel - total	$1,732,790	$1,579,612	$1,448,873
Carmine Giardini's	15,587	14,137	12,609
Logan's Roadhouse	214,542	178,297	69,858
Total Net Sales	$1,962,919	$1,772,046	$1,531,340

10. Commitments and Contingencies

The Company's Cracker Barrel Old Country Store, Inc. subsidiary is involved in certain lawsuits, two of which are not ordinary routine litigation incidental to its business: Serena McDermott and Jennifer Gentry v. Cracker Barrel Old Country Store, Inc., a collective action under the federal Fair Labor Standards Act ("FLSA"), was served on Cracker Barrel on May 3, 1999; and Kelvis Rhodes, Maria Stokes et al. v. Cracker Barrel Old Country Store, Inc., an action under Title VII of the Civil Rights Act of 1964 and Section 1981 of the Civil Rights Act of 1866, was served on Cracker Barrel on September 15, 1999. The McDermott case alleges that certain tipped hourly employees were required to perform non-serving duties and that certain hourly employees were required to wait "off the clock," without being paid the minimum wage or overtime compensation for that work or wait. The McDermott case seeks recovery of unpaid wages and overtime wages related to those claims. The Rhodes case seeks certification as a company-wide class action, a declaratory judgment to redress an alleged systemic pattern and practice of racial discrimination in employment opportunities, an order to effect certain hiring and promotion goals and back

pay and other related monetary damages. No class has yet been certified in the
Rhodes case. No punitive damages are sought in either case.

On March 17, 2000, the Court granted the plaintiffs' motion in the McDermott case to send notice to a provisional class of plaintiffs. The Court defined the provisional class as all persons employed as servers and all second-shift hourly employees at Cracker Barrel Old Country Store restaurants since January 4, 1996. That notice was sent to 376,207 persons, and 10,838 potential plaintiffs "opted-in" to the case by May 30, 2001. Some of the opt-ins asserted "off the clock" claims; some asserted they were required to perform non-serving duties at tipped wages; and some opt-ins asserted both types of claims. Because of the provisional status of the plaintiff collective action, the Court could subsequently amend its decision. If amended, the scope of the collective action could either be reduced or increased or, if appropriate, the Court could dismiss the collective aspects of the case entirely.

Cracker Barrel Old Country Store, Inc. believes it has substantial defenses to the claims made, and it is defending each of these cases vigorously. During fiscal year 2001, the parties engaged in mediation with respect to both cases, but focused on the FLSA claims that are the subject of the McDermott case. The mediation process is confidential by court order and the parties cannot comment on the process or the status of their discussions. Because only limited discovery has occurred to date, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to these cases can be determined at this time. Nevertheless, the Company has established a reserve of $3,500 with respect to the McDermott case. Cracker Barrel Old Country Store, Inc. offered this amount to resolve the case and avoid the ongoing expenses and distractions associated with defending the litigation. With the exception of that reserve, no provision for any potential liability has been made in the consolidated financial statements of the Company with respect to these lawsuits. In the event of an unfavorable result in either of these cases, the Company's results of operations and financial condition could be materially and adversely affected.

In addition to the litigation described in the preceding paragraphs, the Company is a party to other legal proceedings incidental to its business. In the opinion of management, based upon information currently available, the ultimate liability with respect to these other actions will not materially affect the Company's consolidated financial statements.

The Company maintains insurance coverage for various aspects of its business and operations. The Company has elected, however, to retain a portion of losses that occur through the use of various deductibles, limits and retentions under its insurance programs. This situation may subject the Company to some future liability for which it is only partially insured, or completely uninsured. The Company intends to mitigate any such future liability by continuing to exercise prudent business judgment in negotiating the terms and conditions of its contracts.

As of August 3, 2001, the Company operated 96 Cracker Barrel stores and 30 Logan's Roadhouse restaurants from leased facilities and also leased certain land and advertising billboards. (See Note 12.) These leases have been classified as either capital or operating leases in accordance with the criteria contained in SFAS No. 13, "Accounting for Leases." The interest rates for capital leases vary from 10% to 17%. Amortization of capital leases is included with depreciation expense. A majority of the Company's lease agreements provide for renewal options and some of these options contain escalation clauses. Additionally, certain store leases provide for contingent lease payments based upon sales volume in excess of specified minimum levels.

The following is a schedule by years of future minimum lease payments under capital leases, together with the present value of the minimum lease payments as of August 3, 2001:

Fiscal year	
2002	$ 239
2003	147
2004	147
2005	147
2006	147
Later years	64
Total minimum lease payments	891
Less amount representing interest	213
Present value of minimum lease payments	678
Less current portion	200
Long-term portion of capital lease obligations	$ 478

The following is a schedule by years of the future minimum rental payments required under noncancelable operating leases, excluding leases for advertising billboards, as of August 3, 2001:

Fiscal year	
2002	$ 21,682
2003	21,563
2004	21,612
2005	21,442
2006	21,308
Later years	298,371
Total	$405,978

The following is a schedule by years of the future minimum rental payments required under noncancelable operating leases for advertising billboards as of August 3, 2001:

Fiscal year	
2002	$21,522
2003	8,426
2004	1,240
Total	$31,188

Rent expense under operating leases for each of the three fiscal years was:

	Minimum	Contingent	Total
2001	$44,829	$592	$45,421
2000	25,933	689	26,622
1999	20,343	726	21,069

11. Employee Savings Plan

The Company has an employee savings plan which provides for retirement benefits for eligible employees. The plan is funded by elective employee contributions up to 16% of their compensation and the Company matches 25% of employee contributions for each participant up to 6% of the employee's compensation. The Company contributed $1,545, $1,397 and $1,356 for fiscal 2001, 2000 and 1999, respectively.

12. Sale-Leaseback

On July 31, 2000, the Company, through its Cracker Barrel Old Country Store, Inc. subsidiary, completed a sale-leaseback transaction involving 65 of its owned Cracker Barrel Old Country Store units. Under the transaction, the land, buildings and building improvements at the locations were sold for net consideration of $138,325 and have been leased back for an initial term of 21 years. Equipment was not included. The leases include specified renewal options for up to 20 additional years and have certain financial covenants related to fixed charge coverage for the leased units. Net rent expense during the initial term will be $14,963 annually, and the assets sold and leased back previously had depreciation expense of approximately $2,707 annually. The gain on the sale will be amortized over the initial lease term of 21 years. Net proceeds from the sale were used to reduce outstanding borrowing under the Company's revolving credit facility, and the commitment under that facility was reduced by $70,000 to $270,000.

13. Quarterly Financial Data (Unaudited)

Quarterly financial data for fiscal 2001 and 2000 are summarized as follows:

	1st Quarter	2nd Quarter*	3rd Quarter	4th Quarter**
2001				
Total revenue	$467,255	$484,267	$468,101	$544,069
Gross profit	311,183	309,728	312,433	366,016
Income before income taxes	27,008	24,013	23,281	10,162
Net income	16,934	15,056	14,597	2,594

Net earnings per share - diluted	.30	.26	.26	.05
2000				
Total revenue	$422,607	$443,170	$435,986	$470,949
Gross profit	276,848	280,281	287,856	313,255
Income before income taxes	23,605	9,881	23,184	38,035
Net income	14,472	6,390	14,443	23,693
Net earnings per share - diluted	.25	.11	.25	.42

*The Company recorded charges of $8,592 before taxes during the quarter ended January 28, 2000 principally as a result of management changes and the resulting refocused operating priorities. (See Note 2 to the Company's Consolidated Financial Statements.)

**The Company recorded charges of $33,063 before taxes during the quarter ended August 3, 2001 principally as a result of exiting its Carmine Giardini's Gourmet Market(TM) business and the closing of four Cracker Barrel Old Country Store(R) units and three Logan's Roadhouse(R) units, as well as an accrual for a settlement proposal for a certain collective action under the Fair Labor Standards Act. The Company's fourth fiscal quarter of fiscal 2001 consisted of 14 weeks. (See Notes 2 and 10 to the Company's Consolidated Financial Statements.)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of CBRL Group, Inc.:

We have audited the accompanying consolidated balance sheet of CBRL Group, Inc. and subsidiaries (the "Company") as of August 3, 2001 and July 28, 2000 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three fiscal years in the period ended August 3, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at August 3, 2001 and July 28, 2000, and the results of its operations and its cash flows for each of the three fiscal years in the period ended August 3, 2001, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Nashville, Tennessee
September 13, 2001

EXHIBIT 21

Subsidiaries of the Registrant

The following is a list of the significant subsidiaries of the Registrant as of August 3, 2001, all of which are wholly-owned:

Parent	State of Incorporation
CBRL Group, Inc.	Tennessee

Subsidiaries	
Cracker Barrel Old Country Store, Inc.	Tennessee
Logan's Roadhouse, Inc.	Tennessee
CBOCS General Partnership	Michigan
CBOCS Michigan, Inc.	Michigan
CBOCS West, Inc.	Nevada
Rocking Chair, Inc.	Nevada

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 2-86602, 33-15775, 33-37567, 33-45482, 333-01465, 333-63442, 333-71384 and 333-81063 of CBRL Group, Inc. on Form S-8 and Registration Statement No. 33-59582 on Form S-3 of our report dated September 13, 2001, appearing in and incorporated by reference in the Annual Report on Form 10-K of CBRL Group, Inc. for the year ended August 3, 2001.

/S/ DELOITTE & TOUCHE LLP

Nashville, Tennessee
October 12, 2001