

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

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

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

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

Payment of Filing Fee (Check the appropriate box):

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

(1) Title of each class of securities to which transaction applies:

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Cracker Barrel Old Country Store, Inc. (the "Company") used the following investor presentation in meetings with investors beginning on October 16, 2013. This investor presentation was also posted to the "Proxy Contest" section of the Company's Investor Relations website, investor.crakerbarrel.com.

Driving Performance Focused On The Road Ahead



Fall 2013 – Investor Presentation



Important Additional Information

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

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

Cracker Barrel, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Cracker Barrel shareholders in connection with the matters to be considered at Cracker Barrel's 2013 Annual Meeting. On October 2, 2013, Cracker Barrel filed a definitive proxy statement (as it may be amended, the "Proxy Statement") with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Cracker Barrel shareholders. **INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION.** Detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Annex A thereto. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Cracker Barrel with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.



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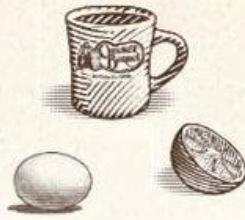
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I. Cracker Barrel's Track Record of Success





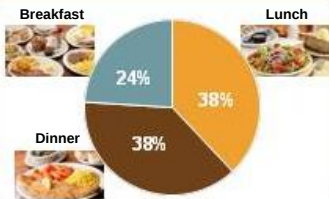
Cracker Barrel's Heritage – Pleasing People Since 1969

The Cracker Barrel Concept

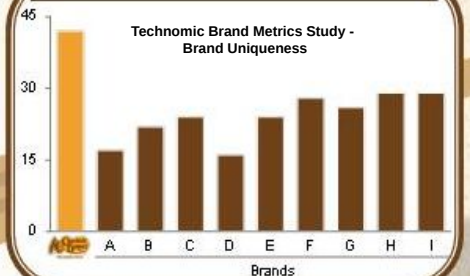
- ▶ Highly differentiated concept providing wholesome connections to guests
- ▶ 625 old-fashioned country stores welcome ~215 million guests a year
- ▶ ~\$2.64bn in annual revenues; ~20% of annual revenues coming from retail business
- ▶ Welcome break for travelers across 42 states



Diversified Menu and Meal Offerings ¹



Cracker Barrel is Perceived to be More Unique Than Competitors ²



Delivering a Recognized Guest Experience



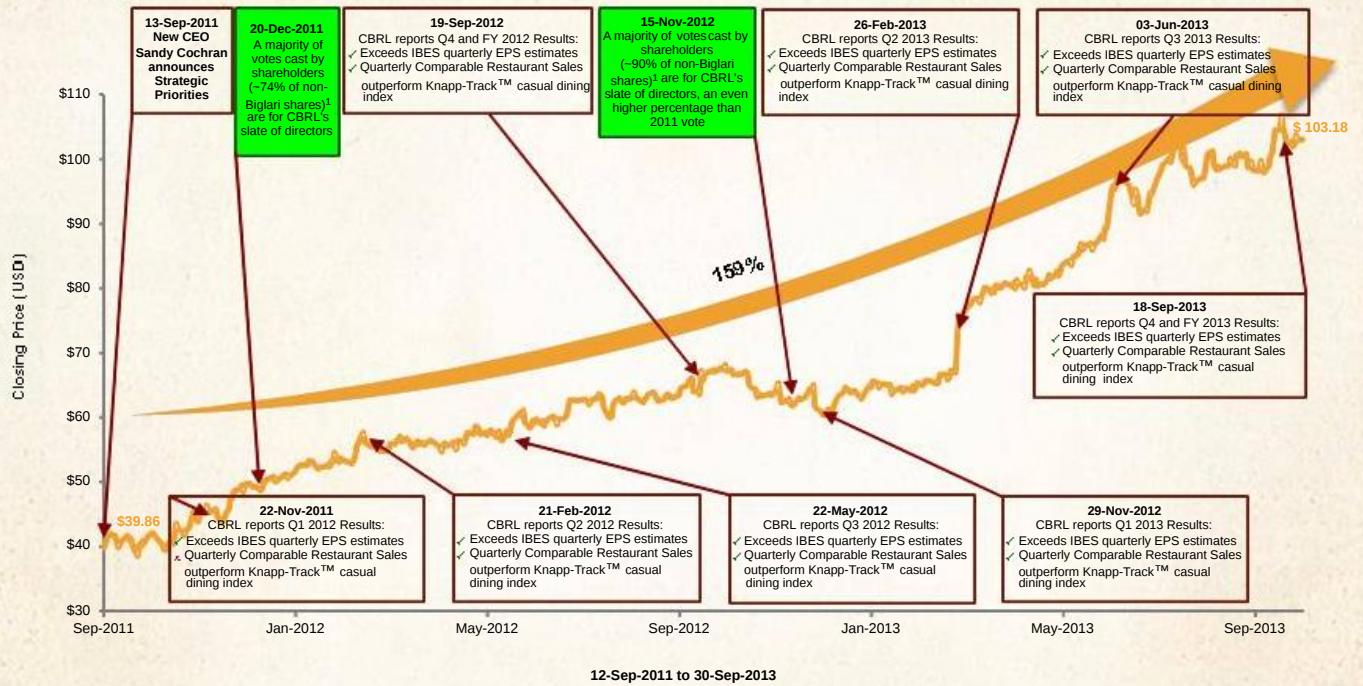
Source: Public filings, Technomic, and Company website

(1) Percentages represent each day-part's percentage of restaurant sales in FY2013.

(2) Brands include: Applebee's, Bob Evans, Chili's, Denny's, IHOP, Olive Garden, Outback, Red Lobster, and Steak 'n Shake.



Since 2011 Initial Announcement of Strategic Priorities, CBRL's Share Price Is Up 159%...



Source: Public filings, Bloomberg, and IBES

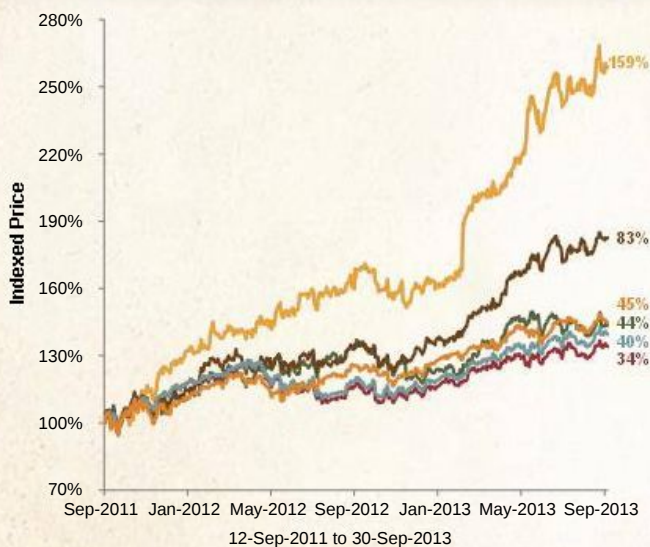
Note: 12-Sep-2011 represents the day prior to announcement of Strategic Priorities on 13-Sep-2011. Proxy fight related annotations shaded green.

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



...Dramatically Outperforming Benchmarks

Since Announcement of Strategic Priorities¹



Trailing Twelve Months



■ Cracker Barrel
 ■ Peer Set
 ■ S&P 500 Restaurant Index
 ■ S&P 600 Restaurant Index
 ■ S&P 1,500 Restaurant Index
 ■ S&P 500 Index

Source: Bloomberg as of 30-Sep-2013

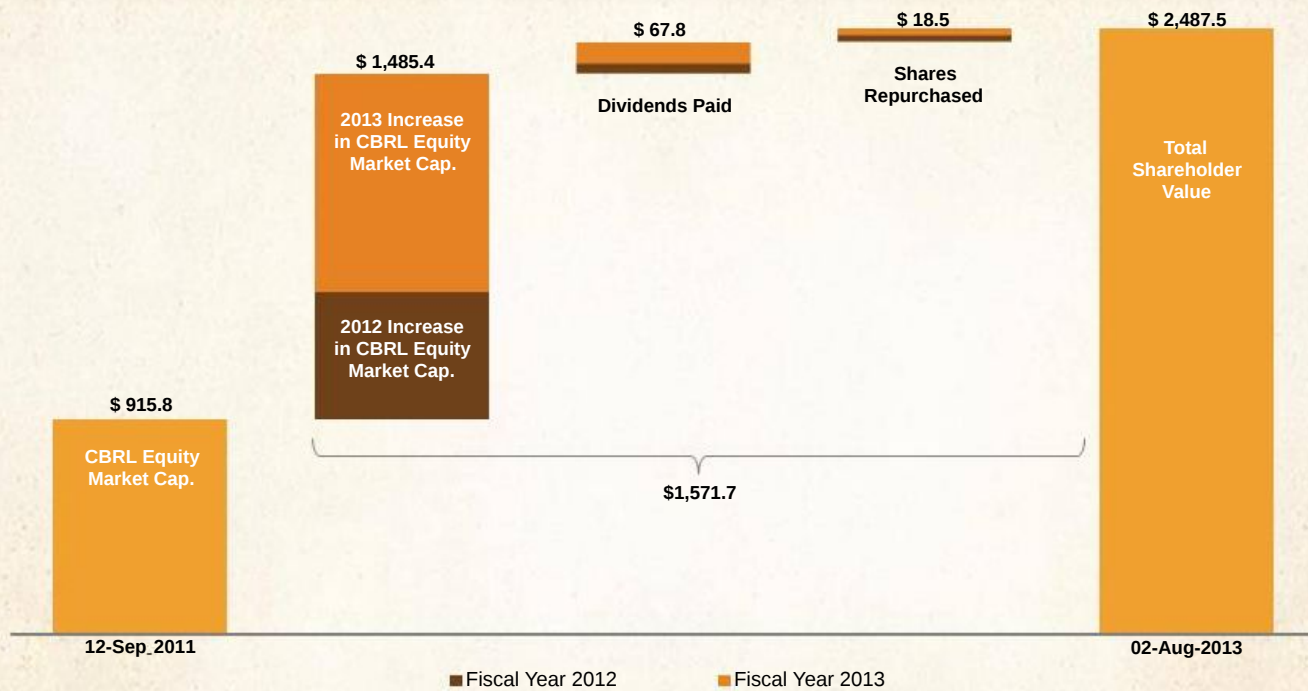
Note: Peer Set includes BH, BOBE, EAT, CAKE, DRI, DENN, RT, TXRH. S&P 500 Restaurant Index includes the restaurant companies in the S&P 500 Index: CMG, DRI, MCD, SBUX, YUM. S&P 600 Restaurant Index includes the restaurant companies in the S&P 600 Index: BJRI, BH, BWLD, CEC, CBRL, DIN, JACK, PZZA, RRGB,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

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



Since Announcing Strategic Priorities, CBRL Has Generated Tremendous Shareholder Value

(\$ in millions)

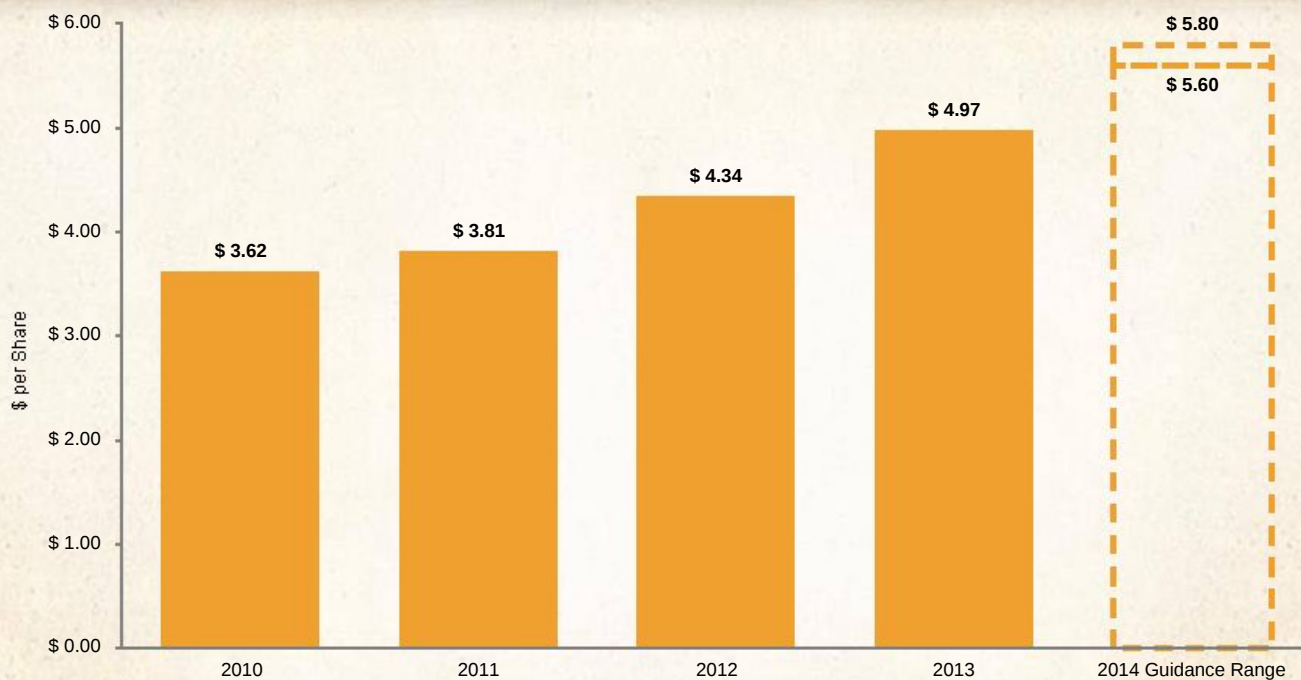


Source: Public filings and Bloomberg

Note: 12-Sep-2011 represents the day prior to announcement of Strategic Priorities on 13-Sep-2011. Years relate to CBRL fiscal years.



Consistently Improving Adjusted Earnings Per Share



Source: Public filings

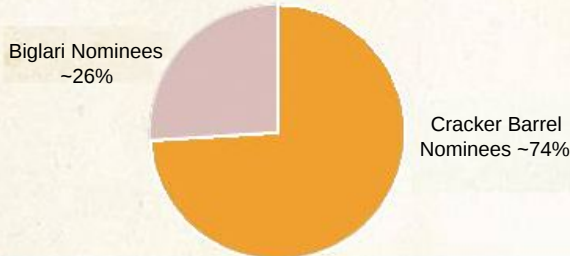
Note: EPS numbers adjusted for 53rd week in 2012, and all years adjusted for proxy contest expenses, tax reinstatements, severance and restructuring charges where applicable. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results. 2014 Guidance Range as publicly announced on 18-Sep-2013. Years relate to CBRL fiscal years.



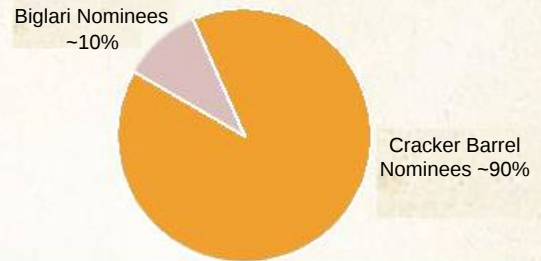
Despite Two Shareholder Votes In Favor of CBRL Nominees and Strong Business Performance... We Are Here Again

Despite Being Rejected by a Significant Margin of Votes Cast by CBRL Shareholders in Each of the Last Two Years, Sardar Biglari Remains Insistent in His Campaign Against Cracker Barrel...

2011 Votes Cast by non-Biglari Shareholders¹



2012 Votes Cast by non-Biglari Shareholders¹



...While CBRL Continues to Deliver Strong Performance for Shareholders

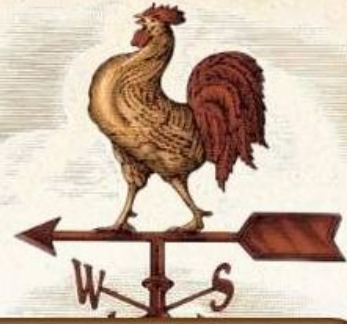
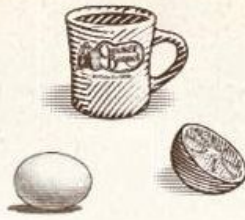
- ✓ **Generating superior returns for shareholders** – Delivered ~65% in Total Shareholder Return² in fiscal year 2013 and ~172% since the initial announcement of its six strategic priorities³ in September 2011
- ✓ **Returning ~\$68 million in cash dividends** to its shareholders during the past two fiscal years and tripling the quarterly dividend since November 2011
- ✓ **Returning ~\$18.5 million in cash through share repurchases** during the past two fiscal years
- ✓ **Seven consecutive quarters of positive comparable store traffic, restaurant sales and retail sales, and outperforming the Knapp-Track™ casual dining index**
- ✓ **Ranking first** in the Company's category for Nation's Restaurant News' consumer survey three years in a row

Source: Public filings and Bloomberg

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

(2) Total Shareholder Return calculated by share price appreciation and dividends paid (assumes dividends paid are re-invested into the stock (purchasing more shares) on the ex-date of the dividend).

(3) 12-Sep-2011 represents the day prior to announcement of Strategic Priorities on 13-Sep-2011. Market data as of 30-Sep-2013.



II. An Unparalleled Guest Experience





Review of 2013 Business Priorities and Accomplishments



- 1 Refresh Select Menu Categories
- 2 Grow Retail Sales with Unique Merchandise
- 3 Build on Successful Handcrafted Marketing Campaign
- 4 Invest In and Leverage Technology
- 5 Expand the Brand Through eCommerce and Licensing
- 6 Continued Focus on Shareholder Return

Key Menu Initiatives Focused on Satisfying Guests' Needs for Affordable Options, Healthier Items and Customizable Choices

Value

- ▶ Reinforced the affordability of Country Dinner Plates, satisfying guests' needs for more affordable options
- ▶ Over 10 entrée choices with two sides and bread service at a \$7.69 price point, as well as seasonal promotions of additional entrée choices



Better-For-You

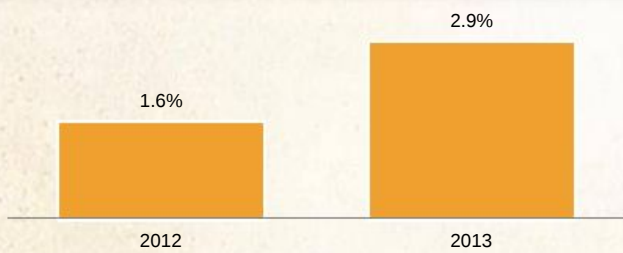
- ▶ **Wholesome Fixin's**
 - New menu category focused on healthier items that provide flavorful and fresh options for under 500 calories at breakfast and under 600 calories at lunch and dinner
 - Tested throughout the year and added to core menu in the first quarter of fiscal 2014
 - Four new healthy sides permanently added to the core menu: Fresh Steamed Broccoli, Mixed Seasonal Vegetables, Cheese Grits and Fresh Seasonal Fruit



Key Focus Areas

- ▶ Under leadership of Senior Vice President of Retail, Laura Daily, who joined the Company in May 2012, there is an increased focus on merchandising assortment and an increased number of themes
- ▶ Developed collections with broad generational appeal and unique / nostalgic product assortments. Examples include our Horse theme and Guys Garage theme, both of which consisted of a variety of gifts, accessories and home décor items
- ▶ One of the Company's strongest retail categories, women's apparel and accessories, continued to see growth throughout the year

Driving Strong Annual Comparable Store Retail Sales



Source: Public filings
 Note: Years relate to CBRL fiscal years.

Unique Retail Merchandise





3

Build on Successful Handcrafted Marketing Campaign

ENHANCE THE CORE

Handcrafted by Cracker Barrel



National Television Commercial



Key Focus Areas

- ▶ Refreshed ~1,600 billboards to focus on **Handcrafted by Cracker Barrel** advertising campaign
 - ~300 billboards display sharp price point messaging around \$5.99 Daily Lunch Specials or \$7.69 Country Dinner Plates
- ▶ Continued with **Handcrafted by Cracker Barrel** media advertising, using national cable to drive brand awareness and spot radio to deliver product news during busy holiday and summer seasons
- ▶ Engaged with guests through exclusive music program with sponsorships of Josh Turner's "Live Across America" and Brad Paisley's "Beat This Summer" tours

Cracker Barrel Exclusive Special Edition Album



Driving Strong Quarterly Comparable Store Traffic



Source: Public filings
Note: Years relate to CBRL fiscal years.



4

Invest In and Leverage Technology

ENHANCE
THE CORE

Focused on Initiatives to Reduce Costs and Improve the Guest Experience

Increased Productivity

- ▶ Adopted improvements to labor system and processes to increase hourly labor productivity and reduce administrative work for the management team, allowing them more time for guest interaction

Implemented New Merchandise Planning System

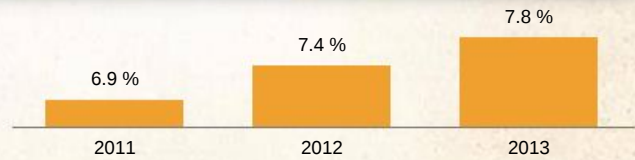
- ▶ Implemented new merchandise planning system to better manage product purchasing for retail stores, allowing the Company to take advantage of opportunistic buys for current trends and move more products through retail stores

Enhanced Food Production System

- ▶ Implemented second phase of food production planning system, which has reduced food waste by better matching daily production to demand



Adj. Operating Income as % Sales¹



Source: Public filings

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



5

Expand the Brand Through eCommerce and Licensing

EXTEND
THE BRAND

Licensing Initiatives

- ▶ During week of October 7, 2013, the first shipment of seven licensed products under the CB Old Country Store brand were sent to grocery stores and mass merchandisers
 - Products, under the CB Old Country Store brand, include maple and smoked bacon, spiral ham and four types of lunch meat: oven roasted turkey, smoked turkey, smoked ham, and honey ham



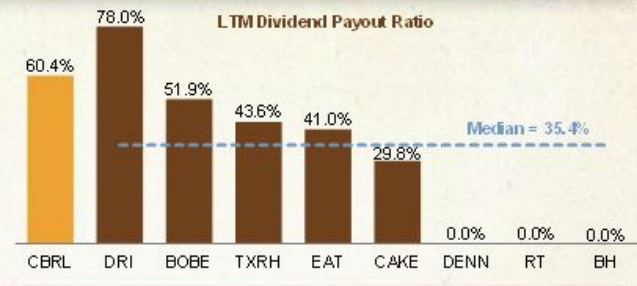
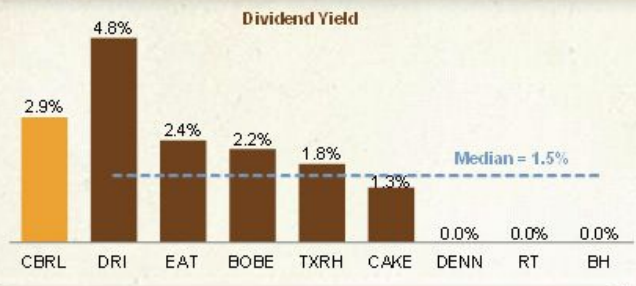
eCommerce Initiatives

- ▶ While expected to be a small part of retail sales in fiscal 2014, the Company is investing in its eCommerce infrastructure to establish a platform for long-term sales growth





Shareholder-Focused Dividend Policy ^{1,2}



Quarterly Dividend per Share Since September 2011 ³



Additional Focus on Shareholder Return in Fiscal Year 2013

- ✓ Paid ~\$45 million in total cash dividends – driven by the tripling of the quarterly dividend since September 2011
- ✓ Repurchased ~\$3.6 million of shares
- ✓ Repaid ~\$125 million in long term debt
- ✓ Opened eight new stores
- ✓ Reinvested ~\$74 million in the Company through capital expenditures

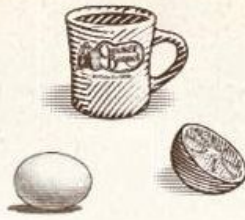
Source: Public filings and Bloomberg

Note: Market data as of 30-Sep-2013.

(1) Dividend Yield calculated as latest annualized dividend per share divided by share price as of 30-Sep-2013.

(2) LTM Dividend Payout Ratio calculated by annualizing latest paid quarterly dividend per share divided by LTM adjusted diluted earnings per share or diluted earnings per share from continuing operations per respective peer. For CBRL, please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results.

(3) Quarterly dividends per share shown at declared dates of increases to quarterly dividend since 26-May-2011, which represents dividend per share prior to announcement of Strategic Priorities on 13-Sep-2011. Latest declared quarterly dividend was \$0.75 on 26-Sep-2013.

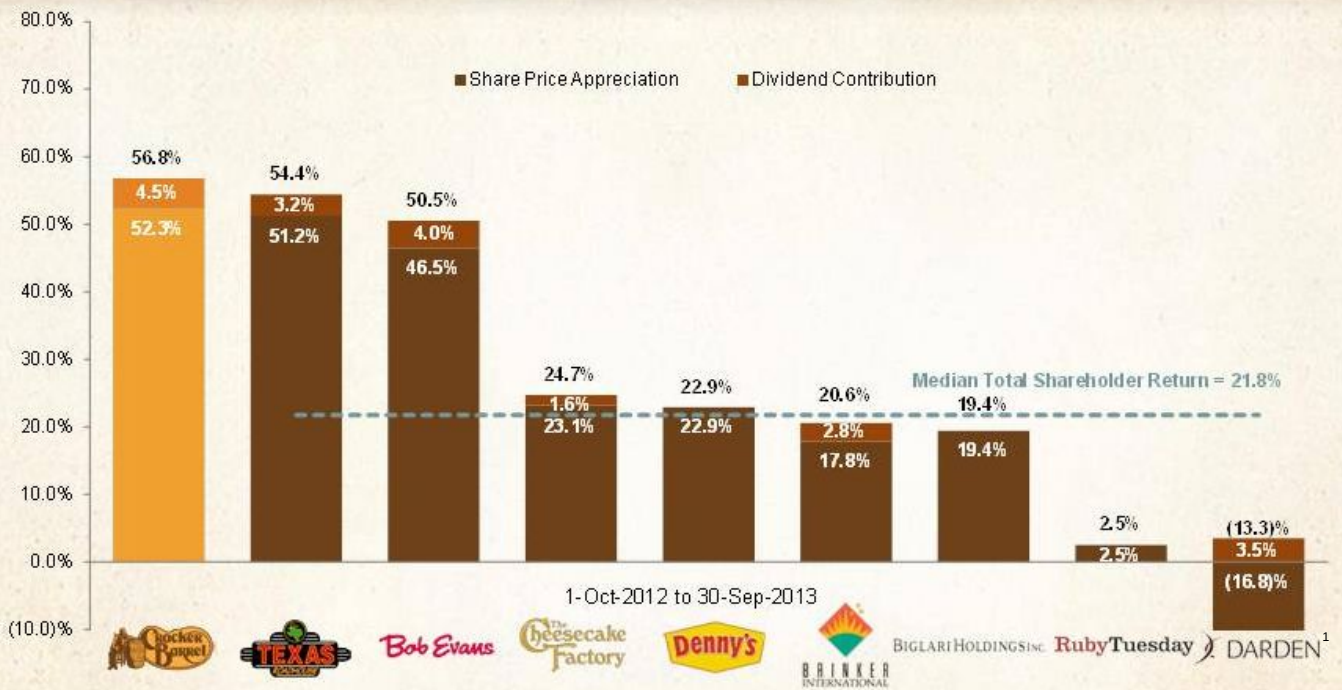


III. The Results





CBRL Has Delivered Best in Class Total Shareholder Return Over Past Year



Source: Bloomberg

Note: Total Shareholder Return calculated by share price appreciation and dividends paid (assumes dividends paid are re-invested into the stock (purchasing more shares) on the ex-date of the dividend).

(1) Darden share price appreciation bar not to scale.



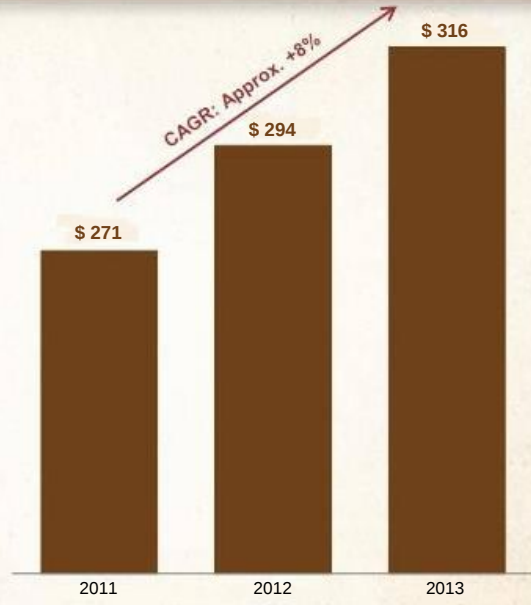
Continued Strong Operating Performance

(\$ in millions)

Total Revenue



Adjusted EBITDAR¹



YOY Growth %

6.0%

2.5%

YOY Growth %

8.5%

7.4%

Source: Public filings

Margin %

11.1%

11.4%

11.9%

Note: Years relate to CBRL fiscal years.

(1) Figures adjusted for 53rd week in 2012, and all years adjusted for proxy contest expenses, tax reinstatements, severance and restructuring charges where applicable. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results. Rent expense excludes advertising related billboard rentals expenses.

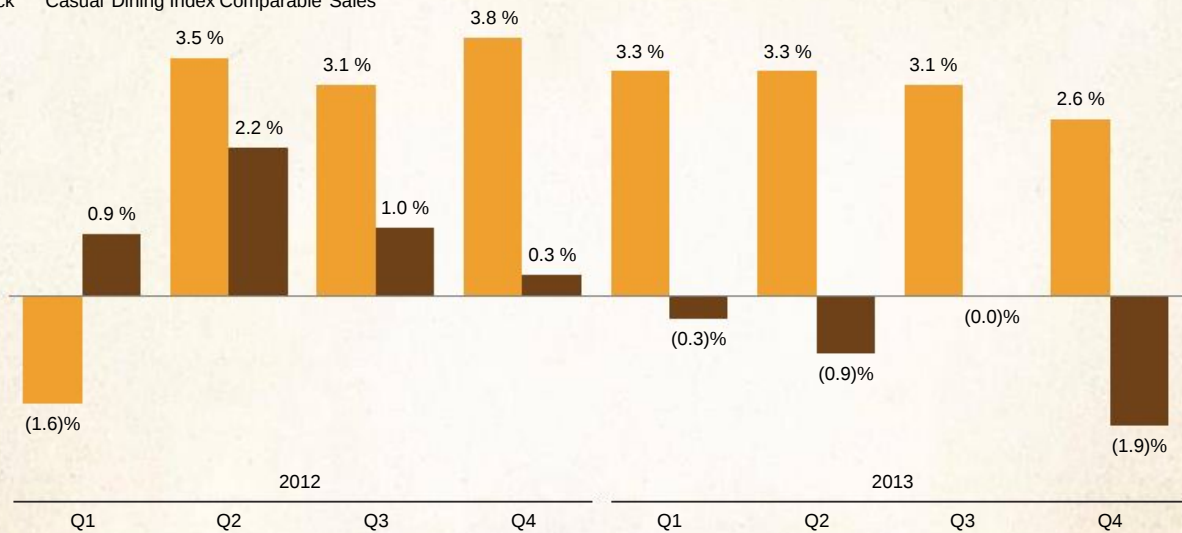


Acceleration of Comparable Store Restaurant Sales

Outperformed Knapp-Track™ Casual Dining Index For The Last Seven Quarters

■ Cracker Barrel Comparable Restaurant Sales

■ Knapp-Track™ Casual Dining Index Comparable Sales



Cracker Barrel vs. Knapp-Track™ Δ	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(2.5)%	1.3%	2.1%	3.5%	3.6%	4.2%	3.1%	4.5%

Source: Public filings and Knapp-Track™

Note: Knapp-Track™ Casual Dining Index Comparable Sales figure is an approximation based on respective weekly averages. Quarters relate to Cracker Barrel's fiscal year.



Delivering an Outstanding Guest Experience

Leader in Eight of Ten Categories

	Rank	%	Brands								
			A	B	C	D	E	F	G	H	I
Menu Variety	1 st	65	50'	56'	51'	52'	55'	57'	53'	63	49'
Availability of Healthy Options	1 st	53	46'	48'	40'	40'	43'	49'	43'	48'	28'
Welcoming, Comfortable Atmosphere	1 st	71	54'	59'	55'	46'	50'	65'	66'	65'	50'
Kid-Friendly	1 st	63	45'	51'	45'	47'	52'	47'	43'	44'	50'
Portion for Price Paid	1 st	66	54'	57'	53'	52'	52'	60'	55'	58'	50'
Ability to Provide Value Through High-Quality Menu Items	1 st	59	44'	50'	45'	40'	43'	51'	51'	53'	44'
Prices Relative to Other, Similar Restaurants	1 st	57	42'	44'	39'	41'	40'	43'	40'	41'	42'
Food Quality	1 st	73	58'	63'	50'	51'	57'	69'	70	73	57'
Food Taste & Flavor	2 nd	72	59'	65'	62'	53'	59'	70	72	75	61'
Pleasant, Friendly Service	2 nd	76	67'	73	69'	64'	64'	74	77	76	67'

Source: Technomic Consumer Brand Metrics Study Q1 2011 – Q1 2013

Note: Brands include: Applebee's, Bob Evans, Chili's, Denny's, IHOP, Olive Garden, Outback, Red Lobster, and Steak 'n Shake.

(1) Denotes rating significantly lower than Cracker Barrel at the 95% level of confidence (base: approx. 930 respondents per chain).



Updated Business Priorities to Continue Driving Performance Through 2014

- 1 Focus on Better-For-You menu additions and reinforce everyday value**

➤ *Introduce Better-For-You menu items with our Wholesome Fixin's program launch*

➤ *Increase value proposition with menu and process adjustments designed to increase overall guest satisfaction while maintaining our affordable price points*

- 2 Continue messaging in support of the brand, menu, and merchandise**

➤ *Continue "Handcrafted" marketing campaign with additional national television during the first quarter to support the Wholesome Fixin's launch*

- 3 Drive retail sales with quality, depth, and breadth of the merchandise assortment**

➤ *Increase the quality and number of themes*

➤ *Create consistency with promotions and inventory pipeline to smooth the sales curve*

- 4 Focus on improving operations and margins by applying technology and process improvements**

➤ *Evolve the employee and guest experiences*

➤ *Implement technology to improve through-put, efficiencies and food quality*

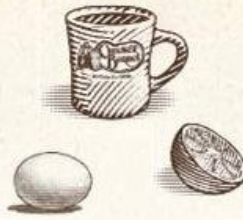
➤ *Streamline processes to increase labor productivity*

- 5 Maximize long-term total shareholder value**

➤ *Grow the sustainable quarterly dividend over time*

➤ *Reinvest capital in the business to support existing stores and expand the footprint with modest new unit growth*

➤ *Extend the brand outside the four walls*



IV. Special Dividend Proposal





Why You Should Vote Against the \$20 Per Share Special Dividend Proposal

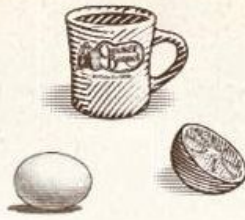
The Board Recommends That You Vote AGAINST This Proposal

Background

- ▶ In response to Biglari's proposed call of special meeting for shareholder advisory vote on a \$20 per share Special Dividend, the Board determined to include the proposal on the Annual Meeting ballot with a **recommendation that shareholders vote AGAINST the proposal**

Board's Rationale and Why You Should Vote AGAINST This Proposal

- ▶ The Company currently deploys meaningful funds for capital expenditures related to existing stores, new store development, improvement initiatives and other appropriate investments in order to ensure the long-term success and future growth of the business
- ▶ A \$20 per share Special Dividend, representing an aggregate amount of more than \$475 million, would require a substantial increase in leverage and in the Company's risk profile. Such leverage would reduce the Company's flexibility to both deal with contingencies and continue to invest in and grow the business in a way that the Board believes increases long-term results and enhances total returns to all shareholders
- ▶ **The Board believes that the Company's policies have strongly supported the generation of significant cash from its operating business, allowing the Company to triple the annual dividend from November 2011 to today, while maintaining a prudent risk profile and allowing the operating results to significantly enhance the growth in its stock price**
- ▶ The Board is keenly focused on effective capital allocation that delivers long-term value to all shareholders and will continue to assess on a regular basis the Company's capital allocation policy, including all alternatives to return capital to shareholders as well as to continue to make important investments in the core business



V. Biglari's Corporate Governance Record Continues to Concern Us





We Believe Biglari's Corporate Governance Track Record Would Not Be Right for This Board

- ▶ **Sardar Biglari used Biglari Holdings' funds to obtain personal voting control of ~15% of Biglari Holdings shares**

- ▶ **Biglari Holdings transferred ~3.8 million shares of CBRL stock to The Lion Fund (which is controlled by Sardar Biglari) with a 5-year lock-up**
 - This restructuring transferred control over an asset that constituted ~58% of Biglari Holdings' market cap¹ from the public company to The Lion Fund controlled by Sardar Biglari

- ▶ **Biglari Holdings entered into a Trademark License Agreement with Sardar Biglari which requires the Company to pay Sardar Biglari 2.5% of revenues² per year upon certain events such as Sardar Biglari's termination from the Company or a Change of Control**
 - 2.5% of Biglari Holdings' FY2012 revenues was ~\$18 million

- ▶ **Biglari has engaged in several other transactions which we believe are self-interested**
 - This includes changing his compensation structure (potentially circumventing the compensation cap), repeatedly proposing a dual class structure at Biglari Holdings, and completing a rights offering that diluted non-participating shareholders, among others

Source: Public filings

Note: Please see following pages for additional detail.

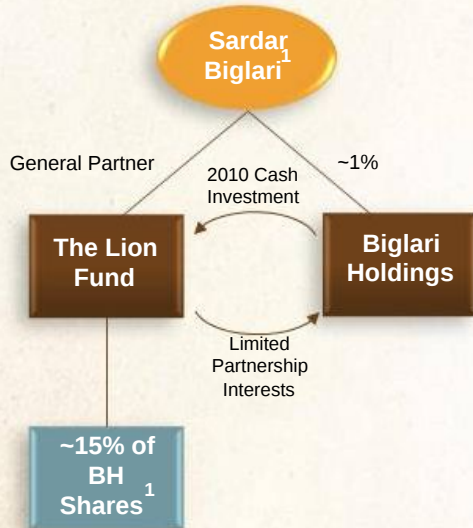
(1) Percentage represents value of ~4.0mm CBRL shares held in The Lion Fund II (\$103.18 per share) divided by BH market capitalization of \$711mm as of 30-Sep-2013.

(2) See definition of revenue and additional detail on slide 29.



We Believe Biglari's Corporate Governance Track Record Would Not Be Right for This Board (Cont.)

Sardar Biglari Used Biglari Holdings' Funds to Obtain Personal Voting Control of ~15% of Biglari Holdings Shares



- ▶ In 2010, Biglari Holdings invested ~\$36mm in The Lion Fund² and The Lion Fund acquired ~15% of Biglari Holdings shares
- ▶ The General Partner of The Lion Fund is Biglari Capital Corp., which Sardar Biglari acquired in July 2013
- ▶ Sardar Biglari claims voting and investment power over the BH shares¹

Source: Public filings

Note: Diagram simplified for illustrative purposes. References to The Lion Fund denote The Lion Fund I, L.P.

(1) Biglari Holdings Schedule 13D/A, filed 24-Sep-2013.

(2) Biglari Holdings Form 10-K, filed 10-Dec-2012, page 18.



We Believe Biglari's Corporate Governance Track Record Would Not Be Right for This Board (Cont.)

We Believe Biglari Has Engaged in Several Other Self-Interested Transactions – Increasing His Control

- ▶ In July and September 2013, Biglari Holdings undertook a series of complicated restructurings which included, among other things, Biglari Holdings transferring ~3.8 million shares of CBRL stock to The Lion Fund with a 5-year lock-up

This restructuring transferred voting and investment control over an asset that constituted ~58% of Biglari Holdings' market cap¹ from the public company to Sardar Biglari, who acquired the General Partner of The Lion Fund from Biglari Holdings

- Under the terms of the partnership agreement with The Lion Fund, CBRL shares contributed to The Lion Fund are subject to a five-year lock-up period; any distribution upon BH's withdrawal of funds will be paid out over two years

- ▶ In January 2013, Biglari Holdings entered into a Trademark License Agreement with Sardar Biglari, in which Sardar Biglari granted to Biglari Holdings an exclusive license to use the name "Biglari" with an expiration of twenty years

A "Triggering Event", such as a change of control or certain conditions under which Sardar Biglari leaves BH, will entitle Sardar Biglari to receive a royalty of 2.5% of revenues² for at least five years; Biglari Holdings' FY2012 Net Income margin was ~2.9%³

Source: Public filings

Note: References to The Lion Fund denote The Lion Fund II, L.P.

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

(2) Per Biglari Holdings public filings; Revenues means all revenues received, on an accrual basis under GAAP by Biglari Holdings, its subsidiaries and affiliates from the following: (1) all Products and Services covered by the License Agreement bearing or associated with the names Biglari and Biglari Holdings at any time (whether prior to or after a Triggering Event). This category would include, without limitation, the use of Biglari or Biglari Holdings in the public name of a business providing any covered Product or Service; and (2) all covered Products, Services and businesses that Biglari Holdings has specifically identified, prior to a Triggering Event, will bear, use or be associated with the name Biglari or Biglari Holdings, Brands. On 14-May-2013, Biglari Holdings, Steak n Shake, and Steak n Shake Enterprises entered into a Trademark Sublicense Agreement. Accordingly, revenues received by Biglari Holdings, its subsidiaries and affiliates from Steak n Shake's restaurants, products and brands would come within the definition of Revenues for purposes of the License Agreement.

(3) Percentage represents net earnings attributable to Biglari Holdings divided by total net revenues for FY2012 as disclosed by Biglari Holdings.



We Believe Biglari's Corporate Governance Track Record Would Not Be Right for This Board (Cont.)

We Believe Biglari Has Engaged in Several Other Self-Interested Transactions – Compensation

- ▶ **Prior to the July 2013 restructuring Sardar Biglari's compensation was subject to a shareholder-approved cap**
 - In FY2012, Sardar Biglari received the maximum bonus payment possible, primarily driven by investment gains in CBRL¹
 - At Biglari Holdings' 2013 Annual Meeting, a non-binding advisory "say on pay" vote failed by a margin of ~46% against to ~33% for, with ~21% of shareholders abstaining

- ▶ **The July 2013 restructuring may serve to circumvent this incentive compensation cap**
 - As General Partner of The Lion Fund, Biglari Capital Corp. (owned by Sardar Biglari) will receive an incentive reallocation equal to 25% of the net profits allocated to the limited partners (including Biglari Holdings) in excess of their applicable hurdle rate² – including investment gains on the CBRL shares transferred to The Lion Fund – without a compensation cap

Source: Public filings

Note: References to The Lion Fund denote The Lion Fund II, L.P.

(1) Biglari Holdings Schedule 14A, filed 27-Feb-2013, page 21.

(2) Biglari Holdings Form 8-K, filed 3-Jul-2013.



We Believe Biglari's Corporate Governance Track Record Would Not Be Right for This Board (Cont.)

Other Corporate Governance Matters at Biglari Holdings

- ▶ In September 2012, Biglari Holdings agreed to pay an \$850,000 civil penalty to resolve a Federal Trade Commission complaint for failing to comply with the Hart-Scott-Rodino Act in amassing its initial position in Cracker Barrel
- ▶ Biglari Holdings has regularly proposed a dual class structure of high vote / low vote stock at Biglari Holdings
 - Biglari Holdings delayed or adjourned a special meeting to authorize the dual class structure three times
 - Ultimately, Biglari Holdings stated it had postponed a special meeting to implement a dual class structure and conducted a rights offering as an alternative; however, Biglari Holdings noted should it be unable to effectuate a dual class structure, Biglari Holdings expects to conduct additional rights offerings
- ▶ Biglari Holdings announced the completion of a rights offering on September 16, 2013
 - The Rights Offering, which was at a 36%-38% discount of to market¹, required existing shareholders to participate in the offering in order to prevent dilution of their ownership stake
- ▶ In July 2013, as part of the restructuring, Sardar Biglari acquired 100% of the stock of Biglari Capital Corp. for ~\$1.7 million², an asset that Biglari Holdings previously purchased from Sardar Biglari in 2010 for ~\$4.1 million³

Source: Public filings

(1) Per Biglari Holdings prospectus filed on 22-Aug-2013; the subscription price per share represents a discount of approximately 36.8% from \$419.07, the average of the closing prices of BH common stock over the 31-trading day period ended 6-Aug-2013, the last trading day immediately prior to the announcement of this offering, and a discount of approximately 38.2% from \$428.47, the closing price of BH common stock on 6-Aug-2013. Based on subscription price of \$265.00 per whole share.

(2) Biglari Holdings Form 8-K, filed 3-Jul-2013.

(3) Biglari Holdings Form 10-K, filed 13-Dec-2010.



Cracker Barrel's Operating Performance Has Outshined Biglari's Steak 'n Shake Business...

(\$ in thousands)

**"We believe operating income per store ... is the metric that more accurately reflects the Company's underlying performance and long-term financial health."
Biglari Capital Corp. (8-Oct-2013)¹**

Steak 'n Shake Earnings per Store Have Fallen Since These Proxy Fights Began...²



...While Cracker Barrel Has Experienced Improvement in Earnings per Store³



Source: Public filings

Note: Time frames referenced relate to ending month of respective quarter. Quarters represent last three reported quarters per respective company. Metrics used to show approximate trend in Earnings per Store for both businesses, metrics do not use identical methodology due to lack of publicly disclosed information.

(1) Per Biglari Capital Corp.'s definitive proxy statement filed on 8-Oct-2013.

(2) Earnings per Store as measured by Steak 'n Shake's earnings before income taxes and noncontrolling interests as reported by BH over period average store count. Quarters relate to BH fiscal year.

(3) Earnings per Store as measured by Cracker Barrel's adjusted operating income as reported by CBRL over period average store count. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results. Quarters relate to CBRL fiscal year.



...As Has Cracker Barrel's Stock Price Performance Vis-à-Vis Biglari Holdings

Cracker Barrel Shares Currently Account for ~69%¹ of BH's Market Capitalization



Source: Bloomberg and public filings

Note: 12-Sep-2011 represents the day prior to announcement of Strategic Priorities on 13-Sep-2011.

(1) Represents market value of \$489mm stake in CBRL (\$103.18 per share) owned by Biglari Holdings and its affiliates divided by BH market capitalization of \$711mm as of 30-Sep-2013.



Cracker Barrel's Outstanding Board

The Cracker Barrel Board is Composed of Highly Experienced Individuals

Board Member	Summary Biography	First Elected to Board	Independent
 Sandy Cochran	President and CEO, Cracker Barrel Old Country Store, Inc. Former CEO, Books-A-Million, Inc.	2011	
 Tom Barr	President and COO, Hailo Network, USA Former Vice President, Global Coffee at Starbucks Corporation	2012	✓
 Jim Bradford (Chairman)	Former Dean of Vanderbilt University's Owen Graduate School of Management Former President and CEO, AFG Industries, Inc.	2011	✓
 Glenn Davenport	President of G.A. Food Service, Inc. Former Chairman and CEO, Morrison Management Specialists	2012	✓
 Dick Dobkin	Former Managing Partner, Tampa, FL office of Ernst & Young, LLP	2005	✓
 Norm Johnson	Former Executive Chairman and CEO, CLARCOR Inc.	2012	✓
 Bill McCarten	Chairman of the Board, DiamondRock Hospitality Company Former President and CEO, HMSHost Corporation	2011	✓
 Coleman Peterson	President and CEO, Hollis Enterprises, LLC Former Chief People Officer, Wal-Mart Stores, Inc.	2011	✓
 Andrea Weiss	President and CEO, Retail Consulting, Inc. Former President, dELIA*s Corp.	2003	✓

Source: Public filings



Analysts Continue to Comment Favorably on the Strategy Put Forth by the Incumbent Board and Management Team

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

Bob Derrington, Wunderlich Securities; 6-Sep-2013

"Based on the sales success of CBRL's new salads, we anticipate "Wholesome Fixin's" will help CBRL not only generate sales growth (we estimate an incremental 50bps y/y), but also convert many of the occasional "travel" customers into everyday "local" customers that can visit CBRL more often."

Stephen Anderson, Miller Tabak; 28-Jun-2013

"Cracker Barrel's EPS results demonstrate that management's turnaround efforts continue to substantially improve the business... We believed that the maturity of the brand was such that the sustained and material improvement was beyond reach; management has proven us very wrong, and our hat is off to them."

Bryan Elliot, Raymond James; 4-Jun-2013

"We expect CBRL to continue to deliver best-in-class results relative to its family dining peers, and argue CBRL management already has addressed Biglari's concerns about margin expansion and shareholder returns in the past two years."

Stephen Anderson, Miller Tabak; 3-Jun-2013

"We remain impressed with Cracker Barrel's strong operating performance in recent quarters despite tough comparisons, sluggish industry sales, and macro headwinds for consumers, including the Social Security payroll tax."

Joseph Buckley, BofA Merrill Lynch; 3-Jun-2013

"Cracker Barrel's management team has successfully executed plans to grow sales with changes in marketing, product flow and service. This has occurred in an overall challenging restaurant sales environment."

Joseph Buckley, BofA Merrill Lynch; 30-May-2013

Source: Publicly available equity research reports

Note: Permission to use quotations neither sought nor obtained. Emphasis added.



It Appears, Sardar Keeps the Focus on Himself

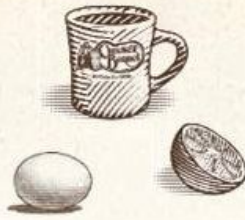
STEAK N SHAKE *Digital*





We Believe You Should Vote the White Proxy Card Because...

- ▶ We have accomplished a great deal over the last two years and have the right Board and management team in place to continue executing against our stated priorities
- ▶ We have a strong, capable and experienced Board that is committed to the highest standards of corporate governance and works diligently to create new opportunities for enhancing shareholder value via effective capital allocation over the long-term
- ▶ We offer our guests an unparalleled experience and continue to cater to their needs by refreshing menu categories, reinforcing affordability and launching a new Better-For-You offering
- ▶ The nominees brought, again, by Biglari Holdings and its affiliates are not the right fit for our Board
- ▶ We have concerns based upon Biglari's corporate governance record that his agenda could harm our shareholders and the Company



Appendix





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

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

Twelve Months Ended August 2, 2013

	As Reported	Adjustments ^{1,2,3}	As Adjusted
Total Revenue	\$ 2,644,630	–	\$ 2,644,630
Store Operating Income	344,786	–	344,786
General and Administrative Expenses	143,262	(5,634)	137,628
Impairment and Store Dispositions, Net	–	–	–
Operating Income	201,524	5,634	207,158
Interest Expense	35,742	–	35,742
Pretax Income	165,782	5,634	171,416
Provision for Income Tax	48,517	3,847	52,364
Net Income	\$ 117,265	\$ 1,787	\$ 119,052
Earning Per Share – Basic	\$ 4.95	\$ 0.08	\$ 5.02
Earning Per Share – Diluted	\$ 4.90	\$ 0.07	\$ 4.97

Twelve Months Ended August 3, 2012

Twelve Months Ended July 29, 2011

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

Source: Public filings

- (1) Severance, other charges and tax effects related to organizational changes.
- (2) Charges and tax effects of the proxy contest concluded at the Company's annual meeting of shareholders.
- (3) Provision for taxes adjusted to exclude the \$2.1 million prior year favorable effect of the retroactive reinstatement of the work opportunity tax credit.
- (4) (Charges) Gain and tax effects of impairment net of gain on sale of property.
- (5) Refinancing costs and tax effects related to the Company's \$750 million credit facility.



Reconciliation of GAAP Basis Operating Results to Adjusted Non-GAAP Operating Results (Cont.)

(Unaudited and \$ in thousands)









	Twelve Months Ended August 2, 2013	Twelve Months Ended August 3, 2012	Twelve Months Ended July 29, 2011
Adjusted Operating Income ¹	\$ 207,158	\$ 188,115	\$ 168,523
Depreciation and amortization	66,120	64,467	62,788
Rent Expense ²	42,349	41,407	39,572
Adjusted EBITDAR	\$ 315,627	\$ 293,989	\$ 270,883

Note: See full reconciliation on prior page for additional detail.

- (1) See full reconciliation on prior page for additional detail regarding respective adjusted operating income figures.
(2) Rent expense excludes advertising related billboard rentals expenses.



A Note on Peer Set Used for Benchmarking

Peer Set			Rationale for Inclusion
Ticker	Company Name	Logo	
BH	Biglari Holdings		<ul style="list-style-type: none"> ▶ For purposes of consistency, we are using the same peer set as last year ▶ We believe this subset of casual and family dining restaurants represents the most comparable set of companies to benchmark Cracker Barrel's operational performance <ul style="list-style-type: none"> – Leading casual / family dining concepts – Operational comparability – Similar scale – Geographical proximity
BOBE	Bob Evans Farms		
EAT	Brinker International		
CAKE	The Cheesecake Factory		
DRI	Darden Restaurants		
DENN	Denny's Corporation		
RT	Ruby Tuesday		
TXRH	Texas Roadhouse		



S&P Restaurant Index Composition

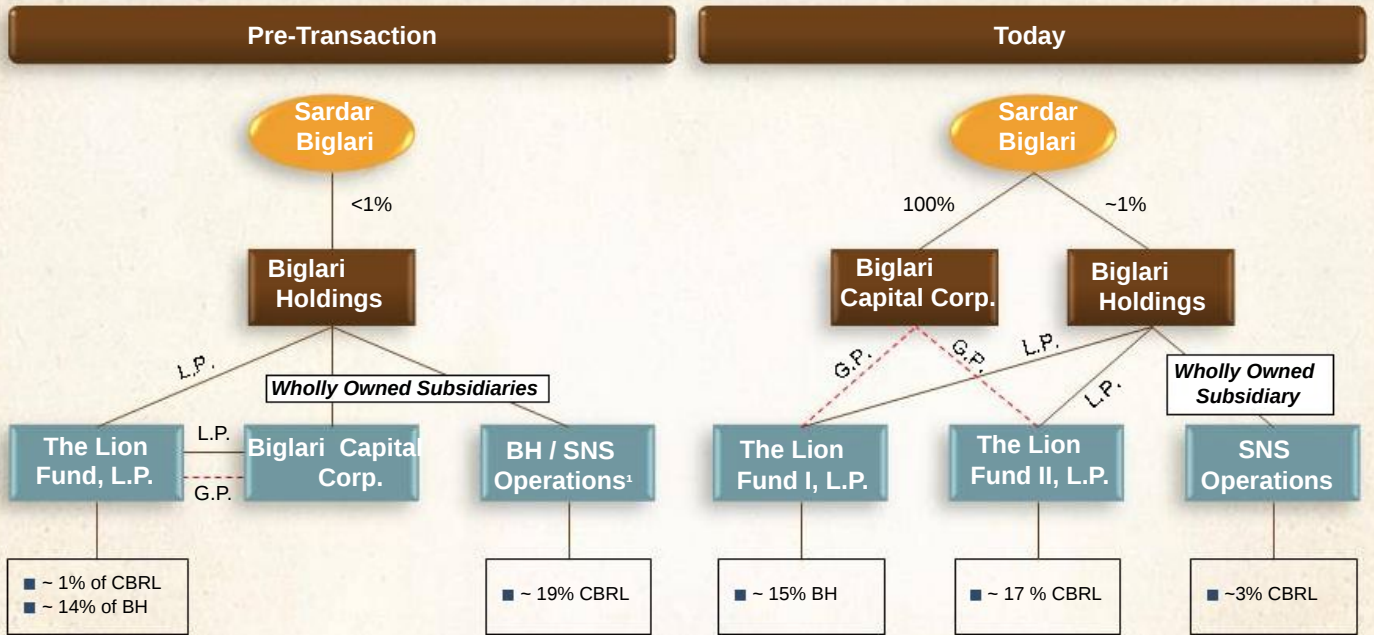
Respective S&P Restaurant Index Constituents

Ticker	Company Name	Logo	S&P 500	S&P 600	S&P 1,500	Ticker	Company Name	Logo	S&P 500	S&P 600	S&P 1,500
BJRI	BJ's Restaurants			✓	✓	JACK	Jack in the Box			✓	✓
BH	Biglari Holdings			✓	✓	MCD	McDonald's		✓		✓
BOBE	Bob Evans Farms				✓	PNRA	Panera Bread Company				✓
BWLD	Buffalo Wild Wings			✓	✓	PZZA	Papa John's International			✓	✓
CAKE	The Cheesecake Factory				✓	RRGB	Red Robin Gourmet Burgers			✓	✓
CBRL	Cracker Barrel Old Country Store			✓	✓	RT	Ruby Tuesday			✓	✓
CEC	CEC Entertainment			✓	✓	RUTH	Ruth's Hospitality Group			✓	✓
CMG	Chipotle Mexican Grill		✓		✓	SBUX	Starbucks		✓		✓
DIN	DineEquity			✓	✓	SONC	Sonic			✓	✓
DPZ	Domino's Pizza				✓	TXRH	Texas Roadhouse			✓	✓
DRI	Darden Restaurants		✓		✓	WEN	The Wendy's Company				✓
EAT	Brinker International				✓	YUM	Yum! Brands		✓		✓

Source: Standard & Poor's



Overview of 2013 Biglari Holdings Restructuring



Source: Public filings

Note: Diagrams simplified for illustrative purposes. References to SNS Operations denote BH wholly owned subsidiary Steak n Shake Operations. Pre-Transaction section calculations use CBRL shares outstanding of 23,785,827 as of 28-May-2013 per CBRL Form 10-Q filed 3-Jun-2013 and BH shares outstanding of 1,433,783 per BH Form 10-Q filed 14-May-2013. Today section uses CBRL shares outstanding of 23,885,495 per CBRL's definitive proxy statement filed on 2-Oct-2013 and BH shares outstanding of 1,720,602 per BH Schedule 13D/A, filed 24-Sep-2013.

(1) Reflects share ownership directly by Biglari Holdings and its wholly owned subsidiary Steak n Shake Operations.

Set forth below is an e-mail delivered by Sandra B. Cochran, President and CEO of Cracker Barrel Old Country Store, Inc. (the "Company"), to home office employees of the Company. The e-mail was sent after 7 a.m. Central Time on October 16, 2013.

From: Home Office News
Sent: Wednesday, October 16, 2013 8:56 AM
To: Home Office News
Subject: Proxy Update



H O M E O F F I C E N E W S

From Sandy Cochran

On October 3, Cracker Barrel began mailing its proxy statement for our Annual Meeting of Shareholders that will be held on November 13, 2013. Included in that mailing was a letter to our shareholders urging them to elect the Company's nine nominees to the Board of Directors, and to, once again, vote against the election of Sardar Biglari and Phil Cooley, Biglari Holdings' and its affiliates nominees. We also urged shareholders to vote against the non-binding, advisory proposal on a \$20 per share special dividend, which was publicly proposed by affiliates of Biglari Holdings last month. Further details about this are included in the letter, and in the news release that is attached, which you can also find on Cracker Barrel's Investor Relations [website](#).

I want to reinforce the fact that we have in place a long-term plan that is designed to fully realize shareholder value through continued operational excellence and by providing the best possible experience for our 240 million guests – an experience that would not be possible without the daily efforts of our 72 thousand dedicated employees. We will continue to keep you updated on developments concerning the proxy contest, and, in the interim, ask you to maintain your strong operational focus to please our guests and support our employees. Thank you for your continued commitment to making sure we deliver on the promise of the Cracker Barrel experience.

Important Additional Information

Cracker Barrel, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Cracker Barrel shareholders in connection with the matters to be considered at Cracker Barrel's 2013 Annual Meeting. On October 2, 2013, Cracker Barrel filed a definitive proxy statement (as it may be amended, the "Proxy Statement") with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Cracker Barrel shareholders. **INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION.** Detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Annex A thereto. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Cracker Barrel with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.

Set forth below is an e-mail delivered by Sandra B. Cochran, President and CEO of Cracker Barrel Old Country Store, Inc. (the "Company"), to field management employees of the Company. The e-mail was sent after 7 a.m. Central Time on October 16, 2013.

From: Store Operations
Sent: Wednesday, October 16, 2013 9:02 AM
To: Stores — Restaurant Managers; Stores — Retail Managers
Cc: Retail Regional Vice Presidents; Restaurant Regional Vice Presidents; Retail District Managers; Restaurant District Managers
Subject: From Sandy Cochran: Proxy Update
Importance: High

From Sandy Cochran

On October 3rd, Cracker Barrel began mailing its proxy statement for our Annual Meeting of Shareholders that will be held on November 13, 2013. Included in that mailing was a letter to our shareholders urging them to elect the Company's nine nominees to the Board of Directors, and to, once again, vote against the election of Sardar Biglari and Phil Cooley, Biglari Holdings' and its affiliates nominees. We also urged shareholders to vote against the non-binding, advisory proposal on a \$20 per share special dividend, which was publicly proposed by affiliates of Biglari Holdings last month. Further details about this are included in the letter, and in the news release that is attached, which you can also find on Cracker Barrel's Investor Relations website.

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