

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

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

Cracker Barrel Old Country Store, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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

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(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:

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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 beginning on November 5, 2012, after 4:30 p.m. Central Time. This investor presentation was also posted to the "Proxy Contest" section of the Company's Investor Relations website, investor.crackerbarrel.com.



On the Right Track, Generating Exceptional Performance

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

Fall 2012

IMPORTANT ADDITIONAL INFORMATION

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

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

Cracker Barrel, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Cracker Barrel shareholders in connection with the matters to be considered at Cracker Barrel’s 2012 Annual Meeting. On October 4, 2012, Cracker Barrel filed a definitive proxy statement (as it may be amended, the “Proxy Statement”) with the U.S. Securities and Exchange Commission (the “SEC”) in connection with any such solicitation of proxies from Cracker Barrel shareholders. **INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION.** Detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Annex A thereto. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Cracker Barrel with the SEC for no charge at the SEC’s website at www.sec.gov. Copies will also be available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.



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I. Executive Summary

WHAT WE HAVE ACCOMPLISHED IN THE PAST YEAR

Delivering on the Company's Promises

- | | | |
|-----------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------|
| ✓ Improve same store sales and traffic trends | ➔ | ■ Accelerating same store sales growth in last three quarters with Q4 traffic up 1.4% |
| ✓ Cut costs and leverage fixed costs to enhance profitability | ➔ | ■ FY 2012 operating margin growth of 50 bps |
| ✓ Reconfigure the Board with new members bringing a fresh perspective | ➔ | ■ 7 new board members ¹ , including a new independent Chairman ² |
| ✓ Fill in key management positions to enhance functional capabilities | ➔ | ■ Revitalized leadership – five senior executives new to Cracker Barrel or serving in new positions since January 2011 |
| ✓ Develop a long-term plan to maintain operating momentum | ➔ | ■ Same store sales outperforming casual dining peers in Knapp-Track™ for three consecutive quarters |

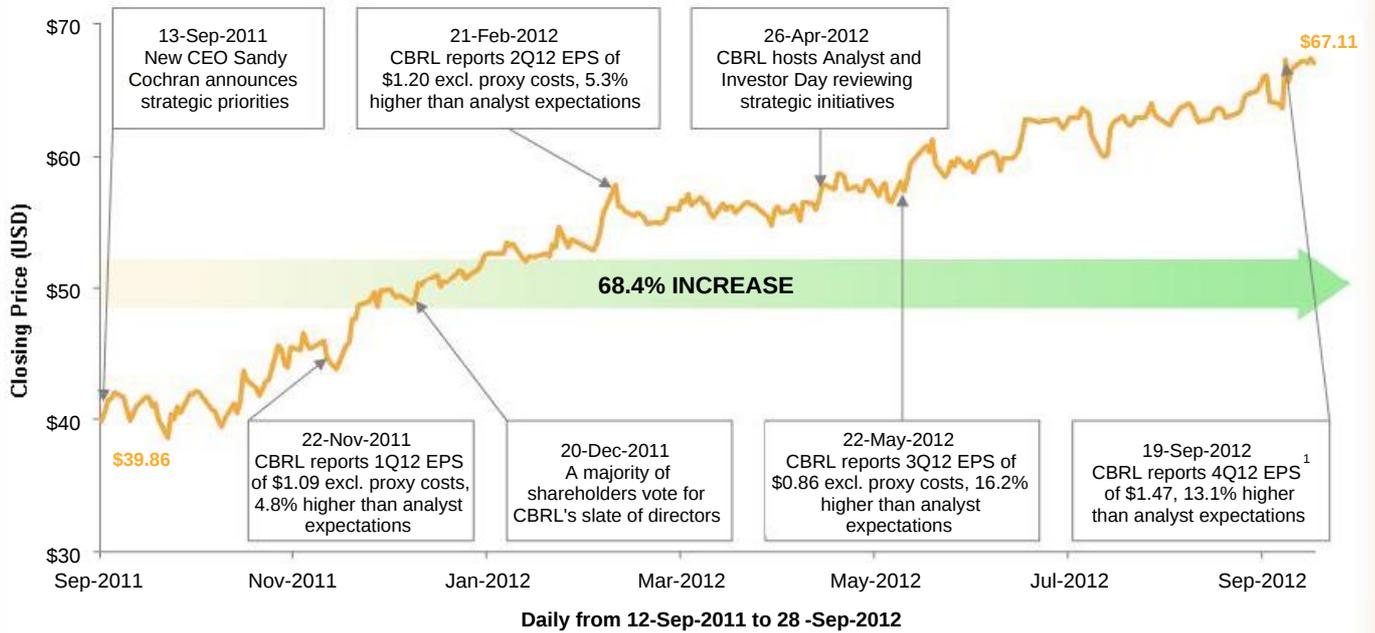


(1) Changes to board since 20-Jun-2011.

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

CBRL STOCK PRICE HAS INCREASED SIGNIFICANTLY

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



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

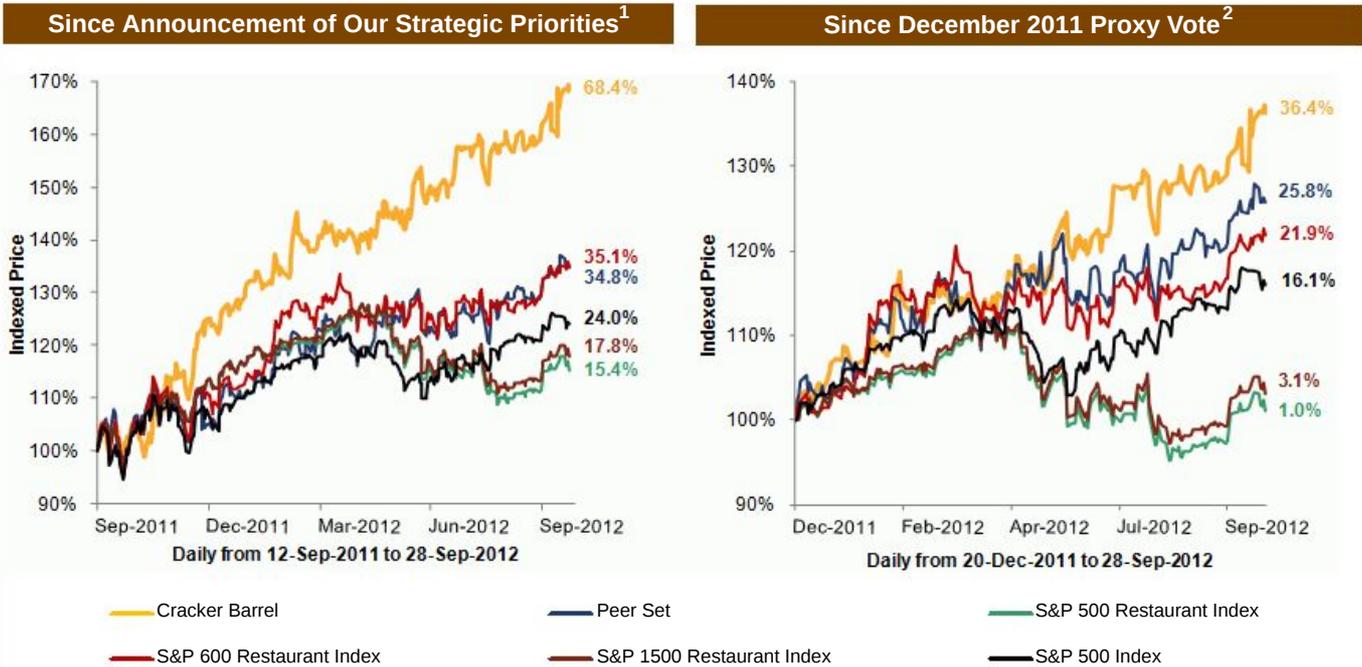
Note: 12-Sep-2011; is closing price the day prior to announcement of Strategic Priorities on 13-Sep-2011. Please see Appendix for reconciliation of GAAP basis operating results to adjusted non-GAAP operating results.

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



CBRL HAS SIGNIFICANTLY OUTPERFORMED ITS PEERS

No Matter What Benchmark You Use, CBRL Has Outperformed



Source: Bloomberg
 Note: Peer set includes BH, BOBE, EAT, CAKE, DRI, DENN, RT, TXRH. S&P Restaurant Index includes the restaurant companies in the S&P 500 Index: CMG, DRI, MCD, SBUX, YUM. S&P 600 Restaurant Index includes the restaurant companies in the S&P 600 Index: BJRI, BH, BWLD, CEC, CBRL, DIN, JACK, PZZA, PEET, RRGB, RT, RUTH, SONC, TXRH. S&P 1,500 Restaurant Index includes the restaurant companies in the S&P 1,500 Index: BJRI, BH, BOBE, EAT, BWLD, CEC, CAKE, CMG, CBRL, DRI, DIN, JACK, MCD, PNRA, PZZA, PEET, RRGB, RT, RUTH, SONC, SBUX, TXRH, WEN, YUM.
 (1) 12-Sep-2011; is closing price the day prior to announcement of Strategic Priorities on 13-Sep-2011.
 (2) 20-Dec-2011; date of CBRL's 2011 Annual General Meeting, proxies voted.



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

(\$ in millions)



Source: Public filings and Bloomberg

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



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

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

Announcement
of Our Strategic
Priorities

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



Source: Public filings

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

WHY WE ARE HERE...AGAIN

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





II. Delivering on our Six Priorities

WHAT WE TOLD YOU WE'D DO 12 MONTHS AGO

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



1 NEW MARKETING MESSAGE

“Hand Crafted by Cracker Barrel”

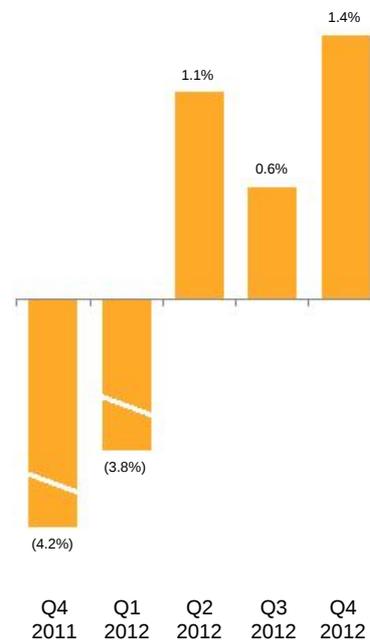
Continued Investment in Billboards



First National Television Campaign



Comparable Restaurant Traffic



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



Source: Public filings

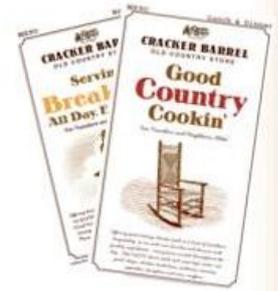
2 REFINE MENU AND PRICING

Guest Satisfaction Results Show Overall Value Scores at Historic Highs

Better-
For-You



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



Daily
Lunch
Specials



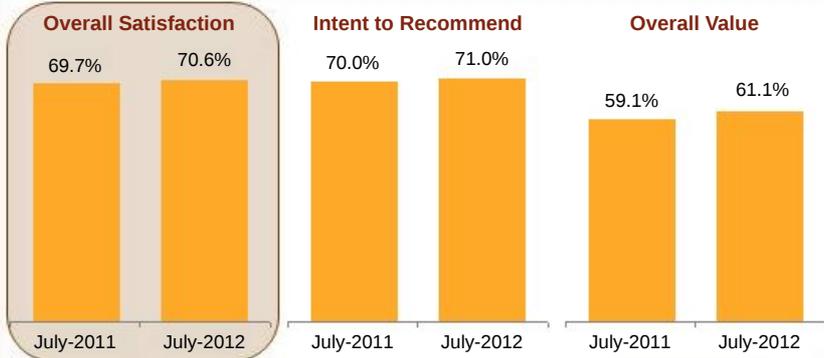
- Highlighted an attractive \$5.99 price point
- Drove week-day lunch traffic
- Reinforced value perception across all day-parts



3

ENHANCE RESTAURANT OPERATING PLATFORM

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



CONSUMER PICKS
Overall Scores

FAMILY-DINING RESTAURANTS

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



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



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

4 INNOVATIVE TACTICS DRIVING RETAIL SALES GROWTH

Game Plan for Growing Retail Sales...

Support the restaurant by reinforcing the emotional connection to the Brand

+

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

Merchandising Strategy



Unique



Nostalgic



Seasonal

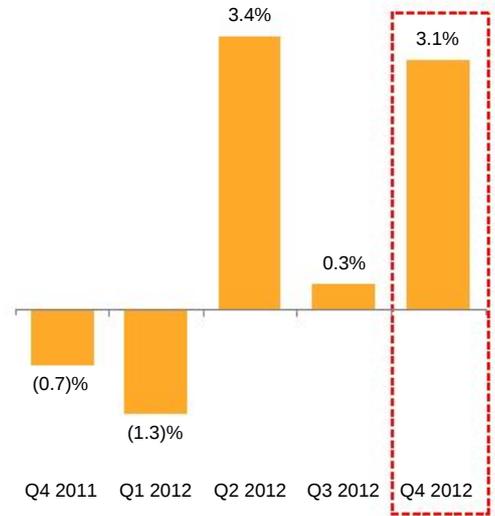


Everyday Needs



Source: Public filings

Quarterly Retail Same Store Sales



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

5 FOCUSED COST REDUCTION

Improving Productivity of the Box

Leveraging Our Support Cost Base

Eliminating Annual G&A and Labor Expenses

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

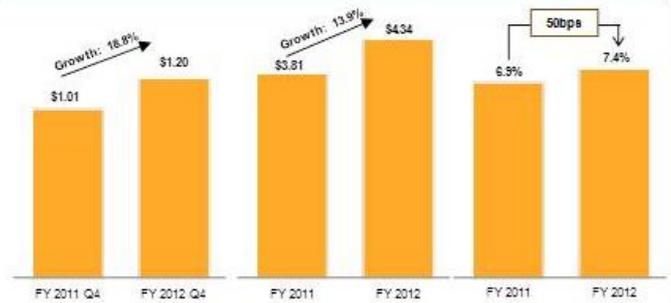
Labor Management System

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

Transportation Management System

- Improves efficiency in the distribution of retail merchandise

Adjusted EPS¹ & Operating Inc as % of Sales



Margin and Process Improvement



Increasing Labor Productivity



Improved Technology



Enhanced Operating Systems



Streamlined Supply Chain and Purchasing

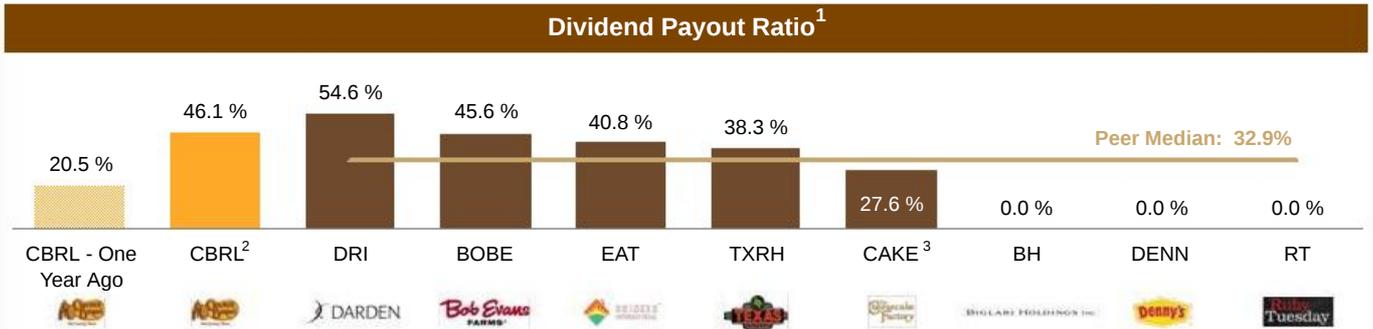
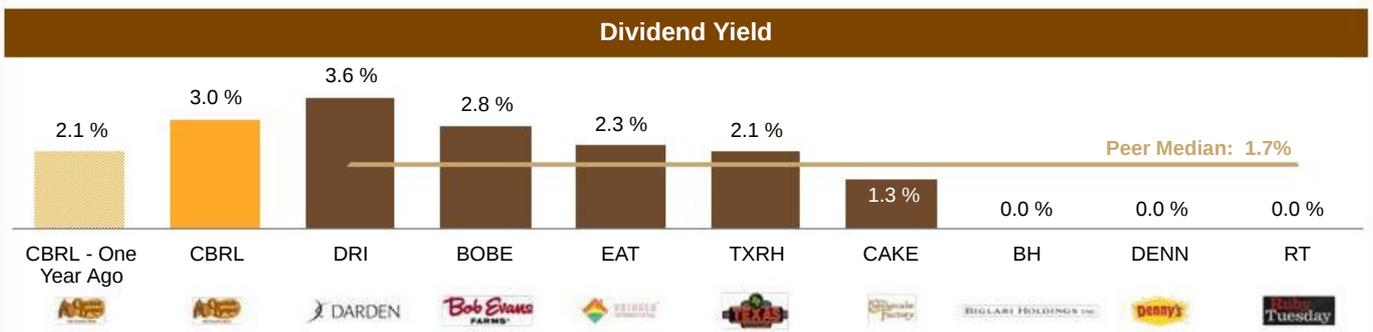
Source: Public filings

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



6

BALANCED APPROACH TO CAPITAL ALLOCATION



Source: Bloomberg and public filings

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

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

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

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





III. Driving Best-in-Class Results

BUILDING ON OUR RECENT SUCCESS

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

ENHANCE THE CORE

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

EXPAND THE FOOTPRINT

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

EXTEND THE BRAND

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

2012 – 2015 Strategic Plan

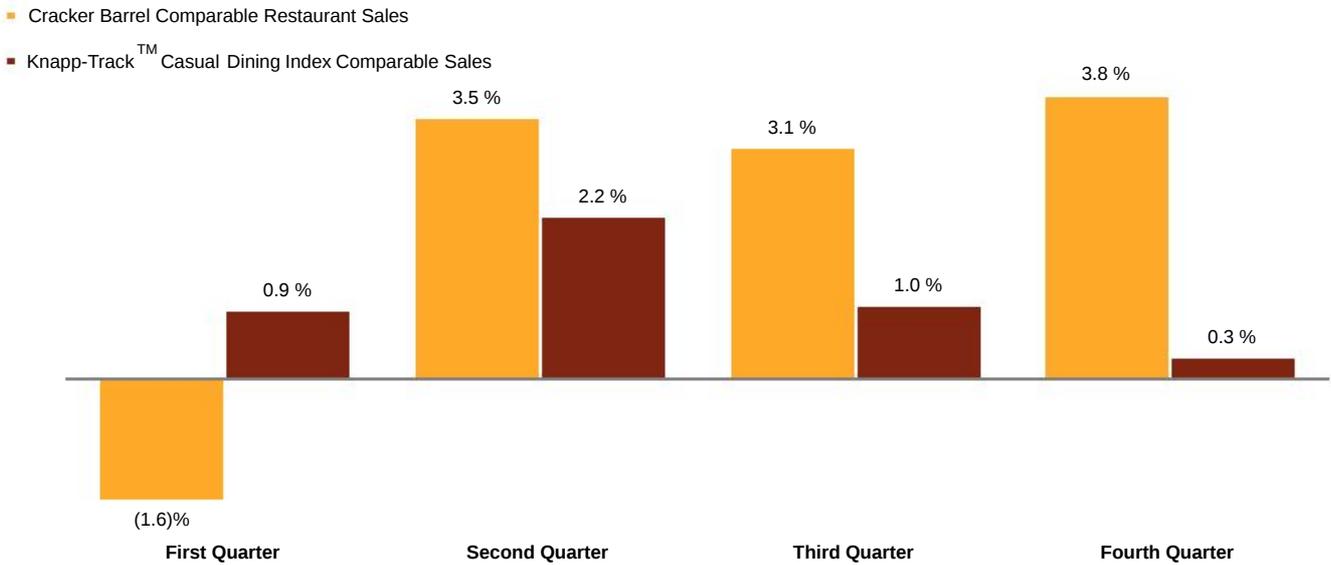
**Decisive Action Driving
Total Shareholder
Return**

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



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

Three Consecutive Knapp-Track™ Beats in FY 2012



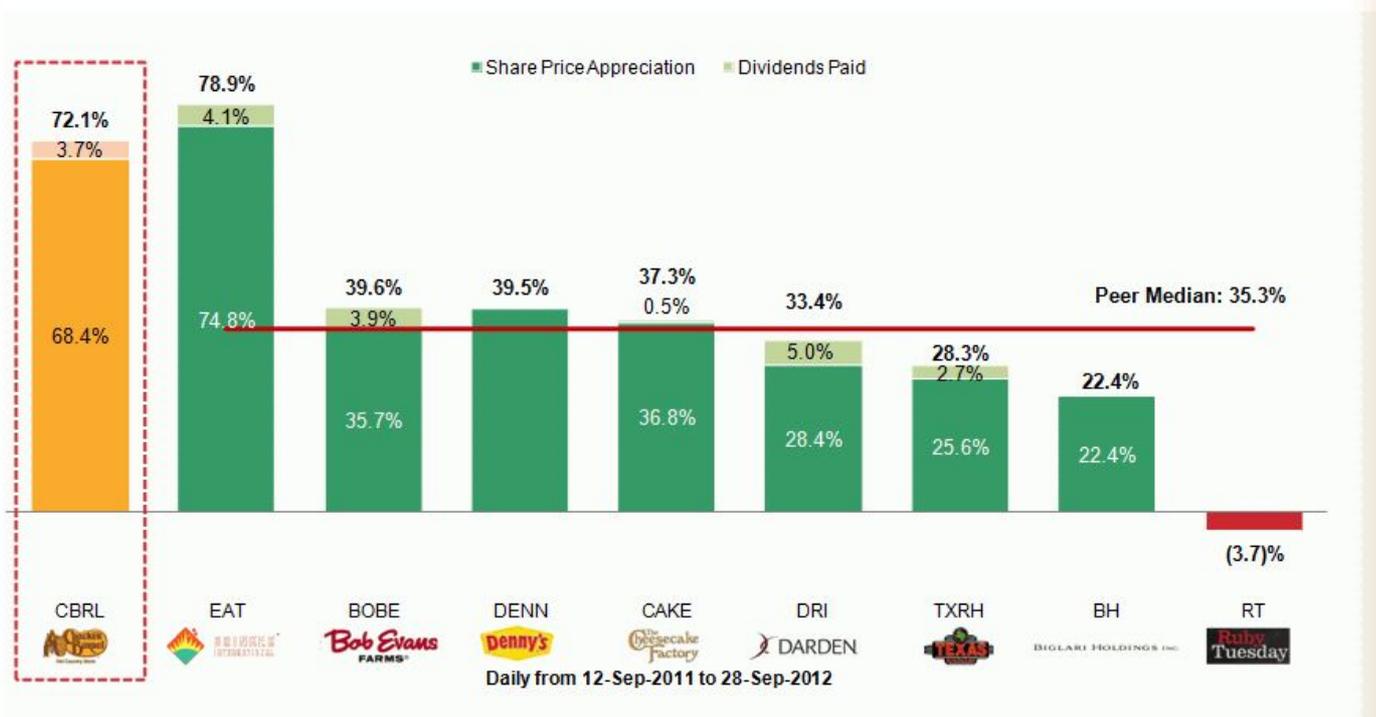
Cracker Barrel vs. Knapp-Track™ Δ	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(2.5)%	1.3%	2.1%	3.5%



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

A SECTOR LEADER IN TOTAL SHAREHOLDER RETURN

TSR Since Announcement of our Strategic Priorities¹



Source: Bloomberg and public filings

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

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



UPDATED BUSINESS PRIORITIES TO CONTINUE DRIVING PERFORMANCE THROUGH 2013

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



A RENEWED BOARD HELPING TO DRIVE PERFORMANCE

New Within Past 18 Months

Independent

	Sandy Cochran, President and CEO, Cracker Barrel and former CEO, Books-A-Million	
	Tom Barr, Vice President, Global Coffee, at Starbucks Coffee Company	✓
	James Bradford, Dean of Vanderbilt's Owen Graduate School of Management and former President and CEO of AFG Industries, Inc.; Designated Independent Chairman of the Board of Cracker Barrel ¹	✓
	Glenn Davenport, Retired Chairman and CEO, Morrison Management Specialists	✓
	Norman Johnson, Executive Chairman and Former CEO, CLARCOR Inc.	✓
	William McCarten, Chairman of the Board, DiamondRock Hospitality Company and former President and CEO, HMS Host Corporation	✓
	Coleman Peterson, President and CEO, Hollis Enterprises, LLC and former EVP and Chief People Officer, Wal-Mart Stores, Inc.	✓
	Richard Dobkin, retired Managing Partner of the Tampa, FL office of Ernst & Young	✓
	Martha Mitchell, retired Senior Partner and SVP, Fleishman-Hillard, International Communications	✓
	Andrea Weiss, President and CEO, Retail Consulting and former Chairman, Cortefiel Group	✓



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

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

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

Selected Analyst Commentary

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

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

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

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

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

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

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

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

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





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

WHY WE BELIEVE SARDAR BIGLARI IS STILL WRONG FOR THIS BOARD

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

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

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

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

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

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

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



PROXY ADVISORY FIRMS AGREE – VOTE THE WHITE PROXY CARD

Our Board Was Fully Recommended on 2-Nov By ISS and Glass Lewis

Management Nominees		
Nominee	ISS Recommendation	Glass Lewis Recommendation
Tom Barr	FOR	FOR
James Bradford	FOR	FOR
Sandy Cochran	FOR	FOR
Glenn Davenport	FOR	FOR
Richard Dobkin	FOR	FOR
Norman Johnson	FOR	FOR
William McCarten	FOR	FOR
Martha Mitchell	FOR	FOR
Coleman Peterson	FOR	FOR
Andrea Weiss	FOR	FOR

Biglari Holdings Nominees		
Nominee	ISS Recommendation	Glass Lewis Recommendation
Sardar Biglari	DO NOT VOTE	DO NOT VOTE
Philip Cooley	DO NOT VOTE	DO NOT VOTE

Source: ISS Proxy Advisory Services report (Institutional Shareholder Services) and Proxy Paper report (Glass, Lewis & Co.); both respectively dated 2-Nov-2012
Note: Permission to use information neither sought nor obtained.



PROXY ADVISORY FIRMS AGREE – VOTE THE WHITE PROXY CARD

Selected Commentary from ISS

- “As the most compelling explanation of the company’s resurgence is the leadership change and execution on the new strategic plan by the existing board and management team — and not suggestions of the dissident nominees in last year’s or this year’s proxy contest, however meritorious—it is clear the dissidents have not made a compelling case that change at the board level is warranted **ISS therefore recommends shareholders vote on the WHITE proxy card FOR the management nominees.**”
- “To the extent share price appreciation has outstripped growth in margins and net income, **one might reasonably conclude this is evidence the market has bought into the company’s turnaround strategy and its operating leadership.**”
- “The **income statement for fiscal 2012 strongly supports the company’s view that a real turnaround has taken root.**”
- “It is worth pointing out that this is **a profoundly silly reason to run a proxy contest, and the amount of attention the dissidents have lavished on it may raise more questions about their sense of perspective than the incoming Chairman’s integrity.** ... The critical point, in all the company’s communications which deployed the phrase, is that **Bradford has significant and substantial executive experience as a leader—** an unchallenged bona fide which might shareholders assessing his ability to lead this company as Chairman might appreciate.”



Source: ISS Proxy Advisory Services report (Institutional Shareholder Services) dated 2-Nov-2012
Note: Permission to use quotations neither sought nor obtained. Emphasis added.

PROXY ADVISORY FIRMS AGREE – VOTE THE WHITE PROXY CARD



Selected Commentary from Glass Lewis

- “With the foregoing factors in mind, we see little reason for shareholders to now support the candidacy of Messrs. Biglari or Cooley, whose own high-level stewardship has failed to generate attractive returns for shareholders of Biglari, despite its relatively substantial interest in a rebounding Cracker Barrel. **Accordingly, we recommend shareholders vote FOR all nominees on management's WHITE proxy card.**”
- “... **we now find a materially improved Company operating under the stewardship of a substantially reconstituted board and management team that has executed on a well-codified and publicly-disclosed business plan.** Further foundering Biglari's most recent solicitation are a series of relatively unconvincing and, at times, specious arguments, which collectively do little to support a forward operating plan that is decidedly light on detail, despite the Dissident's industry experience.”
- “**Cracker Barrel appears to have dramatically improved its financial performance,** while also taking concrete steps to remediate or eliminate several outstanding governance concerns. In response, we find **the Dissident has resorted to decidedly less compelling quantitative arguments and abrasive commentary to support a vaguely-framed plan that, all other things equal, seems to work against a strategy that has objectively improved returns and transparency for Cracker Barrel shareholders.**”
- “... we note the board has already been substantially reconstituted through the appointment of six new independent directors in the last 18 months, and, moreover, several board members with whom we have previously taken issue will not be standing for reelection at the 2012 annual meeting. **When taken together with what we view as a well-disclosed business plan, we see little reason to disrupt the current board dynamic.**”



Source: Proxy Paper report (Glass, Lewis & Co.) dated 2-Nov-2012
Note: Permission to use quotations neither sought nor obtained. Emphasis added.

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

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

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

– Sardar Biglari ¹

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

– Sardar Biglari ¹

✘ Current ownership of 17.4% exceeds his previously announced intentions

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

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



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

...WHAT SARDAR BIGLARI RECENTLY CONFIRMED ABOUT BIGLARI HOLDINGS

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

Source: Public filings

Note: Emphasis added.

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

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



WHAT DOES BIGLARI REALLY THINK?

“Biglari Holdings is a jockey stock.

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

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

BIGLARI HOLDINGS INC.



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

OUR VIEWS ON BIGLARI ARE SHARED BY WALL STREET ANALYSTS

Selected Analyst Commentary

"At this point in time [Biglari] **hasn't revealed any plan**, of which I'm aware, to the company. I think the company wants to make sure if he has designs on taking over this company and its business, **they'd like to make sure the shareholders, other than just him, are well taken care of.**"

- Bob Derrington, Northcoast Research, as quoted in the San Antonio Express; 18-Oct-2012

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

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

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

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



Source: Public news sources and publicly available equity research reports, permission to use quotations neither sought nor obtained

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

Selected Analyst Commentary

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

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

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

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

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



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

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



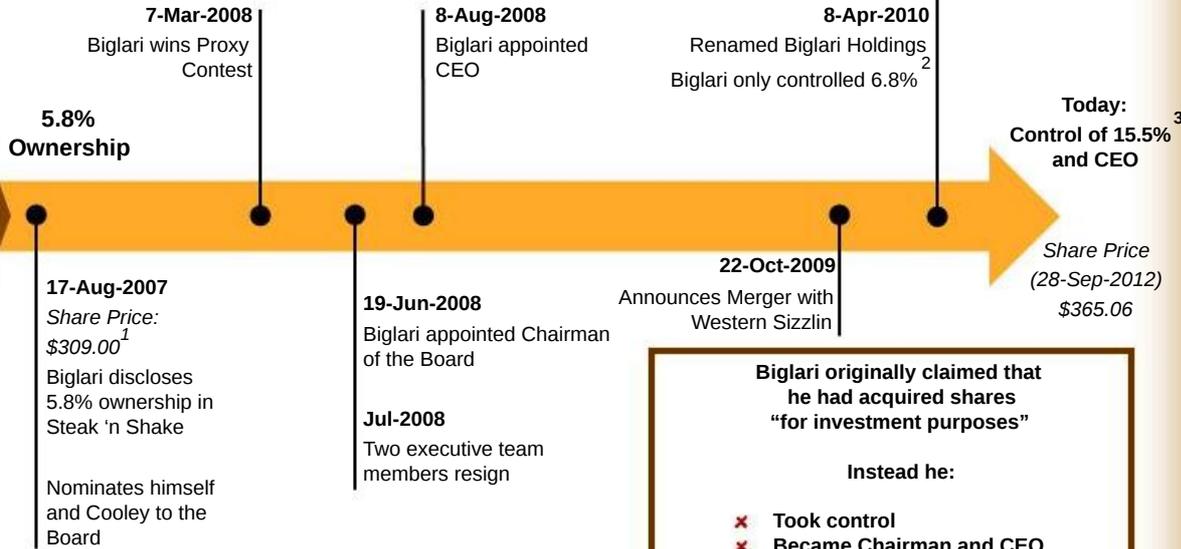
BIGLARI HOLDINGS INC.

Purchased through:

- Lion Fund
- Western Sizzlin
- P. Cooley

Call Options:

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



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

Instead he:

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

Source: Public filings and Bloomberg

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

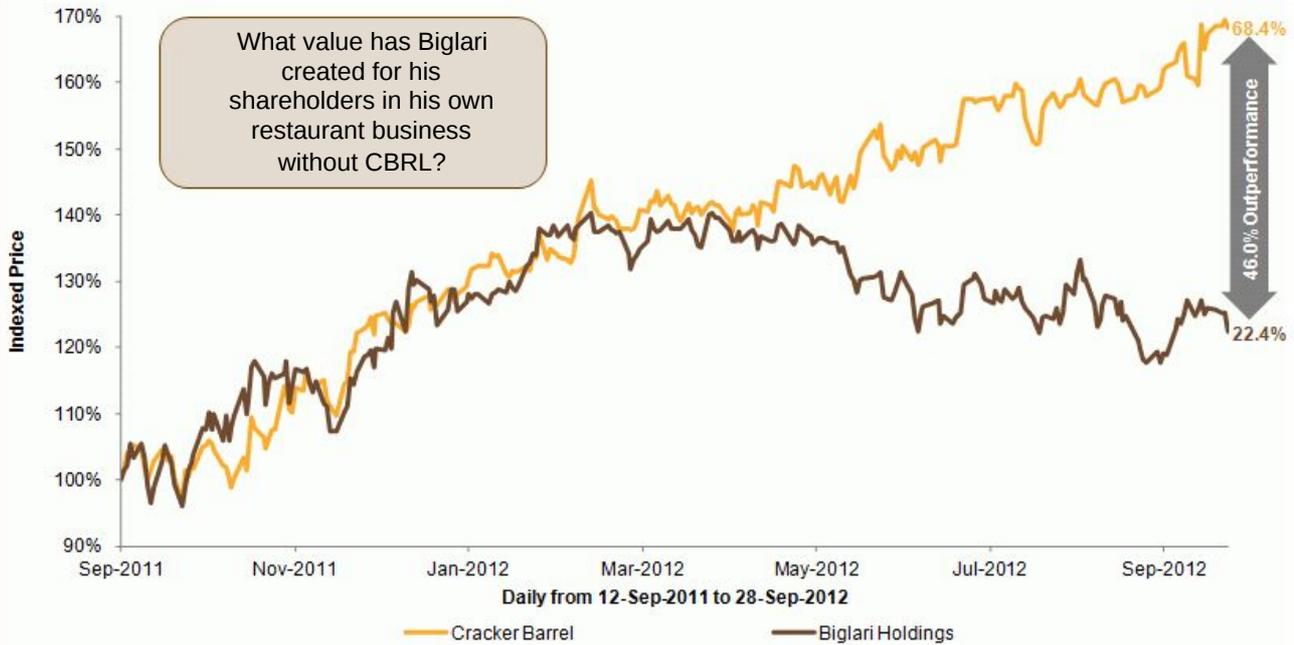
(2) As per Biglari's Schedule 13D/A filing on 3-Feb-2010.

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



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

CBRL Represents over 50% of BH's Market Cap



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

BIGLARI AGAIN TURNED DOWN A GOOD FAITH SETTLEMENT OFFER

Biglari Rejected The Following Settlement Proposal:

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

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

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

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



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

....It's All About Sardar



OUR SHAREHOLDER RIGHTS PLAN IS DESIGNED TO PROTECT SHAREHOLDERS AND HAS BEEN RECOMMENDED BY ISS

ISS Recommends A Vote “FOR” Our Shareholder Rights Plan

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

Our Shareholder-Friendly Rights Plan Protects Shareholders From Biglari’s Tactics

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



Source: ISS Proxy Advisory Services report (Institutional Shareholder Services) dated 2-Nov-2012
Note: Permission to use quotations neither sought nor obtained. Emphasis added.

OTHER SHAREHOLDER MATTERS

Compensation Policies

Compensation – Pay for Performance Culture

- 80% of CEO's target total direct 2012 compensation, and 69% of other named executive officers, is contingent upon measurable performance
- Incentive programs have one, two and three year performance periods to promote both short and long term appreciation of shareholder value
- 2012 Total Shareholder Return significantly outperformed the S&P 500, 600, and 1,500 Restaurant indices
- Revenue growth, improved margins, and strong Return On Invested Capital performance resulted in incentive plan performance in excess of targets

Compensation Committee Review and Revisions of Compensation Practices in 2012

- Initiated full review of compensation practices based on say-on-pay vote results and feedback from shareholders and proxy advisory services in connection with 2011 annual meeting
- Instituted a number of revisions to compensation practices as a result of this analysis:
 - Revised overall compensation philosophy to target total compensation paid to our executive officers at median of peer group
 - Revised stock ownership guidelines to multiple of base salary for executive officers and total cash retainer for non-employee directors:
 - 5x base salary for CEO
 - 3x base salary for CFO and Executive Vice Presidents; 2x base salary for all other executive officers
 - For non-employee directors, greater of 5,000 shares or 5x the annual cash retainer
 - No covered persons may sell any shares until threshold is reached
 - Worked to clarify disclosure in CD&A of compensation performance targets and performance relative to them
 - Adopted anti-hedging policy for officers and directors



WHY YOU SHOULD VOTE THE WHITE PROXY CARD

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





Appendix

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

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

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

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

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

(2) (Charges) Gain and tax effects of impairment net of gain on sale of property.

(3) Refinancing costs and tax effects related to the Company's \$750 million credit facility.

(4) Charges and tax effects of the proxy contest concluded at the Company's annual meeting of shareholders.



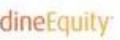
A NOTE REGARDING PEER SET USED FOR BENCHMARKING

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

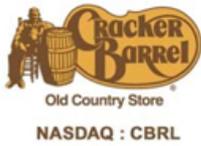


S&P RESTAURANT INDEX COMPOSITION

Respective S&P Restaurant Index Constituents

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





Investor Contact: Lawrence E. Hyatt, Senior Vice President and Chief Financial Officer
(615) 235-4432
Mark Harnett, MacKenzie Partners, Inc.
(212) 929-5877

Media Contact: Julie K. Davis, Senior Director, Corporate Communications
(615) 443-9266
Ruth Pachman, Kekst and Company
(212) 521-4891

**CRACKER BARREL URGES SHAREHOLDERS TO PROTECT THE FUTURE OF THEIR
INVESTMENT BY SUPPORTING ONGOING BUSINESS SUCCESS**

- **Asks For YES Votes on All Board Nominees at Annual Meeting Next Week, as Recommended by ISS and Glass Lewis**
- **Urges Approval of Shareholder-Friendly Rights Plan Endorsed by ISS**

LEBANON, Tenn. November 6, 2012 – Cracker Barrel Old Country Store, Inc. (“Cracker Barrel” or the “Company”) (Nasdaq: CBRL) today sent a letter to shareholders from Sandra B. Cochran, President and Chief Executive Officer, urging them to protect the future of their investment by supporting the Company’s ongoing business success and preventing Sardar Biglari from taking “creeping control” without paying shareholders a premium.

Ms. Cochran asked shareholders to approve all Board nominees at the Company’s annual meeting on November 15, 2012, in line with recommendations of leading independent proxy advisory services Institutional Shareholder Services (ISS) and Glass Lewis & Co. She also urged approval of the Company’s shareholder-friendly rights plan, which was also endorsed by ISS.

“We believe that Mr. Biglari has used unnecessarily divisive rhetoric, and has cherry-picked unfavorable data points of questionable relevance in an effort to distract from our successes over the past year,” Ms. Cochran stated. “We further believe that his presence on our Board would risk derailing our success and interfere with the Board’s ongoing effectiveness.”

She emphasized the importance of shareholders voting for the Shareholder Rights Plan, which was designed to prevent Mr. Biglari or anyone else from gaining creeping control of Cracker Barrel without paying shareholders a premium, while retaining several shareholder-friendly provisions.

- MORE -

She concluded: “We believe that change at the Board level is not warranted at this time, and we are pleased that ISS and Glass Lewis recognize our successful business execution over the past year, as well as the lack of foundation for Mr. Biglari’s arguments. We urge you to protect your investment and support all ten of your Board’s nominees.”

Text of Letter from Ms. Cochran to Cracker Barrel Shareholders:

**PROTECT THE FUTURE OF YOUR INVESTMENT AND SUPPORT YOUR
COMPANY’S ONGOING BUSINESS SUCCESS**

**Leading Proxy Advisory Firms Agree: Reject Biglari and Cooley for Board Seats;
Vote FOR Cracker Barrel’s Highly Qualified Board Slate**

**ISS Recommends Voting FOR Shareholder Rights Plan;
Prevent Biglari from Taking Creeping Control of Your Company**

VOTE THE ENCLOSED WHITE PROXY CARD TODAY

November 6, 2012

Dear Cracker Barrel Shareholders:

At Cracker Barrel’s November 15, 2012 Annual Meeting of Shareholders, you will have an important decision to make regarding the future of your investment. By supporting your Board-designated nominees, you will be able to reaffirm your support for our ongoing commitment to generating value for shareholders.

As you review the large amount of correspondence generated thus far, we encourage you to consider the following key facts: we have successfully executed on the strategic initiatives we announced last year; we had strong financial and operational performance during our 2012 fiscal year; we have added new perspectives, skills and expertise to our Board through seven new directors over the past 18 months; and we have added key senior management hires in areas vital to our organization.

Our accomplishments across multiple operational and financial metrics have translated into not only improvements in sales, operating margins and earnings per share, but also a 68.4% appreciation in the value of the Company’s shares in the year following the announcement of our strategic initiatives.¹ Since launching our strategic priorities in September 2011, we have:

- Outperformed the S&P 500 Restaurant Index, S&P 600 Restaurant Index, S&P 1500 Restaurant Index, S&P 500 Index, and the peer set delineated in our 2012 proxy statement;
- Doubled our quarterly dividend from \$0.25 to \$0.50, thereby increasing our dividend yield to 3%;

¹ From September 12, 2011, the day prior to announcement of our six strategic priorities, through September 28, 2012.

- MORE -

- Increased cash and cash equivalent balances by nearly \$100 million, or 190%;
- Achieved operating margin expansion of 50 bps for FY 2012;
- Accelerated same store sales growth in the last three quarters; and
- Outperformed casual dining peers in same store traffic and sales growth for three consecutive quarters, as measured by the Knapp-Track™ casual dining index.

Mr. Biglari has distributed materials that attempt to dispute these facts and distract you from our operational and financial success, recruitment of new Board members and positive ongoing momentum. However, we believe he has failed to contribute any new meaningful or original ideas, and has made assertions about our performance and governance that we believe are, at best, uninformed, and, at worst, intentionally misleading. For example, Mr. Biglari has asserted that we changed the formula used to calculate ROIC for purposes of executive compensation. This is incorrect. As noted by Institutional Shareholder Services (ISS) in its report: “Contrary to assertions by the dissidents, the formula used to calculate ROIC in the executive incentive plans is unchanged from the one the board adopted in fiscal 2011, when it introduced the metric for executive compensation plans.”² In its report, Glass Lewis & Co. noted that Mr. Biglari’s most recent solicitation includes “a series of unconvincing and, at times, specious arguments.”

We believe that Mr. Biglari has used unnecessarily divisive rhetoric, and has cherry-picked unfavorable data points of questionable relevance in an effort to distract from our successes over the past year. We further believe that his presence on our Board would risk derailing our success and interfere with the Board’s ongoing effectiveness.

We firmly stand behind the qualifications of our Board, and remain confident that we have the right members in place to drive continued execution of our strategic plan. In addition, our nominees have received the unequivocal endorsement of two leading proxy advisory firms, ISS and Glass Lewis, both of which recommend that you reject the nominations of Mr. Biglari and Mr. Cooley to our Board.

In its recommendation to support Cracker Barrel’s slate of nominees, ISS states: “As the most compelling explanation of the company’s resurgence is the leadership change and execution on the new strategic plan by the existing board and management team—and not suggestions of the dissident nominees in last year’s or this year’s proxy contest, however meritorious—it is clear the dissidents have not made a compelling case that change at the board level is warranted. ISS therefore recommends shareholders vote on the WHITE proxy card FOR the management nominees.”

In its report, Glass Lewis states that: “We see limited reason for shareholders to further alter the current board and prospectively hinder Cracker Barrel’s recent progress.”

² Permission to use quotes from the ISS report or the Glass Lewis report neither sought nor obtained.

ISS also recommends that shareholders vote FOR the Company's Shareholder Rights Plan, which was designed to prevent investors like Mr. Biglari, or anyone else, from gaining creeping control of Cracker Barrel without paying our shareholders a premium while retaining several shareholder-friendly provisions. In recommending that you vote in favor of the Shareholder Rights Plan, ISS states: "A vote FOR this proposal is warranted because the rights plan contains features that protect shareholders from entrenchment risk. Specifically, the pill has a three-year term, a 20-percent trigger, and a robust qualifying offer clause and there is no dead-hand or slow-hand provision. In addition, there are no significant governance concerns at the company."

In sum, we believe that change at the Board level is not warranted at this time, and we are pleased that ISS and Glass Lewis recognize our successful business execution over the past year, as well as the lack of foundation for Mr. Biglari's arguments. We urge you to protect your investment and support all ten of your Board's nominees.

To support your Board, vote the enclosed WHITE card and vote "FOR ALL" of the Company's nominees to the Board and "FOR" the Company's Shareholder Rights Plan. To ensure that your vote is received in time, vote by telephone or Internet by following the instructions on the Company's WHITE card. We urge you NOT to sign any gold proxy card sent to you by Mr. Biglari. Even a withhold vote for Mr. Biglari and Mr. Cooley on his gold proxy card will cancel any previous proxy that you previously submitted to vote "FOR ALL" the Company's nominees as it is only the latest dated proxy card that will be counted at the shareholder meeting.

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

Sincerely,

Sandra B. Cochran
President and Chief Executive Officer

About Cracker Barrel

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

Headquartered in Lebanon, Tennessee, Cracker Barrel Old Country Store, Inc. (Nasdaq: CBRL) was established in 1969 and operates 621 company-owned locations in 42 states. Every Cracker Barrel unit is open seven days a week with hours Sunday through Thursday, 6 a.m. — 10 p.m., and Friday and Saturday, 6 a.m. - 11 p.m. For more information, visit: crackerbarrel.com.

- MORE -

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 2012 Annual Meeting. On October 4, 2012, Cracker Barrel filed a definitive proxy statement (as it may be amended, the "Proxy Statement") with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Cracker Barrel shareholders. INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Annex A thereto. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Cracker Barrel with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.

CBRL-F

- END -

Cracker Barrel Old Country Store, Inc. (the "Company") sent the following letter to shareholders of the Company in a mailing commenced on November 6, 2012. This letter was also posted to the "Proxy Contest" section of the Company's Investor Relations website, investor.crackerbarrel.com.



**PROTECT THE FUTURE OF YOUR INVESTMENT AND SUPPORT YOUR
COMPANY'S ONGOING BUSINESS SUCCESS**

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Vote FOR Cracker Barrel's Highly Qualified Board Slate**

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- Outperformed casual dining peers in same store traffic and sales growth for three consecutive quarters, as measured by the Knapp-Track™ casual dining index.

¹ From September 12, 2011, the day prior to announcement of our six strategic priorities, through September 28, 2012.

Mr. Biglari has distributed materials that attempt to dispute these facts and distract you from our operational and financial success, recruitment of new Board members and positive ongoing momentum. However, we believe he has failed to contribute any new meaningful or original ideas, and has made assertions about our performance and governance that we believe are, at best, uninformed, and, at worst, intentionally misleading. For example, Mr. Biglari has asserted that we changed the formula used to calculate ROIC for purposes of executive compensation. This is incorrect. As noted by Institutional Shareholder Services (ISS) in its report: “Contrary to assertions by the dissidents, the formula used to calculate ROIC in the executive incentive plans is unchanged from the one the board adopted in fiscal 2011, when it introduced the metric for executive compensation plans.”² In its report, Glass Lewis & Co. noted that Mr. Biglari’s most recent solicitation includes “a series of unconvincing and, at times, specious arguments.”

We believe that Mr. Biglari has used unnecessarily divisive rhetoric, and has cherry-picked unfavorable data points of questionable relevance in an effort to distract from our successes over the past year. We further believe that his presence on our Board would risk derailing our success and interfere with the Board’s ongoing effectiveness.

We firmly stand behind the qualifications of our Board, and remain confident that we have the right members in place to drive continued execution of our strategic plan. In addition, our nominees have received the unequivocal endorsement of two leading proxy advisory firms, ISS and Glass Lewis, both of which recommend that you reject the nominations of Mr. Biglari and Mr. Cooley to our Board.

In its recommendation to support Cracker Barrel’s slate of nominees, ISS states: “As the most compelling explanation of the company’s resurgence is the leadership change and execution on the new strategic plan by the existing board and management team—and not suggestions of the dissident nominees in last year’s or this year’s proxy contest, however meritorious—it is clear the dissidents have not made a compelling case that change at the board level is warranted. ISS therefore recommends shareholders vote on the WHITE proxy card FOR the management nominees.”

In its report, Glass Lewis states that: “We see limited reason for shareholders to further alter the current board and prospectively hinder Cracker Barrel’s recent progress.”

ISS also recommends that shareholders vote FOR the Company’s Shareholder Rights Plan, which was designed to prevent investors like Mr. Biglari, or anyone else, from gaining creeping control of Cracker Barrel without paying our shareholders a premium while retaining several shareholder-friendly provisions. In recommending that you vote in favor of the Shareholder Rights Plan, ISS states: “A vote FOR this proposal is warranted because the rights plan contains features that protect shareholders from entrenchment risk. Specifically, the pill has a three-year term, a 20-percent trigger, and a robust qualifying offer clause and there is no dead-hand or slow-hand provision. In addition, there are no significant governance concerns at the company.”

In sum, we believe that change at the Board level is not warranted at this time, and we are pleased that ISS and Glass Lewis recognize our successful business execution over the past year, as well as the lack of foundation for Mr. Biglari’s arguments. We urge you to protect your investment and support all ten of your Board’s nominees.

² Permission to use quotes from the ISS report or the Glass Lewis report neither sought nor obtained.

To support your Board, vote the enclosed WHITE card and vote "FOR ALL" of the Company's nominees to the Board and "FOR" the Company's Shareholder Rights Plan. To ensure that your vote is received in time, vote by telephone or Internet by following the instructions on the Company's WHITE card. We urge you NOT to sign any gold proxy card sent to you by Mr. Biglari. Even a withhold vote for Mr. Biglari and Mr. Cooley on his gold proxy card will cancel any previous proxy that you previously submitted to vote "FOR ALL" the Company's nominees as it is only the latest dated proxy card that will be counted at the shareholder meeting.

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

Sincerely,

A handwritten signature in cursive script that reads "Sandra B Cochran".

Sandra B. Cochran
President and Chief Executive Officer

IMPORTANT ADDITIONAL INFORMATION

Cracker Barrel, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Cracker Barrel shareholders in connection with the matters to be considered at Cracker Barrel's 2012 Annual Meeting. On October 4, 2012, Cracker Barrel filed a definitive proxy statement (as it may be amended, the "Proxy Statement") with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Cracker Barrel shareholders. INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Annex A thereto. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Cracker Barrel with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at the Investor Relations section of our corporate website at www.crackerbarrel.com.

*If you have any questions, require assistance with voting your WHITE proxy card,
or need additional copies of the proxy materials, please contact:*



105 Madison Avenue
New York, NY 10016

cbrlproxy@mackenziepartners.com

(212) 929-5500 (Call Collect)
Or
TOLL-FREE (800) 322-2885