



April 30, 2014

Cracker Barrel to Host Analyst and Institutional Investor Meeting; Provides Business Update

Provides Third Quarter Update and Revises Guidance Announces 33% Increase in Quarterly Dividend

LEBANON, Tenn.--(BUSINESS WIRE)-- On May 1, 2014, Cracker Barrel Old Country Store, Inc. ("Cracker Barrel" or the "Company") (Nasdaq:CBRL) will hold a meeting for securities analysts and institutional investors at its home office in Lebanon, Tennessee. As part of the presentation, senior executives from the Company will present an update to the priorities and initiatives underlying Cracker Barrel's *"Enhance, Expand, Extend"* strategy in order to continue to generate long-term value for shareholders:

- **Enhance the Core:** Continue to drive traffic at its existing stores by continuing the focus on the diversity of its menu offerings, expanding the demographic reach of the Cracker Barrel brand, leveraging technology to enhance its guests' experience, and utilizing more targeted advertising campaigns and channels; continue to increase the average check by selectively adopting tiered pricing across its geographies; and further increase its operating margins by re-engineering certain store processes
- **Expand the Footprint:** Continue prudent, yet profitable new growth employing proven site selection tools; introduce a new, more efficient "Fusion" store prototype
- **Extend the Brand:** Build on the initial success of Cracker Barrel's licensing initiative to expand the products offered and channels served

As part of these initiatives, Cracker Barrel will also outline a new three-year cost optimization program intended to generate at least \$50 million in annual operational expense savings by fiscal year 2017. This program is focused on enhancing labor productivity, further improving store management and operations, and capturing utilities savings.

The Company believes the above initiatives will result in approximately 4% annual top line growth and, net of higher advertising, wages and benefits costs, an approximate 100 basis point improvement in operating margin by fiscal year 2017.

Comparable Stores Sales and Guidance Update

In conjunction with the May 1 Analyst and Institutional Investor Meeting, the Company also reported today its comparable store sales through April 28, 2014 for the 13-week third quarter ending May 2, 2014. Comparable store restaurant traffic, average check and comparable store restaurant and retail sales were as follows:

| | February | March | April MTD | Q3 QTD |
|-------------------------------|----------|-------|-----------|--------|
| Comparable restaurant traffic | -4.9% | -4.0% | -0.3% | -2.9% |
| Average check | 2.2% | 2.0% | 2.5% | 2.2% |
| Comparable restaurant sales | -2.7% | -2.0% | 2.2% | -0.7% |
| Comparable retail sales | -5.8% | -5.0% | 11.5% | 0.7% |

The Company believes a continued challenging consumer environment, an increasingly promotional competitive landscape, particularly within the dinner daypart, and an overall reduction in vehicle travel - due both to weather and shortened vacation periods - impacted comparable store traffic, restaurant sales and retail sales during the quarter to date. Comparable store traffic and sales in March and April also reflect the later Easter holiday compared to the prior year period. As a result of these impacts, the Company is lowering its previous third quarter earnings guidance, and now expects to report earnings per diluted share of between \$1.18 and \$1.23. The Company notes that this guidance does not include expenses related to the Special Meeting of Cracker Barrel Shareholders on April 23, 2014.

Dividend Increase

As a result of the Board and management's confidence in the Company's strategy, and in keeping with its focus on delivering shareholder value, the Company also announced today that its Board of Directors declared a quarterly dividend of \$1.00 per

share on the Company's common stock, reflecting an increase of 33% over the previous quarter's dividend, and a more than 350% increase over the last dividend prior to the announcement of the Company's strategic priorities in September 2011. The dividend is payable on August 5, 2014 to shareholders of record as of July 18, 2014.

"As we discussed in our second quarter conference call, the severe winter weather continued into our third quarter, negatively impacting our traffic and sales," said Sandra B. Cochran, President and Chief Executive Officer of Cracker Barrel. "Additionally, we believe consumers remain economically challenged, our competitors have become increasingly promotional, and overall automobile travel - which disproportionately affects our business - continues to be soft. Nevertheless the continued execution of our strategic plan, along with our strong cash flow generation, provided the Board with the confidence to increase the quarterly dividend for the fifth consecutive year. We look forward to discussing these plans at tomorrow's Analyst and Institutional Investor Meeting."

Tomorrow's presentations are scheduled to begin at 9:00 a.m. CDT (10:00 a.m. EDT). The Company expects the presentations to conclude by approximately 12:30 p.m. CDT (1:30 p.m. EDT). A live webcast of the presentation will be available on-line in the Events area of the Company's website at investor.crackerbarrel.com. An on-line replay of the webcast will be available until May 15.

About Cracker Barrel

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

Cracker Barrel Old Country Store, Inc. (Nasdaq:CBRL) was established in 1969 in Lebanon, Tenn. and operates 627 company-owned locations in 42 states. Every Cracker Barrel unit is open seven days a week with hours Sunday through Thursday, 6:00 a.m. - 10:00 p.m., and Friday and Saturday, 6:00 a.m. - 11:00 p.m. For more information, visit: crackerbarrel.com.

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Except for specific historical information, certain of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of Cracker Barrel Old Country Store, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is subject to completion of our financial procedures for Q3 FY14 and is provided pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "trends," "assumptions," "target," "guidance," "outlook," "opportunity," "future," "plans," "goals," "objectives," "expectations," "near-term," "long-term," "projection," "may," "will," "would," "could," "expect," "intend," "estimate," "anticipate," "believe," "potential," "regular," "should," "projects," "forecasts," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology and include the expected effects of operational improvement initiatives, such as new menu items and retail offerings. Factors which could materially affect actual results include, but are not limited to: the effects of uncertain consumer confidence, higher costs for energy, general or regional economic weakness, weather on sales and customer travel, and discretionary income or personal expenditure activity of our customers; our ability to identify, acquire and sell successful new lines of retail merchandise and new menu items at our restaurants; our ability to successfully implement or sustain plans intended to improve operational or marketing execution and performance; changes in or implementation of additional governmental or regulatory rules, regulations and interpretations affecting tax, wage and hour matters, health and safety, pensions, insurance or other undeterminable areas; our ability to successfully implement plans intended to promote or protect our brands and products; commodity price increases; the ability of and cost to us to recruit, train, and retain qualified hourly and management employees in an escalating wage environment; the effects of increased competition at our locations on sales and on labor recruiting, cost, and retention; workers' compensation, group health and utility price changes; consumer behavior based on negative publicity or concerns over nutritional or safety aspects of our food or products or those of the restaurant industry in general, including concerns about pandemics, as well as the possible effects of such events on the price or availability of ingredients used in our restaurants; the effects of our substantial indebtedness and associated restrictions on our financial and operating flexibility and ability to execute or pursue our operating plans and objectives; changes in interest rates or capital market conditions affecting our financing costs and ability to refinance all or portions of our indebtedness; the effects of business trends on the outlook for individual restaurant locations and the effect on the carrying value of those locations; the availability and cost of suitable sites for restaurant development and our ability to identify those sites; changes in land, building materials and construction costs; the actual results of pending, future or threatened litigation or governmental investigations and the costs and effects of negative publicity associated with these activities; practical or psychological effects of natural disasters or terrorist acts or war and military or government responses; disruptions to our restaurant or retail supply chain; changes in foreign exchange rates affecting our future retail inventory purchases; implementation of new or changes in interpretation of existing accounting principles generally

accepted in the United States of America; and other factors described from time to time in our filings with the Securities and Exchange Commission, press releases, and other communications.

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

Cracker Barrel Old Country Store

Investors:

Lawrence E. Hyatt, 615-235-4432

or

Media:

Andy Merrill, 212-886-9304

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