

CRACKER BARREL OLD COUNTRY STORE, INC
Form DEFA14A
October 29, 2012

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:

On October 28, 2012 representatives of Cracker Barrel Old Country Store, Inc. (the Company) delivered the following presentation materials to Institutional Shareholder Services (ISS) in supplement to the Company s presentation materials provided to ISS on October 26, 2012.

EXHIBIT #1

The following summary includes sales transactions by members of the Board of Directors since May 24, 2011 (as reflected in Form 4 filings with the SEC). This summary also assumes that Biglari Holdings' analysis included gross sales for option transactions and did not offset or back out tax sales so we also focused on gross sales of the transaction. The Company's analysis did not include Section 16(b) executive officers who were not members of the Board of Directors when reconciling the reported \$38,058,000 in stock sales.

Gross Transactions:

Director Trades since May 24, 2011 (excluding Cochran and Woodhouse): \$3,854,709

Approximately 10% of aggregate \$38M is attributed to non-executive directors

Approximately 85% of this amount relates to transactions by departing/departed directors

Balance of \$583,246 represents option exercises by Martha Mitchell for 10,312 shares

Cochran Trades since May 24, 2011: \$4,019,876

All equity proceeds emanating from these transactions were solely utilized to (1) offset the strike price of options and (2) pay the tax liability associated with the subject transactions. Ms. Cochran then retained all net shares remaining from the applicable award grants after the settlement of these obligations.

Woodhouse Trades since May 24, 2011: \$30,183,415

(approximately 80% of the aggregate \$38M)

10/4 -22, 2012 - 10b5-1 plan

9/12/12 - 2011 LTI shares

8/2/12 - 2010 LTPP shares

3/7/12 option exercise = **\$10,100,516**

3/6/12 option exercise = **\$5,516,415**

3/5/12 sale = **\$363,000**

3/4/12 option exercise = **\$2,905,980**

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7/27/11 sale = **\$406,166**

7/26/11 sale = **\$407,077**

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LTM ROIC ANALYSIS

Source: Public filings

Note: Highlighted bars indicate CBRL core peer set as communicated in 26-Oct-2012 ISS presentation. ROIC calculated as Net Income divided by average invested capital. Invested Capital calculated as Book Value of Total Debt plus Book Value of Total Equity. Debt figures exclude swap liability. Denny's and Ruby Tuesday's ROIC calculations reflect an illustrative 30% effective tax rate due to not material tax expense in the LTM period.

Exhibit #2

2

EBITDAR MARGIN AND ROIC ANALYSIS

Restaurant Companies Used For Comparison in Biglari Holdings Presentation

Rank

Company

1

DineEquity

37.1%

95.0%

8.3%

2

Panera Bread

22.0%

51.3%

22.8%

3

Buffalo Wild Wings

19.5%

59.8%

16.5%

4

Denny's

17.7%

89.5%

23.9%

5

BJ's Restaurants

16.6%

NA

10.4 %

6

Brinker International

16.5%

45.4%

18.4%

7

Darden Restaurants

15.5%

NA

14.7%

8

Texas Roadhouse

15.0%

18.9%

13.2%

9

Red Robin Gourmet Burgers

15.0%

39.6%

6.9%

10

Bob Evans Farms

13.9%

NA

10.3%

11

Cracker Barrel

12.8%

NA

16.2%

12

Ruby Tuesday

11.8%

11.0%

3.0 %

Exhibit #3

ROIC³

Percentage Franchised²

LTM EBITDAR Margin¹

Source: Public filings

Note: Highlighting

indicates

CBRL

core

peer

set

as

communicated

in

26-Oct-2012

ISS

presentation.

Restaurant

Companies

Used

For

Comparison

in

(1)

LTM EBITDAR Margin calculated based on adjusted EBITDA figures for non-recurring items.

(2)

Percentage franchised based on latest public filings.

(3)

ROIC calculated as NOPAT over 1-year average invested capital. Invested Capital calculated as Book Value of Total Debt plus Equity. Debt figures exclude interest rate swap liability. Denny's and Ruby Tuesday's ROIC calculations reflect an illustrative due to not material reported effective tax rate in the LTM period.

Biglari Holdings Presentation omits CAKE and BH from CBRL core peers.