

CRACKER BARREL OLD COUNTRY STORE, INC  
Form DEFA14A  
October 02, 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:



Cracker Barrel Old Country Store, Inc. (the Company ) used the following presentation at the Wells Fargo Retail and Restaurants Summit beginning on October 2, 2012. This presentation was also posted to the Company s Investor Relations website, investor.crackerbarrel.com. A screenshot of the Events & Presentations section of the Investor Relations website follows the presentation below.

Wells Fargo 2012  
Retail & Restaurant Summit  
October 2, 2012

Safe Harbor statement  
Safe Harbor statement  
Cracker  
Barrel  
Old  
Country  
Store,

Inc.  
( Cracker  
Barrel  
or  
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 U.S. Securities and Exchange  
Commission (the SEC), press releases and other communications.

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Important Additional Information

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. Cracker Barrel has filed a preliminary proxy statement with the SEC in connection with such solicitation of proxies from Cracker Barrel shareholders. When completed, a definitive proxy statement and a form of proxy will be mailed to Cracker Barrel shareholders.

**INVESTORS AND SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PRELIMINARY PROXY STATEMENT, THE DEFINITIVE PROXY STATEMENT AND ACCOMPANYING**

**WHITE**

**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 and other materials to be filed with the SEC in connection with Cracker Barrel's 2012 Annual Meeting.

Shareholders will be

able to 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](http://www.sec.gov).

Copies

will

also

be

available

at

no

charge

at

the

Investor

Relations

section  
of  
our  
corporate  
website

at  
[www.crackerbarrel.com](http://www.crackerbarrel.com).

This presentation contains excerpts from certain previously published material. Unless otherwise indicated, consent of the author and publication to use the material as proxy soliciting material has not been sought or obtained.

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A truly unique brand and experience  
A truly unique brand and experience

Highly differentiated concept  
providing wholesome  
connections to our guests

Our 620 old-fashioned country  
stores welcome 215 million  
guests a year

Approximately \$2.6B in annual  
revenues with roughly 20%  
coming from our retail business

Welcome break for travelers  
across 42 states travelers  
make up approximately 40% of  
our business

4

Quality ingredients  
hand-crafted with care  
Quality ingredients  
hand-crafted with care

USDA Grade AA real butter

Dumplings hand-rolled daily

Fresh squeezed Florida orange juice

Oven roasted turkey breasts

USDA domestic ground beef

USDA  
Choice  
chuck  
roast  
½  
thick

Sugar cured ham steaks

USDA choice country fried steak

USDA inspected chicken tenderloins

Russet Burbank potatoes

Trans Fat and cholesterol free vegetable oil

Grade A pure sour cream

Wild Maine blueberries

Arabica coffee beans

Grade A farm fresh eggs

USDA Grade AA real butter

Farm raised rainbow trout

Freshly brewed iced tea

Real mashed potatoes

Scratch  
biscuits with real buttermilk

Natural Colby cheese

Real Half & Half

All natural vanilla bean ice cream

Biscuit steak cut from the tenderloin

Whole hog smoked sausage

Long-cured country ham

Farm raised domestic catfish

Hickory smoked thick sliced bacon

Stewart s

Root  
Beer  
and  
Orange  
n  
Cream  
Soda

Dickinson s  
preserves  
and  
jam

Wild caught North Atlantic Haddock and Cod

Westminster  
Thin  
Square  
crackers

Earl  
Grey  
decaffeinated  
tea

Twining  
Darjeeling  
tea  
5

Retail is integral to the  
Cracker Barrel experience  
Retail is integral to the  
Cracker Barrel experience

The experience begins with  
rockers on the front porch



which are also the top seller

The retail shop doubles as a guest waiting area and produces sales per square foot of approximately \$400 and gross margins around 50%

Emphasis on nostalgic and unique merchandise with a large selection of items under \$20

Apparel

Branded Food

Toys and Games

Music

6

We've been successful  
delivering the guest experience  
We've been successful  
delivering the guest experience  
Most RV-Friendly Sit-Down Restaurant in America  
for  
10

Consecutive  
Years

-

The  
Good  
Sam  
Club

Top of the Full-Service Restaurants in Casual and Family Dining

-

Consumer Brand Metrics Program, Technomic, Inc.

Top Family Dining

Chain for 19 Consecutive Years in Choice in Chains

Annual

Consumer

Survey

-

Restaurants

&

Institutions

Magazine

#1 Family Dining Restaurant and Top Honors in Service,

Cleanliness, Menu Variety, Atmosphere, Reputation, Craveability,

Likely

to

Return

and

Likely

to

Recommend

-

Nation s

Restaurant

News, Consumer Picks 2012 National Survey

Best

Breakfast

among

Family

Dining

Chains

-

Zagat s

2010

&

2011

Consumer

Surveys

Best

National

Restaurant

Chain

in  
Readers  
Choice  
awards  
-  
Packaged  
Travel  
Insider  
Gold  
Award  
  
Courier  
Magazine s  
Favorite  
Group  
Friendly  
Restaurant  
-  
NTA  
Tour  
Operators  
7  
America s  
Most  
Admired  
Companies  
for  
the  
food  
service  
industry  
12  
consecutive  
years  
-  
Fortune

Standing out in a sea of sameness

Standing out in a sea of sameness

8

Brand

A

Brand

B

Brand

C

Brand

D

Brand

E

Brand

F

Brand

G

Brand

H

Brand

I

Is Unique

%

%

%

%

%

%

%

%

%

%

Agree Completely

42

18

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22

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23

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17

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23

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28

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26

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29

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29

\*

Cracker Barrel is perceived to be more unique than its competitors

-Source: Technomic Consumer Brand Metrics Study Q1 2011 - 2012; \* Brands include: Cracker Barrel, Applebee's, Bob Evans, Garden of Eatin', Outback, Red Lobster, Steak 'n Shake; Rating significantly lower than Cracker Barrel at the 95% level of confidence

Leader in seven of ten categories

Leader in seven of ten categories

Brand

A

Brand

B

Brand

C	
Brand	
D	
Brand	
E	
Brand	
F	
Brand	
G	
Brand	
H	
Brand	
I	
Rank	
%	
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%	
%	
%	
%	
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Menu Variety	
64	
51	
*	
56	
*	
56	
*	
52	
*	
51	
*	
53	
*	
52	
*	
61	
44	
*	
Availability of Healthy Options	
52	
46	
51	
43	
*	



39

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42

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48

42

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48

26

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Welcoming,  
comfortable  
atmosphere

70

53

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59

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56

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46

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49

\*

63

63

66

46

\*

Kid-friendly

60

44

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49

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45

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47

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50

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49

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42

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41

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48

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Portion for price

paid

65

54

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56

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54

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51

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50

\*

61

57

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59

46

\*

Ability to provide  
value through  
high-quality  
menu items

57

42

\*

48

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46

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38

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43

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49

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51

53

43

\*

Prices relative to  
other, similar  
restaurants

57

39

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43

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41

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41

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39

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41

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43

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44

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41

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Food Quality

71

56

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62

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60

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48

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57

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68

69

73

51

\*

Food Taste &

Flavor

72

58

\*

64

\*

62

\*

51

\*

57

\*

69

74

75

55

\*

Pleasant,

Friendly Service

74

67

74  
70  
62  
\*  
63  
\*  
72  
76  
77  
64  
\*  
9

Source: Technomic Consumer Brand Metrics Study Q1 2011 - 2012; \* Brands include: Cracker Barrel, Applebee's, Bob Evans, Garden of Eatin', Outback, Red Lobster, Steak 'n Shake; Rating significantly lower than Cracker Barrel at the 95% level of confidence

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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, including a  
new  
independent  
Chairman  
1

Fill in key management  
positions to enhance  
functional capabilities  
First Year CEO and new head of  
retail

Develop a long-term plan to  
maintain operating  
momentum

Outperforming casual dining peers  
in Knapp-Track for three  
consecutive quarters

What we accomplished this past year

What we accomplished this past year

(1) Changes to board since 20-Jun-2011. New Chairman to succeed into position effective  
November 2012

10

We  
have  
regained  
and  
are  
maintaining  
our

positive gap to Knapp-Track

Casual Dining

Knapp-Track

Cracker Barrel

Source:

Knapp

Track

Casual

Dining

Index

Updated

through

August

3

FY 2012 Q1

FY 2012 Q2

FY 2012 Q3

11

Rolling 4-week Traffic Average

21 out of the last 24 quarters we have outperformed

the Knapp Track Casual Dining Index

FY 2012 Q4

-10%

-5%

0%

5%

10%

rd

TM



Business priorities

Financial outcomes

Fiscal 2012 was a Successful Year

Fiscal 2012 was a Successful Year

12

(in millions, except per share data)

12

(in millions, except per share data)

(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

2012 GAAP

Adj (1)(4)

53rd Week

Adj 2012

2011 GAAP

Adj (1)(2)(3)(4)

Adj 2011

% growth on Adj

Sales

\$2,580

(\$51)

\$2,529

\$2,434

\$2,434

3.9%

Operating income

\$191

\$7

(\$10)

\$188

\$167

\$1

\$169

11.6%

EPS

\$4.40

\$0.21

(\$0.27)

\$4.34

\$3.61

\$0.20

\$3.81

13.9%

2012

2011

% growth

Cash balance

\$152

\$52

190.7%

LT debt

\$642

\$673

-4.6%

Dividends declared

\$1.12

\$0.86

30.2%

Source: Bloomberg as of 17-Aug-2012

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 1500 Restaurant Index includes the restaurant companies in the S&P 1500 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.  
90%

100%

110%

120%

130%

140%

150%

160%

170%

Sep-2011

Nov-2011

Jan-2012

Feb-2012

Apr-2012

Jun-2012

Aug-2012

Daily from 12-Sep-2011 to 17-Aug-2012

Cracker Barrel

Peer Set

S&P 500 Restaurant Index

S&P 600 Restaurant Index

S&P 1500 Restaurant Index

S&P 500 Index

59.7%

31.3%

28.2%

22.0%

12.8%

10.7%

All indices

using market

capitalization weighting

methodology

CBRL relative performance

CBRL relative performance

13

Thoughtful board succession planning

Thoughtful board succession planning

14

Sandy Cochran, President and CEO, Cracker  
Barrel, former CEO, Books-A-Million

William McCarten, Chairman of the Board,  
DiamondRock Hospitality Company, former

President and CEO, HMS Host Corporation  
Designated Chairman, James Bradford, Attorney, Dean  
Vanderbilt's Owen Graduate School of Management,  
former President and CEO of United Glass Corporation  
Coleman Peterson, President/CEO, Hollis  
Enterprises, LLC, former EVP and Chief  
People Officer, Walmart  
Andrea Weiss, President and CEO, Retail  
Consulting, former Chairman Cortefiel  
Group, SA  
Richard Dobkin, retired; Managing Partner of the  
Tampa, FL office of Ernest & Young, LLP  
Announced retiring: Robert Dale, Charles Jones, B.F. Lowery, Michael Woodhouse  
Martha Mitchell, retired, Senior Partner and SVP,  
Fleishman-Hillard  
Tom Barr, current VP, Global Coffee at  
Starbucks Coffee Company  
Glenn Davenport, former Chairman and CEO,  
Morrison Group  
Norm Johnson, Executive Chairman and former  
CEO, Clarcor, Inc.  
7 new members within  
last 18 months

Our three-year strategy  
Our three-year strategy  
Continued commitment to  
profitable new unit  
growth  
New store growth of  
2-3% per year



Extend the **power of the**  
Cracker Barrel brand  
beyond the physical stores  
Long  
term  
value  
created  
through new revenue  
streams  
Focus on business **priorities**  
Grow **traffic**  
by  
understanding and meeting  
guests  
evolving **needs**  
Maintain our **value**  
promise  
to the guest and  
deliver a **consistent** guest  
experience that aligns  
with our **brand**  
15  
with a continued focus on  
best  
locations  
and  
consistent execution

Priorities for FY 2013  
Priorities for FY 2013  
Refresh Select Menu Categories  
Invest in and Leverage  
Technology to Support  
Operations and Reduce Costs

Reinforce value proposition for guests with a refresh of Country Dinner Plates

Introduce better-for-you programs, including new sides and Wholesome Fixins  
Grow Retail Sales with Unique Merchandise

Focus on unique, exclusive, authentic merchandise

Improve productivity with visual merchandising and space planning

Implement technology to improve efficiencies and food quality

Streamline processes to increase labor productivity  
16

Target 2-3% annual new unit growth over the next three years

Pay competitive dividends and repurchase shares  
Improve Ecommerce Business  
and Develop Licensing Platform

Grow ecommerce awareness and revenues

Lay groundwork to sell Cracker Barrel branded products in grocery stores  
Focus on Maximizing Shareholder Returns  
Build on Successful Handcrafted Marketing Campaign

Continue national media strategy

Introduce new Hand-crafted creative for TV, radio, and billboards

A strong brand, well-positioned  
to continue to deliver shareholder value  
A strong brand, well-positioned  
to continue to deliver shareholder value  
We believe Cracker Barrel is well positioned because:  
17

A truly unique brand and guest experience

Proven executive team led the Company through a strong fiscal year

New strategy building on past success to provide a long runway of shareholder value creation

