

CBRL Group, Inc. Reports 42% Increase in Income Per Diluted Share from Continuing Operations for Fiscal 2008 Second Quarter

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Affirms Guidance for Fiscal 2008

Comparable store restaurant sales for the second quarter fiscal 2008 increased 1.1% from prior year for Cracker Barrel Old Country Store(R) ('Cracker Barrel') while comparable store retail sales were up 1.4%, both on a comparable weeks basis.

Revenue for the second quarter grew 3.6% to \$634 million compared with the prior year quarter.

Operating income margin from continuing operations in the second quarter improved to 7.2% of total revenue compared with 6.9% in the year-ago quarter.

Income from continuing operations increased 42% to \$0.85 per diluted share for the second quarter fiscal 2008 from \$0.60 in the prior-year comparable period.

In the second quarter, the Company completed its share repurchase authorizations by repurchasing 1.6 million shares of the Company's common stock for \$52.4 million. At the end of the quarter, 22.1 million shares were issued and outstanding.

CBRL Group, Inc.(Nasdaq: CBRL) today reported income from continuing operations of \$0.85 per diluted share for the second quarter of fiscal 2008, compared with \$0.60 per diluted share from continuing operations in the second quarter of fiscal 2007, an increase of 42%. Income from continuing operations was \$20.2 million compared with \$20.5 million in the second quarter of fiscal 2007, reflecting higher operating income offset by lower interest income. Higher revenues, better operating margin and the reduction in shares outstanding associated with the Company's strategic initiatives and related stock repurchase programs that it completed in fiscal 2007 contributed to the 42% increase in income per diluted share from continuing operations.

Second-Quarter Fiscal 2008 Results

Revenue from continuing operations

Total revenue from continuing operations of \$634 million during the second quarter represented an increase of 3.6% from the second quarter of fiscal 2007. Comparable store restaurant sales for the period increased 1.1%, including a 3.4% higher average check, while guest traffic declined 2.3%, both on a comparable weeks basis. Cracker Barrel's average menu price increase for the quarter was approximately 3.5% compared with last year. Comparable store retail sales were up 1.4% for the quarter on a comparable weeks basis. During the quarter, the Company opened four new Cracker Barrel Old Country Store units, bringing the new store openings to date for fiscal 2008 to ten out of the 17 planned in fiscal 2008.

Income from continuing operations

Operating income from continuing operations of \$45.4 million was 7.2% of total revenue during the second quarter of fiscal 2008 compared with \$42.2 million, or 6.9% of total revenue, in the second quarter of fiscal 2007. Operating income margin was favorably affected by higher sales and lower general insurance, general and administrative expenses, advertising, and store hourly labor costs. Partly offsetting these favorable effects were higher food and retail freight costs, higher workers compensation expenses and the non-recurrence of favorable litigation settlement proceeds in the prior-year second quarter. During the second quarter, actuarial reviews of the Company's self-insured workers compensation and general insurance reserves resulted in a less favorable credit to workers compensation reserves this year than the prior year but a more favorable credit to general insurance reserves. General and administrative expenses declined because of lower incentive compensation accruals in the second quarter and the gain on the sale during the quarter of a Logan's restaurant property that had been retained in the Company's disposition of Logan's Roadhouse(R) Inc. ('Logan's') in December 2006.

Income from continuing operations was \$20.2 million, or \$0.85 per diluted share, for the second quarter of fiscal 2008, compared with \$20.5 million, or \$0.60 per diluted share, from continuing operations in the comparable period of fiscal 2007. The lower income from continuing operations reflected lower interest income. Higher income per diluted share from continuing operations was due to fewer shares outstanding compared with the comparable prior-year period as a result of repurchases of the Company's common stock that are part of the Company's strategic initiatives completed in fiscal 2007. In the second quarter, the Company completed its share repurchase authorizations by purchasing 1.6 million shares of the Company's common stock for \$52.4 million.

Commenting on the second-quarter results, CBRL Group, Inc. Chairman, President and Chief Executive Officer Michael A. Woodhouse said, 'In light of the challenging consumer environment, we are pleased to report positive comparable store sales for both restaurant and retail. Our restaurant traffic continues to outperform the casual dining industry and our retail sales growth was achieved without resorting to higher markdowns than last year. We are also pleased to achieve better-than-expected operating margin thanks to our efforts in controlling labor and operating expenses.'

Year-to-date Fiscal 2008 Results

Total revenue from continuing operations of \$1.22 billion year-to-date for fiscal 2008 represented an increase of 3.9% over fiscal 2007. Comparable store restaurant sales increased 1.4% on a comparable weeks basis, including a 3.2% higher check, while guest traffic declined by 1.8%. Comparable store retail sales decreased 0.1% on a comparable weeks basis. In the first six months of fiscal 2008, the Company opened ten new Cracker Barrel Old Country Stores and closed two units.

The Company reported income from continuing operations of \$34.2 million, or \$1.42 per diluted share, compared with income from continuing operations of \$35.7 million, or \$1.05 per diluted share, in fiscal 2007.

Year-to-date net cash flow provided by operating activities was \$63.6 million, compared with \$109.2 million in fiscal 2007, reflecting the timing of income taxes payable in fiscal 2007 related to the Logan's sale/leaseback and the gain on the sale of Logan's.

Fiscal 2008 Outlook

The Company urges caution in considering its current trends and the outlook disclosed in this press release. The restaurant industry is highly competitive, and trends and guidance are subject to numerous factors, risks and influences, some of which are discussed in the cautionary language at the end of this press release and others that are described in the Company's Annual Report on Form 10-K for the fiscal year ended August 3, 2007 and subsequent Quarterly Reports on Form 10-Q which can be found on the Securities and Exchange Commission's website, sec.gov, and the Company's website, cbrlgroup.com. The Company disclaims any obligations to update disclosed information on trends or targets other than in its periodic filings with the Securities and Exchange Commission.

The Company commented that its outlook for fiscal 2008 reflects many assumptions, the accuracy of which is not yet known. Based on current trends and estimates, the Company presently expects fiscal 2008 total revenue to increase approximately 2% to 3% over revenues from continuing operations in fiscal 2007 (which included a 53rd week equaling \$46.3 million of sales). The revenue increase reflects the opening of 17 new Cracker Barrel units during the year, comparable store restaurant sales projected to be up 1% to 2% on a comparable weeks basis, including approximately 3.5% of menu pricing, and comparable store retail sales are expected to be flat to up 1.5% compared to fiscal 2007 on a comparable weeks basis. The Company also presently expects fiscal 2008 operating income margin as a percent of revenues from continuing operations to be approximately 6.7% to 6.9% compared with 7.0%, excluding the effect of a 53rd week, in fiscal 2007. Commodity cost inflation for fiscal 2008 is expected to be 5% to 5.5% with an estimated 80% of product needs contracted for the remainder of fiscal 2008. Depreciation for the year is expected to be approximately \$60 million. Net interest expense is estimated at approximately \$60 million and diluted shares outstanding are expected to average approximately 23.5 million. The Company expects its full year 2008 effective tax rate to be between 31.5% and 32.0%, with the third and fourth quarter effective tax rates to be lower than the full year effective tax rate. Income from continuing operations per diluted share is projected to be in the range of \$3.00 to \$3.15 per share. The Company presently expects full year fiscal 2008 capital expenditures of approximately \$90 million.

Commenting on the outlook, Mr. Woodhouse said, 'Despite an environment of continuing sales and commodity cost pressures, the system-wide cost control initiatives that we implemented earlier this year are gaining traction, and we are pleased to affirm our earnings guidance for the full year.'

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