

CBRL Group Revenue for the third quarter grew 3.3%

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CBRL Group, Inc. Reports Higher Third Quarter Net Income Per Diluted Share

Fully diluted income from continuing operations per share increased 4.5% to \$0.46 for the third quarter fiscal 2008 from \$0.44 in the prior-year comparable period.

Revenue for the third quarter grew 3.3% to \$567 million compared with the prior year quarter.

Comparable store restaurant sales for the third quarter fiscal 2008 increased 0.2% from prior year for Cracker Barrel Old Country Store(R) ('Cracker Barrel') while comparable store retail sales were down 2.1%, both on a comparable weeks basis.

Operating income margin from continuing operations in the third quarter was 4.9% of total revenue compared with 5.5% in the year-ago quarter.

CBRL Group, Inc. (Nasdaq: CBRL) today reported income from continuing operations of \$0.46 per diluted share for the third quarter of fiscal 2008, which represents an increase of 4.5% over \$0.44 per diluted share from continuing operations in the third quarter of fiscal 2007. Income from continuing operations was \$10.5 million compared with \$12.1 million in the third quarter of fiscal 2007, reflecting lower operating income and lower interest income.

Third-Quarter Fiscal 2008 Results

Revenue from continuing operations

Total revenue from continuing operations of \$567 million during the third quarter represented an increase of 3.3% from the third quarter of fiscal 2007. Comparable store restaurant sales for the period increased 0.2%, including a 3.5% higher average check, while guest traffic declined 3.3%, both on a comparable weeks basis. Cracker Barrel's average menu price increase for the quarter was approximately 3.7% compared with last year. Comparable store retail sales were down 2.1% for the quarter on a comparable weeks basis. During the quarter, the Company opened six new Cracker Barrel Old Country Store units, bringing the new store openings to date for fiscal 2008 to 16, with a total of 17 planned in fiscal 2008.

Income from continuing operations

Operating income from continuing operations of \$27.7 million was 4.9% of total revenue during the third quarter of fiscal 2008 compared with \$30.1 million, or 5.5% of total revenue, in the third quarter of fiscal 2007. Operating income margin was favorably affected by higher sales and lower general and administrative expenses, which were offset by higher retail product and food costs. General and administrative expenses declined because of lower incentive compensation accruals in the third quarter.

Income from continuing operations was \$10.5 million, or \$0.46 per diluted share, for the third quarter of fiscal 2008, compared with \$12.1 million, or \$0.44 per diluted share for the comparable period of fiscal 2007. The decline in income from continuing operations reflected lower operating income and lower interest income on cash balances held (the prior year included substantial cash balances held following the disposition of Logan's Roadhouse, Inc.) offset by the benefit of a lower effective tax rate.

Commenting on the third-quarter results, CBRL Group, Inc. Chairman, President and Chief Executive Officer Michael A. Woodhouse said, 'In a very challenging consumer environment, we are pleased that our strong value proposition continued to generate restaurant traffic that outperformed casual dining industry trends in the quarter. Our cost management initiatives are showing positive results and helping to mitigate higher costs for food and pressures on retail gross margins. While we will continue to address current cost issues, we remain focused on driving restaurant traffic and building retail sales.'

Year-to-date Fiscal 2008 Results

Total revenue from continuing operations of \$1.78 billion year-to-date for fiscal 2008 represented an increase of 3.7% over fiscal 2007. Comparable store restaurant sales increased 1.0% on a comparable weeks basis, including a 3.3% higher check, while guest traffic declined by 2.3%. Comparable store retail sales decreased 0.6% on a comparable weeks basis. In the first nine months of fiscal 2008, the Company opened 16 new Cracker Barrel Old Country Stores and closed two units.

Year to date, the Company reported income from continuing operations of \$44.7 million, or \$1.88 per diluted share, compared with income from continuing operations of \$47.8 million, or \$1.50 per diluted share, in fiscal 2007.

Year-to-date net cash flow provided by operating activities from continuing operations was \$83.8 million, compared with \$100.0 million in fiscal 2007, reflecting lower net income from continuing operations as well as the timing of accounts payable in the current year.

Fiscal May Sales

With three days remaining in the fiscal month of May, we expect to report flat to slightly positive comparable store restaurant sales. Comparable store retail sales are expected to be up 2% to 3%. Sales for the fiscal month of May, which ends May 30, 2008, will be reported on June 3, 2008.

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