

BIGLARI HOLDINGS INC.

NEWS RELEASE

SAN ANTONIO, TX, February 22, 2011 — Biglari Holdings Inc. (NYSE: BH) today announced that it will redeem all its outstanding 14% Subordinated Debentures which were to be due 2015 (CUSIP No. 08986RAA9) (the “Debentures”) on March 30, 2011 (the “Redemption Date”).

Upon redemption, Biglari Holdings will pay to the registered holders of the Debentures a redemption price of 100% of the principal amount outstanding, plus accrued and unpaid interest up to, but excluding, the Redemption Date, for a total of \$1,035 per \$1,000 principal amount of Debentures. The aggregate principal amount of Debentures currently outstanding is \$22,628,000.

Payment of the redemption price and accrued interest shall be made through normal DTC procedures for DTC participants. Registered holders of certificated Debentures will be paid the redemption price, plus accrued interest, upon presentation and surrender of their Debentures for redemption to Wells Fargo Bank, National Association, the trustee with respect to the Debentures who shall also serve as paying agent for the redemption. Biglari Holdings intends to use available funds to redeem the Debentures.

This press release does not constitute a notice of redemption of the Debentures. The redemption of the Debentures is made solely pursuant to Biglari Holdings’ notice of redemption dated February 22, 2011 and delivered to the registered holders of the Debentures by the trustee.

About Biglari Holdings Inc.

Biglari Holdings Inc. is a holding company engaged in a number of diverse business activities. All major operating, investment, and capital allocation decisions are made by Sardar Biglari, Chairman and Chief Executive Officer, on behalf of the Company and its main operating subsidiaries.

Risks Associated with Forward-Looking Statements

This news release may include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These statements, which may concern anticipated future results, are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ markedly from those projected or discussed here. Biglari Holdings cautions readers not to place undue reliance upon any such forward-looking statements, for actual results may differ materially from expectations. Biglari Holdings does not update publicly or revise any forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized. Further information on the types of factors that could affect Biglari Holdings and its business can be found in the company’s filings with the SEC.