

BIGLARI HOLDINGS INC.

NEWS RELEASE

San Antonio, TX, May 17 – Biglari Holdings Inc. (NYSE: BH) announces its fiscal second quarter 2013 results:

Biglari Holdings Inc.'s earnings for the sixteen and twenty-eight weeks, which ended April 10, 2013 and April 11, 2012, are summarized below. To become apprised fully of our results, shareholders should carefully study our 10-Q, which has been posted at www.biglariholdings.com.

(In thousands)

	<u>Sixteen Weeks Ended</u>		<u>Twenty-Eight Weeks Ended</u>	
	<u>April 10, 2013</u>	<u>April 11, 2012</u>	<u>April 10, 2013</u>	<u>April 11, 2012</u>
Pre-tax operating earnings	\$ 1,654	\$ 7,889	\$ 9,568	\$ 18,738
Biglari Holdings investment gains (losses)	(570)	378	(569)	3,973
Consolidated affiliated partnerships investment gains and other income	2,395	1,933	2,168	4,133
Interest expense	(2,059)	(2,533)	(3,796)	(4,388)
Income taxes	1,965	(2,136)	422	(6,896)
Earnings attributable to noncontrolling interests	(1,205)	(1,003)	(1,051)	(2,237)
Net earnings attributable to Biglari Holdings Inc.	<u>\$ 2,180</u>	<u>\$ 4,528</u>	<u>\$ 6,742</u>	<u>\$ 13,323</u>

Analysis of Results:

In the preceding table we separate earnings of our operating businesses from our investment gains/losses.

Biglari Holdings currently holds its investments at market value, with unrealized appreciation, net of income tax effect included as a separate component of shareholders' equity. Shareholders' equity can increase by the retention of earnings as well as by unrealized gains on marketable securities. As of April 10, 2013, Biglari Holdings had \$142.3 million of pre-tax unrealized investment gains, which if harvested in any given quarter can materially impact and thereby distort net income figures.

About Biglari Holdings Inc.

Biglari Holdings Inc. is a diversified holding company engaged in a number of business activities. Its most important operating subsidiaries are involved in the franchising and operating of restaurants. 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.

Comment on Regulation G

This press release contains certain non-GAAP financial measures. In addition to the GAAP presentations of net earnings, Biglari Holdings defines pre-tax operating earnings outside of the investment gains/losses of the Company and its consolidated affiliated partnerships.

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.
