BIGLARI HOLDINGS INC.

NEWS RELEASE

Example (1)

San Antonio, TX, May 16 – Biglari Holdings Inc. (NYSE: BH) announces its results for the fiscal second quarter of 2014.

Biglari Holdings Inc.'s earnings for the sixteen and twenty-eight weeks that ended April 9, 2014 and April 10, 2013 are summarized below. To become fully apprised of our results, shareholders should carefully study our 10-Q, which has been posted at www.biglariholdings.com.

(In thousands)

	Sixteen Weeks Ended		Twenty-Eight Weeks Ended	
	April 9, 2014	April 10, 2013	April 9, 2014	April 10, 2013
Pre-tax operating earnings	$ 7[illegible]	$ 1,654	$ 10,[illegible]	$ 9,568
Biglari Holdings investment losses	[illegible]	(570)	[illegible]	(569)
Gain on contribution to investment partnership	[illegible]	—	[illegible]	—
Investment partnership losses	([illegible])	—	([illegible]	—
Interest expense	[illegible])	(2,059)	[illegible]	(3,796)
Debt extinguishment losses	[illegible]	—	[illegible]	—
Income tax benefit (expense)	[illegible]	1,965	([illegible]	422
Other income from consolidated affiliated partnerships	[illegible]	1,190	[illegible]	1,117
Net earnings attributable to Biglari Holdings Inc.	$ [illegible]	$ 2,180	$ [illegible]	$ 6,742

Analysis of Results:

In the fiscal second quarter of 2014, Biglari Holdings contributed securities to an investment partnership and recognized a non-cash pre-tax gain of $29.5 million. We do not regard the gain required by GAAP as meaningful. Thus, we encourage investors to analyze closely our business performance before they interpret the impact of the accounting gain of $29.5 million. Furthermore, the transaction had no material effect on our consolidated shareholders' equity because the gain included in earnings was accompanied by a corresponding reduction of unrealized investment gains included in a separate component of shareholders' equity. Investments held through investment partnerships affect our reported quarterly earnings based on their carrying value. Therefore, our operating businesses are best analyzed before the impact of investment gains/losses. As a consequence, in the preceding table we separate earnings of our operating businesses from our investment gains/losses.