



**GAMCO**  
ASSET MANAGEMENT

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February 20, 2015

Mr. Sardar Biglari  
Chairman and Chief Executive Officer  
Biglari Holdings Inc.  
17802 IH 10 West  
Suite 400  
San Antonio, TX 78257

Re: Annual Meeting of Shareholders to be held April 9, 2015

Dear Mr. Biglari:

With respect to Biglari Holdings Inc.'s ("Biglari") upcoming 2015 Annual Meeting of Shareholders, the proxy voting committee of GAMCO Asset Management Inc. ("GAMCO") would like to understand the intent of Biglari's management regarding the voting of the 216,913 shares of Biglari's Common Stock held by The Lion Fund, L.P. purchased, in part, with capital belonging to Biglari (as reported in SEC filings).

In brief, if those shares abstain, GAMCO, on behalf of its clients, intends to support the incumbents. If those shares do not abstain and are directed to vote for the incumbents, GAMCO will look more favorably upon the slate of directors intended to be nominated by The Groveland Group.

Sincerely,

George Maldonado  
Director of Proxy Voting Services