

Investor Presentation for 24th Annual ROTH Conference

March 13, 2012

Forward-Looking Statements

Denny's Corporation urges caution in considering its current trends and any outlook on earnings disclosed in this presentation. In addition, certain matters discussed may constitute forward-looking statements. These forward-looking statements, which reflect our best judgment based on factors currently known, are intended to speak only as of the date such statements are made and involve risks, uncertainties, and other factors that may cause the actual performance of Denny's Corporation, its subsidiaries and underlying restaurants to be materially different from the performance indicated or implied by such statements. Words such as "expects", "anticipates", "believes", "intends", "plans", "hopes", and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, the Company expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: the competitive pressures from within the restaurant industry; the level of success of the Company's operating initiatives, advertising and promotional efforts; adverse publicity; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy, particularly at the retail level; political environment (including acts of war and terrorism); and other factors from time to time set forth in the Company's SEC reports, including but not limited to the discussion in Management's Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in the Company's Annual Report on Form 10-K for the year ended December 28, 2011 (and in the Company's subsequent quarterly reports on Form 10-Q).

Management Participants

- **Mark Wolfinger**
  - Executive Vice President, Chief Financial Officer, Chief Administrative Officer, and Board Director
- **Robert Verostek**
  - Vice President, Financial Planning & Analysis
- **Whit Kincaid**
  - Sr. Director, Investor Relations and Financial Analysis

Denny's Overview

1. American Icon with Exceptional Brand Equity

- 1,685 restaurants in 50 states and 9 countries
- Largest Family Chain in units, and second in sales and market share

2. Franchised-focused Business Model

- Currently 88% of system is franchised
- Much stronger balance sheet with greater financial flexibility
- Delivering attractive Free Cash Flows

3. Unlocking Long-Term Growth

- Improvements in same-store sales and traffic
- Energized and expanding franchise system inside and outside U.S.

4. Significantly Improved Investment Thesis

- Materially reduced risk profile
- Growing earnings and free cash flow

Exceptional Brand Equity

- **An American Icon with Exceptional Brand Awareness**
  - First unit opened in Southern California in 1953
  - 97% brand awareness* in the United States

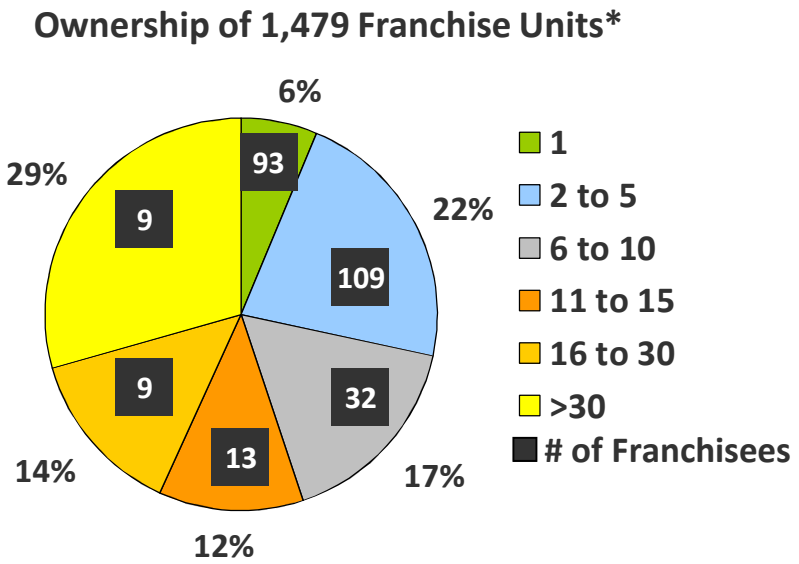
- **Significant Size and Diversification**
  - 1,685 restaurants in 50 states and 9 countries with 50% of system in California, Texas, Florida, and Arizona
  - $2.4 billion in system-wide sales
  - Open 24/7 365 days a year with equal traffic across all four dayparts
  - Broad customer base made up of Families, Seniors, Millennials, Hispanics, and Moderate Incomes

- **Experienced and Energized Franchise System**
  - 265 franchisees with average 10 years in the system
  - Integrated into all aspects of the business
  - Expanding system with almost 250 units opened in past three years

*** Source: Brand Tracker, May 2009**

Strong Relationship with Experienced and Energized Franchise System

- **Well diversified, experienced, and energized group of 265 franchisees with no group making up more than 5% of the system**
  - 31 large operators make up around 50% of the system
  - 50 new franchisees have been brought into the system since 2007 including largest franchise operators for Jack-in-the-Box and Carl's Jr.



- **Strong partnership with franchisees planning and executing through three Brand Advisory Councils and Denny's Franchise Association (DFA)**
- **Provide support through a number of avenues:**
  - In-house purchasing group buys for the entire system
  - Credit card program covering more than 90% of the domestic system
  - Field-based and on-line training adapted for a system that is 88% franchised
  - Direct customer feedback tool (Service Management Group – SMG)
  - Work closely with third party lenders to facilitate financing (Flying J, New & Emerging Markets)

* As of Dec. 28, 2011.

Marketing Strategy

Celebration of Diner Heritage with "America's Diner is Always Open" Campaign

"Unpretentious, come as you are environment open to all backgrounds, all tastes, and all wallet sizes."



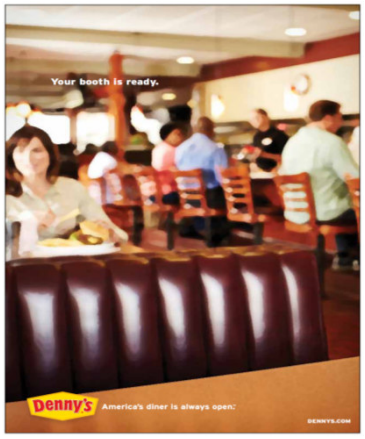
Combination of Everyday Affordability with Limited Time Only Products

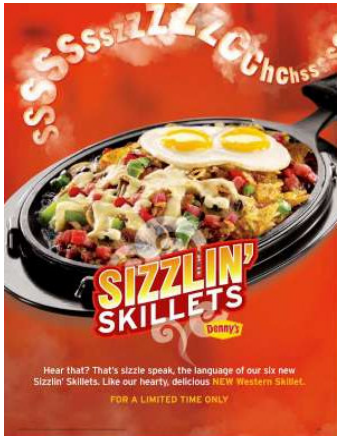
"Promise of Every Day Value means I don't have to shop price and can find lots of new, craveable Diner-esque products beyond just breakfast items served all day."



Strengthening of the Core Menu for Broader Set of Customers

"Offering a wide variety of unique and familiar items that you can't make at home for a wide variety of culinary desires and dietary needs."





Everyday Affordability

- **The $2-$4-$6-$8 Value Menu continues to be important for customers**
  - Implemented nationally in April 2010 with 19% average incidence since launch
  - Attractive price points for all dayparts with more opportunity to upsell





Limited Time Only Products

- **Five marketing modules per year focus on compelling products**
  - Strong pipeline of products delivered in 2011 (Taste of the Holidays, Let's Get Cheesy!, Tour of America, Baconalia!) and planned for 2012 (Sizzlin' Skillets)
  - Beyond breakfast activation broadens attractiveness beyond "Breakfast All Day"
  - Attractive starting price points with premium offerings and check building opportunities

Sizzlin' Skillets
(Q1 '12)
($4.99 to $7.99)





Taste of the Holidays
(Q4 '11 & Q1 '12)
($5.99 to $8.99)





Denny's Core Menu

- **Gradually improving core menu offering for broader audience**
  - Customers asking for more Diner-like items for lunch and dinner (not just breakfast)
  - Popular items from $2-$4-$6-$8 Value Menu and LTOs used to "refresh" menu
  - Fit Fare options provides more information and choices



Slow-Cooked Pot Roast



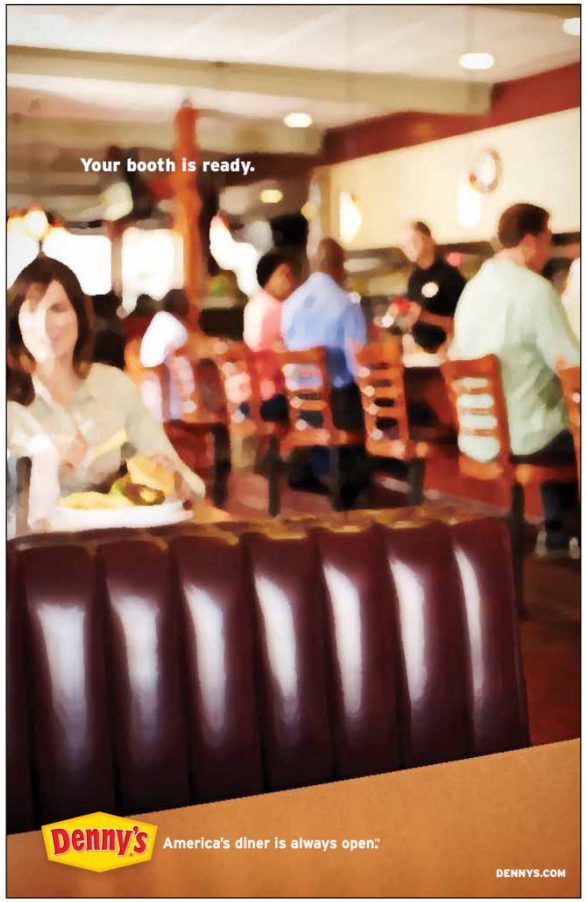
Spaghetti & Meatballs



Improved Sausage



Fit Fare® Items

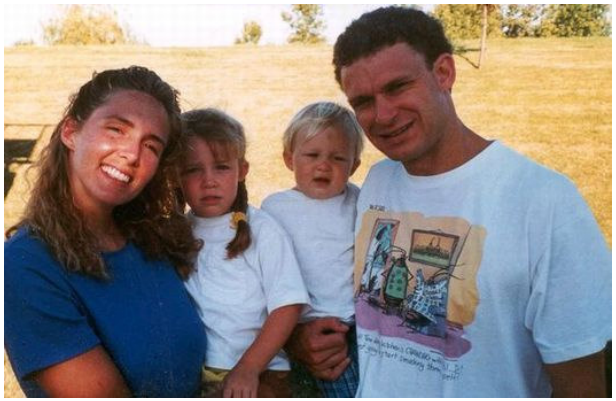


Focusing on Five Core Segments



Seniors

Families





Millennials

Moderate Incomes





Hispanics



Media Strategy

- **Balanced media plan emphasizing both national and local advertising**
  - Leverage advertising fund and national footprint for TV
  - Local Co-ops cover > 90% of system increasing media potential
  - Leverage all forms of media to target key customers

National and Regional TV Advertising







Online and print targeting key segments and loyal customers



Denny's REWARDS

Over 1.7 Million Members







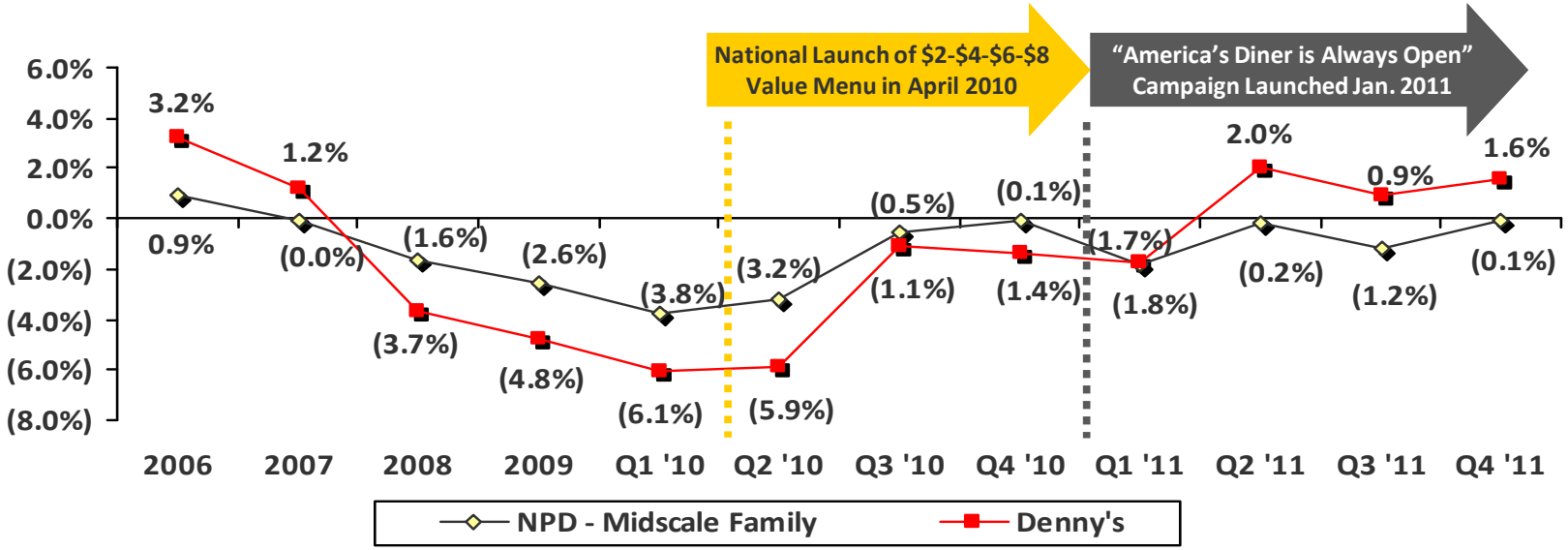


CollegeHumor

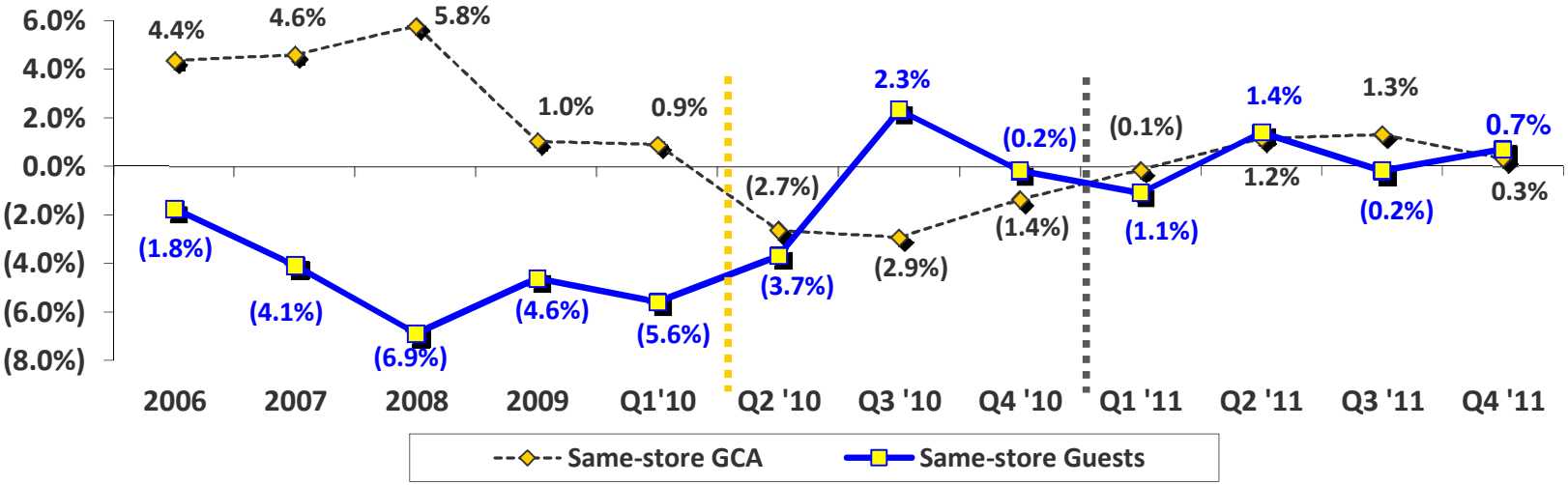
funny OR DIE

Improving Same-store Sales and Guest Traffic Driven by Marketing Strategy

Same-Store Sales (System)



Same-Store Guests and Guest Check Average (Company-owned Units)



Restaurant Unit Growth Plan

- **Aggressively developing programs to spur growth through traditional and non-traditional units**
- **Traditional Units:**
  - Despite impressive market share in many top DMAs, Denny's has tremendous growth potential for traditional units in the U.S.
  - Commitments to build **217** future restaurants (**108** opened) in U.S.

Family Dining Market Share & Penetration*		
	Share	# of Units
Las Vegas	32%	28
San Diego	31%	40
Miami	31%	42
Los Angeles	27%	200
San Francisco	26%	50
Phoenix	21%	65
Orlando	19%	53

Current # of Denny's Units	
New York	7
Boston	6
Charlotte	6
Atlanta	5
Nashville	3
Memphis	3
Cincinnati	1

- **Non-Traditional Units:**
  - **Travel Centers:** Up to 50 new Pilot Flying J sites in addition to 123 Flying J conversions completed in 2010 & 2011
  - **University Locations:** Opened 11 sites since January 2010
  - **International:** Opened 5 sites in 2011 (Canada (2), Honduras, Costa Rica, New Zealand)

Pilot TRAVEL CENTERS LLC & FLYING J

* Source: Restaurant Trends 2009 with peer group including: IHOP, Mimi's Café, Marie Callendar, Coco's, Carrow's, Waffle House, Shoney's, Perkins, Friendly's, Original Pancake, First Watch, Panera Bread and other notable brands

Pilot Flying J Conversions

- Opened 123 Pilot Flying J conversion sites in 2010 & 2011 which offer significant visibility to travelers

Pearl, MS



Birmingham, AL





University Locations

- Opened 11 locations since Jan. 2010 leveraging foodservice partners who utilize a variety of business models (Food Court, Fast Casual, Full Service)



Denny's International

- Commitments to open 39 units (Mexico, Central America, Dominican Republic, Canada) with 10 open to date



Canada (60)	Honduras (2)	New Zealand (8)
Costa Rica (3)	Mexico (5)	Puerto Rico (11)
Guam (2)	Netherlands, Antilles (1)	United States (1,593)

* Although there are over 400 Denny's units in Japan, Denny's sold all of the rights to the country of Japan in 1984.

Tegucigalpa, Honduras

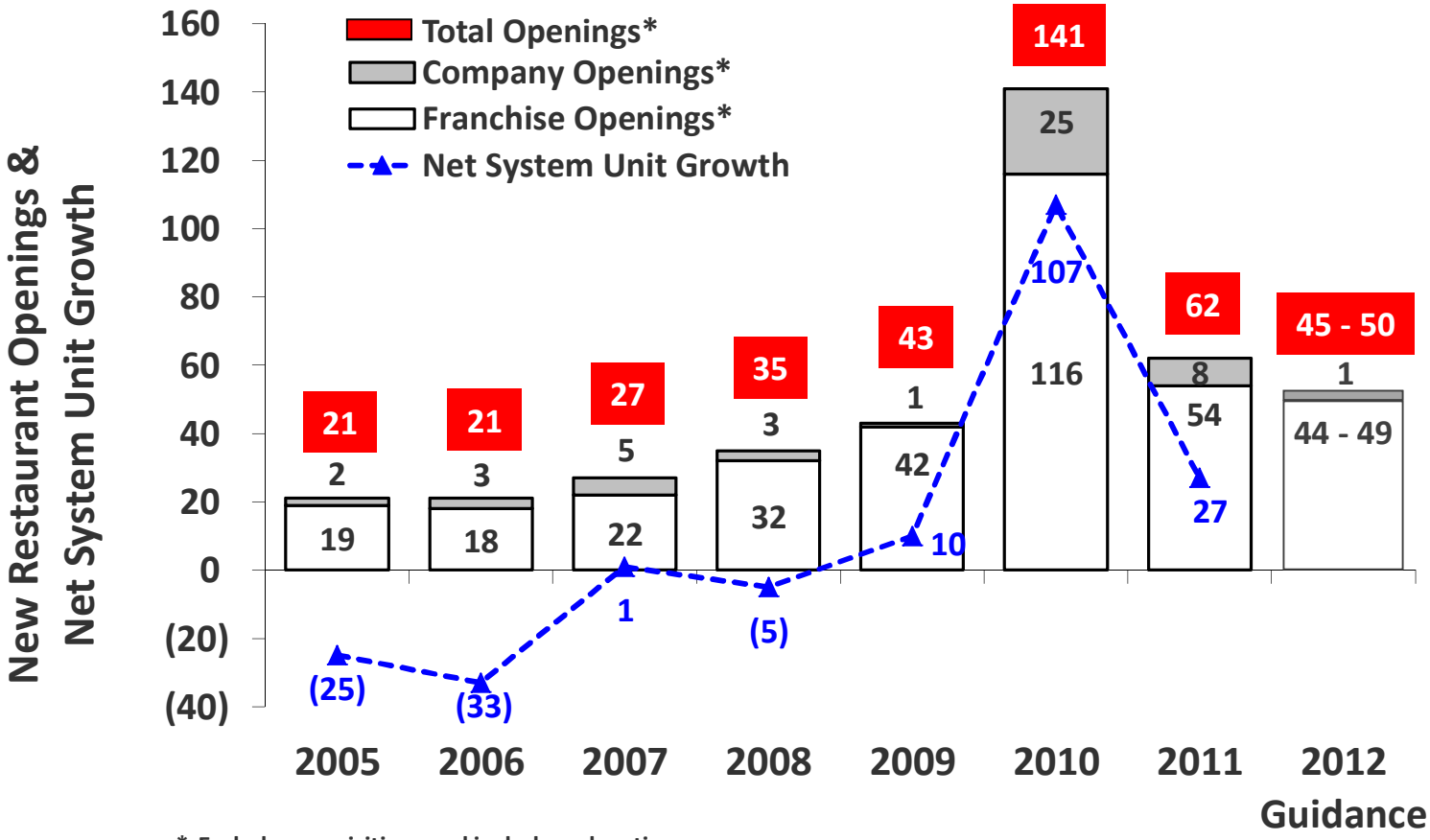


Calgary, Canada



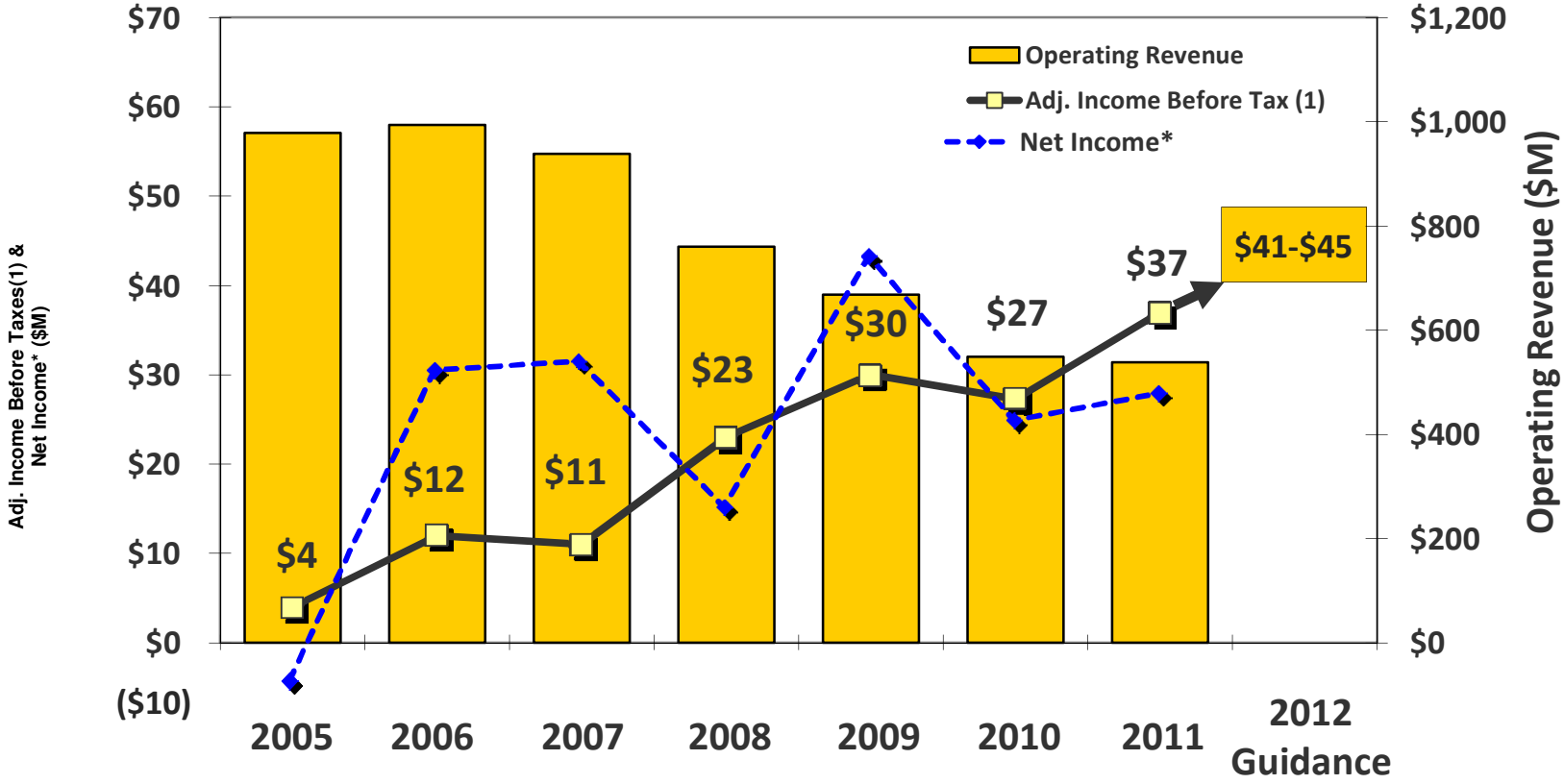
Stimulating Growth through Development Programs

- **Opened 62 units in 2011 and 203 new units in last two years, including 123 Flying J Conversions**
  - 87% of new Denny's units since the beginning of 2008 have been opened by franchisees



* Excludes acquisitions and includes relocations.

Significant Earnings Growth Despite Declining Revenue Base



(1) Adjusted Income before tax is a non-GAAP measure that management believes best reflects on-going earnings due to the significant impact on our P&L from non-operating, non-recurring and non-cash items. See appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income before Taxes, and Free Cash Flow.

* Volatility driven by Gain on Sale of Assets, Workers' Compensation Claims Development Benefits, and Debt Refinancing & Re-pricing Costs

Franchise Focused Business Model with Improved Margins and Free Cash Flow

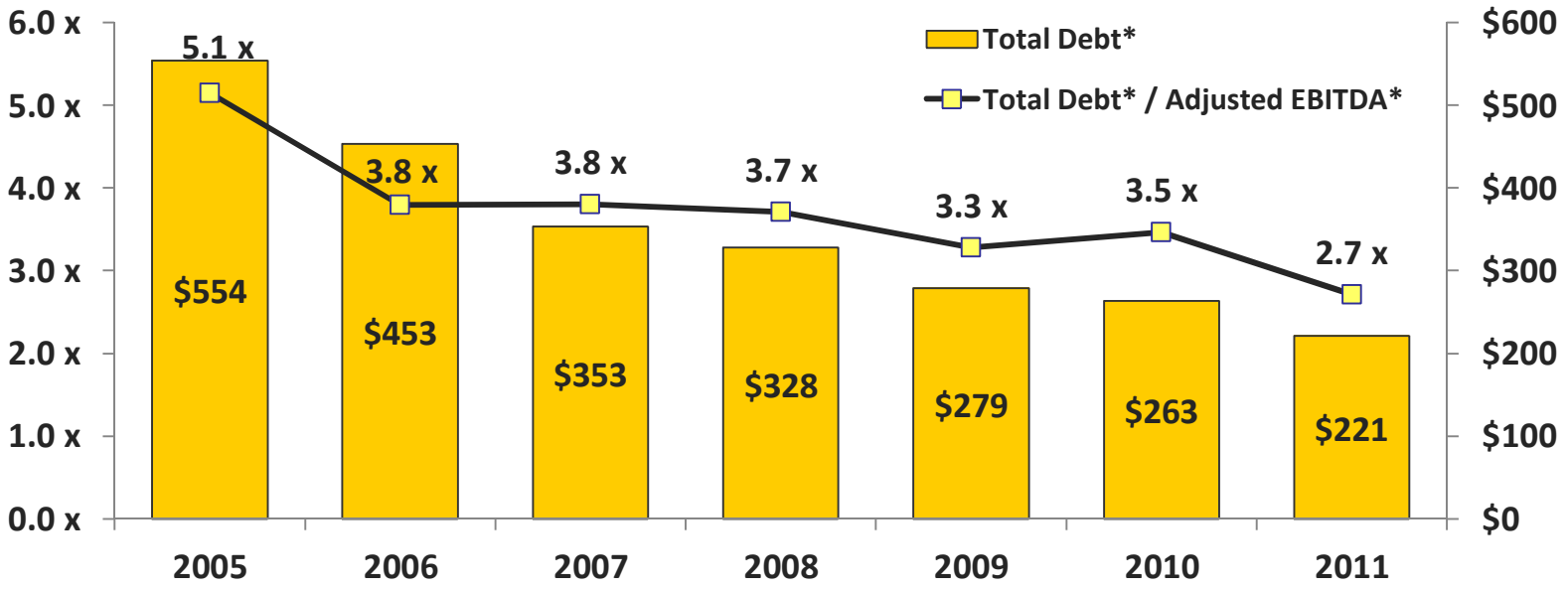
- Although EBITDA has declined due to the FGI Strategy, Adjusted EBITDA margin* has expanded by 530 bps. since 2007 despite negative traffic and sales
- Franchise focused business model with lower capital and interest requirements expected to generate around $50 million of Free Cash Flow in 2012

$ in millions	2005	2006	2007	2008	2009	2010	2011	2012 Guidance
Adjusted EBITDA*	**$107.6**	**$119.5**	**$92.9**	**$88.4**	**$85.0**	**$73.8**	**$81.8**	**$80 - $84**
% of Total Revenues	**11.0%**	**12.0%**	**9.9%**	**11.6%**	**14.0%**	**13.5%**	**15.2%**	
Cash Interest Expense	(48.2)	(50.9)	(38.5)	(31.6)	(29.3)	(23.1)	(17.0)	**(13) - (14)**
Cash Taxes	(1.3)	(1.3)	(2.3)	(1.1)	(0.6)	(0.9)	(1.1)	**(2) - (4)**
Capital Expenditures	(47.2)	(33.1)	(33.1)	(27.9)	(18.4)	(27.4)	(16.1)	**(15) - (16)**
Free Cash Flow*	**$11.0**	**$34.3**	**$19.0**	**$27.9**	**$36.7**	**$22.4**	**$47.6**	**$48 - $52**

* See appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income before Taxes, and Free Cash Flow.

Strong Balance Sheet Enabling Franchise Friendly and Shareholder Friendly Actions

- **Denny's has decreased debt by 60% since 2005**
  - Current debt agreement enables shareholder friendly uses of cash (repurchases & dividends)
  - Current institutional term loan rate of 5.25% (LIBOR plus 375bps. with a 1.50% LIBOR floor) with greater flexibility on uses of cash for share repurchases and/or dividends
- **Repurchased 6.7 million shares in last five quarters with 2.3 million shares available in current 6 million share repurchases program**



* Total Debt is Gross Debt including Capital Lease Obligations. 2010 Adjusted EBITDA excludes $2.3M CEO severance.

Denny's Investment Highlights

1. Exceptional Brand Equity

2. Franchised-focused Business Model

3. Unlocking Long-term Growth

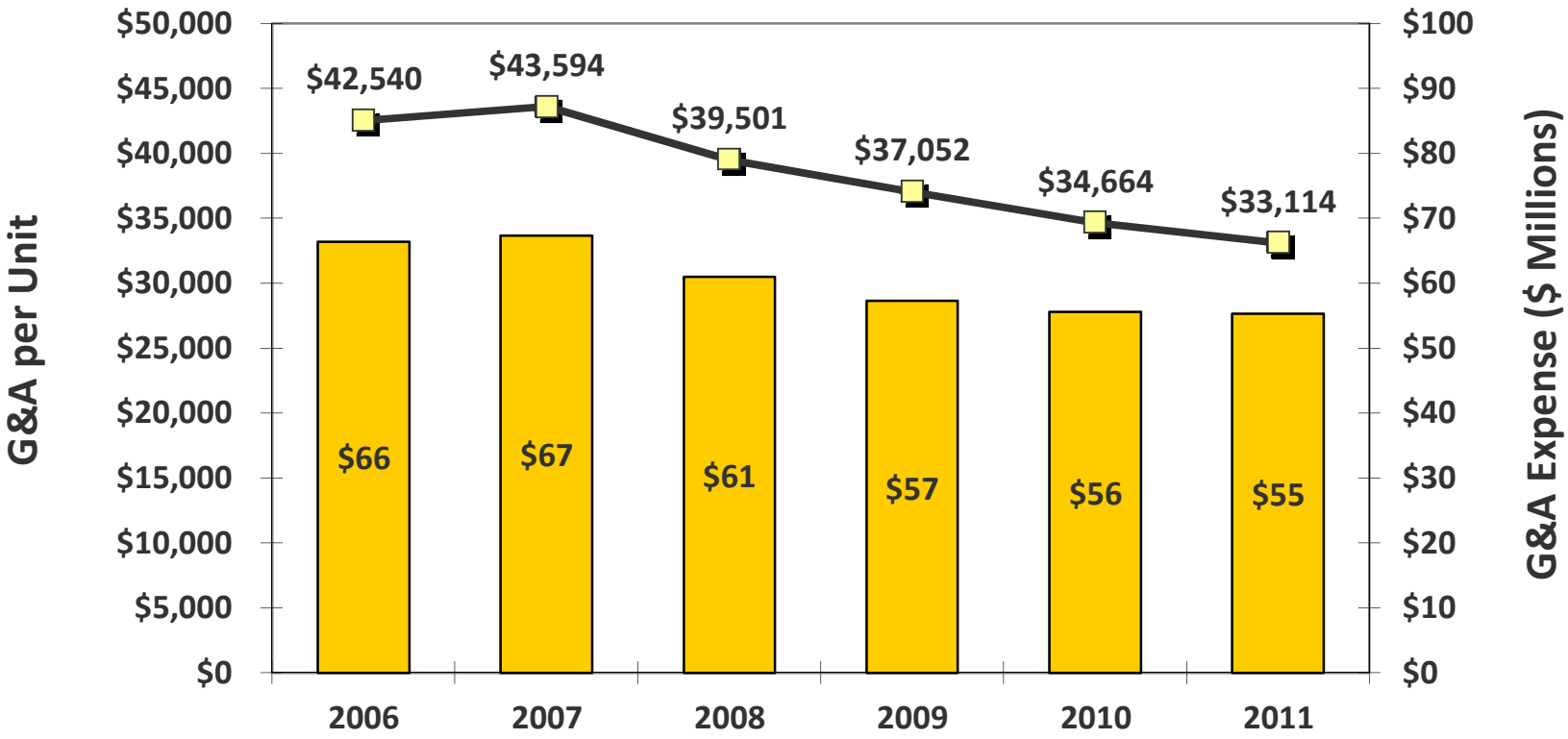
4. Significantly Improved Investment Thesis



APPENDIX

Franchise Focused Organization Resulted in a Reduction in G&A

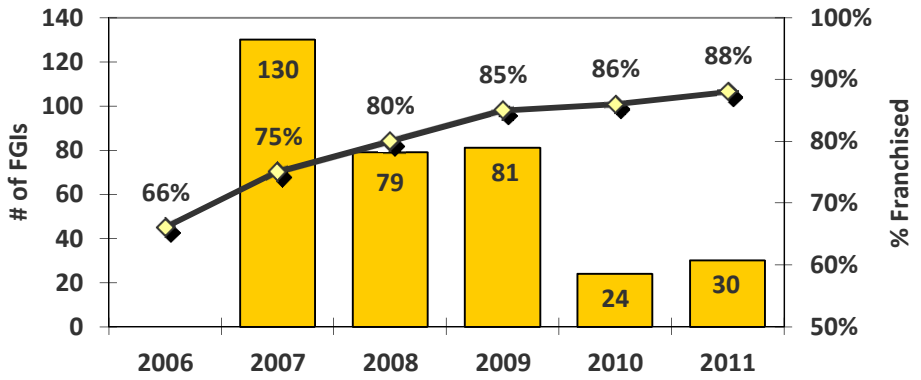
- FGI has enabled 20% reduction in G&A per unit and more than 40% reduction in Field level G&A expense



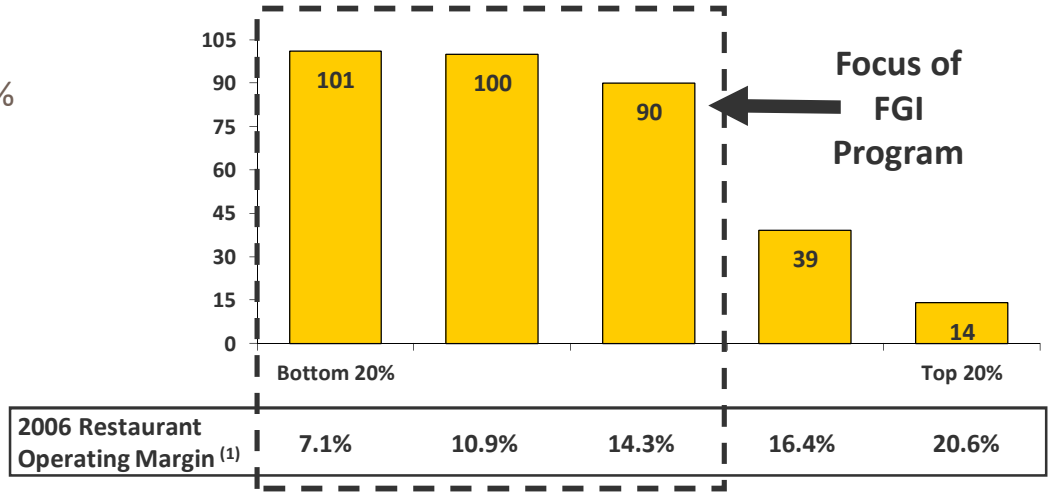
Successful Transition to Franchise Based Business Model through FGI Program

- **Franchise Growth Initiative ("FGI")**
  - Strengthen company portfolio (sale of lower performing units)
  - Tighten company operating geography
  - Gain commitments to future unit growth
- **FGI Successfully Delivered Results**
  - Sold 344 company units with over half refranchised during the 2008/2009 Credit Crisis
  - 64 separate franchisees have bought units through FGI (27 new; 37 existing; 20 completed multiple FGI transactions)
  - Increased franchise mix to 88% from 66%
  - Enhanced performance metrics of company-owned portfolio
  - Franchisees attracted by opportunity to "turn around" weak performers
- **Targeting 90% franchise mix by end of 2012**

of Refranchised Stores



Units Sold Under FGI (By Operating Margin Quintile)



(1) Excludes area management and other costs.

Income and EBITDA Reconciliation

$ in millions	2005	2006	2007	2008*	2009	2010**	2011
Net income (loss)	**($7.3)**	**$28.5**	**$29.5**	**$12.7**	**$41.6**	**$22.7**	**$112.3**
Provision for income taxes	1.2	16.3	6.7	3.5	1.4	1.4	(84.0)
Operating gains, losses and other charges, net	3.1	(47.9)	(31.1)	(6.4)	(14.5)	(4.9)	2.1
Other nonoperating expense, net	(0.6)	8.0	0.7	9.2	(3.1)	5.3	2.6
Share-based compensation	7.8	7.6	4.8	4.1	4.7	2.8	4.2
Adjusted Income before Taxes	**$4.2**	**$12.5**	**$10.5**	**$23.2**	**$30.0**	**$27.3**	**$37.3**
Interest expense, net	55.2	57.7	43.0	35.5	32.6	25.8	20.0
Depreciation and amortization	56.1	55.3	49.3	39.8	32.3	29.6	28.0
Cash pmts for restructuring charges and exit costs	(6.7)	(5.1)	(9.1)	(9.1)	(7.5)	(7.0)	(2.7)
Cash pmts for share-based compensation	(1.2)	(0.9)	(0.9)	(1.0)	(2.4)	(1.9)	(0.8)
Adjusted EBITDA	**$107.6**	**$119.5**	**$92.9**	**$88.4**	**$85.0**	**$73.8**	**$81.8**
Cash Interest Expense	(48.2)	(50.9)	(38.5)	(31.6)	(29.3)	(23.1)	(17.0)
Cash Taxes	(1.3)	(1.3)	(2.3)	(1.1)	(0.6)	(0.9)	(1.1)
Capital Expenditures	(47.2)	(33.1)	(33.1)	(27.9)	(18.4)	(27.4)	(16.1)
Free Cash Flow	**$11.0**	**$34.3**	**$19.0**	**$27.9**	**$36.7**	**$22.4**	**$47.6**

* **Includes a 53rd Week.**

** **Includes a $2.3 million CEO severance payment (Q4).**

Q4 2011 Performance*

- Opened 14 new system units, including 2 international locations and final Flying J conversion site
- Total Revenues decreased primarily due to FGI impact on company sales and lower initial fee revenue, offset by new units and higher same-store sales
- Company Margin % increased primarily due to improved labor scheduling and lower new store opening, offset by occupancy, marketing, and commodities
- Franchise Margin increase primarily driven by higher royalties driven by 61 more franchise equivalent units offset by lower initial fees
- Cash Interest Expense decrease driven by re-pricing and $42M of term loan debt repayment in last 12 months
- Cash Capital lower due to 14 company-owned units (11 Flying J Conversions) opened in prior year

$ in millions	Q4 2011	Q4 2010	Better / (Worse)
Total Operating Revenue	**$130.2**	**$135.9**	**($5.7)**
Company restaurant sales	98.4	103.7	(5.3)
Franchise and license revenue	31.8	32.2	(0.4)
Total Operating Margin	**$33.5**	**$33.5**	**($0.0)**
Company Operating Margin	12.6	12.8	(0.2)
% Margin	*12.8%*	*12.3%*	*0.5 ppt*
Franchise Operating Margin	20.9	20.7	0.2
% Margin	*65.5%*	*64.3%*	*1.2 ppt*
Operating Income	**$11.8**	**$14.1**	**($2.3)**
Adjusted Income before Taxes (1)	**$9.5**	**$5.1**	**$4.4**
Adjusted EBITDA (1)	**$19.9**	**$15.4**	**$4.5**
% Margin	*15.3%*	*11.3%*	*4.0 ppt*
Free Cash Flow (1)	**$12.7**	**($5.0)**	**$17.7**
Cash Interest Expense	3.9	5.8	1.9
Cash Taxes	0.1	0.5	0.4
Capital Expenditures	3.2	14.2	11.0

* See February 15, 2012 Press Release for detailed financial information.

(1) See appendix for reconciliation of Net Income to Adjusted EBITDA, Free Cash Flow, and Adjusted Income Before Taxes.

Full Year 2011 Performance*

- Opened 62 new system units, including 23 Flying J conversion sites, 28 traditional units, 5 University sites, 5 international locations, and 1 one new Pilot Travel Center
- Total Revenues lower due to FGI impact on company sales, offset by new company and franchise units and higher same-store sales
- Company Margin % decreased 0.6ppts. primarily due to higher commodities, offset by lower marketing and new store opening costs
- Franchise Margin increased 2.7ppts. due to higher royalties primarily driven by 98 more equivalent units and lower operating costs, offset by lower initial fees
- Cash Interest Expense $6 million lower due to refinancing/re-pricing and $52M of term loan debt repayment in last 5 quarters
- Cash Capital $11 million lower due to 24 company-owned units opened in 2010 and minimal remodel capital in 2011

$ in millions	Year-to-Date 2011	Year-to-Date 2010	Better / (Worse)
Total Operating Revenue	**$538.5**	**$548.5**	**($10.0)**
Company restaurant sales	411.6	423.9	(12.3)
Franchise and license revenue	126.9	124.5	2.4
Total Operating Margin	**$136.4**	**$135.5**	**$0.9**
Company Operating Margin	53.8	57.9	(4.1)
% Margin	*13.1%*	*13.7%*	*(0.6) ppt*
Franchise Operating Margin	82.6	77.5	5.1
% Margin	*65.0%*	*62.3%*	*2.7 ppt*
Operating Income	**$51.0**	**$55.2**	**($4.2)**
Adjusted Income before Taxes (1)	**$37.3**	**$27.3**	**$10.0**
Adjusted EBITDA (1)	**$81.8**	**$73.8**	**$8.0**
% Margin	*15.2%*	*13.5%*	*1.7 ppt*
Free Cash Flow (1)	**$47.6**	**$22.4**	**$25.2**
Cash Interest Expense	17.0	23.1	6.1
Cash Taxes	1.1	0.9	(0.2)
Capital Expenditures	16.1	27.4	11.3

* See February 15, 2012 Press Release for detailed financial information.

(1) See appendix for reconciliation of Net Income to Adjusted EBITDA, Free Cash Flow, and Adjusted Income Before Taxes.