

Denny's



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For over 50 years, Denny's has been the trusted leader in family dining. We enjoy a brand awareness of almost 100%! We cheerfully serve over 26 million customers a month in our 1500+ restaurants worldwide. We are proud to serve America's most loved foods 24 hours a day, 7 days a week. If you are an experienced restaurateur or businessman, we invite you to contact us and learn more about growth opportunities within our great brand.

BACKGROUND: IFA MEMBER
Established: 1953; 1st Franchised: 1963
Franchised Units: 1281
Company-Owned Units: 263
Total Units: 1544
Dist.: US-1205; CAN-49; O'seas-27
North America: 48 States, 5 Provinces
Density: 311 in CA, 141 in TX, 130 in FL
Projected New Units (12 Months): 37

Qualifications: 5, 5, 5, 3, NA, 5

FINANCIAL/TERMS:

Cash Investment: \$350-\$400K
Total Investment: \$1-\$2.6MM
Minimum Net Worth: \$1MM
Fees: Franchise - \$40K
Royalty - 4%; Ad. - 4%
Earnings Claims Statement: Yes
Term of Contract (Years): 20/NA
Avg. # Of Employees: 50 FT, 25 PT
Passive Ownership: Allowed, But Discouraged
Encourage Conversions: Yes
Area Develop. Agreements: Yes
Sub-Franchising Contracts: No
Expand In Territory: Yes
Space Needs: 4,200 SF

SUPPORT & TRAINING:

Financial Assistance Provided: No
Site Selection Assistance: Yes
Lease Negotiation Assistance: No
Co-Operative Advertising: Yes
Franchisee Assoc./Member: Yes/Yes
Size Of Corporate Staff: 250
On-Going Support: C,D,e,G,I
Training: 10-13 Weeks Nearest certified training restaurant

SPECIFIC EXPANSION PLANS:

US: All United States
Canada: All Canada
Overseas: All Overseas

With more than 1,500 restaurants worldwide and annual sales of more than \$2 billion, Denny's enjoys a brand recognition awareness level of nearly 100%. For more than 50 years, Denny's has provided the quintessential family dining experience with modestly priced meals, and is currently one of the the largest full-service family restaurant chain in the United States. Denny's is well known for its breakfast items and late-night dining, but has also seen substantial success with its lunch and dinner menus,

which have been updated to include a variety of health-conscious choices. Denny’s franchisees serve America’s most loved foods 24 hours a day, 7 days a week.

Operating Units	12/31/2006	12/31/2007	12/31/2008
Franchised	947	1078	1149
% Change	--	13.7%	6.7%
Company-Owned	521	394	314
% Change	--	-24.4%	-20.3%
Total	1468	1472	1463
% Change	--	0.2%	-0.5%
Franchised as % of Total	64.51%	73.22%	78.54%

Investment Required

The fee for a Denny’s franchise is \$40,000.

Denny’s provides the following range of investments required to open your initial franchise. The range assumes that all items are paid for in cash. To the extent that you choose to finance any of these expense items, your front-end investment could be substantially reduced.

Item	Established Low Range	Established High Range
Franchise Fee	\$0	\$40,000
Building and Improvements	\$650,000	\$1,600,000
Architectural Design	\$13,000	\$40,000
Equipment, Fixtures, Furnishings	\$380,000	\$480,000
Signage	\$15,000	\$90,000
D.I.N.E PoS Systems	\$20,000	\$40,000
Opening Inventory and Supplies	\$17,000	\$28,000
Opening Advertising	\$3,000	\$5,000

Opening Menus	\$210	\$486
Opening Gift Cards	\$115.50	\$115.50
New Restaurant Opening Training Team	\$0	\$15,000
Security Deposits	\$10,000	\$15,000
Insurance	\$15,000	\$20,000
Permits	\$5,000	\$100,000
Additional Funds (3 months)	\$80,000	\$150,000
Total Investment (does not include land)	\$1,208,325.50	\$2,623,601.50

On-going Expenses

Denny's franchisees pay royalties equal to 4% of gross sales and advertising fees equal to 3% or 4% of gross sales. Other fees payable by the franchisee include a local advertising co-op fee and semiannual menu costs.

What You Get—Training and Support

Denny's franchisees spend 10 to 13 weeks at a nearby certified training restaurant for hands-on training, with complete instruction in all aspects of restaurant operation, from management to food safety. Denny's commitment to franchisee support also includes field based real estate assistance, design and layout specifications, new restaurant opening assistance, and ongoing advertising and field support.

Territory

Denny's grants exclusive and nonexclusive territories.