



IHOP Corp. Announces Strategic Reorganization

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Company Realigns Resources to Support New Operating Model,
Affirms Vision of Becoming Number One in Family Dining

GLENDALE, Calif., July 22 /PRNewswire-FirstCall/ -- IHOP Corp. (NYSE: IHP) today announced a strategic reorganization of the Company designed to realign IHOP's corporate structure and resources to support the requirements of its new operating model and increased marketing and operational efforts.

Julia A. Stewart, IHOP Corp. President and Chief Executive Officer, said, "Earlier this year, we made a strategic decision to transition our growth efforts from the development and financing of new restaurants to a role that fully supports the marketing and operation functions required by a restaurant system of our size. Today, we have embarked on a reorganization designed to foster the growth of franchisee developed restaurants, provide leadership in the areas of marketing and operations and promote cost efficiencies within our corporate structure."

Reorganization Details

IHOP's reorganization includes the following changes:

- Separate operations management of company and franchise restaurants. Previously managed under the same function, IHOP will separate operations management of company and franchise restaurants to promote a more focused, intensive effort to improve company-operated restaurant performance.
- Improve operations support. IHOP will transform the roles of its operations support representatives in the field as well as regional operations management to refocus their efforts on improved performance at the restaurant level.
- Establish a nationwide operations call center. IHOP will centralize franchisee contact and troubleshooting with a cost effective operations call center located at its corporate headquarters in Glendale, California.
- Consolidate Franchise and Development departments. The Company will combine its Franchise Sales and Development departments. The newly formed group will facilitate and monitor franchisee development of restaurants as well as recruit new franchisees to develop areas available.
- Upgrade franchising administration and property management. IHOP will combine and augment its franchising administration and property management functions to reduce overall expenses with improved productivity and practices gained.
- Improve finance processes. IHOP will improve efficiencies in finance and accounting and enhance the Company's information technology infrastructure.

Financial and Headcount Implications

The reorganization will affect all functional areas of the Company and will result in a workforce reduction of approximately 40 non-store employees, or 15 percent of its workforce, and steady state cost reductions of approximately \$3.0 million per year. Total one-time reorganization costs are expected to be approximately \$1.5 million with \$1.3 million captured in 2003 and the remainder captured in 2004. These costs are reflected in the Company's current earnings per share performance guidance of \$1.55 to \$1.70 for fiscal 2003.

Stewart concluded, "The guiding vision of our reorganization process was our goal to become number one in family dining. This vision defines everything we do at IHOP and is already producing great results within our system. Now, we have the right processes and organization in place to become a true support center for our restaurants, our franchisees and employees."

About IHOP Corp.

The IHOP family restaurant chain has been serving a wide variety of breakfast, lunch and dinner selections for 45 years. Offering more than 16 types of pancakes, as well as omelettes, breakfast specialties, burgers, chicken and steaks, IHOP's diverse menu appeals to people of all ages. IHOP restaurants are developed, operated and franchised by Glendale, California based IHOP Corp. As of June 30, 2003, there were 1,136 IHOP restaurants in 48 states and Canada. IHOP is publicly traded on the NYSE under the symbol "IHP." For more information, call the Company's

headquarters at (818) 240-6055 or visit the Company's Website located at www.ihop.com .

Forward-Looking Statements

There are forward-looking statements contained in this news release. They use such words as "may," "will," "expect," "believe," "plan," or other similar terminology. These statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different than those expressed or implied in such statements. These factors include, but are not limited to: risks associated with the implementation of the Company's new strategic growth plan, the availability of suitable locations and terms of the sites designated for development; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; conditions beyond IHOP's control such as weather, natural disasters or acts of war or terrorism; availability and cost of materials and labor; cost and availability of capital; competition; continuing acceptance of the International House of Pancakes brand and concepts by guests and franchisees; IHOP's overall marketing, operational and financial performance; economic and political conditions; adoption of new, or changes in, accounting policies and practices; and other factors discussed from time to time in IHOP's filings with the Securities and Exchange Commission. Forward-looking information is provided by IHOP pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. In addition, IHOP disclaims any intent or obligation to update these forward-looking statements.