



Argonne Capital Group Acquires Existing Operations and Development Rights Of IHOP's Largest Individual Franchisee

August 2, 2004

GLENDAL, Calif.--(BUSINESS WIRE)--Aug. 2, 2004--IHOP Corp. (NYSE:IHP) today announced that an affiliate of Argonne Capital Group, LLC has acquired the restaurant assets, operations and development rights of the Company's largest individual franchisee, Joseph J. Katin. Mr. Katin owned and operated 35 IHOP restaurants located throughout Texas. Argonne has acquired Mr. Katin's exclusive rights to develop 31 additional IHOP restaurants in a large portion of Texas over the next 11 years. Financial details of the transaction were not disclosed.

Argonne will retain Mr. Katin's existing management team, including Martin P. Adler as President and Chief Executive Officer, to run the day-to-day operations and will retain Mr. Katin on a consulting basis to provide new restaurant development support over the next 12 to 18 months.

Julia A. Stewart, IHOP's President and Chief Executive Officer, said, "We want to sincerely thank Joe Katin for his longstanding dedication to IHOP, and especially during the past two years as we pursued a tremendous amount of change to re-energize the IHOP brand. Joe has been an invaluable member of our franchise Board of Advisors, and we will miss his contribution. At the same time, we are excited to welcome Argonne to the IHOP family, and are confident of a smooth and successful transition."

Mr. Katin is a 39-year veteran of the IHOP system, and first began his restaurant career as a busboy at an IHOP restaurant in Glendale, Calif. In 1975, Mr. Katin acquired his first IHOP restaurant in Brownsville, Texas. Over the past 29 years, his operations have grown to include 35 restaurants and more than 2,700 employees.

Joseph J. Katin said, "IHOP has been an integral part of my life for the last 39 years and I will miss my many friends at the company and in the franchise community. I am confident that Argonne is committed to providing continuity for our management team and employees as it looks to increase IHOP's presence in the Texas market."

Michael A. Klump, Argonne Capital Group's President and Co-Founder, said, "IHOP's business model transition to franchisee financed development significantly broadened the investment opportunity that the IHOP concept represents. By acquiring the Katin Corp. restaurants and Multi-Store Development Agreement, we not only benefit from the operational strength of the existing restaurants and management team, but we also expect to be able to drive significant growth through new restaurant development. We are extremely optimistic about the future of our company and look forward to taking an active role in the IHOP system."

Based in Atlanta, Argonne Capital Group, LLC is a private equity firm that primarily invests in multi-unit retail operations.

About IHOP Corp.

The IHOP family restaurant chain has been serving a wide variety of breakfast, lunch and dinner selections for more than 45 years. Offering more than 16 types of pancakes, as well as omelettes, breakfast specialties, burgers, sandwiches, chicken and steaks, IHOP's diverse menu appeals to people of all ages. IHOP restaurants are operated and franchised by Glendale, California based IHOP Corp. As of June 30, 2004, the end of IHOP's second quarter, there were 1,167 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," "anticipate," "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 strategic growth plan, the availability of suitable locations and terms of the sites designated for development; the ability of franchise developers to fulfill their commitments to build new IHOP restaurants in the numbers and time frames covered by their development agreements; the ability of the Company to franchise its remaining Company-operated restaurants; 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.

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