



## **IHOP Corp. Highlights 2006 Sales and Development Milestones**

January 12, 2007

### **Company Produces 16th Consecutive Quarter of Positive Same-Store Sales Growth, Surpasses \$2 Billion in System-Wide Sales and Crosses 1,300 Restaurant Mark**

GLENDAL, CA, Jan 12, 2007 (MARKET WIRE via COMTEX News Network) -- IHOP Corp. (NYSE: IHP) today announced key sales and development metrics for fiscal 2006:

- Same-Store Sales Growth Continues: IHOP produced its 16th consecutive quarter of positive same store sales growth since changing its business model in 2003 to focus on providing improved marketing and operational leadership for its 99% franchised system. For the twelve months ended December 31, 2006, system-wide same-store sales increased 2.5%, which consisted of healthy increases in guest traffic that significantly outpaced moderate increases in guest check average. Compared to an exceptionally strong 5.4% growth in the same quarter last year, system-wide same-store sales increased 0.4% for the quarter ended December 31, 2006. This growth consisted entirely of increases in guest traffic that offset flat guest check average results. Same-store sales growth for the fourth quarter 2006 was supported by the solid performance of limited-time offers French Toast Fantasy and Super Rooty Tooty Fresh 'N Fruity, the introduction of an enhanced system-wide menu as well as the further optimization of gift card sales during the holiday season.
- IHOP Becomes a \$2 Billion Brand: As of the end of fiscal 2006, system-wide sales generated by the operation of 1,132 franchisee-operated IHOP restaurants, 160 area licensee-operated IHOP restaurants and 10 Company-operated IHOP restaurants now exceed \$2 billion. This represents the first time IHOP's system-wide sales have surpassed the \$2 billion mark in the Company's 48-year history. System-wide sales are retail sales at IHOP restaurants operated by franchisees, area licensees and the Company, as reported to the Company. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company. System-wide sales are a non-GAAP financial measure, however the Company believes that this sales information is useful in analyzing IHOP's market share and growth, and because franchisees and area licensees pay royalties and contribute to the national advertising fund based on a percentage of their sales.
- Development Commitments Realized: During fiscal 2006, IHOP franchisees financed, developed and opened 57 new IHOP restaurants in 30 states, while the Company's area licensee opened eight new IHOP restaurants within the state of Florida, and IHOP opened four new restaurants in its Company market of Cincinnati, Ohio. This brings the total number of restaurants system-wide to 1,302 IHOPs in the U.S. and Canada. With hundreds of additional IHOP restaurants committed to be developed by franchisees over the next several years, IHOP believes its system could reach as many as 1,800 restaurants in the U.S. The Company also is pursuing incremental growth opportunities in Mexico and Canada.

Julia A. Stewart, IHOP's Chairman and Chief Executive Officer, said, "IHOP is a true American icon that continues to grow in size and strength year after year. Not only were we able to deliver upon our same-stores sales growth expectations for 2006, but franchisees also fulfilled their commitments to develop new IHOP restaurants within the timeframe and in the numbers we expected. Together, our sales and unit growth last year drove the IHOP brand over the \$2 billion mark in system-wide sales, which is another impressive milestone. We are very pleased with these accomplishments in 2006 and look forward to an even better 2007."

IHOP will release full fourth quarter and fiscal 2006 results and issue 2007 performance guidance on Wednesday, February 21, 2007 before the market opens. The Company will host an investor conference call to discuss its fourth quarter and fiscal 2006 results and 2007 performance guidance on Wednesday, February 21, 2007 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time). To participate on the call, please dial (888) 873-4896 and reference pass code 78773958. A live webcast of the call will be available on IHOP's Web site at [www.ihop.com](http://www.ihop.com), and may be accessed by visiting Calls & Presentations under the site's Investor Information section. Participants should allow approximately ten minutes prior to the call's start time to visit the site and download any streaming media software needed to listen to the webcast.

#### 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 14 types of pancakes as well as omelettes, breakfast specialties, burgers, sandwiches, salads, chicken and steaks, IHOP's diverse menu appeals to people of all ages. IHOP restaurants are franchised and operated by Glendale, California based IHOP Corp. As of December 31, 2006, the end of IHOP's fourth quarter, there were 1,302 IHOP restaurants in 49 states and Canada. IHOP Corp. common stock is listed and 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 Web site located at [www.ihop.com](http://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 the Company'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; the Company'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 the Company'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, the Company disclaims any intent or obligation to update these forward-looking statements.

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SOURCE: IHOP Corp.