



## **DineEquity, Inc. Reports Third Quarter 2008 Same-Store Sales Results for Its IHOP and Applebee's Businesses**

October 9, 2008

GLENDALE, CA, Oct 09, 2008 (MARKET WIRE via COMTEX News Network) -- DineEquity, Inc. (NYSE: DIN), franchisor and operator of Applebee's Neighborhood Grill & Bar and IHOP Restaurants, today reported same-store sales results for the third quarter ended September 30, 2008 for its IHOP and Applebee's business units. IHOP's system-wide same-store sales increased 0.2% for the third quarter 2008 and increased 2.2% for the first nine months of fiscal 2008. Applebee's system-wide domestic same-store sales decreased 3.1% for the third quarter 2008 and decreased 1.4% for the first nine months of fiscal 2008. DineEquity will release full third quarter 2008 financial results Monday, October 27, 2008, as well as provide an update on its goal of selling approximately 100 company-operated Applebee's restaurants by year-end, managing its debt position and steps to enhance the Company's overall EBITDA performance, among other topics.

Julia A. Stewart, DineEquity's chairman and chief executive officer, said, "Given the increasing turmoil and uncertainty facing the economy and the sharp pullback in consumer spending witnessed in the third quarter 2008, we are in the midst of a very challenging time in the restaurant industry. This environment finds the IHOP and Applebee's brands in markedly different positions from which to respond competitively to the market conditions we face.

"IHOP continues to operate from a position of strength due to the comprehensive brand revitalization and operational improvement strategies implemented over the past several years. Our marketing efforts during the third quarter 2008 continued to focus on limited-time offers, such as Discover America Pancakes and Fruit Crepe Fever, which helped deliver IHOP's 23rd consecutive quarter of same-store sales growth, albeit at a modest level. While IHOP is performing solidly in an exceptionally difficult consumer environment, we remain cautious and are taking additional steps to strengthen our consumer message over and above our core marketing plan for the balance of the year, which we believe is prudent to ensure we maintain our competitive advantage and continue to drive profitable sales at IHOP's franchise restaurants.

"With the Applebee's brand, we are only at the beginning of a multi-year revitalization process and we remain optimistic in our ability to drive sales growth over the long-term. Unfortunately, the strong headwinds in consumer spending we witnessed in the third quarter 2008 were not offset by the new value promotion we introduced. Despite these macro economic pressures, we remain focused our revitalization plans, which will include the introduction of an enhanced value message in the fourth quarter 2008, the rollout of new menu offerings by January 1st, the implementation of comprehensive service and operational improvement initiatives and enhanced advertising and marketing strategies that further leverage Applebee's 'It's a Whole New Neighborhood' campaign."

IHOP's system-wide same-store sales increase of 0.2% for the third quarter 2008 reflected a higher average guest check and negative guest traffic growth. IHOP also estimates that hurricane activity may have adversely impacted system-wide same-store sales performance by as much as 0.5% due to the temporary closure of certain franchise IHOP restaurants during the third quarter 2008. As of September 30, 2008, there were 1,375 IHOP restaurants operating system-wide in 49 states, Canada and Mexico, 10 of which were company-operated in IHOP's dedicated research and development market of Cincinnati, Ohio.

Same-store sales for Applebee's domestic franchise restaurants decreased 3.1% for the third quarter 2008 and decreased 1.6% for the first nine months of fiscal 2008. Same-store sales for Applebee's company-operated restaurants decreased 3.1% for the third quarter 2008 and decreased 0.6% for the first nine months of fiscal 2008. Applebee's company-operated restaurant same-store sales results for the third quarter 2008 reflected traffic declines at company-operated restaurants, which offset an increased average guest check that was primarily driven by an effective pricing increase of nearly 4.0%, reduced level of comps and discounts, and favorable mix shift at company-operated restaurants. Applebee's also reported a negligible impact from hurricane activity on its same-store sales performance at company-operated restaurants and indicated that hurricane activity may have adversely impacted domestic franchise restaurant performance by approximately 0.2% during the third quarter 2008. As of September 30, 2008, there were 1,997 Applebee's restaurants operating system-wide in 49 states, 17 international countries, and one U.S. territory, of which 480 were company-owned.

DineEquity reported that it expects to deliver system-wide same-store sales growth at IHOP at the lower end of its previously stated guidance range of 2% to 4% for fiscal 2008. The Company revised its system-wide domestic same-store sales growth expectations for Applebee's to range between negative 1% and negative 2% for fiscal 2008 versus its previous growth expectations in the range of positive 1% to negative 1% for fiscal 2008.

Stewart said, "This is an unprecedented time facing the restaurant industry, and our 2008 same-store sales performance guidance for IHOP and Applebee's reflects the plans we have in place to be responsive to what we believe will be a continued challenging operating and competitive environment for the balance of the year."

DineEquity will release full third quarter 2008 financial results Monday, October 27, 2008 before the market opens. Additionally, the Company will host an investor conference call on the same day at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time) to discuss its third quarter 2008 financial results as well as provide investors an update on its progress to sell approximately 100 company-operated Applebee's restaurants by year-end, managing its debt position and steps to enhance the Company's overall EBITDA performance, among other topics. To participate on the call, please dial (888) 679-8033 and reference pass code 98652293.

About DineEquity, Inc.

Based in Glendale, California, DineEquity, Inc. franchises and operates restaurants under the Applebee's Neighborhood Grill & Bar and IHOP brands.

With more than 3,300 restaurants combined, DineEquity is the largest full-service restaurant company in the world. For more information on DineEquity, visit the Company's Web site located at [www.dineequity.com](http://www.dineequity.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, and include statements regarding the strategic and financial benefits of the acquisition of Applebee's International, Inc., expectations regarding integration and cost savings, and other financial guidance. 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: the implementation of the Company's strategic growth plan; the availability of suitable locations and terms for the sites designated for development; the ability of franchise developers to fulfill their commitments to build new restaurants in the numbers and time frames covered by their development agreements; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; risks associated with executing the Company's strategic plan for Applebee's; risks associated with the Company's incurrence of significant indebtedness to finance the acquisition of Applebee's; the failure to realize the synergies and other perceived advantages resulting from the acquisition; costs and potential litigation associated with the acquisition; the ability to retain key personnel after the acquisition; conditions beyond the Company's control such as weather, natural disasters, disease outbreaks, epidemics or pandemics impacting the Company's customers or food supplies; or acts of war or terrorism; availability and cost of materials and labor; cost and availability of capital; competition; continuing acceptance of the IHOP, International House of Pancakes and Applebee's brands 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 news releases, public statements and/or filings with the Securities and Exchange Commission, especially the "Risk Factors" sections of Annual and Quarterly Reports on Forms 10-K and 10-Q. Forward-looking information is provided by the Company 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: DineEquity, Inc.