



DineEquity, Inc. Announces Sale of 17 Applebee's Company-Operated Restaurants in the Mid-South Area to Apple Investors Group, LLC

October 13, 2011

GLENDALE, CA, Oct 13, 2011 (MARKETWIRE via COMTEX) -- DineEquity, Inc. (NYSE: DIN), parent company of Applebee's Neighborhood Grill & Bar and IHOP Restaurants, today announced that it has entered into an asset purchase agreement with Apple Investors Group, LLC for the sale of 17 Applebee's company-operated restaurants located in Tennessee, Illinois, Mississippi, Missouri, Kentucky and Arkansas, which mainly serve the Memphis, TN and Paducah, KY/Cape Girardeau, MO media markets. The agreement does not contain financing contingencies, but closing is subject to regulatory processes related to liquor license transfers and other customary closing conditions.

The transaction is expected to result in net proceeds after taxes of approximately \$15.9 million and reduce DineEquity's sale-leaseback related financing obligations by \$11.3 million. The Company expects to pay approximately \$2.4 million related to the settlement of net working capital liabilities and deal costs. Additionally, the sale of these Applebee's company-operated restaurants will result in approximately \$0.9 million in annualized consolidated general and administrative savings. Based on the trailing twelve months ending August 31, 2011, the pro forma reduction in DineEquity's annual EBITDA would be approximately \$5.5 million. The Company anticipates closing the transaction in the first quarter of 2012.

"DineEquity's business fundamentals remain strong as we continue moving closer towards achieving our long-term strategic goal of becoming a predominantly franchised system, with 95% of our restaurants franchised or soon to be franchised," said Julia A. Stewart, DineEquity's chairman and chief executive officer. "This is our third deal with Apple Investors Group, an experienced restaurant operator, and we are delighted to put these Applebee's restaurants into their capable hands."

Anand "Andy" Patel, principal owner of Apple Investors Group, said, "This purchase is a continuation of our long term growth plan and will enable us to continue to expand on Applebee's strong sense of community. Applebee's has been a great fit for our company and these restaurants solidify our commitment to the brand and its strength as an industry leader."

To date, DineEquity has sold a total of 259 Applebee's company-operated restaurants since its acquisition of Applebee's International in November 2007. In addition, the Company expects a November closing of a previously-announced asset purchase agreement to sell 66 Applebee's company-operated restaurants in New England.

Upon consummation of the previously-announced New England transaction and the Memphis transaction, 95% of DineEquity's restaurants will be franchised. The Company believes that its increasingly franchised business model is less capital intensive and experiences less volatility in cash flow performance compared to the operation of company-operated restaurants.

Apple Investors Group currently owns and operates 27 Applebee's Neighborhood Grill & Bar restaurants in New Mexico and Virginia. Apple Investors Group's principal owner, Andy Patel, is the principal owner of a multi-franchisee group which has been involved in the restaurant and hotel businesses for more than 23 years. Representing \$80 million in sales and with nearly 2,500 employees, the group currently owns and operates 18 IHOP restaurants, four Stevi B's restaurants and two hotels in Florida, in addition to its Applebee's restaurants.

About DineEquity, Inc.

Based in Glendale, California, DineEquity, Inc., through its subsidiaries, franchises and operates restaurants under the Applebee's Neighborhood Grill & Bar and IHOP brands. With more than 3,500 restaurants combined, DineEquity is one of the largest full-service restaurant companies in the world. For more information on DineEquity, visit the Company's Web site located at www.dineequity.com.

Forward-Looking Statements

Statements contained in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by words such as "may," "will," "should," "expect," "anticipate," "believe," "estimate," "intend," "plan" and other similar expressions. These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to be materially different from those expressed or implied in such statements. These factors include, but are not limited to: the effect of general economic conditions; the Company's substantial indebtedness; risk of future impairment charges; the Company's results in any given period differing from guidance provided to the public; the highly competitive nature of the restaurant business; the Company's business strategy failing to achieve anticipated results; risks associated with the restaurant industry; shortages or interruptions in the supply or delivery of food; changing health or dietary preferences; harm to our brands' reputation; litigation; environmental liability; liability relating to employees; failure to comply with applicable laws and regulations; failure to effectively implement restaurant development plans; concentration of Applebee's franchised restaurants in a limited number of franchisees; credit risk from IHOP franchisees operating under our previous business model; termination or non-renewal of franchise agreements; franchisees breaching their franchise agreements; changes in the number and quality of franchisees; inability of franchisees to fund capital expenditures; third-party claims with respect to intellectual property assets; heavy dependence on information technology; failure to protect the integrity and security of individually identifiable information; and other factors discussed from time to time in the Company's Annual and Quarterly Reports on Forms 10-K and 10-Q and in the Company's other filings with the Securities and Exchange Commission. The forward-looking statements contained in this release are made as of the date hereof and the Company assumes no obligation to update or supplement any forward-looking statements.

SOURCE: DineEquity, Inc.

