



DineEquity, Inc. Announces the Sale of 39 Applebee's Company-Operated Restaurants in Virginia to Potomac Family Dining Group, LLC

May 1, 2012

GLENDALE, Calif., May 01, 2012 (BUSINESS WIRE) --DineEquity, Inc. (NYSE: DIN), the parent company of Applebee's Neighborhood Grill & Bar and IHOP Restaurants, today announced that it has entered into an asset purchase agreement with Potomac Family Dining Group, LLC for the sale of 39 Applebee's company-operated restaurants located in Virginia. 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 \$25 million and reduce DineEquity's sale-leaseback related financing obligations by approximately \$40 million. The Company expects to pay approximately \$6 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 \$1.6 million in annualized general and administrative savings. The Company anticipates closing the transaction in the third quarter of 2012.

"We are continuing to execute on our long-term strategic goal of becoming a predominantly franchised system and are pleased to enter into our second deal with Potomac Family Dining Group, an excellent franchise partner," said Julia A. Stewart, Chairman and Chief Executive Officer of DineEquity, Inc. "With 96% of our restaurants franchised or soon to be franchised, our business model generates significant free cash flow, enabling us to reduce debt and drive value for our stockholders."

Jim Rieger, President and CEO of Potomac Family Dining Group, said, "We believe this transaction demonstrates our confidence in the Applebee's brand and the revitalization strategy that is in place. We are excited to build upon our previous successful acquisition of Applebee's company-operated restaurants."

To date, DineEquity has sold a total of 342 Applebee's company-operated restaurants since its acquisition of Applebee's International in November 2007. This includes the previously announced transaction already completed in the first quarter of 2012 for the sale of 17 Applebee's company-operated restaurants in a six-state market area centered around Memphis, Tennessee.

Upon consummation of the pending sales of 39 additional Applebee's company-operated restaurants, as detailed in this news release, 96% 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.

Potomac Family Dining Group was established by investment banking veteran Timothy M. George in 2010 to facilitate the acquisition of 30 Applebee's Neighborhood Bar & Grill restaurants located in Washington D.C. and surrounding areas. Through the leadership of its experienced management team, Potomac Family Dining Group is positioned to deliver operational excellence and support future franchise restaurant growth throughout the Washington D.C. and Virginia areas.

The Company will update its 2012 financial performance guidance upon closing of the Virginia transaction.

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 in 18 countries, over 400 franchisees and approximately 200,000 team members (including franchisee- and company-operated restaurant employees), we believe 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.



SOURCE: DineEquity, Inc.

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