SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED: DECEMBER 31, 1999	COMMISSION FILE NUMBER: 0-8360

IHOP CORP.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	95-3038279 (I.R.S. EMPLOYER IDENTIFICATION NO.)
525 NORTH BRAND BOULEVARD, GLENDALE, CALIFORNIA (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	91203-1903 (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (818) 240-6055

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $.01 Par Value	New York Stock Exchange, Inc.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of January 31, 2000. $314 million

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AS OF JANUARY 31, 2000
Common Stock, $.01 par value	20,117,314

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for Annual Meeting of Shareholders to be held on Tuesday, May 16, 2000 (the "2000 Proxy Statement") are incorporated by reference into Part III.

PART I

ITEM 1. BUSINESS.

GENERAL DEVELOPMENT OF BUSINESS

IHOP Corp. and its subsidiaries, also referred to as "IHOP", develop, operate and franchise International House of Pancakes restaurants, one of America's best-known, national family restaurant chains. At December 31, 1999, there were 903 IHOP restaurants. Franchisees operated 678 of these restaurants, area licensees operated 149 restaurants and IHOP operated 76 restaurants. Franchisees and area licensees are independent third parties who operate their restaurants under legal agreements with IHOP. IHOP restaurants are located in 37 states, Canada and Japan.

IHOP Corp. was incorporated under the laws of the State of Delaware in 1976. In July 1991, we completed an initial public offering of common stock. There were no significant changes to our corporate structure during 1999, and no material changes to our methods of conducting business.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

IHOP is engaged in the development, operation and franchising of International House of Pancakes restaurants primarily in the United States. Information about our revenues, operating profits and assets is contained in Part II, Item 6 of this Annual Report on Form 10-K.

NARRATIVE DESCRIPTION OF BUSINESS

IHOP restaurants feature table service and moderately priced, high-quality food and beverage items in an attractive and comfortable atmosphere. Although the restaurants are best known for their award-winning pancakes, omelettes and other breakfast specialties, IHOP restaurants offer a broad array of lunch, dinner and snack items as well. Restaurants are open throughout the day and evening hours, and many operate 24 hours a day.

Franchisees and area licensees operate more than 90% of IHOP restaurants. Our approach to franchising is founded on the franchisees' active involvement in the day-to-day operations of their respective restaurants. We are selective in granting franchises and we prefer to franchise to individuals, who intend to be active in the management of their restaurant(s), rather than to passive investors or investment groups. We believe that they provide a quality of management and dedication that, in our view, is generally unmatched by salaried employees or absentee owners.

IHOP develops most new restaurants prior to franchising them. When the restaurant is franchised, we then become the franchisee's landlord. This landlord/tenant relationship provides us with enhanced profits and greater control over our franchise system. Some franchisees develop their own IHOP restaurants under our Investor and Conversion Programs for franchisees. In those instances, IHOP approves the site for development but does not contribute capital or become the franchisee's landlord. Area licensees located in Japan, Canada and Florida operate 17.7% of IHOP restaurants. We provide support to these area licensees, but we are not actively involved in developing new restaurants in these areas.

We seek to increase our revenues and profits by focusing on several areas of our business. These areas include: (1) development and franchising of new IHOP restaurants, (2) marketing, advertising and product development programs aimed at attracting new guests and retaining our existing customers, and (3) implementation of restaurant-level operating changes designed to improve sales and profitability.

RESTAURANT DEVELOPMENT

New restaurants are developed after a stringent site selection process supervised by our senior management. In 1999, we developed 65 new restaurants and our franchisees and area licensees developed an additional 11 new restaurants.

We intend to continue to add restaurants to the IHOP system primarily by developing new restaurants in major markets where we already have a core customer base. We believe that concentrating growth in existing markets allows us to achieve economies of scale in our supervisory, advertising and distribution functions. At times, we acquire existing restaurants and convert them to IHOP restaurants.

IHOP also looks to strategically develop new markets in which we have no presence or our presence is limited. This occurs primarily where these new markets are geographically near to existing markets and present significant business opportunities. At times, we have acquired several existing restaurants in new markets for conversion to IHOP restaurants. We evaluate such opportunities on a case-by-case basis.

In 1999 we built two general types of new restaurant buildings. The larger format restaurant is approximately 4,900 square feet in size and contains 176 seats. The second building type is designed for use in smaller, high-potential markets. It is approximately 4,000 square feet in size and seats about 132 people. We also purchased and converted existing buildings into IHOP restaurants. The square footage and number of seats in a restaurant conversion vary by location. In 1999, restaurant conversions averaged 172 seats per restaurant. Our older A-Frame style restaurants, which have not been built since 1985, contain approximately 3,000 square feet and about 100 seats. Of the 65 new IHOP restaurants we developed in 1999, 29 were the larger format building, 33 were the smaller format building and 3 were restaurant conversions.

To the greatest extent possible, subject to local zoning restrictions, we continue to use our familiar signature blue color on the roof, awnings and other exterior decor of our restaurants.

The table below sets forth our average development cost per restaurant in 1999. For leased restaurants the discounted present value of the lease and any additional sums paid to acquire the lease have been allocated to land, building and site improvements and other costs, as appropriate.

	AVERAGE PER RESTAURANT
Land	$ 536,000
Building	770,000

Equipment..	337,000
Site improvements and other costs........................	188,000
Total..	$1,831,000

New IHOP restaurants that opened in 1998 realized average sales of $1,710,000 per restaurant in their first twelve full months of operations.

FRANCHISING

IHOP's approach to franchising is somewhat different from that of most of our franchising competitors in the foodservice industry. In most franchise systems, the franchisee is called upon to pay a modest initial fee to the franchisor. The franchisee then uses his/her own capital to acquire a site, build and equip the business and fund working capital needs. While we offer Investor and Conversion Programs to certain experienced franchisees that allow them to fund the development of their own restaurants, typically approximately 80% of IHOP restaurants are developed directly by us.

When we develop a restaurant, we identify the site for the new restaurant, purchase the site or lease it from a third party, and build the restaurant and equip it with all required equipment. We then select the franchisee and train the franchisee and supervisory personnel who will run the restaurant. In addition, we finance up to 80% of the franchise fee and lease the restaurant and equipment to the franchisee. After the franchisee is operating the restaurant, we provide continuing support with respect to operations, marketing and new product development.

Our involvement in the development of new restaurants allows IHOP to command a substantial franchise and development fee. In addition, we derive income from the financing of the franchise and development fee and from the leasing of property and equipment to franchisees. However, we also incur substantial obligations in the development, franchising and start-up operations of new restaurants. IHOP's involvement in site selection and development, the training and supervising of franchisees, as well as our control over restaurant property, products and services, are an integral part of our operating philosophy.

IHOP franchisees are predominantly owner/operators, not passive investors. The majority of franchisees own only one restaurant and only 12 franchisees currently own more than six restaurants. We believe that franchisees who are actively involved in the operation of their restaurants provide a quality of management and commitment to our guests that cannot be matched by salaried managers.

A majority of new restaurants are franchised to current franchisees or restaurant managers who already understand IHOP's approach to the restaurant business. In the past five years, sales to existing franchisees and IHOP employees, or to their immediate families, constituted approximately 88% of franchise sales transactions.

An initial franchise fee of approximately $200,000 to $350,000 or more is generally required for a newly developed restaurant, depending on the site. The franchisee typically pays approximately 20% in cash, and we finance the remaining amount over five to eight years. We also receive continuing revenues from the franchisee as follows: (1) a royalty equal to 4.5% of the restaurant's sales; (2) income from the leasing of the restaurant and related equipment; (3) revenue from the sale of certain proprietary products, primarily pancake mixes; (4) a local advertising fee equal to about 2% of the restaurant's sales, which is usually paid to a local advertising cooperative; and (5) a national advertising fee equal to 1% of the restaurant's sales. Franchise agreements for restaurants developed directly by franchisees under our Investor and Conversion Programs provide for an initial franchise fee of $50,000, revenue from the sale of certain proprietary products, and royalties and advertising fees as described above.

We have entered into long-term area licensing agreements covering the state of Florida and the Southern-most counties of Georgia, the province of British Columbia, Canada, and the country of Japan. These agreements provide for royalties ranging from 0.5% to 2% of sales and advertising fees of 0.25% of sales except for Japan which does not pay advertising fees. We also derive revenue from the sale of proprietary products to these area licensees. We treat the revenues from our area licensees as franchise operations revenues for financial reporting purposes. Area licensing arrangements may be used in the future for domestic and/or international expansion.

RESTAURANT OPERATIONS AND SUPPORT

It is our goal to make every dining experience at an IHOP restaurant a satisfying one. Our franchisees and managers of company-operated restaurants strive always to exceed guests' expectations. We hold firm to the belief that a satisfied customer will both be a return customer and will tell others about our restaurants. To ensure that our guests' expectations are fulfilled, all restaurants are operated in accordance with uniform operating standards and specifications relating to the quality and preparation of menu items, selection of menu items, maintenance, repair and cleanliness of premises, and the appearance and conduct of employees.

Our Operations Department is charged with ensuring that these high standards are met at all times. We have developed our operating standards in consultation with our franchisee operators. These standards are detailed in our Manual of Standard Operating Procedures.

Each restaurant is assigned an Operations Consultant. He or she regularly visits and evaluates the restaurant to ensure that it remains in compliance with the operating guidelines and procedures. At least twice per year, the Operations Consultant conducts a comprehensive written evaluation of every aspect of

the restaurant's operations. The Operations Consultant then meets with the franchisee or manager to discuss the results of the evaluation and develop a plan to address any areas needing improvement.

The IHOP menu offers a large selection of high-quality, moderately-priced products designed to appeal to a broad customer base. These include a wide variety of pancakes, waffles, omelettes and breakfast specialties, chicken, steak, sandwiches, salads and dinner specialties. Most IHOP restaurants offer special items for children and seniors at reduced prices. In recognition of local tastes, IHOP restaurants typically offer regional specialties that complement the IHOP core menu. Our Research and Development Department works together with franchisees and our Operations and Marketing Departments to continually develop new menu ideas. These new menu items are thoroughly evaluated in our test kitchen and in limited regional tests before being introduced throughout the system. The purpose of adding new items to our menu is to be responsive to our guests' needs and requests, and to keep the menu fresh and appealing to our customers.

Training is ongoing at all IHOP restaurants. Each prospective franchisee is required to participate in an extensive training program before he or she is sold a franchise. The training program involves classroom study in IHOP's training facility in San Dimas, California, and hands-on operational training in one of our regional training restaurants. Each franchisee learns to cook, wait on tables, serve as a host, wash dishes and perform each of the other myriad tasks necessary to operate a successful restaurant. New restaurant opening teams provide on-site instruction to IHOP restaurant employees to assist in the opening of all new IHOP restaurants.

The Company's regional headquarters offer additional training courses from time to time on subjects such as suggestive selling, improving service, managing people and diversity.

MARKETING AND ADVERTISING

Most IHOP franchisees and company-operated restaurants contribute about 2% of their sales to local advertising cooperatives. We also provide additional funding to these cooperatives. The advertising co-ops use these funds to purchase television advertising time and place advertisements in printed media or direct mail. In addition to television advertising, IHOP encourages local area marketing by its franchisees. These marketing programs include discounts and specials aimed at increasing customer traffic and encouraging repeat business.

COMPANY-OPERATED RESTAURANTS

Company-operated restaurants are those restaurants newly developed by IHOP that have not yet been franchised and those restaurants reacquired by us through negotiation or franchisee defaults. The type and number of company-operated restaurants varies from time to time as we develop new restaurants, reacquire franchised restaurants and franchise new and reacquired restaurants.

Restaurants that we reacquire from franchisees typically require investment in remodeling and rehabilitation before being refranchised. They may remain as company-operated restaurants for a substantial period of time. As a consequence, a significant number of company-operated restaurants are likely to incur operating losses during the initial period of their rehabilitation.

REMODELING AND REFRANCHISING PROGRAM

Restaurants that we reacquire are usually underperforming as a result of having been poorly operated and physically neglected. When we reacquire a restaurant, we begin a multi-step rehabilitation program for that restaurant. First these restaurants are physically rehabilitated, then we hire and train the restaurant staff. After these first steps are completed, we implement new marketing and operations programs designed to regain the business of former guests and attract new patrons. After a restaurant has been rehabilitated and its sales volume reaches acceptable levels, the restaurant is refranchised to a qualified

franchisee. In the past five years IHOP reacquired a total of 73 restaurants from franchisees and subsequently closed 10 of those restaurants. In those same years, restaurants that were refranchised totaled 30.

In the past five years, IHOP has remodeled and updated approximately 17 company-operated restaurants at an average cost per restaurant of approximately $74,000. In the most recent six-year period for which we have information, the period from 1993 through 1998, average sales in remodeled company-operated restaurants have increased approximately 8.9% in the first 12 months of operations after the remodeling. We intend to continue this remodeling program with respect to company-operated restaurants on an ongoing basis. Remodeling facilitates the refranchising of these restaurants, enhances the chain's image, and helps to maintain and expand our customer base.

We also require most of our franchisees, and strongly encourage all of our franchisees, to periodically remodel their restaurants. In the past five years, 265 restaurants have been remodeled by franchisees.

PURCHASING

IHOP has entered into supply contracts and pricing agreements for various products, such as pancake mixes, pork products, coffee, soft drinks and juices to ensure the availability of quality products at competitive prices. We also have negotiated agreements with food distribution companies to limit markups charged on food purchased by individual IHOP restaurants.

COMPETITION AND MARKETS

The restaurant business is highly competitive and is affected by, among other things, changes in eating habits and preferences, local, regional and national economic conditions, population trends and traffic patterns. The principal bases of competition in the industry are the type, quality and price of the food products served. Additionally, restaurant location, quality and speed of service, advertising, name identification and attractiveness of facilities are important.

The acquisition of sites is also highly competitive. We are often competing with other restaurant chains and retail businesses for suitable sites for the development of new restaurants.

Foodservice chains in the United States include the following segments: quick-service sandwich, chicken, pizza, family restaurant, dinner house, grill-buffet, hotel restaurant and contract/catering. Differentiated chains competing within their segments against each other and local, single-outlet operators characterize the current structure of the U.S. restaurant and institutional foodservice market.

Information published in 1999 by THE NATIONS RESTAURANT NEWS ranked IHOP 32nd out of the top 100 foodservice chains based on estimated fiscal 1998 system-wide sales in the United States. The same publication included twelve family restaurant chains in its top 100 chains, and IHOP ranked fourth in this segment. Based on information provided by the same publication, IHOP was the fastest growing chain in the family restaurant segment. During December 1999, based on a nation-wide sample of IHOP restaurants, the approximate guest check average per IHOP customer was $6.60.

TRADEMARKS AND SERVICE MARKS

We have registered our trademarks and service marks with the United States Patent and Trademark Office. These include "International House of Pancakes", "IHOP" and variations of each, as well as "Any Time's a Good Time for IHOP", "The Home of the Never Empty Coffee Pot", "Rooty Tooty Fresh 'N Fruity", and "Harvest Grain 'N Nut". We also register new trademarks and service marks from time to time. We are not aware of any infringing uses that could materially affect our business or any prior claim to these marks that would prevent us from using or licensing the use thereof for restaurants in any area of the United States. We have also registered our trademarks and service marks and variations thereof in Japan and Canada for use by our current licensees. Where feasible and appropriate, we register our trademarks

and service marks in other nations for future use. Our current registered trademarks and service marks will expire, unless renewed, at various dates from 2000 to 2012. We routinely apply to renew our active trademarks prior to their expiration.

SEASONALITY

IHOP's business, like that of most restaurant companies, is somewhat seasonal. Our restaurants generally experience greater customer traffic and sales in the warmer months and during the Thanksgiving and Christmas seasons. Restaurants in some resort areas and warm weather climates tend to experience greater customer traffic and sales in the winter months.

GOVERNMENT REGULATION

IHOP is subject to various federal, state and local laws affecting our business as well as a variety of regulatory provisions relating to zoning of restaurant sites, sanitation, health and safety. As a franchisor, we are subject to state and federal laws regulating various aspects of franchise operations and sales. These laws impose registration and disclosure requirements on franchisors in the offer and sale of franchises. In certain cases, they also apply substantive standards to the relationship between franchisor and franchisee, including primarily defaults, termination and non-renewal of franchises.

Various federal and state labor laws govern our relationships with our employees. These include such matters as minimum wage requirements, overtime and other working conditions. Environmental requirements have not had a material effect on the operations of our company-operated restaurants or the restaurants of our franchisees. Significant additional government-imposed increases in minimum wages, paid leaves of absence, mandated health benefits or increased tax reporting and tax payment requirements with respect to employees who receive gratuities could, however, be detrimental to the economic viability of franchisee-operated and company-operated IHOP restaurants.

EMPLOYEES

At December 31, 1999, we employed 3,788 persons, of whom 263 were full-time, non-restaurant, corporate personnel. We consider relations with our employees to be satisfactory.

ITEM 2. PROPERTIES.

The table below shows the location and status of the 903 IHOP restaurants as of December 31, 1999:

LOCATION UNITED STATES	FRANCHISE	COMPANY- OPERATED	AREA LICENSE	TOTAL
Alabama	13	2	0	15
Arizona	20	0	0	20
Arkansas	4	0	0	4
California	159	17	0	176
Colorado	20	0	0	20
Connecticut	6	0	0	6
Delaware	1	0	0	1
Florida	0	0	115	115
Georgia	41	1	1	43
Hawaii	2	0	0	2
Idaho	0	1	0	1
Illinois	27	9	0	36
Indiana	4	2	0	6
Kansas	6	1	0	7
Louisiana	4	0	0	4
Maine	1	0	0	1
Maryland	22	5	0	27
Massachusetts	15	0	0	15
Michigan	7	5	0	12
Mississippi	5	0	0	5
Missouri	10	1	0	11
Nevada	12	3	0	15
New Hampshire	1	0	0	1
New Jersey	27	3	0	30
New Mexico	1	0	0	1
New York	32	1	0	33
North Carolina	25	3	0	28
Oklahoma	7	0	0	7
Oregon	5	8	0	13
Pennsylvania	11	2	0	13
Rhode Island	2	0	0	2
South Carolina	13	0	0	13
Tennessee	19	1	0	20
Texas	105	1	0	106
Virginia	28	0	0	28
Washington	11	9	0	20
Wisconsin	1	1	0	2
INTERNATIONAL				
Canada (1)	11	0	0	11
Japan	0	0	33	33
Totals	678	76	149	903

(1) IHOP reports restaurants in Canada as franchise restaurants although the restaurants are operated under an area license agreement.

As of December 31, 1999, 4 of the 76 company-operated restaurants were located on sites owned by IHOP and 72 were located on sites leased by IHOP from third parties; of the 678 franchisee-operated restaurants, 45 were located on sites owned by IHOP, 507 were located on sites leased by IHOP from third parties and 126 were located on sites owned or leased by franchisees; and all of the restaurants operated by area licensees were located on sites owned or leased by the area licensees.

IHOP's leases with its landlords generally provide for an initial term of 15 to 25 years, with most having one or more five-year renewal options in favor of IHOP. The leases typically provide for payment of rentals in an amount equal to the greater of a fixed amount or a specified percentage of gross sales and for payment by IHOP of taxes, insurance premiums, maintenance expenses and certain other costs. Historically, we generally have been successful at renewing those leases that expire without further renewal options. However, from time to time we choose not to renew a lease or are unsuccessful in negotiating satisfactory renewal terms. When this occurs the restaurant is closed, and possession of the premises is returned to the landlord.

We currently lease our principal corporate offices in Glendale, California under a lease having a remaining term of approximately one year. IHOP has entered into a letter of intent to lease new corporate offices in Glendale, California, and expects to execute a lease with a term of 10 years. We also lease our regional offices in Lyndhurst, New Jersey; Norcross, Georgia; Lombard, Illinois; Dallas, Texas; Portland, Oregon and Sylmar, California. The Sylmar office also houses our Purchasing and Product Development Departments, which includes a warehouse facility of approximately 6,200 square feet and a test kitchen.

ITEM 3. LEGAL PROCEEDINGS.

IHOP is subject to various claims and legal actions that arise in the ordinary course of business, many of which are covered by insurance. We believe such claims and legal actions, individually or in the aggregate, will not have a material adverse effect on the business or financial condition of our company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Our common stock is traded on the New York Stock Exchange under the symbol "IHP". The Company's common stock began trading on the New York Stock Exchange on September 17, 1999. Prior to commencing trading on the New York Stock Exchange, our common stock was traded on the Nasdaq Stock Market National Market. As of January 31, 2000, there were approximately 3,240 shareholders, including shares held in "street name".

The following table sets forth the high and low prices of IHOP's common stock for each quarter of 1999 and 1998 as reported by the Nasdaq National Market through September 16, 1999 and by the NYSE thereafter. The prices have been adjusted to reflect a 2-for-1 stock split which was effective on May 27, 1999.

QUARTER ENDED	HIGH	LOW	QUARTER ENDED	HIGH	LOW
March 31, 1999.............	$22.00	$19.00	March 31, 1998.............	$19.53	$15.63
June 30, 1999..............	24.94	19.22	June 30, 1998..............	23.75	18.88
September 30, 1999.........	24.25	20.06	September 30, 1998.........	22.94	17.50
December 31, 1999..........	20.25	14.94	December 31, 1998..........	21.50	14.75

We have not paid any dividends on our common stock in the last five years and have no plans to do so in 2000. Any future determination to declare dividends will depend on our earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by our Board of Directors. The purchase agreements governing our 7.79% senior notes, our 7.42% senior notes, and our credit agreement with our bank limit the amount of retained earnings available for dividends and investments. At December 31, 1999, approximately $71 million of retained earnings were potentially free of restriction as to distribution of dividends.

ITEM 6. SELECTED FINANCIAL DATA.

FIVE-YEAR FINANCIAL SUMMARY

	YEAR ENDED DECEMBER 31,				
	1999(A)	1998(A)	1997(A)	1996(A)	1995(A)
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
INCOME STATEMENT DATA					
Revenues					
Franchise operations	$163,486	$145,955	$123,842	$110,544	$ 98,973
Sales of franchises and equipment	39,545	40,347	28,864	25,573	22,202
Company operations	70,204	69,906	61,839	53,677	43,001
Total revenues	273,235	256,208	214,545	189,794	164,176
Costs and expenses					
Franchise operations	64,189	58,539	51,137	47,783	43,639
Cost of sales of franchises and equipment	23,958	26,628	17,814	15,954	13,058
Company operations	66,016	65,711	58,001	50,852	41,621
Field, corporate and administrative	34,531	32,381	28,409	25,066	21,907
Depreciation and amortization	12,310	11,271	10,029	8,279	6,918
Interest	19,391	17,417	14,649	11,691	8,873
Other (income) and expense, net	604	1,456	220	(582)	1,459(b)
Total costs and expenses	220,999	213,403	180,259	159,043	137,475
Income before income taxes	52,236	42,805	34,286	30,751	26,701(b)
Provision for income tax	20,111	16,694	13,372	12,147	10,547(b)
Net income	$ 32,125	$ 26,111	$ 20,914	$ 18,604	$ 16,154(b)
Net income per share (c)(e)					
Basic	$ 1.61	$ 1.33	$ 1.09	$ .99	$ .87(b)
Diluted	$ 1.58	$ 1.30	$ 1.07	$ .98	$ .85(b)
Weighted average shares outstanding (c)(e)					
Basic	19,983	19,659	19,192	18,888	18,638
Diluted	20,358	20,033	19,486	19,046	18,976
BALANCE SHEET DATA (END OF PERIOD)					
Cash and cash equivalents	$ 4,176	$ 2,294	$ 2,789	$ 5,163	$ 0
Property and equipment, net	177,743	161,689	142,751	120,854	87,795
Total assets	520,402	443,032	379,418	325,394	248,197
Long-term debt	41,218	49,765	54,950	58,564	30,584
Capital lease obligations	165,557	129,861	102,578	80,673	61,836
Shareholders' equity (d)	226,480	187,868	156,184	129,357	108,297

(a) Fiscal 1998 is comprised of 53 weeks (371 days); all other years are comprised of 52 weeks (364 days).

(b) Includes severance charges associated with a realignment of responsibilities in IHOP's restaurant operations, restaurant development and purchasing functions of $800,000, or $484,000 net of income tax benefit which is $.03 per share.

(c) Net income per share and weighted average shares outstanding for each of the years ended December 31, 1996 and 1995, have been restated in accordance with SFAS No. 128 (see Note 1 to the Consolidated Financial Statements).

(d) IHOP has not paid any dividends on our common stock in the last five years and has no plans to do so in 2000. Any future determination to declare dividends will depend on our earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by our Board of Directors.

(e) All share and per-share amounts have been restated to reflect the stock split on May 27, 1999 (see Note 1 to the Consolidated Financial Statements).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

FORWARD-LOOKING STATEMENTS

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of IHOP's consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and notes thereto. Certain forward-looking statements are contained in this annual report. They use such words as "may," "will," "expect," "believe," "plan," or other similar terminology. These statements involve known and unknown risks, uncertainties and other factors that 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: availability of suitable locations and terms of the sites designated for development; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; conditions beyond IHOP's control such as weather or natural disasters; availability and cost of materials and labor; cost and availability of capital; competition; continuing acceptance of the International House of Pancakes brand and concept 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 our filings with the Securities and Exchange Commission. Forward-looking information is provided by us 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, we disclaim any intent or obligation to update these forward-looking statements.

GENERAL

IHOP's revenues are recorded in three categories: franchise operations, sales of franchises and equipment, and company operations.

Franchise operations includes payments from franchisees of rents, royalties and advertising fees, proceeds from the sale of proprietary products to distributors, franchisees and area licensees, interest income received in connection with the financing of franchise and development fees and equipment sales, interest income received from direct financing leases on franchised restaurant buildings, and payments from area licensees of royalties and advertising fees.

Revenues from the sale of franchises and equipment and the associated costs of such sales are affected by the number and mix of restaurants franchised. We franchise four kinds of restaurants: restaurants newly developed by IHOP, restaurants developed by franchisees, restaurants developed by area licensees and restaurants that have been previously reacquired from franchisees. Franchise rights for restaurants newly developed by IHOP normally sell for a franchise fee of $200,000 to $350,000, have little if any associated franchise cost of sales and include an equipment sale in excess of $300,000 that is usually at a price that includes little or no profit margin. Franchise rights for restaurants developed by franchisees normally sell for a franchise fee of $50,000, have minor associated franchise cost of sales and do not include an equipment sale.

Area license rights are normally granted in return for a one-time development fee that is recognized ratably as restaurants are developed in the area. Previously reacquired franchises normally sell for a franchise fee of $100,000 to $350,000, include an equipment sale, and may have substantial costs of sales associated with both the franchise and the equipment. The timing of sales of franchises is affected by the timing of new restaurant openings and the number of restaurants in our inventory of restaurants that are available for refranchising.

Company operations revenues are retail sales at IHOP operated restaurants.

We report separately those expenses that are attributable to franchise operations, the cost of sales of franchises and equipment and company operations. Expenses recorded under field, corporate and administrative, depreciation and amortization, and interest relate to franchise operations, sales of franchises and equipment, and company operations.

Other income and expense, net consists of revenues and expenses not related to IHOP's core business operations. These include gains and losses realized from closing and selling restaurants and are unpredictable in timing and amount.

Our results of operations are impacted by the timing of additions of new restaurants, and by the timing of the franchising of those restaurants. When a restaurant is franchised, we no longer include in our revenues the retail sales from such restaurant, but receive a one-time franchise and development fee, periodic interest on the portion of such fee financed by us and recurring payments from franchisees described above and recorded under franchise operations.

RESULTS OF OPERATIONS

The following table sets forth certain operating data for IHOP restaurants.

	YEAR ENDED DECEMBER 31,		
	1999(D)	1998(D)	1997(D)
	(DOLLARS IN THOUSANDS)		
Restaurant Data			
Effective restaurants(a)			
Franchise	638	585	540
Company	74	72	66
Area license	147	145	140
Total	859	802	746
System-wide			
Sales(d)	$1,126,624	$1,040,305	$903,140
Percent increase	8.3%	15.2%	13.4%
Average sales per effective restaurant	$ 1,312	$ 1,297	$ 1,211
Percent increase	1.2%	7.1%	5.5%
Comparable average sales per restaurant(c)	$ 1,375	$ 1,327	$ 1,248
Percent increase	1.1%	2.7%	3.7%
Franchise			
Sales	$ 920,957	$ 835,957	$709,420
Percent increase	10.2%	17.8%	13.9%
Average sales per effective restaurant	$ 1,444	$ 1,429	$ 1,314
Percent increase	1.0%	8.8%	6.1%
Comparable average sales per restaurant(c)	$ 1,424	$ 1,365	$ 1,292
Percent increase	1.0%	2.7%	4.0%
Company			
Sales	$ 70,204	$ 69,906	$ 61,839
Percent increase	0.4%	13.0%	15.2%
Average sales per effective restaurant	$ 949	$ 971	$ 937
Percent change	(2.3%)	3.6%	(0.5%)
Area License			
Sales	$ 135,463	$ 134,442	$131,881
Percent increase	0.8%	1.9%	10.0%
Average sales per effective restaurant	$ 922	$ 927	$ 942

Percent change	(0.5%)	(1.6%)	5.3%

(a) "Effective restaurants" are the number of restaurants in a given fiscal period adjusted to account for restaurants open for only a portion of the period.

(b) "System-wide sales" are retail sales of franchisees, area licensees and company-operated restaurants, as reported to IHOP.

(c) "Comparable average sales" reflect sales for restaurants that are operated for the entire fiscal period in which they are being compared. System-wide comparable average sales do not include data on restaurants located in Florida and Japan.

(d) Fiscal years 1999 and 1997 are each comprised of 52 weeks (364 days), and fiscal year 1998 is comprised of 53 weeks (371 days).

The following table summarizes IHOP's restaurant development and franchising activity:

	YEAR ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995
RESTAURANT DEVELOPMENT ACTIVITY					
IHOP--beginning of year	835	787	729	678	620
New openings					
IHOP-developed	65	56	45	45	40
Investor and conversion programs	7	13	13	11	17
Area license	4	4	9	7	8
Total new openings	76	73	67	63	65
Closings					
Company and franchise	(8)	(21)	(9)	(10)	(7)
Area license	--	(4)	--	(2)	--
IHOP--end of year	903	835	787	729	678
Summary--end of year					
IHOP					
Franchise	678	624	571	535	496
Company	76	66	71	58	51
Area license	149	145	145	136	131
Total IHOP	903	835	787	729	678
RESTAURANT FRANCHISING ACTIVITY					
IHOP-developed	61	60	45	41	36
Investor and conversion programs	7	13	13	11	17
Rehabilitated and refranchised	6	10	6	5	3
Total restaurants franchised	74	83	64	57	56
Reacquired by IHOP	(14)	(17)	(23)	(11)	(8)
Closed	(6)	(13)	(5)	(7)	(3)
Net addition	54	53	36	39	45

COMPARISON OF YEAR ENDED DECEMBER 31, 1999 TO YEAR ENDED DECEMBER 31, 1998

The fiscal year ended December 31, 1999, was comprised of 52 weeks (364 days). The fiscal year ended December 31, 1998, was comprised of 53 weeks (371 days).

SYSTEM-WIDE RETAIL SALES

System-wide retail sales include the sales of all IHOP restaurants as reported to IHOP by its franchisees, area licensees and company-operated restaurants. System-wide retail sales grew $86,319,000 or 8.3% in 1999. Growth in the number of effective restaurants and increases in average per unit sales caused the growth in system-wide sales. "Effective restaurants" are the number of restaurants in operation in a given fiscal period adjusted to account for restaurants in operation for only a portion of the fiscal period. Effective restaurants grew by 57 or 7.1% in 1999 due to new restaurant development. Newly developed restaurants generally have seating and sales above the system-wide averages. System-wide comparable average sales per restaurant (exclusive of area license restaurants in Florida and Japan) grew 1.1% in 1999. Management continues to pursue growth in sales through new restaurant development, advertising and marketing efforts, improvements in customer service and operations, and remodeling of existing restaurants.

FRANCHISE OPERATIONS

Franchise operations revenues are the revenues received by IHOP from its franchisees and include rent, royalties, sales of proprietary products, advertising fees and interest. Franchise operations revenues were 59.8% of total revenues in 1999. Franchise operations revenues grew $17,531,000 or 12.0% in 1999. An increase in the number of effective franchise restaurants coupled with higher average sales per franchise restaurant caused the growth in franchise operations revenues. Effective franchise restaurants grew by 53 or 9.1% in 1999. Average sales per effective franchise restaurant grew 1.0% in 1999.

Franchise operations costs and expenses include rent, advertising, the cost of sales of proprietary products and other direct costs associated with franchise operations. Franchise operations costs and expenses increased $5,650,000 or 9.7% in 1999. Increases in franchise operations costs and expenses were generally in line with the growth in franchise operations revenue.

Franchise operations margin is equal to franchise operations revenues less franchise operations costs and expenses. Franchise operations margin increased $11,881,000 to $99,297,000 in 1999. Franchise operations margin was 60.7% in 1999 compared with 59.9% in 1998. Increased interest income associated with IHOP's financing of sales of franchises and equipment to its franchisees and increased royalty income were responsible for the improvement in franchise operations margin in 1999.

SALES OF FRANCHISES AND EQUIPMENT

Sales of franchises and equipment were 14.5% of total revenues in 1999. Sales of franchises and equipment declined $802,000 or 2.0% in 1999. A decrease in the number and the mix of restaurants franchised was the primary cause of the decline in sales of franchises and equipment. IHOP franchised 74 restaurants in 1999 compared with 83 in the same period in 1998.

Cost of sales of franchises and equipment declined $2,670,000 or 10.0% in 1999. The decline was generally in line with the decrease in the number of restaurants franchised, although the mix of restaurants franchised also impacted the cost of sales.

Margin on sales of franchises and equipment is equal to sales of franchises and equipment less the cost of sales of franchises and equipment. Margin on sales of franchises and equipment increased $1,868,000 to $15,587,000 in 1999. Margin on sales of franchises and equipment was 39.4% in 1999 compared with 34.0% in 1998. The change in margin was primarily due to the mix of restaurants franchised in the respective periods.

COMPANY OPERATIONS

Company operations revenues are sales to customers at restaurants operated by IHOP. Company operations revenues were 25.7% of total revenues in 1999. Company operations revenues increased $298,000 or 0.4% in 1999. Increases in the number of effective IHOP operated restaurants partially offset by a decrease in the average sales per IHOP operated restaurants caused the revenue increase. Effective IHOP operated restaurants increased by two or 2.8% in 1999. Average sales per effective IHOP operated restaurant decreased by 2.3% in 1999.

Company operations costs and expenses include food, labor and benefits, utilities and occupancy costs. Company operations costs increased $305,000 or

0.5% in 1999. IHOP experienced slight increases in the costs of food and rent as a percentage of company operations revenues in 1999. This was partially offset by a reduction in workers' compensation expense for company operations due to improved loss controls at the company restaurants.

Company operations margin is equal to company operations revenues less company operations costs and expenses. Company operations margin declined $7,000 to $4,188,000 in 1999. Company operations margin was 6.0% of company operations revenues in both 1999 and 1998.

OTHER COSTS AND EXPENSES AND BALANCE SHEET ACCOUNTS

Field, corporate and administrative costs and expenses in 1999 increased 6.6%. The rise in expenses was primarily due to normal increases in salaries and wages and the addition of employees to support our growth. Field, corporate and administrative expenses were 3.1% of system-wide sales in both 1999 and 1998.

Depreciation and amortization expense in 1999 increased 9.2%. This was primarily due to the addition of new restaurants and an increase in the number of effective company-operated restaurants.

Interest expense increased 11.3% in 1999. This was primarily due to interest associated with additional capital leases which was partially offset by a decrease in interest associated with debt as our senior notes have been paid down.

The balance of long-term receivables at December 31, 1999, increased primarily due to IHOP's financing activities associated with the sales of franchises and equipment and the leasing of restaurants to our franchisees. The balance of property and equipment, net at December 31, 1999, increased primarily due to new restaurant development. The balance of capital lease obligations and other at December 31, 1999, increased primarily because of capital lease obligations incurred due to new restaurant development.

COMPARISON OF YEAR ENDED DECEMBER 31, 1998 TO YEAR ENDED DECEMBER 31, 1997

The fiscal year ended December 31, 1998, was comprised of 53 weeks (371 days). The fiscal year ended December 31, 1997, was comprised of 52 weeks (364 days).

SYSTEM-WIDE RETAIL SALES

System-wide retail sales include the sales of all IHOP restaurants as reported to IHOP by its franchisees, area licensees and company-operated restaurants. System-wide retail sales grew $137,165,000 or 15.2% in 1998. Growth in the number of effective restaurants and increases in average per unit sales caused the growth in system-wide sales. "Effective restaurants" are the number of restaurants in operation in a given fiscal period adjusted to account for restaurants in operation for only a portion of the fiscal period. Effective restaurants grew by 56 or 7.5% in 1998 due to new restaurant development. Newly developed restaurants generally have seating and sales above the system-wide averages. System-wide comparable average sales per restaurant (exclusive of area license restaurants in Florida and Japan) grew 2.7% in 1998. Management continues to pursue growth in sales through new restaurant development, advertising and marketing efforts, improvements in customer service and operations, and remodeling of existing restaurants.

FRANCHISE OPERATIONS

Franchise operations revenues are the revenues received by IHOP from its franchisees and include rent, royalties, sales of proprietary products, advertising fees and interest. Franchise operations revenues were 57.0% of total revenues in 1998. Franchise operations revenues grew $22,113,000 or 17.9% in 1998. An increase in the number of effective franchise restaurants coupled with higher average sales per franchise restaurant caused the growth in franchise operations revenues. Effective franchise restaurants grew by 45 or 8.3% in 1998.

Average sales per effective franchise restaurant grew 8.8% in 1998.

Franchise operations costs and expenses include rent, advertising, the cost of sales of proprietary products and other direct costs associated with franchise operations. Franchise operations costs and expenses increased $7,402,000 or 14.5% in 1998. Increases in franchise operations costs and expenses were generally in line with the growth in franchise operations revenue.

Franchise operations margin is equal to franchise operations revenues less franchise operations costs and expenses. Franchise operations margin increased $14,711,000 to $87,416,000 in 1998. Franchise

operations margin was 59.9% in 1998 compared with 58.7% in 1997. Increased interest income associated with IHOP's financing of sales of franchises and equipment to its franchisees and royalty income were responsible for the improvement in franchise operations margin in 1998.

SALES OF FRANCHISES AND EQUIPMENT

Sales of franchises and equipment were 15.7% of total revenues in 1998. Sales of franchises and equipment increased $11,483,000 or 39.8% in 1998. An increase in the number of restaurants franchised was the primary cause of the increase in sales of franchises and equipment. IHOP franchised 83 restaurants in 1998 compared with 64 in the same period in 1997.

Cost of sales of franchises and equipment increased $8,814,000 or 49.5% in 1998. The increase was generally in line with the increase in the number of restaurants franchised, although the mix of restaurants franchised also impacted the cost of sales.

Margin on sales of franchises and equipment is equal to sales of franchises and equipment less the cost of sales of franchises and equipment. Margin on sales of franchises and equipment increased $2,669,000 to $13,719,000 in 1998. Margin on sales of franchises and equipment was 34.0% in 1998 compared with 38.3% in 1997. The change in margin was primarily due to the mix of restaurants franchised in the respective periods.

COMPANY OPERATIONS

Company operations revenues are sales to customers at restaurants operated by IHOP. Company operations revenues were 27.3% of total revenues in 1998. Company operations revenues increased $8,067,000 or 13.0% in 1998. Increases in the number of effective IHOP operated restaurants, partially offset by an increase in the average sales per IHOP operated restaurants, caused the revenue increase. Effective IHOP operated restaurants increased by six or 9.1% in 1998. Average sales per effective IHOP operated restaurant increased by 3.6% in 1998.

Company operations costs and expenses include food, labor and benefits, utilities and occupancy costs. Company operations costs increased $7,710,000 or 13.3% in 1998. IHOP experienced slight increases in the costs of food, labor and benefits as a percentage of company operations revenues in 1998.

Company operations margin is equal to company operations revenues less company operations costs and expenses. Company operations margin increased $357,000 to $4,195,000 in 1998. Company operations margin was 6.0% of company operations revenues in 1998 compared with 6.2% in 1997.

OTHER COSTS AND EXPENSES AND BALANCE SHEET ACCOUNTS

Field, corporate and administrative costs and expenses in 1998 increased 14.0%. The rise in expenses was primarily due to normal increases in salaries and wages and the addition of employees to support our growth. Field, corporate and administrative expenses were 3.1% of system-wide sales in both 1998 and 1997.

Depreciation and amortization expense in 1998 increased 12.4%. This was primarily due to the addition of new restaurants and an increase in the number of effective company-operated restaurants.

Interest expense increased 18.9% in 1998. This was primarily due to interest associated with additional capital leases which was partially offset by a decrease in interest associated with debt as our senior notes have been paid down.

The balance of long-term receivables at December 31, 1998, increased primarily due to IHOP's financing activities associated with the sales of franchises and equipment and the leasing of restaurants to our franchisees. The balance of property and equipment, net at December 31, 1998, increased primarily

due to new restaurant development. The balance of capital lease obligations and other at December 31, 1998, increased primarily because of capital lease obligations incurred due to new restaurant development.

LIQUIDITY AND CAPITAL RESOURCES

We invest in our business primarily through the development of additional restaurants and, to a lesser extent, through the remodeling of older company-operated restaurants. In 1999, we and our franchisees and area licensees developed and opened 76 IHOP restaurants. Of these, we developed and opened 65 restaurants, and franchisees and area licensees developed and opened 11 restaurants. Capital expenditures in 1999, which included our portion of the above development program, were $72.3 million. Funds for investment primarily came from operations, ($50.2 million) and sale and leaseback arrangements of restaurant land and buildings, ($30.2 million). We also incurred capital lease obligations of $32.2 million, a portion of which was due to the sale and leaseback transactions, and all of which was related to the acquisition of restaurant buildings.

In 2000, IHOP and its franchisees and area licensees plan to develop and open approximately 75 to 85 restaurants. Included in that number are the development of 65 to 70 new restaurants by us and the development of 10 to 15 restaurants by our franchisees and area licensees. Capital expenditure projections for 2000, which include our portion of the above development program, are estimated to be approximately $80 to $90 million. In November 2000, the fifth annual installment of $4.6 million in principal becomes due on our 7.79% senior notes due 2002 and the first installment of $3.9 million in principal becomes due on our senior notes due 2008. We expect that funds from operations, sale and leaseback arrangements (estimated to be about $30 to 35 million) and our $20 million revolving line of credit will be sufficient to cover our operating requirements, our budgeted capital expenditures and our principal repayments on our senior notes in 2000. At December 31, 1999, $20 million was available to be borrowed under our unsecured bank revolving credit agreement.

YEAR 2000 COMPLIANCE

The Year 2000 issue is primarily a result of computer programs being written using two digits, e.g. "99," to define a year. Date sensitive hardware and software may recognize the year "00" as the year 1900 rather than the year 2000. In addition to the changeover to January 1, 2000, it has been shown that certain other dates may also present similar problems for some systems. These problems might result in errors and miscalculations or even system failure causing disruptions in everyday business activities and transactions. Software is termed Year 2000 compliant when it is capable of performing transactions correctly in the year 2000.

To address the year 2000 issue, IHOP established an in-house project team and initiated a comprehensive plan to assess, remediate and test IHOP's internal computer systems, hardware and processes, including key operational and financial systems. The plan also included steps to verify that all key third-party suppliers, franchisees and customers were taking measures to ensure their own readiness and timely implementation. All phases of the year 2000 readiness plan were completed as scheduled. To date, IHOP has not experienced any year 2000 issues with respect to its internal operating systems, customers, franchisees or third party suppliers. In addition, IHOP has not experienced any loss in revenues due to the year 2000 issue.

As of December 31, 1999, IHOP has spent a total of approximately $250,000 in connection with addressing the year 2000 issue. These costs were largely due to the use of internal resources dedicated to achieving year 2000 compliance, and were charged to expense as incurred. All costs of addressing the year 2000 issue were funded from internally generated cash. Any additional expenses are expected to be minimal.

Although unlikely, given that IHOP has not experienced any year 2000 issues to date, there can be no certainty that any future unforeseen year 2000 issues will not adversely affect IHOP's results of operations,

liquidity or financial position or adversely affect IHOP's relationships with customers, franchisees or others.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

IHOP is exposed to market risk from changes in interest rates on debt and changes in commodity prices.

IHOP's exposure to interest rate risk relates to its $20 million revolving credit agreement with its bank. Borrowings under the agreement bear interest at the bank's reference rate (prime) or, at IHOP's option, at the bank's quoted rate or at a Eurodollar rate. There were no borrowings outstanding under this agreement at December 31, 1999, and the largest amount outstanding under the agreement during 1999 was $3 million. The impact on our results of operations due to a hypothetical 1% interest rate change would be immaterial.

Many of the food products purchased by IHOP and its franchisees and area licensees are affected by commodity pricing and are, therefore, subject to unpredictable price volatility. We attempt to mitigate price fluctuations by entering into forward purchasing agreements on items such as coffee, pancake mixes, pork products, soft drinks and orange juice. Extreme changes in commodity prices and/or long-term changes could affect IHOP's franchisees, area licensees and company-operated restaurants adversely. However, any changes in commodity prices would also generally affect IHOP's competitors at about the same time as IHOP. We expect that in most cases the IHOP system would be able to pass increased commodity prices through to its consumers via increases in menu prices. From time to time, competitive circumstances could limit short-term menu price flexibility, and in those cases margins would be negatively impacted by increased commodity prices. This would be mitigated by the fact that the majority of IHOP restaurants are franchised and IHOP's revenue stream from franchisees is based on the gross sales of the restaurants. We believe that any changes in commodity pricing that cannot be adjusted for by changes in menu pricing or other strategies would not be material to IHOP's results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Index to Consolidated Financial Statements

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Consolidated Balance Sheets as of December 31, 1999 and 1998	20

Consolidated Statements of Operations for each of the three years in the period ended December 31, 1999.............. 21
Consolidated Statement of Shareholders' Equity for each of the three years in the period ended December 31, 1999..... 22
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1999.............. 23
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IHOP CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31, 1999	DECEMBER 31, 1998
Assets		
Current assets		
Cash and cash equivalents	$ 4,176	$ 2,294
Receivables, net	35,335	28,461
Reacquired franchises and equipment held for sale, net	2,842	2,284
Inventories	1,223	1,222
Prepaid expenses	4,309	3,690
Total current assets	47,885	37,951
Long-term receivables	265,983	217,156
Property and equipment, net	177,743	161,689
Reacquired franchises and equipment held for sale, net	16,102	12,943
Excess of costs over net assets acquired, net	11,625	12,054
Other assets	1,064	1,239
Total assets	$520,402	$443,032
Liabilities and Shareholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 8,956	$ 5,386
Accounts payable	18,016	19,722
Accrued employee compensation and benefits	7,804	6,017
Other accrued expenses	5,896	5,309
Deferred income taxes	3,833	2,560
Capital lease obligations	1,682	1,388
Total current liabilities	46,187	40,382
Long-term debt	41,218	49,765
Deferred income taxes	39,768	34,708
Capital lease obligations and other	166,749	130,309
Shareholders' equity		
Preferred stock, $1 par value, 10,000,000 shares authorized; shares issued and outstanding: 1999 and 1998, none		
Common stock, $.01 par value, 40,000,000 shares authorized; shares issued and outstanding: 1999, 20,117,314 shares; 1998, 19,763,160 shares (net of 9,240 treasury shares)	201	99

Additional paid-in capital (net of treasury shares at cost: 1998, $154)	66,485	60,100
Retained earnings	158,294	126,269
Contribution to ESOP	1,500	1,400
Total shareholders' equity	226,480	187,868
Total liabilities and shareholders' equity	$520,402	$443,032

See the accompanying notes to the consolidated financial statements.

IHOP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Revenues			
Franchise operations			
Rent	$ 44,722	$ 39,787	$ 33,692
Service fees and other	118,764	106,168	90,150
	163,486	145,955	123,842
Sales of franchises and equipment	39,545	40,347	28,864
Company operations	70,204	69,906	61,839
Total revenues	273,235	256,208	214,545
Costs and Expenses			
Franchise operations			
Rent	23,233	19,874	17,784
Other direct costs	40,956	38,665	33,353
	64,189	58,539	51,137
Cost of sales of franchises and equipment	23,958	26,628	17,814
Company operations	66,016	65,711	58,001
Field, corporate and administrative	34,531	32,381	28,409
Depreciation and amortization	12,310	11,271	10,029
Interest	19,391	17,417	14,649
Other (income) and expense, net	604	1,456	220
Total costs and expenses	220,999	213,403	180,259
Income before income taxes	52,236	42,805	34,286
Provision for income taxes	20,111	16,694	13,372
Net income	$ 32,125	$ 26,111	$ 20,914
Net Income Per Share			
Basic	$ 1.61	$ 1.33	$ 1.09
Diluted	$ 1.58	$ 1.30	$ 1.07
Weighted Average Shares Outstanding			
Basic	19,983	19,659	19,192
Diluted	20,358	20,033	19,486

See the accompanying notes to the consolidated financial statements.

IHOP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	COMMON STOCK		ADDITIONAL PAID-IN	RETAINED	CONTRIBUTION TO	
	SHARES	AMOUNT	CAPITAL	EARNINGS	ESOP	TOTAL
Balance, December 31, 1996..........	9,467,294	$ 95	$48,768	$ 79,244	$1,250	$129,357
Issuance of shares to ESOP............	46,083	1	1,249	--	(1,250)	--
Issuance of shares pursuant to stock plans...............................	197,423	1	4,719	--	--	4,720
Unearned compensation--restricted stock...............................	--	--	(68)	--	--	(68)
Acquisition of treasury shares.........	(1,539)	--	(39)	--	--	(39)
Contribution to ESOP..................	--	--	--	--	1,300	1,300
Net income............................	--	--	--	20,914	--	20,914
Balance, December 31, 1997..........	9,709,261	97	54,629	100,158	1,300	156,184
Issuance of shares to ESOP............	36,491	--	1,300	--	(1,300)	--
Issuance of shares pursuant to stock plans...............................	138,909	2	4,094	--	--	4,096
Unearned compensation--restricted stock...............................	--	--	192	--	--	192
Acquisition of treasury shares.........	(3,081)	--	(115)	--	--	(115)
Contribution to ESOP..................	--	--	--	--	1,400	1,400
Net income............................	--	--	--	26,111	--	26,111
Balance, December 31, 1998..........	9,881,580	99	60,100	126,269	1,400	187,868
Issuance of shares to ESOP............	28,714	--	1,206	--	(1,206)	--
Reissuance of treasury shares--ESOP....	4,620	--	348	--	(194)	154
Issuance of shares pursuant to stock plans...............................	219,952	2	4,750	--	--	4,752
Unearned compensation--restricted stock...............................	--	--	81	--	--	81
Contribution to ESOP..................	--	--	--	--	1,500	1,500
2-for-1 stock split effective May 27, 1999, in the form of 100% stock dividend...	9,982,448	100	--	(100)	--	--
Net income............................	--	--	--	32,125	--	32,125
Balance, December 31, 1999..........	20,117,314	$201	$66,485	$158,294	$1,500	$226,480

See the accompanying notes to the consolidated financial statements.

IHOP CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Cash flows from operating activities			
Net income..	$32,125	$26,111	$20,914
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation and amortization..........................	12,310	11,271	10,029
Deferred taxes...	6,333	4,938	2,958
Contribution to ESOP...................................	1,500	1,400	1,300
Change in current assets and liabilities			
Accounts receivable.................................	(4,814)	2,672	648
Inventories...	(1)	156	(198)
Prepaid expenses....................................	(619)	355	47
Accounts payable....................................	(1,706)	(1,145)	3,472
Accrued employee compensation and benefits............	1,787	1,422	1,921
Other accrued expenses..............................	587	707	(422)
Other, net...	2,700	3,524	1,420

Cash provided by operating activities	50,202	51,411	42,089
Cash flows from investing activities			
Additions to property and equipment	(72,290)	(71,821)	(59,687)
Additions to notes and equipment contracts receivable	(14,209)	(12,876)	(10,209)
Principal receipts from notes and equipment contracts receivable	10,963	9,747	8,562
Additions to reacquired franchises held for sale	(1,567)	(1,443)	(1,917)
Cash used by investing activities	(77,103)	(76,393)	(63,251)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	3,372	12,235	1,440
Proceeds from sale and leaseback arrangements	30,159	26,377	17,995
Repayment of long-term debt	(8,349)	(16,632)	(4,631)
Principal payments on capital lease obligations	(1,386)	(1,338)	(681)
Exercise of stock options	4,987	3,845	4,665
Cash provided by financing activities	28,783	24,487	18,788
Net change in cash and cash equivalents	1,882	(495)	(2,374)
Cash and cash equivalents at beginning of period	2,294	2,789	5,163
Cash and cash equivalents at end of period	$ 4,176	$ 2,294	$ 2,789
Supplemental disclosures			
Interest paid, net of capitalized amounts	$19,162	$16,947	$14,478
Income taxes paid	12,411	10,196	10,680
Capital lease obligations incurred	32,169	28,947	22,778

See the accompanying notes to the consolidated financial statements.

IHOP CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

IHOP Corp. and its subsidiaries, referred to as "IHOP", engage exclusively in the food-service industry, primarily in the United States, wherein we franchise and operate restaurants. IHOP grants credit to our franchisees and licensees, all of whom are in the restaurant business. In the majority of our franchised operations, we have developed restaurants on sites that we either own or control through leases. We then lease or sublease the restaurants to our franchisees. Additionally, we finance up to 80% of the initial franchise fee, lease restaurant equipment and fixtures to our franchisees, and sell proprietary products to our franchisees and licensees, and provide marketing and promotional services to our franchisees and area licensees.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of IHOP Corp. and its subsidiaries. Intercompany accounts and transactions have been eliminated.

FISCAL PERIODS

IHOP's fiscal year ends on the Sunday nearest to December 31 of each year. For convenience, we report all fiscal years as ending on December 31 and fiscal quarters as ending on March 31, June 30 and September 30. The fiscal year ended December 31, 1999, is comprised of 52 weeks (364 days), the fiscal year ended December 31, 1998, is comprised of 53 weeks (371 days), and the fiscal year ended December 31, 1997, is comprised of 52 weeks (364 days).

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires IHOP management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. They also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

IHOP at times purchases highly liquid, investment-grade securities with an original maturity of three months or less. These cash equivalents are stated at cost which approximates market value. We do not believe that we are exposed to any significant credit risk on cash and cash equivalents.

INVENTORIES

Inventories consisting of merchandise and supplies are stated at the lower of cost (on a first-in, first-out basis) or market.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and depreciated on the straight-line method over the estimated useful lives as follows:

CATEGORY	DEPRECIABLE LIFE
Buildings and improvements	Shorter of lease term or 25 years
Leaseholds and improvements	3-25 years
Equipment and fixtures	3-10 years
Properties under capital lease	Primary lease term

Leaseholds and improvements are amortized over a period not exceeding the term of the lease.

Impairment losses to long-lived assets are recognized when the carrying amount of an asset exceeds the estimated fair value of the asset.

EXCESS OF COSTS OVER NET ASSETS ACQUIRED

The excess of costs over net assets acquired is amortized utilizing the straight-line method over forty years. Accumulated amortization at December 31, 1999 and 1998, was $5,462,000 and $5,032,000, respectively.

FRANCHISE REVENUES

Revenues from the sales of franchises are recognized as income when IHOP has substantially performed all of its material obligations under the franchise agreement, and the franchisee has commenced operations. Continuing service fees, which are a percentage of the net sales of franchised operations, are accrued as income when earned.

LEASING

IHOP leases equipment consisting of restaurant equipment, furniture and fixtures to our franchisees and retains title to the leased equipment. These equipment contracts are accounted for as sales-type leases upon acceptance of the equipment by the franchisee. Leases of restaurant facilities are recorded as direct financing leases upon acceptance.

PREOPENING EXPENSES

Expenditures related to the opening of new restaurants, other than those for capital assets, are charged to expense when incurred.

ADVERTISING

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 1999, 1998 and 1997, were $29,163,000, $26,960,000 and $22,748,000, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities. They are measured using the enacted marginal tax rates and laws that will be in effect when the differences are expected to reverse.

NET INCOME PER SHARE

Basic net income per share is computed by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing the net income attributable to common shareholders by the weighted average number of common and common equivalent shares outstanding during the period. Common share equivalents included in the diluted computation represent shares issuable upon assumed exercises of outstanding stock options using the treasury stock method.

COMPREHENSIVE INCOME

Comprehensive income includes net income and other comprehensive income components, which under GAAP bypass the income statement and are reported in the balance sheet as a separate component of equity. For the three years ended December 31, 1999, IHOP had no other comprehensive income components as defined by GAAP. As a result, net income is the same as comprehensive income for the three years ended December 31, 1999.

STOCK SPLIT

On April 29, 1999, IHOP's Board of Directors approved a 2-for-1 stock split of its common stock effective May 27, 1999, in the form of a stock dividend for shareholders of record at the close of business on May 13, 1999. All share and per-share amounts in the accompanying consolidated financial statements, except for the statement of shareholders' equity, have been restated to reflect the stock split.

RECLASSIFICATION

Certain reclassifications have been made to prior year information to conform to the current year presentation.

2. RECEIVABLES

	1999	1998
	(IN THOUSANDS)	
Accounts receivable	$ 24,027	$ 18,813
Notes receivable	43,235	39,554
Equipment contracts receivable	96,394	80,690
Direct financing leases receivable	139,268	107,766
	302,924	246,823
Less allowance for doubtful accounts	1,606	1,206
	301,318	245,617
Less current portion	35,335	28,461
Long-term receivables	$265,983	$217,156

Notes receivable include franchise fee notes due in five to eight years in the amount of $41,207,000 and $37,129,000 at December 31, 1999 and 1998, respectively. Franchise fee notes are due in equal weekly installments, primarily bear interest at 12.0% and are collateralized by the franchise. The term of an equipment contract coincides with the term of the corresponding restaurant building direct financing lease. Equipment contracts are due in equal weekly installments, primarily bear interest at 11.0% and are collateralized by the equipment. Where applicable, franchise fee notes, equipment contracts and direct financing leases contain cross-default provisions wherein a default under one constitutes a default under all. There is not a disproportionate concentration of credit risk in any geographic area.

3. PROPERTY AND EQUIPMENT, AT COST

	1999	1998
	(IN THOUSANDS)	
Land	$ 22,024	$ 19,397
Buildings and improvements	37,492	32,901
Leaseholds and improvements	114,738	102,908
Equipment and fixtures	13,887	11,063
Construction in progress	6,616	9,930
Properties under capital lease	28,519	23,233
	223,276	199,432
Less accumulated depreciation and amortization	45,533	37,743
Property and equipment, net	$177,743	$161,689

Accumulated depreciation and amortization includes accumulated amortization for properties under capital lease in the amount of $3,902,000 and $2,977,000 at December 31, 1999 and 1998, respectively.

4. REACQUIRED FRANCHISES AND EQUIPMENT HELD FOR SALE

Reacquired franchises and equipment held for sale are accounted for on the specific identification basis. At the date of reacquisition the franchise and equipment are recorded at the lower of (1) the sum of

4. REACQUIRED FRANCHISES AND EQUIPMENT HELD FOR SALE (CONTINUED)

the franchise receivables and costs of reacquisition or (2) the estimated net realizable value. Pending the sale of such franchise, the carrying value is amortized ratably over the remaining life of the asset or lease and the estimated net realizable value is reassessed each year.

	1999	1998
	(IN THOUSANDS)	
Franchises	$10,591	$ 8,729
Equipment	13,785	10,991
	24,376	19,720
Less amortization	5,432	4,493
	18,944	15,227
Less current portion	2,842	2,284
Long-term reacquired franchises and equipment held for sale, net	$16,102	$12,943

5. DEBT

Debt consists of the following:

	1999	1998
	(IN THOUSANDS)	
Senior notes due November 2008, payable in equal annual installments commencing November 2000, interest at 7.42%	$35,000	$35,000
Senior notes due November 2002, payable in equal annual installments commencing November 1996, interest at 7.79%	13,714	18,286
Other	1,460	1,865
Total debt	50,174	55,151
Less current maturities	8,956	5,386
Long-term debt	$41,218	$49,765

The senior notes due November 2008 and those due November 2002 are unsecured.

IHOP has an unsecured $20 million revolving credit agreement with a bank that was amended in June 1999 to extend the maturity date to June 2002. Borrowings under the agreement bear interest at the bank's reference rate (prime) or, at our option, at the bank's quoted rate or at a Eurodollar rate. A commitment fee of 0.375% per annum is payable on unborrowed funds available under the agreement. There were no borrowings outstanding under this agreement at December 31, 1999 and 1998. The largest amount outstanding under the agreement during 1999 was $2,900,000.

The senior note agreements and the bank revolving credit agreement contain certain restrictions and conditions, the most restrictive of which limit dividends and investments. At December 31, 1999, approximately $71 million of retained earnings was free of restriction as to distribution as dividends.

The prime rate was 8.50% at December 31, 1999, and 7.75% at December 31, 1998.

IHOP's long-term debt maturities are as follows: 2000--$8,956,000; 2001--$8,924,000; 2002--$8,816,000; 2003--$4,005,000; 2004--$3,917,000; and thereafter--$15,556,000.

6. LEASES

IHOP leases the majority of our restaurants with the exception of those where a franchisee enters into a lease directly with a landlord and those associated with area license agreements. The restaurants are subleased to franchisees or operated by IHOP. These noncancelable leases and subleases consist primarily of land and buildings and improvements.

Net investment in direct financing leases receivable is as follows:

	1999	1998
	(IN THOUSANDS)	
Total minimum rents receivable	$457,723	$365,386
Less unearned income	318,455	257,620
Net investment in direct financing leases receivable	139,268	107,766
Less current portion	820	733
Long-term direct financing leases receivable	$138,448	$107,033

Contingent rental income for the years ended December 31, 1999, 1998 and 1997, was $19,828,000, $18,788,000 and $14,812,000, respectively.

Minimum future lease payments on noncancelable leases at December 31, 1999, are as follows:

	CAPITAL LEASES	OPERATING LEASES
	(IN THOUSANDS)	
2000	$ 19,770	$ 26,016
2001	19,907	23,986
2002	20,048	22,935
2003	20,308	21,761
2004	20,601	21,012
Thereafter	330,612	294,190
Total minimum lease payments	431,246	$409,900

	========
Less interest	264,007
Capital lease obligations	167,239
Less current portion	1,682
Long-term capital lease obligations	$165,557

6. LEASES (CONTINUED)

The minimum future lease payments shown above have not been reduced by the future minimum rents to be received on noncancelable subleases and leases of owned property at December 31, 1999, as follows:

	DIRECT FINANCING LEASES	OPERATING LEASES
	(IN THOUSANDS)	
2000	$ 19,095	$ 28,287
2001	19,260	27,598
2002	19,463	27,071
2003	19,848	26,939
2004	20,016	26,901
Thereafter	360,041	465,699
Total minimum rents receivable	$457,723	$602,495

IHOP has noncancelable leases, expiring at various dates through 2048, that require payment of contingent rents based upon a percentage of sales of the related restaurant as well as property taxes, insurance and other charges. Subleases to franchisees of properties under such leases are generally for the full term of our lease obligation at rents that include our obligations for property taxes, insurance, contingent rents and other charges. Generally, the noncancelable leases include renewal options. Contingent rent expense for all noncancelable leases for the years ended December 31, 1999, 1998 and 1997, was $3,416,000, $3,614,000 and $3,385,000, respectively. Minimum rent expense for all noncancelable operating leases for the years ended December 31, 1999, 1998 and 1997, was $25,130,000, $21,334,000 and $19,137,000, respectively.

7. SHAREHOLDERS' EQUITY

The Stock Incentive Plan (the "Plan") was adopted in 1991 and amended and restated in 1998 to authorize the issuance of up to 3,760,000 shares of common stock pursuant to options, restricted stock, and other long-term stock-based incentives to officers and key employees of IHOP. Except for substitute stock options which were issued in 1991 pursuant to the cancellation of a stock appreciation rights plan, no option can be granted at an option price of less than 100% of fair market value at the date of grant. Exercisability of options is determined at, or after, the date of grant by the administrator of the Plan. Substitute stock options issued in 1991 were immediately exercisable. All other options granted under the Plan through December 31, 1999, become exercisable 1/3 after one year, 2/3 after two years and 100% after three years or immediately upon change in control of IHOP, as defined by the Plan.

The Stock Option Plan for Non-Employee Directors (the "Directors Plan") was adopted in 1994 and amended and restated in 1999 to authorize the issuance of up to 400,000 shares of common stock pursuant to options to non-employee members of IHOP's Board of Directors. Options are to be granted at an option price equal to 100% of the fair market value of the stock on the date of grant. Options granted pursuant to the Directors Plan vest and become exercisable 1/3 after one year, 2/3 after two years and 100% after three years. Options for the purchase of shares are granted to each non-employee Director under the Directors Plan as follows: (1) 15,000 on February 23, 1995, or on the Director's election to the Board of Directors if he or she was not a Director on such date, and (2) 5,000 annually in conjunction with IHOP's Annual Meeting of Shareholders for that year.

7. SHAREHOLDERS' EQUITY (CONTINUED)

The following summarizes stock option activity in IHOP's stock option plans for the years ended December 31, 1999, 1998 and 1997:

SHARES UNDER OPTION	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at December 31, 1996	1,897,890	$11.67
Granted	428,000	13.58
Exercised	(372,854)	10.52
Terminated	(86,550)	13.52
Outstanding at December 31, 1997	1,866,486	12.22
Granted	317,564	18.36
Exercised	(280,896)	11.49
Terminated	(23,998)	13.54
Outstanding at December 31, 1998	1,879,156	13.35
Granted	307,000	20.69
Exercised	(287,486)	12.71
Terminated	(37,331)	18.34
Outstanding at December 31, 1999	1,861,339	$14.56
Exercisable at December 31, 1999	1,253,952	$12.62

At December 31, 1999, the 1,861,339 outstanding shares under option have a range of exercise prices from $5.00 to $24.00 and a weighted average contractual life of 6.2 years.

There were 18,912 shares of restricted stock awarded in 1997. No shares of restricted stock were awarded in 1999 and 1998. At December 31, 1999, there were 18,912 shares of restricted stock outstanding.

IHOP has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." We will continue to use the intrinsic value based method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost for IHOP's stock option plans been determined based on the fair value at the grant date for awards in the three year period ending December 31, 1999, consistent with the provisions of SFAS No. 123, IHOP's net earnings and diluted earnings per share would have been reduced to the pro forma amounts indicated below:

	1999	1998	1997
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Net earnings, as reported	$32,125	$26,111	$20,914
Net earnings, pro forma	31,029	25,082	19,956
Earnings per share--diluted, as reported	1.58	1.30	1.07
Earnings per share--diluted, pro forma	1.52	1.25	1.02
Weighted average fair value of options granted	21.42	18.36	13.58

7. SHAREHOLDERS' EQUITY (CONTINUED)

The fair value of each option grant issued in the three year period ending December 31, 1999, is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	1999	1998	1997
Risk free interest rate	5.25%	5.50%	6.25%
Expected volatility	37.0%	37.0%	37.0%
Dividend yield	--	--	--
Weighted average expected life	3 years	3 years	3 years

8. INCOME TAXES

	1999	1998	1997
	(IN THOUSANDS)		
Provision for income taxes			
Current			
Federal	$12,051	$ 9,889	$ 8,806
State and foreign	1,766	1,867	1,608
	13,817	11,756	10,414
Deferred			
Federal	5,455	4,755	2,021
State	839	183	937
	6,294	4,938	2,958
Provision for income taxes	$20,111	$16,694	$13,372

The provision for income taxes differs from the expected federal income tax rates as follows:

	1999	1998	1997
Statutory federal income tax rate....................	35.0%	35.0%	35.0%
State and foreign income taxes, net of federal tax benefit..	3.5	4.0	4.0
Effective tax rate.................................	38.5%	39.0%	39.0%

8. INCOME TAXES (CONTINUED)

Deferred tax liabilities (assets) consist of the following:

	1999	1998
	(IN THOUSANDS)	
Franchise and equipment sales, including differences in capitalization and revenue recognition.................	$54,441	$48,550
Property and equipment, including differences in capitalization and depreciation and amortization........	10,548	8,589
Reacquired franchises and equipment held for resale, including differences in capitalization and depreciation and amortization......................................	(9,718)	(8,241)
Direct financing leases and capital lease obligations, including differences in capitalization and application of cash receipts and disbursements....................	(11,068)	(9,544)
Federal tax benefit of net deferred state tax liability...	(2,810)	(1,849)
Other net liabilities (assets)...........................	2,208	(237)
Deferred tax liabilities................................	$43,601	$37,268

9. EMPLOYEE BENEFIT PLANS

In 1987, IHOP adopted a noncontributory Employee Stock Ownership Plan (ESOP). The ESOP is a stock bonus plan under Section 401(a) of the Internal Revenue Code. The plan covers IHOP employees who meet the minimum credited service requirements of the plan. Employees whose terms of service are covered by a collective bargaining agreement are not eligible for the ESOP unless the terms of such agreement specifically provide for participation in the ESOP.

The cost of the ESOP is borne by IHOP through contributions determined by the Board of Directors in accordance with the ESOP provisions and Internal Revenue Service regulations. The contributions to the plan for the years ended December 31, 1999, 1998 and 1997, were $1,500,000, $1,400,000, and $1,300,000, respectively. The contribution for the year ended December 31, 1999, will be made in shares of IHOP Corp. common stock.

Shares of stock acquired by the ESOP are allocated to each eligible employee and held by the ESOP. Upon the employee's termination after vesting, or in certain other limited circumstances, the employee's shares are distributed to the employee according to his or her direction.

10. COMMITMENTS AND CONTINGENCIES

IHOP is subject to various claims and legal actions that have arisen in the ordinary course of business. We believe such claims and legal actions, individually or in the aggregate, will not have a material adverse effect on the business or financial condition of our company.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

IHOP does not hold or issue financial instruments for trading purposes, nor are we a party to derivative transactions, interest rate swaps or other transactions commonly utilized to manage interest rate or foreign currency risk.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The estimated fair values of all cash and cash equivalents, notes receivable and equipment contracts receivable as of December 31, 1999 and 1998, approximated their carrying amounts in the Consolidated Balance Sheets as of those dates. The estimated fair values of notes receivable and equipment contracts receivable are based on current interest rates offered for similar loans in our present lending activities.

The estimated fair values of long-term debt are based on current rates available to IHOP for similar debt of the same remaining maturities. The carrying values of long-term debt at December 31, 1999 and 1998, were $41,218,000 and $49,765,000, respectively, and the fair values at those dates were $40,290,000 and $51,643,000, respectively.

12. SEGMENT REPORTING

IHOP identifies its operating segments based on the organizational units used by our management to monitor performance and make operating decisions. The Franchise Operations segment includes restaurants operated by franchisees and area licensees in the United States, Canada and Japan. The Company Operations segment includes company-operated restaurants in the United States. We measure segment profit as operating income, which is defined as income before field, corporate and administrative expense, interest expense, and income taxes. Information on segments and a reconciliation to income before income taxes are as follows:

12. SEGMENT REPORTING (CONTINUED)

	FRANCHISE OPERATIONS	COMPANY OPERATIONS	SALES OF FRANCHISES AND EQUIPMENT	CONSOLIDATING ADJUSTMENTS AND OTHER	CONSOLIDATED TOTAL
			(IN THOUSANDS)		
Year Ended December 31, 1999					
Revenues from external customers	$163,449	$70,204	$39,545	$ 37	$273,235
Intercompany real estate charges (revenues)	5,768	578	--	(6,346)	--
Depreciation & amortization	3,681	3,973	--	4,656	12,310
Operating income (loss)	75,067	(2,379)	15,587	17,883	106,158
Field, corporate and administrative					34,531
Interest expense					19,391
Income before income taxes					52,236
Additions to long lived assets	41,350	5,568	1,567	25,372	73,857
Total assets	380,680	47,848	18,944	72,930	520,402
Year Ended December 31, 1998					
Revenues from external					

customers	146,092	69,906	40,347	(137)	256,208
Intercompany real estate charges (revenues)	5,893	826	--	(6,719)	--
Depreciation & amortization	3,200	3,690	--	4,381	11,271
Operating income (loss)	66,466	(2,046)	13,719	14,464	92,603
Field, corporate and administrative					32,381
Interest expense					17,417
Income before income taxes					42,805
Additions to long lived assets	39,912	3,484	1,443	28,425	73,264
Total assets	323,620	39,240	15,227	64,945	443,032
Year Ended December 31, 1997					
Revenues from external customers	124,043	61,839	28,864	(201)	214,545
Intercompany real estate charges (revenues)	4,903	865	--	(5,768)	--
Depreciation & amortization	2,701	3,221	--	4,107	10,029
Operating income (loss)	56,150	(1,682)	11,050	11,826	77,344
Field, corporate and administrative					28,409
Interest expense					14,649
Income before income taxes					34,286
Additions to long lived assets	35,203	3,778	1,917	20,706	61,604
Total assets	261,408	37,215	15,472	65,323	379,418

Franchise Operations, Company Operations and Sales of Franchises and Equipment are reported on the same basis as used by IHOP's management. Franchise Operations revenues from external customers includes interest income from the financing of sales of franchises and equipment in the amounts of $13,465,000, $11,338,000 and $9,233,000 for the three years ended December 31, 1999, 1998 and 1997. For management reporting purposes, we treat all restaurant lease revenues and expenses as operating lease revenues and expenses, although most of these leases are direct financing leases (revenues) or capital leases (expenses). The accounting adjustments required to bring lease revenues and expenses into conformance with GAAP are included in the Consolidated Adjustments and Other segment. These

12. SEGMENT REPORTING (CONTINUED)

adjustments include interest income from direct financing leases of restaurant buildings in the amounts of $15,918,000, $13,191,000 and $10,120,000 for the three years ended December 31, 1999, 1998 and 1997. All of IHOP's owned land and restaurant buildings are included in the total assets of the Consolidating Adjustments and Other segment and are leased to the Franchise Operations and Company Operations segments.

13. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	REVENUES	GROSS PROFIT	NET INCOME	NET INCOME PER SHARE--BASIC (A)	NET INCOME PER SHARE--DILUTED (A)
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
1999					
1st Quarter	$61,322	$23,471	$6,585	$.33	$.33
2nd Quarter	67,514	26,012	7,852	.39	.39
3rd Quarter	72,018	27,769	8,641	.43	.42
4th Quarter	72,381	28,906	9,047	.45	.44
1998					
1st Quarter	$55,642	$19,248	$4,701	$.24	$.24
2nd Quarter	65,164	23,101	6,463	.33	.32
3rd Quarter	66,304	24,300	7,245	.37	.36
4th Quarter	69,098	25,954	7,702	.39	.38

(a) The quarterly amounts may not add to the full year amount due to rounding.

14. SUBSEQUENT EVENT

Subsequent to the end of fiscal 1999, IHOP announced a plan to repurchase up to 1,000,000 shares of its common stock. This plan may reduce the dilutive effect of employee stock option exercises and contributions to IHOP's employee Stock Ownership Plan; however, the repurchase program does not obligate IHOP to acquire any specific number of shares and it may be suspended at any time.

REPORT OF INDEPENDENT ACCOUNTANTS

The Shareholders and Board of Directors
IHOP Corp.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' equity and cash flows present fairly, in all material respects, the financial position of IHOP Corp. and its subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of IHOP Corp.'s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Los Angeles, California
February 18, 2000

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information appearing under the captions "Information Concerning Nominees and Members of the Board of Directors," "Executive Officers of the Company" and "Compliance with Section 16(a) of the Securities Exchange Act" contained in the 2000 Proxy Statement is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

Information appearing under the captions "Executive Compensation--Summary of Compensation," "Executive Compensation--Stock Options and Stock Appreciation Rights" and "Executive Officers of the Company--Employment Agreements" contained in the 2000 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information appearing under the caption "Security Ownership of Certain Beneficial Owners and Management" contained in the 2000 Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information appearing under the caption "Certain Relationships and Related Transactions" contained in the 2000 Proxy Statement is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)(1) CONSOLIDATED FINANCIAL STATEMENTS

The following documents are contained in Part II, Item 8 of this Annual Report on Form 10-K:

Consolidated Balance Sheets as of December 31, 1999 and 1998.

Consolidated Statements of Operations for each of the three years in the period ended December 31, 1999.

Consolidated Statement of Shareholders' Equity for each of the three years in the period ended December 31, 1999.

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1999.

Notes to the Consolidated Financial Statements.

Report of Independent Accountants.

(2) FINANCIAL STATEMENT SCHEDULES

All schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(3) EXHIBITS

Exhibits not incorporated by reference are filed herewith. The remainder of the exhibits have heretofore been filed with the Securities and Exchange Commission and are incorporated herein

by reference. Management contracts or compensatory plans or arrangements are marked with an asterisk.

3.1	Restated Certificate of Incorporation of IHOP Corp. Exhibit 3.1 to IHOP Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 1997, (the "1997 Form 10-K") is hereby incorporated by reference.
3.2	Bylaws of IHOP Corp. Exhibit 3.2 to the 1997 Form 10-K is hereby incorporated by reference.
4.1	Senior Note Purchase Agreement, dated as of November 19, 1992, among IHOP Corp., International House of Pancakes, Inc. ("IHOP, Inc.") and Mutual Life Insurance Company of New York and other purchasers. Exhibit 4.1 to the 1997 Form 10-K is hereby incorporated by reference.
4.2	First Amendment to Senior Note Purchase Agreement, dated as of November 1, 1996, among IHOP Corp., IHOP Inc., and Mutual Life Insurance Company of New York and other purchasers. Exhibit 4.2 to IHOP Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 1996, (the "1996 Form 10-K") is hereby incorporated by reference.
4.3	$10,000,000 Letter Agreement among IHOP, Inc., IHOP Corp. and Continental Bank, N.A., dated as of June 30, 1993.

Exhibit 4.3 to the 1997 Form 10-K is hereby incorporated by reference.

4.4	First Amendment to Letter Agreement, dated as of December 31, 1994, among IHOP, Inc., IHOP Corp. and Bank of America Illinois (successor by merger to Continental Bank, N.A.). Exhibit 4.4 to the 1997 Form 10-K is hereby incorporated by reference.
4.5	Second Amendment to Letter Agreement, dated as of March 11, 1996, among IHOP, Inc., IHOP Corp. and Bank of America Illinois. Exhibit 4.5 to the 1997 Form 10-K is hereby incorporated by reference.
4.6	Third Amendment to Letter Agreement, dated as of September 3, 1996, among IHOP, Inc., IHOP Corp. and Bank of America Illinois. Exhibit 4.6 to the 1996 Form 10-K is hereby incorporated by reference.
4.7	Fourth Amendment to Letter Agreement, dated as of November 1, 1996, among IHOP, Inc., IHOP Corp. and Bank of America Illinois. Exhibit 4.7 to the 1996 Form 10-K is hereby incorporated by reference.
4.8	Fifth Amendment to Letter Agreement dated as of June 30, 1998, among IHOP Inc., IHOP Corp. and Bank of America National Trust and Savings Association (successor by merger to Bank of America Illinois). Exhibit 4.0 to IHOP Corp.'s Form 10-Q for the quarterly period ended June 30, 1998, is hereby incorporated by reference.
4.9	Sixth Amendment to Letter Agreement dated as of June 30, 1999, among IHOP Inc., IHOP Corp. and Bank of America National Trust and Savings Association (successor by merger to Bank of America Illinois). Exhibit 4.0 to IHOP Corp.'s Form 10-Q for the quarterly period ended June 30, 1999, is hereby incorporated by reference.
4.10	Senior Note Purchase Agreement, dated as of November 1, 1996, among IHOP, Inc., IHOP Corp. and Jackson National Life Insurance Company and other purchasers. Exhibit 4.8 to the 1996 Form 10-K is hereby incorporated by reference.
*10.1	IHOP Corp. Executive Incentive Plan effective January 1, 1999. Exhibit 10.1 to the 1998 form 10-K is hereby incorporated by reference.
*10.2	IHOP Corp. 1991 Stock Incentive Plan as Amended and Restated February 24, 1998. Annex "A" to the IHOP Corp. Proxy Statement for the Annual Meeting of Shareholders held on May 12, 1998, is hereby incorporated by reference.
*10.3	IHOP Corp. 1994 Stock Option Plan for Non-Employee Directors. Exhibit 10.3 to the 1997 Form 10-K is hereby incorporated by reference.

*10.4	Employment Agreement between IHOP Corp. and Rand Michael Ferris. Exhibit 10.6 to the 1996 Form 10-K is hereby incorporated by reference.
*10.5	Employment Agreement between IHOP Corp. and Susan Henderson-Hernandez. Exhibit 10.7 to the 1996 Form 10-K is hereby incorporated by reference.
*10.6	Employment Agreement between IHOP Corp. and Richard K. Herzer. Exhibit 10.8 to the 1996 Form 10-K is hereby incorporated by reference.
*10.7	Employment Agreement between IHOP Corp. and Dennis M. Leifheit. Exhibit 10.9 to the 1996 Form 10-K is hereby incorporated by reference.
*10.8	Employment Agreement between IHOP Corp. and Naomi K. Shively. Exhibit 10.10 to the 1996 Form 10-K is hereby

incorporated by reference.

*10.9	Employment Agreement between IHOP Corp. and Frederick G. Silny. Exhibit 10.11 to the 1996 Form 10-K is hereby incorporated by reference.
*10.10	Employment Agreement between IHOP Corp. and Anna G. Ulvan. Exhibit 10.12 to the 1996 Form 10-K is hereby incorporated by reference.
*10.11	Employment Agreement between IHOP Corp. and Mark D. Weisberger. Exhibit 10.13 to the 1996 Form 10-K is hereby incorporated by reference.
*10.12	Employment Agreement between IHOP Corp. and Richard C. Celio. Exhibit 10 to IHOP Corp.'s Form 10-Q for the quarterly period ended March 31, 1997, is hereby incorporated by reference.
*10.13	Employment Agreement between IHOP Corp. and John Jordan. Exhibit 10.13 to the 1997 Form 10-K is hereby incorporated by reference.
10.14	Area Franchise Agreement, effective as of May 5, 1988, by and between IHOP, Inc. and FMS Management Systems, Inc. Exhibit 10.14 to the 1997 Form 10-K is hereby incorporated by reference.
*10.15	International House of Pancakes Employee Stock Ownership Plan as Amended and Restated as of July 12, 1991 ("the ESOP"). Exhibit 10.15 to the 1997 Form 10-K is hereby incorporated by reference.
*10.16	Amendment No. 1 to the ESOP. Exhibit 10.16 to the 1997 Form 10-K is hereby incorporated by reference.
*10.17	Amendment No. 2 to the ESOP. Exhibit 10.17 to the 1997 Form 10-K is hereby incorporated by reference.
*10.18	Amendment No. 3 to the ESOP. Exhibit 10 to IHOP Corp.'s Form 10-Q for the quarterly period ended September 30, 1996, is hereby incorporated by reference.
*10.19	Amendment No. 4 to the ESOP. Exhibit 10 to IHOP Corp.'s Form 10-Q for the quarterly period ended September 30, 1997, is hereby incorporated by reference.
*10.20	IHOP Corp. Executive Incentive Plan effective January 1, 1998. Exhibit 10.20 to the 1998 form 10-K is hereby incorporated by reference.
*10.21	Employment Agreement between IHOP Corp. and Alan S. Unger.
*10.22	IHOP Corp. 1994 Stock Option Plan for Non-Employee Directors as Amended and Restated February 23, 1999. Annex "A" to the IHOP Corp. Proxy Statement for Annual Meeting of Shareholders held on Tuesday, May 11, 1999, is hereby incorporated by reference.
11.0	Statement Regarding Computation of Per Share Earnings.
21.0	Subsidiaries of IHOP Corp. Exhibit 21.0 to the 1997 Form 10-K is hereby incorporated by reference.
23.0	Consent of PricewaterhouseCoopers LLP
27.0	Financial Data Schedule.

(b) No reports on Form 8-K were filed during the quarter ended December 31, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 1(st) day of March, 2000.

IHOP CORP.

BY: /S/ RICHARD K. HERZER

Richard K. Herzer
CHAIRMAN OF THE BOARD,
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant, in the capacities indicated, on this 1(st) day of March, 2000.

NAME	TITLE
/s/ RICHARD K. HERZER Richard K. Herzer	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
/s/ ALAN S. UNGER Alan S. Unger	Vice President-Finance, Chief Financial Officer (Principal Financial Officer)
/s/ H. FREDERICK CHRISTIE H. Frederick Christie	Director
/s/ FRANK EDELSTEIN Frank Edelstein	Director
/s/ MICHAEL S. GORDON Michael S. Gordon	Director
/s/ NEVEN C. HULSEY Neven C. Hulsey	Director

NAME	TITLE
/s/ LARRY ALAN KAY Larry Alan Kay	Director
/s/ DENNIS M. LEIFHEIT Dennis M. Leifheit	Executive Vice President-Operations, Chief Operating Officer and Director
/s/ CAROLINE W. NAHAS Caroline W. Nahas	Director
/s/ PATRICK W. ROSE Patrick W. Rose	Director

EXHIBIT 10.21

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of the 7th day of February, 2000 (the "Effective Date"), between IHOP CORP., a Delaware corporation (the "Company"), and Alan Unger (the "Employee").

Whereas, the Board of Directors of the Company (the "Board") has approved and authorized the entry into this Agreement with the Employee; and

Whereas, the parties desire to enter into this Agreement setting forth the terms and conditions for the employment relationship of the Employee with the Company.

Now, Therefore, in consideration of the promises and mutual covenants and agreements herein contained and intending to be legally bound hereby, the Company and the Employee hereby agree as follows:

1. Employment. The Employee is employed as Vice President - Finance, Treasurer and Chief Financial Officer of the Company from the Effective Date through the Term of this Agreement (as defined in Section 2 hereof). In this capacity, the Employee shall have such duties and responsibilities as may be designated to him by the Board from time to time and as are not inconsistent with the Employee's position with the Company, including the performance of duties with respect to any subsidiaries of the Company, as may be designated by the Board. During the Employee's period of employment hereunder, the Employee shall be based in the principal offices of the Company in Southern California, and shall not be required to relocate outside of Southern California to perform services hereunder, except for travel as reasonably required in the performance of his duties hereunder.

2. Term. The "initial term" of this Agreement shall be for the period commencing on the Effective Date and ending on the second anniversary of the Effective Date; provided, however, that on the second anniversary of the Effective Date, and on each subsequent anniversary date thereafter, the term of this Agreement shall automatically be extended for one additional year unless, not later than 90 days prior to such applicable anniversary date, the Company or the Employee shall give notice not to extend this Agreement; and provided further, however, that, if a Change in Control (as defined in Section 11(g)) occurs prior to the expiration of the Term of this Agreement, this Agreement shall remain in full force and effect and shall not expire prior to the last day of the 24th month following the date of such Change in Control. The "Term of this Agreement" or "Term" shall mean, for purposes of this Agreement, both the "initial term" (as hereinbefore described) and any additional term (created by extension, as described above), and the Term of this Agreement shall not be affected by the Employee's termination of employment.

3. Salary. Subject to the further provisions of this Agreement, the Company shall pay the Employee during the Term of this Agreement a salary at an annual rate equal to $200,000, with such salary to be increased at such times, if any, and in such amounts as determined by the Board, which increases shall be consistent with the historical business practices of the Company and the salary adjustments for other senior executives of the Company. Such salary shall be payable by the Company to the Employee not less frequently than monthly and shall not be decreased at any time during the Term of this Agreement. Participation in deferred compensation, discretionary bonus, retirement, and other employee benefit plans and in fringe benefits shall not reduce the salary payable to the Employee under this Section.

4. Participation in Bonus, Retirement and Employee Benefit Plans. The Employee shall be entitled to participate equitably with other senior executives in any plan of the Company relating to bonuses, stock options, stock purchases, pension, thrift, profit sharing, life insurance, medical coverage, education, or other retirement or employee benefits that the Company has adopted or may adopt for the benefit of its senior executives. For purposes of the Company's Executive Incentive Plan, Employee's target bonus will be 35% of his base pay.

5. Hiring Incentive. Upon the Effective Date, or as soon as practicable thereafter, Employee shall receive an option to purchase a total of 20,000 shares of IHOP Corp. common stock. Such stock option shall be subject to the terms of the IHOP Corp. 1991 Stock Incentive Plan, as amended, and a Stock Option Agreement setting forth, among other things, the option exercise vesting schedule and option exercise price.

6. Fringe Benefits; Automobile. The Employee shall be entitled to receive all other fringe benefits which are now or may be provided to the Company's senior executives. In addition, the Company shall provide the Employee during the Term of this Agreement with a car allowance of $700 per month, plus reimbursement of all automobile expenses such as gasoline, maintenance, insurance and vehicle registration, in accordance with the Company's general policy on providing cars to senior executives. Notwithstanding the foregoing, the benefits provided under this Section 6 shall cease upon the Employee's Date of Termination (as defined in Section 11(d)).

7. Vacations. The Employee shall be entitled to an annual paid vacation as determined in accordance with the Company's general policy for senior executives.

8. Business Expenses. During such time as the Employee is rendering services hereunder, the Employee shall be entitled to incur and be reimbursed for all reasonable business expenses and be provided allowances as are furnished to the Company's most senior executives under the Company's then current policies. The Company agrees that it will reimburse the Employee for all such expenses upon the presentation by the Employee, from time to time, of an itemized account of such expenditures, setting forth the date, the purposes for which incurred, and the amounts thereof, together with such receipts showing payments in conformity with the Company's established policies. Reimbursement shall be made within a reasonable period after the Employee's submission of an itemized account.

9. Insurance and Indemnity. The Employee shall be added as an additional named insured under all appropriate insurance policies now in force or hereafter obtained covering any officers or directors of the Company. The Company shall indemnify and hold the Employee harmless from any cost, expense or liability arising out of or relating to any acts or decisions made by the Employee on behalf of or in the course of performing services for the Company to the same extent the Company indemnifies and holds harmless other senior executive officers and directors of the Company and in accordance with the Company's established policies.

10. Professional Services Allowance. The Employee shall be entitled to reimbursement by the Company for expenses incurred by him for personal legal, accounting, investment, estate planning services or other similar services as outlined in the Company's Professional Services Allowance policy, in an amount to be determined by the Board, but in no event greater than $10,000 annually (or a pro rata portion of such amount for any period of employment less than a full year); provided, however, that no reimbursement shall be made for any such expenses incurred by the Employee after such Employee's Date of Termination.

11. Termination.

(a) Disability. If, as a result of the Employee's incapacity due to physical or mental illness, he shall have been absent from the full-time performance of his duties with the Company for 90 consecutive days or 180 days within any 12-month period, his employment may be terminated by the Company for "Disability."

(b) Cause. Subject to the notice provisions set forth below, the Company may terminate the Employee's employment for "Cause" at any time. "Cause" shall mean termination upon: (1) the willful failure by the Employee to substantially perform his duties with the Company (other than any such failure resulting from his incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to him by the Board, which demand specifically identifies the manner in which the Board believes that he has not substantially performed his duties; (2) the Employee's willful misconduct that is demonstrably and materially injurious to the Company, monetarily or otherwise; or (3) the Employee's commission of such acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude as would prevent the effective performance of his duties. For purposes of this subsection (b), no act, or failure to act, on the Employee's part shall be deemed "willful" unless done, or omitted to be done, by him not in good faith and without the reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by the affirmative vote of a majority of the non-employee members of the Board at a meeting of such members (after reasonable notice to him and an opportunity for him, together with his counsel, to be heard before such members of the Board), finding that he has engaged in the conduct set forth above in this subsection (b) and specifying the particulars thereof in detail.

(c) Notice of Termination. Any termination of the Employee's employment by the Company or by the Employee shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 15. "Notice of Termination" shall mean a notice that indicates the specific termination provision in this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for the termination of the Employee's employment under the provision so indicated.

(d) Date of Termination. "Date of Termination" shall mean: (1) if the Employee's employment is terminated by his death, the date of his death; (2) if the Employee's employment is terminated for Disability, 30 days after Notice of Termination is given; and (3) if the Employee's employment is terminated for any other reason, the date specified in the Notice of Termination.

(e) Dispute Concerning Termination. If within the later of (i) fifteen (15) days after Notice of Termination is given, or (ii) fifteen (15) days prior to the Date of Termination (as determined without regard to this Section 11(e), the party receiving such Notice of Termination notifies the other party that a dispute

exists concerning a termination by the Employee for Good Reason (as defined in Section 11(h)) following a Change in Control (as defined in Section 11(g)), the Date of Termination shall be the earlier of the expiration date of the Agreement, or the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute only if such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence.

(f) Compensation During Dispute. If a purported termination by the Employee for Good Reason occurs following a Change in Control and during the Term of this Agreement, and such termination is disputed in accordance with Section 11(e) hereof, the Company shall continue to pay the Employee the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, salary) and continue the Employee as a participant in all compensation, benefit and insurance plans in which the Employee was participating when the notice giving rise to the dispute was given, until the dispute is finally resolved in accordance with Section 11(e) hereof or, if earlier, the expiration date of the Agreement. Amounts paid under this Section 11(f) are in addition to all other amounts due under this Agreement (other than those due under Section 12(b) hereof) and shall not be offset against or reduce any other amounts payable under this Agreement.

(g) Change in Control. A "Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

(i) any "person" (as such term is used in Sections 14(d) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (other than the Company; any trustee or other fiduciary holding securities under an employee benefit plan of the Company; or any Company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the stock of the Company) is or becomes after the Effective Date the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 25% or more of the combined voting power of the Company's then outstanding securities; or

(ii) during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in subparagraph (i), (iii) or (iv) of this Section 11(g)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3 of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 75% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

(h) Good Reason. At any time following a Change in Control, the Employee may terminate his employment hereunder for "Good Reason." "Good Reason" shall mean the occurrence (without the Employee's express written consent) of any material breach of this Agreement, including, without limitation, any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in subsections (i), (iv), (v), (vi) or (vii) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(i) the assignment to the Employee of any duties inconsistent with the Employee's status as a senior executive of the Company or a substantially adverse alteration in the nature or status of the Employee's responsibilities from those in effect immediately prior to the Change in Control;

(ii) a reduction by the Company in the Employee's annual base salary as in effect on the date hereof or as the same may be increased from time to time;

(iii) the relocation of the Company's principal offices to a location outside Southern California (or, if different, the metropolitan area in which such offices are located immediately prior to the Change in Control) or the Company's requiring the Employee to be based anywhere other than the Company's principal executive offices, except for required travel on the Company's business to an extent substantially consistent with the Employee's present business travel obligations;

(iv) the failure by the Company to pay to the Employee any portion of the Employee's current compensation, or to pay to the Employee any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;

(v) the failure by the Company to continue in effect any compensation plan in which the Employee participates immediately prior to the Change in Control which is material to the Employee's total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Employee's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Employee's participation relative to other participants, as existed immediately prior to the Change in Control;

(vi) the failure by the Company to continue to provide the Employee with benefits substantially similar to those enjoyed by the Employee under any of the Company's pension, life insurance, medical, health and accident, or disability plans in which the Employee was participating immediately prior to the Change in Control; or the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Employee of any material fringe benefit enjoyed by the Employee immediately prior to the Change in Control;

(vii) any purported termination of the Employee's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of this Agreement; for purposes of this Agreement, no such purported termination shall be effective; or

(viii) any failure by the Company to comply with and satisfy Section 13(b) of this Agreement.

The Employee's right to terminate the Employee's employment for Good Reason shall not be affected by the Employee's incapacity due to physical or mental illness. The Employee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(i) Voluntary Termination. The Employee may terminate his employment hereunder ("Voluntary Termination") upon a material breach of this Agreement by the Company, unless the Company shall fully correct such breach within 30 days of the Employee's Notice of Termination given in respect thereof.

12. Compensation Upon Termination or During Disability. The Employee shall be entitled to the following benefits during a period of disability, or upon termination of his employment, as the case may be, provided that such period or termination occurs during the Term of this Agreement:

(a) During any period that the Employee fails to perform his full-time duties with the Company as a result of incapacity due to physical or mental illness, he shall continue to receive his base salary at the rate in effect at the commencement of any such period, together with all compensation payable to him under the Company's disability plan or program or other similar plan during such period, until his employment is terminated pursuant to Section 11 hereof. Thereafter, or in the event the Employee's employment shall be terminated by reason of his death, his benefits shall be determined under the Company's retirement, insurance and other compensation programs then in effect in accordance with the terms of such programs.

(b) If at any time the Employee's employment shall be terminated: (i) by the Company for Cause or Disability or (ii) by him for any reason (other than in a Voluntary Termination or for Good Reason following the occurrence of a Change in Control), the Company shall pay him his full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, plus all other amounts to which he is entitled through the Date of Termination under any compensation plan of the Company at the time such payments are due, and the Company shall have no further obligations to him under this Agreement.

(c) If the Employee's employment should be terminated: (1) by reason of his death, (2) by the Company other than for Cause or Disability or (3) by the

Employee in a Voluntary Termination, he shall be entitled to the benefits provided below:

(i) the Company shall pay to the Employee or the appropriate payee (as determined in accordance with Section 13(c)) (A) his full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given; plus (B)(x) in the case of death or a Voluntary Termination all salary and bonus payments that would have been payable to the Employee pursuant to this Agreement for the remaining Term of this Agreement, or (y) in all other cases, all salary and bonus payments that would have been payable to the Employee had the Employee continued to be employed for a period of 12 months, assuming for the purpose of such payments that his salary for such remaining period is equal to his salary at the Date of Termination and that his annual bonus for such remaining Term is equal to the average of the annual bonuses paid to him by the Company with respect to the three fiscal years ended immediately prior to the fiscal year in which the Date of termination occurs; plus (C) all other amounts to which he is entitled under any compensation plan of the Company, in cash in a lump sum no later than the 15th day following the Date of Termination;

(ii) for a 12-month period after the Date of Termination, the Company shall arrange to provide the Employee with life, disability, accident and health insurance benefits substantially similar to those which the Employee and his covered family members are receiving immediately prior to the Notice of Termination (without giving effect to any reduction in such benefits subsequent to a Change in Control); provided, however, that such continued benefits shall be reduced to the extent comparable benefits are actually received by or made available to the Employee without cost during the 12-month period following the Employee's termination of employment (and the Employee agrees that he shall promptly report any such benefits actually received to the Company); and

(iii) the Company shall continue in effect for the benefit of the Employee all insurance or other provisions for indemnification and defense of officers or directors of the Company which are in effect on the date the Notice of Termination is sent to the Employee with respect to all of his acts and omissions while an officer or director as fully and completely as if such termination had not occurred, and until the final expiration or running of all periods of limitation against actions which may be applicable to such acts or omissions.

(d) If the Employee's employment should be terminated by the Employee for Good Reason following a Change in Control, he shall be entitled to the benefits provided below:

(i) the Company shall pay to the Employee or the appropriate payee (as determined in accordance with Section 13(c)) (A) his full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given; plus (B)(x) in the case of death or a Voluntary Termination all salary and bonus payments that would have been payable to the Employee pursuant to this Agreement for the remaining Term of this Agreement, or (y) in all other cases, all salary and bonus payments that would have been payable to the Employee had the Employee continued to be employed for a period of 24 months, assuming for the purpose of such payments that his salary for such remaining period is equal to his salary at the Date of Termination and that his annual bonus for such remaining Term is equal to the average of the annual bonuses paid to him by the Company with respect to the three fiscal years ended immediately prior to the fiscal year in which the Date of termination occurs; plus (C) all other amounts to which he is entitled under any compensation plan of the Company, in cash in a lump sum no later than the 15th day following the Date of Termination;

(ii) for a 24-month period after the Date of Termination, the Company shall arrange to provide the Employee with life, disability, accident and health insurance benefits substantially similar to those which the Employee and his covered family members are receiving immediately prior to the Notice of Termination (without giving effect to any reduction in such benefits subsequent to a Change in Control); provided, however, that such continued benefits shall be reduced to the extent comparable benefits are actually received by or made available to the Employee without cost during the 24-month period following the Employee's termination of employment (and the Employee agrees that he shall promptly report any such benefits actually received to the Company); and

(iii) the Company shall continue in effect for the benefit of the Employee all insurance or other provisions for indemnification and defense of officers or directors of the Company which are in effect on the date the Notice of Termination is sent to the Employee with respect to all of his acts and omissions while an officer or director as fully and completely as if such termination had not occurred, and until the final expiration or running of all periods of limitation against actions which may be applicable to such acts or omissions.

(e) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Employee in connection with the termination of the Employee's employment (whether such benefit is pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, and all such payments and benefits being hereinafter called "Total Payments") would not be deductible (in whole or part), by the Company as a result of the application of Section 280G of the Internal Revenue Code of 1986, as amended ("Code"), then, to the extent necessary to make the nondeductible portion of the Total Payments deductible, (i) the cash payments under this Agreement shall first be reduced (if necessary, to zero), and (ii) all other non-cash payments under this Agreement shall next be reduced (if necessary, to zero).

(f) If it is established as described in the preceding subsection (d) that the aggregate benefits paid to or for the Employee's benefit are in an amount that would result in any portion of such "parachute payments" not being deductible by reason of Section 280G of the Code, then the Employee shall have an obligation to pay the Company upon demand an amount equal to the sum of: (i) the excess of the aggregate "parachute payments" paid to or for the Employee's benefit over the aggregate "parachute payments" that could have been paid to or for the Employee's benefit without any portion of such "parachute payments" not being deductible by reason of Section 280G of the Code; and (ii) interest on the amount set forth in clause (i) of this sentence at the rate provided in Section 1274(b)(2)(B) of the Code from the date of the Employee's receipt of such excess until the date of such payment.

(g) The Employee shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise.

(h) If the employment of the Employee is terminated by the Company without Cause or the Employee's employment is terminated by the Employee under conditions entitling him to payment hereunder and the Company fails to make timely payment of the amounts then owed to the Employee under this Agreement, the Employee shall be entitled to interest on such amounts at the rate of 1% above the prime rate (defined as the base rate on corporate loans at large U.S. money center commercial banks as published by the Wall Street Journal), compounded monthly, for the period from the date such amounts were otherwise due until payment is made to the Employee (which interest shall be in addition to all rights which the Employee is otherwise entitled to under this Agreement).

13. Assignment.

(a) This Agreement is personal to each of the parties hereto. No party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto, except that this Agreement shall be binding upon and inure to the benefit of any successor corporation to the Company.

(b) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes this Agreement by operation of law, or otherwise.

(c) This Agreement shall inure to the benefit of and be enforceable by the Employee and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Employee should die while any amount would still be payable to him hereunder had he continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there is no such designee, to his estate.

14. (a) Confidential Information. During the Term of this Agreement and thereafter, the Employee shall not, except as may be required to perform his duties hereunder or as required by applicable law, disclose to others for use, whether directly or indirectly, any Confidential Information regarding

the Company. "Confidential Information" shall mean information about the Company, its subsidiaries and affiliates, and their respective clients and customers that is not available to the general public and that was learned by the Employee in the course of his employment by the Company, including (without limitation) any data, formulae, information, proprietary knowledge, trade secrets and client and customer lists and all papers, resumes, records and the documents containing such Confidential Information. The Employee acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. Upon the termination of his employment, the Employee will promptly deliver to the Company all documents (and all copies thereof) containing any Confidential Information.

(b) Noncompetition. The Employee agrees that during the Term of this Agreement, and for a period of one year thereafter, he will not, directly or indirectly, without the prior written consent of the Company, provide consultative service with or without pay, own, manage, operate, join, control, participate in, or be connected as a stockholder, partner, or otherwise with any business, individual, partner, firm, corporation, or other entity which is then in competition with the Company or any present affiliate of the Company; provided,

however, that the "beneficial ownership" by the Employee, either individually or as a member of a "group," as such terms are used in Rule 13d of the General Rules and Regulations under the Exchange Act, of not more than 1% of the voting stock of any publicly held corporation shall not be a violation of this Agreement. It is further expressly agreed that the Company will or would suffer irreparable injury if the Employee were to compete with the Company or any subsidiary or affiliate of the Company in violation of this Agreement and that the Company would by reason of such competition be entitled to injunctive relief in a court of appropriate jurisdiction, and the Employee further consents and stipulates to the entry of such injunctive relief in such a court prohibiting the Employee from competing with the Company or any subsidiary or affiliate of the Company in violation of this Agreement.

(c) Right to Company Materials. The Employee agrees that all styles, designs, recipes, lists, materials, books, files, reports, correspondence, records, and other documents ("Company Material") used, prepared, or made available to the Employee, shall be and shall remain the property of the Company. Upon the termination of his employment or the expiration of this Agreement, all Company Materials shall be returned immediately to the Company, and Employee shall not make or retain any copies thereof.

(d) Antisolicitation. The Employee promises and agrees that during the Term of this Agreement, and for a period of one year thereafter, he will not influence or attempt to influence customers, franchisees, landlords, or suppliers of the Company or any of its present or future subsidiaries or affiliates, either directly or indirectly, to divert their business to any individual, partnership, firm, corporation or other entity then in competition with the business of the Company, or any subsidiary or affiliate of the Company.

15. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below, or to such other addresses as either party may have furnished to the other in writing in accordance herewith, except that notice of a change of address shall be effective only upon actual receipt:

Company: IHOP Corp.
525 North Brand Blvd.
Glendale, California 91203-1903
to the attention of the Board;

with a copy to: the Secretary of the Company

Employee: Alan Unger
525 North Brand Boulevard
Glendale California 91203.

16. Amendments or Additions. No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties hereto.

17. Section Headings. The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

18. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together will constitute one and the same instrument.

20. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in Los Angeles, California, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Employee shall be entitled to seek specific performance of his right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

21. Attorneys' Fees. The Company shall pay to the Employee all out-of-pocket expenses, including attorneys' fees, incurred by the Employee in connection with any claim, legal action or proceeding involving this Agreement in which the Employee prevails in whole or in part, whether brought by the Employee or by or on behalf of the Company or by another party. The Company shall pay prejudgment interest on any money judgment obtained by the Employee calculated at 3% above the prime rate (defined as the base rate on corporate loans at large U.S. money center commercial banks as published by the Wall Street Journal), from the date that payment(s) to the Employee should have been made under this Agreement.

22. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement and this agreement shall supersede any prior understanding or agreement either written or oral, will respect to the subject matter hereto. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without regard to its conflicts of law principles. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections.

Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law. The obligations of the Company under Section 12 and Section 20 and the obligations of the Employee under Section 14 and Section 20 shall survive the expiration of the Term of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement on the date first indicated above.

ATTEST: IHOP CORP.

By:

Mark D. Weisberger
Secretary

Richard K. Herzer
President

EMPLOYEE:

Alan Unger

EXHIBIT 11.0

IHOP CORP. AND SUBSIDIARIES
STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS
(In thousands, except per share data)

	Year Ended December 31,		
	1999	1998	1997
NET INCOME PER SHARE - BASIC			
Weighted average common shares outstanding	19,983	19,659	19,192
Net income available to common shareholders	$32,125	$26,111	$20,914
Net income per share - basic	$ 1.61	$ 1.33	$ 1.09
NET INCOME PER SHARE - DILUTED			
Weighted average common shares outstanding	19,983	19,659	19,192
Net effect of dilutive stock options based on the treasury stock method using the average market price	375	374	294
Total	20,358	20,033	19,486
Net income available to common shareholders	$32,125	$26,111	$20,914
Net income per share - diluted	$ 1.58	$ 1.30	$ 1.07

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statement of IHOP Corp. and Subsidiaries on Form S-8 (File No. 33-46361) of our report dated February 18, 2000, on our audits of the consolidated financial statements of IHOP Corp. and Subsidiaries as of December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999, which report is included in this Annual Report on Form 10-K.

[LOGO]

PricewaterhouseCoopers LLP

Los Angeles, California
February 29, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF IHOP CORP. AND SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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