



America's diner is always open.™

THE MARKET

Denny's is the most beloved name in the family dining category, providing classic American fare and warm, embracing service at a reasonable price for over 50 years. With more than 1,600 restaurants and sales of over \$2 billion, Denny's is one of America's largest full-service family restaurant chains.

Its iconic yellow signs dotting America's highways and local communities serve as a welcome symbol of trust and quality. Best known for signature breakfast items such as the Grand Slam® and Moons Over My Hammy®, Denny's offers a casual, come-as-you-are dining atmosphere and affordable meals served 24 hours a day.

ACHIEVEMENTS

Denny's has a rich history of serving Americans their favorite meals for more than half a century. And while Denny's is proud to play an ever-present role in the lives and celebrations of its communities, the company has reason to celebrate its own significant accomplishments.

The majority of Denny's restaurants are owned by dedicated franchisees, who work hard to ensure that their guests are enjoying delicious food in a welcoming atmosphere. In 2011 Denny's successful franchise program made the top 10 on *Entrepreneur* magazine's Franchise 500 list, a meaningful accomplishment for the brand.

Along with its successful franchise model, Denny's maintains constant focus on providing



an open and diverse environment. These efforts were acknowledged when *Black Enterprise* magazine ranked Denny's number one on its 2006 list of Best 40 Companies for Diversity, while *Fortune* magazine ranked Denny's consistently in the top five of the 50 Best Companies for Minorities from 2000 to 2004 — significant honors that the Denny's system accepted with great pride.

Denny's is a guest-centric organization that always puts the customer first. In 2010, during tough economic times with unemployment rates and fuel prices rising, Denny's launched the first Value Menu in the category with its \$2 \$4 \$6 \$8 Value Menu.™ This menu enabled guests to go out to eat, have a good time, and

choose among 16 different dishes that were as satisfying to the stomach as they were for the wallet.

HISTORY

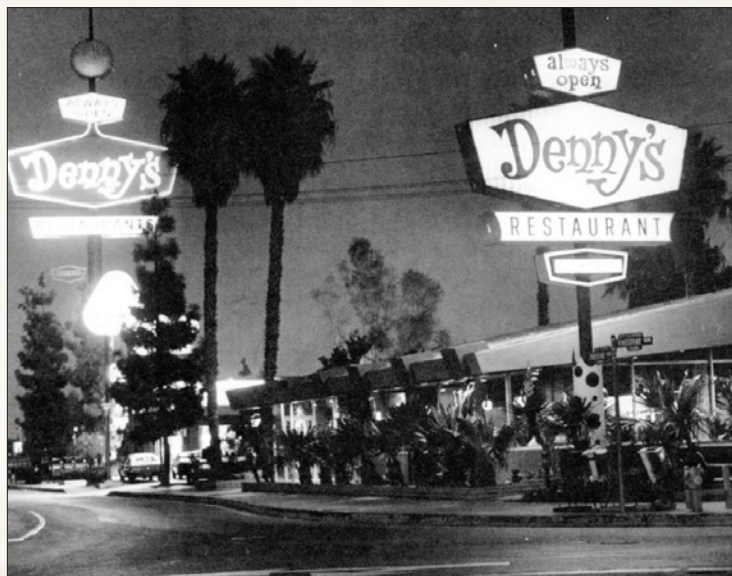
The restaurant chain now known as Denny's began in Lakewood, California, in 1953 with a dream and a donut stand called Danny's Donuts. The owner, Harold Butler, started his business with a solid commitment: "We're going to serve the best cup of coffee; make the best doughnuts; give the best service; keep everything spotless; offer the best value; and stay open 24 hours a day."

In 1959 Butler had grown his restaurant business to 20 locations when the chain was renamed Denny's Restaurants to avoid confusion with another chain, Doughnut Dan's. By 1963 the company's expansion success was attributed to a franchising program that pushed the chain to 78 restaurants across seven western states. Franchising continues to play an important part in Denny's growth strategy today, as 86 percent of its restaurants are franchisee-owned.

During this growth spurt, Denny's realized that, to separate itself from other expanding family dining chains, it needed to focus on personalized guest service. Denny's servers welcomed guests personally and focused on their individual needs. Recognizing these needs, Denny's was the first major chain to offer non-smoking sections in every restaurant. Denny's also introduced special menus specifically for children and seniors.

In 1977 Denny's introduced the Original Grand Slam Breakfast®, which remains a best-selling menu item today. Denny's continually looks to evolve with consumers' appetites and is constantly working toward new ways of surprising and delighting its guests.

All of this special attention to consumers has paid off. In 1981 Denny's opened its 1,000th restaurant, and in 2011 Denny's is one of the largest full-service family restaurant chains, with over 1,600 restaurants in the United States, Canada, Costa Rica, Guam, Mexico, New Zealand, Puerto Rico, Honduras, and Curacao. Its over 11,000 employees, franchisees, servers, and suppliers continue to serve guests with the same emphasis as they did almost 60 years ago — quality food, good value, and friendly service in a warm, comfortable, welcoming atmosphere.





THE PRODUCT

Given its historic founding as a donut shop, Denny's has long been associated with its popular breakfast offerings like Moons Over My Hammy®, Ultimate Skillet, and the world-famous Build Your Own Grand Slam®, with over 35 million sold in 2010.

But, as a true diner, Denny's provides much more than breakfast. Its expansive menu features delicious, innovative options for appetizers,

and a revitalized marketing strategy, Denny's introduced a new creative campaign and tagline, "America's diner is always open.™" With over 1,600 restaurants serving traditional comfort food, Denny's has the heritage and size to rightfully claim it is, in fact, America's diner — not a diner in the sense of chrome, jukeboxes, and vinyl seats, but in its openness.

For years, Denny's has shouted, "We're open 24/7." But there's much more to being open than just store hours. Denny's is open to all people, all budgets, all appetites. The brand thrives on open doors, open minds, open arms, and open pricing.

PROMOTION

Denny's has traditionally used TV advertising to promote its brand to the everyman. Historically, some of its more memorable commercials have featured Lenny, Screaming Chickens, and a talking octopus puppet called Nanerpus®.

In recent years, Denny's received a lot of positive media coverage and guest gratuity during the 2009 and 2010 Super Bowl Grand Slam® Giveaway. Through memorable commercials on television's biggest stage, Denny's offered a free Grand Slam® to everyone in America on the Tuesday following the big game. Denny's gave away over 2 million free Grand Slam® breakfasts each year.

Based on the new brand positioning and marketing strategy, Denny's launched in 2011 a new campaign of TV executions called "Dinersodes." These humorous stories featured the open, friendly dialogue that seems to happen best in the friendly confines of a diner.

But Denny's recognizes that marketing now goes beyond TV. The brand has increased social media presence on Facebook. Nearly tripling its number of friends in the first few months,

Denny's now has the most active Facebook fanbase in the industry, according to Expion. What's more, Denny's created a webisode series titled *Always Open*, featuring famous Hollywood comedians, which, according to the YouGov Brand Index, has helped make Denny's "the hottest brand online for the 18–34 demo."

BRAND VALUES

Denny's values are similar to those of its customers. Loyal and hardworking. Honest and authentic. Open and friendly. Reliable and American. Denny's is family-oriented, offering an unpretentious place to enjoy a meal and make some memories. These shared values have been at the heart of Denny's for more than 50 years and will continue to be the very soul of the brand for decades to come.



lunch, dinner, and dessert. Not only do the choices cover the whole day, but they cover the whole health spectrum from indulgent to diet-friendly. For every delightfully sinful Double Cheeseburger, Lumberjack Slam®, and Country-Fried Steak, Denny's offers healthy Fit Fare® alternatives like Amy's® Veggie Burger, Fit Slam®, and Tilapia Ranchero for guests seeking lighter meals. Along with the 16-item \$2 \$4 \$6 \$8 Value Menu™ and special Limited Time Only menus, offering variety is just part of how Denny's constantly evolves product lineups to fit within its guests' lifestyles.

RECENT DEVELOPMENTS

In 2011 Denny's forged a path to its future by embracing its past. Through brand repositioning

THINGS YOU DIDN'T KNOW ABOUT DENNY'S

- The Grand Slam® was born in Atlanta in the early 1970s. While it's not certain that there was an official tie-in with the Atlanta Braves, the Grand Slam® was at least informally based on fan support for the team. The dish was launched nationally in 1977 in honor of Hank Aaron.
- Denny's uses almost a half billion eggs a year.
- YouTube founders Chad Hurley and Steve Chen signed the contract of a lifetime to sell their company to Google for \$1.65 billion at a Denny's in Silicon Valley, California.
- Denny's is the world's largest restaurant consumer of Minute Maid® Orange Juice.