

DENNYS CORP
Form 10-Q
November 04, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 28, 2011

Commission File Number 0-18051
DENNY'S CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-3487402
(I.R.S. Employer
Identification No.)

203 East Main Street
Spartanburg, South Carolina 29319-0001
(Address of principal executive offices)
(Zip Code)

(864) 597-8000
(Registrant's telephone number, including area code)

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Accelerated filer Non-accelerated filer

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Large accelerated
filer

Smaller reporting
company

(Do not check if a
smaller
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes " No p

As of October 31, 2011, 96,362,731 shares of the registrant's common stock, par value \$.01 per share, were outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Denny's Corporation and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Quarter Ended		Three Quarters Ended	
	September 28, 2011	September 29, 2010	September 28, 2011	September 29, 2010
	(In thousands, except per share amounts)			
Revenue:				
Company restaurant sales	\$ 104,659	\$ 107,171	\$ 313,235	\$ 320,255
Franchise and license revenue	32,023	32,761	95,105	92,326
Total operating revenue	136,682	139,932	408,340	412,581
Costs of company restaurant sales:				
Product costs	25,847	25,405	77,095	75,597
Payroll and benefits	41,261	41,533	127,876	129,072
Occupancy	6,928	7,097	20,581	21,406
Other operating expenses	15,851	17,158	46,437	49,016
Total costs of company restaurant sales	89,887	91,193	271,989	275,091
Costs of franchise and license revenue	10,747	12,009	33,397	35,498
General and administrative expenses	13,335	14,375	41,566	40,560
Depreciation and amortization	6,955	7,320	21,377	21,984
Operating (gains), losses and other charges, net	1,791	(1,900)	843	(1,594)
Total operating costs and expenses	122,715	122,997	369,172	371,539
Operating income	13,967	16,935	39,168	41,042
Other expenses:				
Interest expense, net	4,796	6,394	15,390	19,306
Other nonoperating expense, net	780	188	2,526	746
Total other expenses, net	5,576	6,582	17,916	20,052
Net income before income taxes	8,391	10,353	21,252	20,990
Provision for income taxes	406	419	1,013	1,010
Net income	\$ 7,985	\$ 9,934	\$ 20,239	\$ 19,980
Net income per share:				
Basic	\$ 0.08	\$ 0.10	\$ 0.21	\$ 0.20
Diluted	\$ 0.08	\$		