

DENNYS CORP
Form 10-Q
October 30, 2009

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 30, 2009

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.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) 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

As of October 27, 2009, 96,605,496 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 30, 2009	September 24, 2008	September 30, 2009	September 24, 2008
	(In thousands, except per share amounts)			
Revenue:				
Company restaurant sales	\$ 116,579	\$ 160,608	\$ 377,655	\$ 493,434
Franchise and license revenue	29,485	28,667	89,982	82,109
Total operating revenue	146,064	189,275	467,637	575,543
Costs of company restaurant sales:				
Product costs	26,924	38,811	88,513	119,790
Payroll and benefits	44,712	65,582	154,623	208,331
Occupancy	7,808	9,475	24,908	30,003
Other operating expenses	18,147	25,384	56,739	75,322
Total costs of company restaurant sales	97,591	139,252	324,783	433,446
Costs of franchise and license revenue	10,308	8,757	32,295	25,448
General and administrative expenses	14,313	14,894	44,067	46,046
Depreciation and amortization	7,865	9,977	24,592	30,110
Operating gains, losses and other charges, net	(2,648)	(4,294)	(6,101)	(9,980)
Total operating costs and expenses	127,429	168,586	419,636	525,070
Operating income	18,635	20,689	48,001	50,473
Other expenses:				
Interest expense, net	8,117	8,761	24,847	26,845
Other nonoperating expense (income), net	(363)	677	(1,594)	4,436
Total other expenses, net	7,754	9,438	23,253	31,281
Net income before income taxes	10,881	11,251	24,748	19,192
Provision for income taxes	848	689	1,072	1,355
Net income	\$ 10,033	\$ 10,562	\$ 23,676	\$ 17,837
Net income per share:				
Basic	\$ 0.10	\$ 0.11	\$ 0.25	\$ 0.19
Diluted	\$ 0.10	\$ 0.11	\$ 0.24	\$ 0.18

Weighted average shares
outstanding: