

Denny's Corporation Announces Operational Realignment

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Denny's Corporation (NASDAQ: DENN) today announced that as part of the Company's long-term strategic plan it is realigning its operational structure in order to better position the Company to execute on its strategic initiatives.

These include a greater emphasis on its role as a leading franchisor, driving new restaurant development and developing new products and facilities to attract both customers and franchisees to Denny's.

The Company has reorganized its field management structure for both company and franchise operations as well as certain support functions. These actions will result in the elimination of 80 to 90 positions and contribute to annual cost reductions of \$8 to \$9 million. The Company expects to reinvest approximately \$3 million of these savings into initiatives to drive sales and unit growth as well as to enhance operational performance. For the fourth quarter of 2007, the cost reductions, net of certain one-time expenses, are expected to total approximately \$1 million.

'This realignment is part of an ongoing effort to improve the way we manage our business in order to strengthen the Denny's brand,' said Nelson Marchioli, President and Chief Executive Officer. 'By optimizing our field leadership structure, investing in an expanded management training program and placing more accountability and responsibility on restaurant-level management we believe our restaurants will operate more effectively and efficiently.'

'Over the next few years, we expect our organization will continue to evolve in order to support our strategic initiatives. We are reallocating resources to fund innovation and growth at Denny's to ensure that we are more responsive, more relevant and more profitable in an increasingly competitive industry,' Marchioli concluded.

Business Outlook

Including the continued challenging consumer environment as well as the cost savings associated with today's announcement, the Company expects to meet its previously issued 2007 full-year earnings guidance of \$0 to \$10 million of adjusted income before taxes. This income measure excludes expected restructuring charges of approximately \$4 to \$4.5 million in the third quarter attributable to severance and other expenses associated with the Company's strategic realignment.

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