CL King 10th Annual Best Ideas Conference

September 12, 2012
Forward-Looking Statements

Denny’s Corporation urges caution in considering its current trends and any outlook on earnings disclosed in this presentation. In addition, certain matters discussed may constitute forward-looking statements. These forward-looking statements, which reflect our best judgment based on factors currently known, are intended to speak only as of the date such statements are made and involve risks, uncertainties, and other factors that may cause the actual performance of Denny’s Corporation, its subsidiaries and underlying restaurants to be materially different from the performance indicated or implied by such statements. Words such as “expects”, “anticipates”, “believes”, “intends”, “plans”, “hopes”, and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, the Company expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: the competitive pressures from within the restaurant industry; the level of success of the Company’s operating initiatives, advertising and promotional efforts; adverse publicity; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy, particularly at the retail level; political environment (including acts of war and terrorism); and other factors from time to time set forth in the Company’s SEC reports, including but not limited to the discussion in Management’s Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in the Company’s Annual Report on Form 10-K for the year ended December 28, 2011 (and in the Company’s subsequent quarterly reports on Form 10-Q).
Management Participants

• **Mark Wolfinger**
  – Executive Vice President, Chief Financial Officer, Chief Administrative Officer, and Board Director

• **Robert Verostek**
  – Vice President, Financial Planning & Analysis

• **Whit Kincaid**
  – Sr. Director, Investor Relations and Financial Analysis
Denny’s Overview

- **An American Icon with Exceptional Brand Awareness**
  - First unit opened in Southern California in 1953
  - 97% brand awareness* in the United States

- **Significant Size and Diversification**
  - 1,684 restaurants in 50 states and 9 countries & U.S. territories
  - Open 24/7 365 days a year with four dayparts
  - $2.4 billion in system-wide sales with media efficiency and scale
  - Broad customer base with emphasis on four key segments: Families with Kids, Millennials, Boomers, and Hispanics

- **Franchised-focused business model**
  - System is currently 89% franchised and moving to 90%
  - Much stronger balance sheet with greater financial flexibility
  - Materially reduced risk profile
  - Growing earnings and Free Cash Flow**

* Source: BrandTracker, May 2009
** See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income Before Taxes, and Free Cash Flow.
Focusing on Key Objectives to Drive Shareholder Returns

• Brand re-vitalization leveraging “America’s Diner – Always Open” positioning
  – Significant improvements in same-store sales and traffic
  – Achieved both positive same-store sales and traffic in 2011 for first time since 2004

• Unit growth through multiple distribution points
  – Opened almost 250 units in past three years, including 123 Flying J Conversions
  – Growing pipelines for Domestic, International and Non-traditional locations

• Grow profitability and Free Cash Flow* through our franchise-focused business model
  – Adjusted Income Before Taxes* grew 45% in 1H ‘12 and has increased 254% since 2007
  – Generated almost $50 million of Free Cash Flow* in 2011

• Leverage strong brand foundation with strengthened balance sheet
  – Have decreased total debt outstanding by more than 60% since early 2006
  – Currently have $204 million in total debt with total debt ratio below 2.5x

* See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income Before Taxes, and Free Cash Flow.
Strong Relationship with Experienced and Energized Franchise System

- Well diversified, experienced, and energized group of 265 franchisees with no group making up more than 5% of the system
  - 31 large operators make up around 50% of the system
  - 50 new franchisees have been brought into the system since 2007 including largest franchise operators for Jack-in-the-Box and Carl’s Jr.

- Strong partnership with franchisees planning and executing through three Brand Advisory Councils and Denny’s Franchisee Association (DFA)

- Provide support through a number of avenues:
  - In-house purchasing group buys for the entire system
  - Credit card program covering more than 90% of the domestic system
  - Field-based and on-line training adapted for a system that is 88% franchised
  - Direct customer feedback tool (Service Management Group – SMG)
  - Work closely with third party lenders to facilitate financing (Flying J, New & Emerging Markets)

* As of December 28, 2011.
Marketing Strategy

Celebration of Diner Heritage with “America’s Diner - Always Open”

“Unpretentious, come as you are environment open to all backgrounds, all tastes, and all wallet sizes.”

Combination of Everyday Affordability with Limited Time Only Products

“Promise of Every Day Value means I don’t have to shop price and can find lots of new, craveable Diner-esque products beyond just breakfast items served all day.”

Strengthening of the Core Menu for Broader Set of Customers

“Offering a wide variety of unique and familiar items that you can’t make at home for a wide variety of culinary desires and dietary needs.”
**Strong Pipeline of Limited Time Only Products**

- Focused on compelling products with broader attractiveness beyond “Breakfast All Day” providing attractive starting price points, premium offerings and check building opportunities

<table>
<thead>
<tr>
<th>Q1 ‘12</th>
<th>Q2 ‘12</th>
<th>Q3 ‘12</th>
<th>Q4 ‘12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sizzlin’ Skillets</td>
<td>Build Your Own Pancakes</td>
<td>Tour of America</td>
<td>Build Your Own Burger</td>
</tr>
</tbody>
</table>

**Build Your Own Shake**
Everyday Affordability

- The $2-$4-$6-$8 Value Menu continues to be important for customers
  - Implemented nationally in April 2010 with 19% average incidence since launch
  - Attractive price points for all dayparts with more opportunity to upsell

NEW: ‘Nana Bread Pancake Puppies® Sundae at $2

BROUGHT BACK: Fried Cheese Melt at $4

NEW: Chicken Fresca (includes beverage) at $8
Denny’s Core Menu

- Gradually improving core menu for broader audience with more Diner-like items for lunch and dinner (not just breakfast all day)
  - Popular items from $2-$4-$6-$8 Value Menu and LTOs used to “refresh” menu
  - Fit Fare® healthy options provides more information and broader selection of choices

Diner Bell:
The diner bell icon identifies Denny’s fan favorites like Moons Over My Hammy, Super Bird and All-American Slam

Denny’s Facts, Diner Fun and Freshness Cues:
Interesting tidbits throughout the menu promoting Denny’s history and product attributes
Focusing on Four Key Segments

Families with Kids

Millennials

Boomers

Hispanics
Media Strategy

- Balanced media plan emphasizing both national and local advertising and leveraging all forms of media to target key segments
  - Leverage advertising fund and national footprint for TV
  - Local Co-ops cover > 90% of system increasing media potential

National and Regional TV Advertising

Online and print targeting key segments and loyal customers

Over 1.7 Million Members
Improving Same-store Sales Driven by Marketing Strategy

$2-$4-$6-$8 Value Menu Launched in April 2010

“America’s Diner - Always Open” Campaign Launched Jan. 2011

- NPD FoodWorld - Midscale Family
- Denny's
Franchise-focused Unit Growth

- Opened 62 units in 2011 and 203 new units in last two years, including
  123 Flying J Conversions
  - 87% of new Denny’s units since the beginning of 2008 have been opened by franchisees
Domestic Growth Opportunity

- Significant geographic concentration in West, Southwest, Texas and Florida with impressive market share in many top DMAs
- Tremendous growth potential for traditional units in the U.S.
- Aggressively developing programs to spur growth through traditional and non-traditional units in the U.S.
- Commitments to build 237 future restaurants (119 opened) in U.S.

<table>
<thead>
<tr>
<th>Family Dining Market Share &amp; Penetration*</th>
<th>Current # of Denny’s Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td># of Units</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>32%</td>
</tr>
<tr>
<td>San Diego</td>
<td>31%</td>
</tr>
<tr>
<td>Miami</td>
<td>31%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>27%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>26%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>21%</td>
</tr>
<tr>
<td>Orlando</td>
<td>19%</td>
</tr>
</tbody>
</table>

* Source: Restaurant Trends 2009 with peer group including: IHOP, Mimi’s Café, Marie Callendar, Coco’s, Carrow’s, Waffle House, Shoney’s, Perkins, Friendly’s, Original Pancake House, First Watch, Panera Bread and other notable brands
Travel Centers

- Close partnership with Pilot Flying J Travel Centers with long-term potential for up to 50 new travel center sites in addition to 123 Flying J conversions completed in 2010 & 2011
University Locations

- Opened 11 locations since Jan. 2010 leveraging foodservice partners who utilize a variety of business models (Food Court, Fast Casual, Full Service)
Denny’s International

- Opened 7 new sites in last 12 months, including first airport location
- Announced largest development deal to date for 50 units in southern China
- Commitments to open 92 units (China, Mexico, Central America, Dominican Republic, Canada) with 15 open to date

*Signed 10-unit agreement for Chile in August, which is Denny’s 1st South American country*

New 50-unit China agreement covers Guangdong, Fujian, Guizhou, Jiangxi, Chongqing, and Sichuan

<table>
<thead>
<tr>
<th>United States (1,588)</th>
<th>New Zealand (8)</th>
<th>Honduras (2)</th>
<th>Dominican Republic (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada (62)</td>
<td>Mexico (5)</td>
<td>Guam (2)</td>
<td></td>
</tr>
<tr>
<td>Puerto Rico (12)</td>
<td>Costa Rica (3)</td>
<td>Curaçao (1)</td>
<td></td>
</tr>
</tbody>
</table>

*Although there are over 400 Denny’s units in Japan, Denny’s sold all of the rights to the country of Japan in 1984.*
Significant Earnings Growth Despite Declining Revenue Base

- Transition to franchise-focused business model is generating stronger profitability

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* Adjusted Income Before Taxes is a non-GAAP measure that management believes best reflects on-going earnings due to the significant impact on our P&L from non-operating, non-recurring and non-cash items. See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income Before Taxes, and Free Cash Flow.
Franchise Focused Business Model with Improved Margins and Free Cash Flow

- Although EBITDA has declined due to the FGI Strategy, Adjusted EBITDA margin* has expanded by 530 bps. since 2007 despite negative traffic and sales.
- Franchise focused business model with lower capital and interest requirements expected to generate more than $51 million of Free Cash Flow in 2012.

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 Guidance</th>
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<tbody>
<tr>
<td>Adjusted EBITDA*</td>
<td>$107.6</td>
<td>$119.5</td>
<td>$92.9</td>
<td>$88.4</td>
<td>$85.0</td>
<td>$73.8</td>
<td>$81.8</td>
<td>$80 - $84</td>
</tr>
<tr>
<td>% of Total Revenues</td>
<td>11.0%</td>
<td>12.0%</td>
<td>9.9%</td>
<td>11.6%</td>
<td>14.0%</td>
<td>13.5%</td>
<td>15.2%</td>
<td></td>
</tr>
<tr>
<td>Cash Interest Expense</td>
<td>(48.2)</td>
<td>(50.9)</td>
<td>(38.5)</td>
<td>(31.6)</td>
<td>(29.3)</td>
<td>(23.1)</td>
<td>(17.0)</td>
<td>(10.5) - (11.5)</td>
</tr>
<tr>
<td>Cash Taxes</td>
<td>(1.3)</td>
<td>(1.3)</td>
<td>(2.3)</td>
<td>(1.1)</td>
<td>(0.6)</td>
<td>(0.9)</td>
<td>(1.1)</td>
<td>(3) - (4)</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>(47.2)</td>
<td>(33.1)</td>
<td>(33.1)</td>
<td>(27.9)</td>
<td>(18.4)</td>
<td>(27.4)</td>
<td>(16.1)</td>
<td>(15) - (16)</td>
</tr>
<tr>
<td>Free Cash Flow*</td>
<td>$11.0</td>
<td>$34.3</td>
<td>$19.0</td>
<td>$27.9</td>
<td>$36.7</td>
<td>$22.4</td>
<td>$47.6</td>
<td>$51 - $55</td>
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</tbody>
</table>

* See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income Before Taxes, and Free Cash Flow.
Much Stronger Balance Sheet with Significantly Greater Flexibility

- Denny’s has decreased debt by more than 60% since 2005 and repaid $57 million of Term Loan debt since beginning of 2011
- In Q2 ’12, refinanced to all bank facility with a $190 million Term Loan and $60 million Revolver that lowered interest costs by 200 bps. and increased balance sheet flexibility
- In Q2 ‘12, achieved Total Debt Ratio threshold of 2.5x which lowered interest rate by 25 bps. to around 3%

* Total Debt is Gross Debt including Capital Lease Obligations. 2010 Adjusted EBITDA excludes $2.3M CEO severance. See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Income Before Taxes, and Free Cash Flow.
Returning Value to Shareholders Through Share Repurchases

- Since Q4 ‘10, Denny’s has allocated $31 million of Free Cash Flow to repurchase 8.1 million shares, including 1.4 million in Q2’ 12
- Currently have 6.9 million shares available in our share repurchase authorization (including new 6 million share authorization)
- New credit agreement caps the annual cash used for share repurchases to around $35 million until the Total Debt Ratio is below 2.0x
Denny’s Investment Highlights

1. Exceptional Brand Equity

2. Franchised-focused Business Model

3. Unlocking Long-term Growth

4. Significantly Improved Investment Thesis
APPENDIX
Successful Transition to Franchise Based Business Model through FGI Program

- **Franchise Growth Initiative (“FGI”)**
  - Strengthen company portfolio (sale of lower performing units)
  - Tighten company operating geography
  - Gain commitments to future unit growth

- **FGI Successfully Delivered Results**
  - Sold 367 company units in last 5 ½ years with over half refranchised during the 2008/2009 Credit Crisis
  - 65 separate franchisees have bought units through FGI (27 new; 38 existing; 24 completed multiple FGI transactions)
  - Increased franchise mix to 88% from 66%
  - Enhanced performance metrics of company-owned portfolio
  - Franchisees attracted by opportunity to “turn around” weak performers

- **Targeting 90% franchise mix by end of 2012**
## Income and EBITDA Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008*</th>
<th>2009</th>
<th>2010**</th>
<th>2011</th>
<th>LTM Q2' 12</th>
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<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>($7.3)</td>
<td>$28.5</td>
<td>$29.5</td>
<td>$12.7</td>
<td>$41.6</td>
<td>$22.7</td>
<td>$112.3</td>
<td>$110.5</td>
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<td>Provision for income taxes</td>
<td>1.2</td>
<td>16.3</td>
<td>6.7</td>
<td>3.5</td>
<td>1.4</td>
<td>1.4</td>
<td>(84.0)</td>
<td>(77.5)</td>
</tr>
<tr>
<td>Operating gains, losses and other charges, net</td>
<td>3.1</td>
<td>(47.9)</td>
<td>(31.1)</td>
<td>(6.4)</td>
<td>(14.5)</td>
<td>(4.9)</td>
<td>2.1</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Other nonoperating expense, net</td>
<td>(0.6)</td>
<td>8.0</td>
<td>0.7</td>
<td>9.2</td>
<td>(3.1)</td>
<td>5.3</td>
<td>2.6</td>
<td>8.8</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>7.8</td>
<td>7.6</td>
<td>4.8</td>
<td>4.1</td>
<td>4.7</td>
<td>2.8</td>
<td>4.2</td>
<td>3.7</td>
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<tr>
<td><strong>Adjusted Income before Taxes</strong></td>
<td><strong>$4.2</strong></td>
<td><strong>$12.5</strong></td>
<td><strong>$10.5</strong></td>
<td><strong>$23.2</strong></td>
<td><strong>$30.0</strong></td>
<td><strong>$27.3</strong></td>
<td><strong>$37.3</strong></td>
<td><strong>$44.4</strong></td>
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<tr>
<td>Interest expense, net</td>
<td>55.2</td>
<td>57.7</td>
<td>43.0</td>
<td>35.5</td>
<td>32.6</td>
<td>25.8</td>
<td>20.0</td>
<td>16.9</td>
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<tr>
<td>Depreciation and amortization</td>
<td>56.1</td>
<td>55.3</td>
<td>49.3</td>
<td>39.8</td>
<td>32.3</td>
<td>29.6</td>
<td>28.0</td>
<td>25.4</td>
</tr>
<tr>
<td>Cash pmts for restructuring charges and exit costs</td>
<td>(6.7)</td>
<td>(5.1)</td>
<td>(9.1)</td>
<td>(9.1)</td>
<td>(7.5)</td>
<td>(7.0)</td>
<td>(2.7)</td>
<td>(2.5)</td>
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<tr>
<td>Cash pmts for share-based compensation</td>
<td>(1.2)</td>
<td>(0.9)</td>
<td>(0.9)</td>
<td>(1.0)</td>
<td>(2.4)</td>
<td>(1.9)</td>
<td>(0.8)</td>
<td>(1.1)</td>
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<td><strong>$73.8</strong></td>
<td><strong>$81.8</strong></td>
<td><strong>$83.2</strong></td>
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<td>Adjusted EBITDA Margin %</td>
<td>11.0%</td>
<td>12.0%</td>
<td>9.9%</td>
<td>11.6%</td>
<td>14.0%</td>
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<td>(0.9)</td>
<td>(1.1)</td>
<td>(1.8)</td>
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<td>(11.5)</td>
</tr>
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<td><strong>$19.0</strong></td>
<td><strong>$27.9</strong></td>
<td><strong>$36.7</strong></td>
<td><strong>$22.4</strong></td>
<td><strong>$47.6</strong></td>
<td><strong>$55.6</strong></td>
</tr>
</tbody>
</table>

* Includes a 53rd Week.

** Includes a $2.3 million CEO severance payment (Q4).
Q2 2012 Performance*

- Opened 9 new franchise units, including 2 international locations, and refranchised 17 units
- System-wide same-store sales of 0.8% impacted by around 2% of core menu pricing
- Total Revenues decreased primarily due to FGI impact on company sales, primarily offset by higher royalties from new and franchised units, higher same-store sales, and higher occupancy revenue
- Company Margin % increased primarily due to improved labor efficiencies, new store opening costs in the prior year, and lower utilities, offset by higher commodities
- Franchise Margin increase primarily driven by higher royalties from 51 more franchise equivalent units and same-store sales, primarily offset by higher performance-based compensation accruals
- Total G&A increase primarily driven by higher performance-based incentive accruals
- Cash Interest Expense decrease driven by $37M of term loan debt repayment in last 4 quarters and lower interest rates
- Cash Capital lower due to company-owned units Flying J Conversions opened in prior year

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2011</th>
<th>Better / (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in millions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$124.7</td>
<td>$135.9</td>
<td>($11.2)</td>
</tr>
<tr>
<td>Company Same-store Sales</td>
<td>0.0%</td>
<td>2.6%</td>
<td>(2.6) ppt</td>
</tr>
<tr>
<td>Franchise Same-store Sales</td>
<td>0.9%</td>
<td>1.8%</td>
<td>(0.9) ppt</td>
</tr>
<tr>
<td>Total Operating Margin</td>
<td>$35.6</td>
<td>$34.6</td>
<td>$1.0</td>
</tr>
<tr>
<td>Company Operating Margin</td>
<td>13.5%</td>
<td>13.9%</td>
<td>(0.4)</td>
</tr>
<tr>
<td>% Margin</td>
<td>14.8%</td>
<td>13.3%</td>
<td>1.5 ppt</td>
</tr>
<tr>
<td>Franchise Operating Margin</td>
<td>22.1%</td>
<td>20.7%</td>
<td>1.4</td>
</tr>
<tr>
<td>% Margin</td>
<td>66.0%</td>
<td>65.2%</td>
<td>0.8 ppt</td>
</tr>
<tr>
<td>Total G&amp;A</td>
<td>$14.8</td>
<td>$14.1</td>
<td>($0.7)</td>
</tr>
<tr>
<td>% Margin</td>
<td>11.9%</td>
<td>10.4%</td>
<td>(1.5) ppt</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$21.2</td>
<td>$20.9</td>
<td>$0.3</td>
</tr>
<tr>
<td>% Margin</td>
<td>17.0%</td>
<td>15.3%</td>
<td>1.7 ppt</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$19.0</td>
<td>$13.7</td>
<td>$5.3</td>
</tr>
<tr>
<td>% Margin</td>
<td>15.2%</td>
<td>10.1%</td>
<td>5.1 ppt</td>
</tr>
<tr>
<td>Adjusted Income before Taxes</td>
<td>$12.9</td>
<td>$9.6</td>
<td>$3.3</td>
</tr>
<tr>
<td>Free Cash Flow (1)</td>
<td>$15.0</td>
<td>$13.1</td>
<td>$1.9</td>
</tr>
<tr>
<td>Cash Interest Expense</td>
<td>2.6%</td>
<td>4.1%</td>
<td>1.5</td>
</tr>
<tr>
<td>Cash Taxes</td>
<td>1.2%</td>
<td>0.6%</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>2.4%</td>
<td>3.1%</td>
<td>0.7</td>
</tr>
</tbody>
</table>

(1) See Appendix for reconciliation of Net Income to Adjusted EBITDA, Free Cash Flow, and Adjusted Income Before Taxes.
Year-to-Date 2012 Performance*

- Opened 15 new franchise units, including 4 international locations, and refranchised 23 units
- System-wide same-store sales of 1.6% impacted by around 2% of core menu pricing
- Total Revenues decreased primarily due to FGI impact on company sales, primarily offset by higher royalties from new and franchised units and higher same-store sales
- Company Margin % increased primarily due to improved labor efficiencies, new store opening costs in the prior year, and $1 million in favorable workers’ compensation claims and general liability benefits in Q1 ‘12, offset by higher commodities
- Franchise Margin increase primarily driven by higher royalties from 51 more franchise equivalent units and same-store sales
- Total G&A increase primarily driven by higher performance-based incentive accruals and higher payroll & benefits costs
- Cash Interest Expense decrease driven by $37M of term loan debt repayment in last 4 quarters and lower interest rates
- Cash Capital lower due to company-owned units Flying J Conversions opened in prior year

(1) See Appendix for reconciliation of Net Income to Adjusted EBITDA, Free Cash Flow, and Adjusted Income Before Taxes.