



ALWAYS  **OPEN**

DIVERSITY REPORT



24/7

We're open to Different Beliefs, Different Perspectives, Different People.
dennysdiversity.com



Debra Smithart-Oglesby
*Denny's Chairperson of
Board of Directors*



April Kelly-Drummond
*Director of Corporate Diversity and
Community Relations*



Michelle Hunt
Director of Supplier Diversity

Where We Stand

At Denny's, we believe that diversity is critical to our success. Diverse teams generate new ideas, produce better solutions, and help drive innovation.

We demonstrate diversity leadership in the following ways:

- We integrate diversity by the manner in which we support our employees, service our franchisees, serve our guests, give back to our communities, and generate returns for our shareholders.
- We are recognized as a national role model of diversity within the restaurant industry and corporate America.
- We are constantly striving to identify minority and women-owned businesses to support the needs of our company.
- We encourage our employees to give back to their local communities.
- We strive to create franchise partnerships that will contribute to the growth and success of the brand.

The result of our intentional efforts toward greater diversity has resulted in transformation of our internal culture. We are glad that America has noticed and that's a good feeling.

To learn more about the exciting things that are happening at Denny's, visit us at www.dennys.com.



Denny's Corporate Diversity Program

Mission

Growing shareholder value through building a corporate environment that employs and empowers people who differ in race, age, gender, religion, abilities, national origin, family status, education, and personality.

Our Corporate Commitment

We are committed to valuing differences by making diversity top-of-mind and practicing diversity every day.

Together We Will Win

We will build a culture that understands, embraces, and delivers our commitment to diversity while aligning with our corporate strategy and core values.





**WE'RE OPEN
24/7**
Open minds.
Open opportunities.



Denny's® is the most recognized name in family dining. We've been providing good food and good service since 1953—when we were just one restaurant called “Danny's Donuts,” in Lakewood, California. Now we're over 1,600 restaurants across America and beyond, with annual sales of more than \$2 billion. With approximately 21,000 employees, we're the largest full-service family restaurant chain in the United States.

Denny's restaurants offer a casual dining atmosphere and moderately priced meals served 24 hours a day in most locations. We're best known for breakfast served around the clock, but our lunch and dinner menus are increasing in popularity with their variety of craveable burgers, sandwiches, salads, and other entrees. And for late-night diners, our desserts and appetizers are always crowd-pleasers.

Approximately 15% of Denny's restaurants are owned and operated by the company. The other 85% are operated under licensing or franchising agreements. Besides the United States, we have restaurants in Canada, Costa Rica, Guam, Mexico, New Zealand, and Puerto Rico.



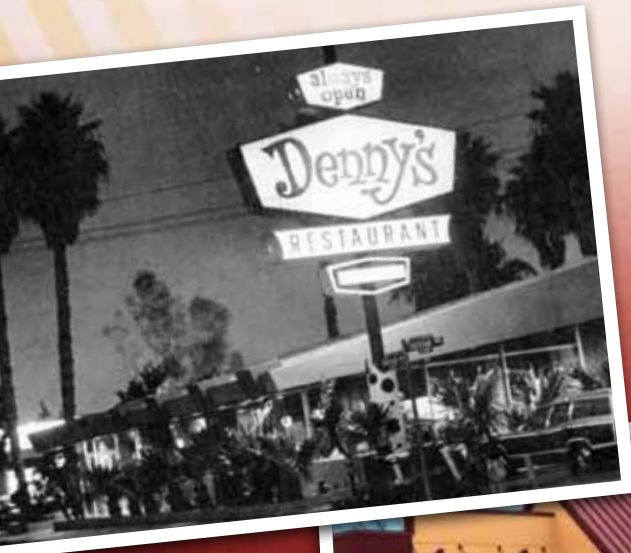
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D I V E R S I T Y



Go to dennysdiversity.com.



T I M E L I N E

“Re-ignite the Dream” Campaign
\$1 million to support Human & Civil Rights

National Media Push:
Tom Joyner/Steve Harvey
NAACP Image Awards Reception

NUL Partnership
\$1 million -
After-School Programs

**Tom Joyner Single Parent
Initiative with NAACP, LULAC,
HCF, NUL, Rainbow PUSH Partners**

2002

2003

2004

2005/06

2007-09

**National Civil Rights
Museum Expansion Project**

**The King Center
Community Service
Youth Non-violence
Program**

**NAACP Partnership \$100,000 –
Youth Achievement Program**





SERVER	TABLE	GUESTS	CHECK NUMBER
			669910



In just five years,
 we transformed Denny's,
 both culturally and
 structurally, into a
 model of corporate
 diversity. How did we do it?

		TAX	
<i>Thank You</i>		TOTAL	

How did we do it?

- 1 • Committed Leader – It begins at the top.** The CEO of an organization sets the tone, values, expectations, and operating philosophies for the company; it is important, therefore, that he or she be one of the company's greatest champions of diversity.
- 2 • Diverse Board of Directors** – A diverse board is more likely to examine the larger issues confronting the company, both short and long term, with diversity issues in mind.
- 3 • Accountability for Change** – Someone of title and rank must be accountable for driving change through the organization. If the job is delegated to a committee or task force, diversity efforts will become “an appendage” to the business.
- 4 • Company-wide Ownership** – Change is everybody's job. Every worker must “own” his or her portion of the goal; this injects diversity considerations into all aspects of business operations.
- 5 • Education & Training** – These are the key drivers of cultural change in any organization. Education and training should be tailored to address the issues facing each key level of the organization, and it should be on-going.
- 6 • Clear, Enforceable Non-discrimination Policies** – The lack of a policy is itself a policy. If there are no clear rules of conduct defining what is acceptable, people make up their own rules as they go along.
- 7 • Eliminate All Structures Impeding Inclusion** – A company must eliminate all management and HR structures that impede inclusion, and build back structures that foster diversity, especially in how it hires, fires, develops, and promotes people.
- 8 • Monitor, Measure, & Report Results** – “What gets measured, is what gets done.” We monitor our diversity progress on a regular basis and report our findings to senior managers and our board for feedback and direction.
- 9 • Tie Diversity Progress to Our Reward & Recognition Systems** – We make diversity a pocketbook issue for our workers. For three years, we tied 25% of our senior managers' annual bonuses to our diversity progress. Valuing and managing diversity are among the competencies we expect all employees to master.
- 10 • Celebrate Our Success!** – At an annual event, we salute and honor the company's top diversity champions before their peers. This sends a powerful message to the entire organization.



CE DIVERSITY • WORKFORCE DIVERSITY • WORKFORCE DIVERSITY • WORKFOR



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Our Pursuit of Workforce Diversity

Our workforce is our face to the dining public. That's why it's important to us that our employees be as diverse as our customer base. As of 2010, minorities made up 62% of our total workforce, and 41% of overall management.

How do we attract minority team members to Denny's? The same way we would attract any team member—through great benefits and great opportunities. Many Denny's employees go on to become franchise operators, making our company a great launching pad for business ownership.

Our highly competitive benefits package includes:

- Medical, prescription, dental, and vision plans
- Life insurance
- Short-term and long-term disability plans
- Medical and dependent care flexible spending accounts
- 401(k) savings plan with corporate match
- Bonuses based on sales and profit
- Employee assistance plan
- Paid vacation and holidays
- Employee discount programs
- Denny's dining discounts
- Tuition reimbursement program
- Service awards
- Credit union membership


In the end, employing a diverse workforce is one of the most important things Denny's can do for the communities where we do business. It's all about valuing each member of the Denny's team and providing a work environment that encourages personal and professional growth.



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<p>We demonstrate leadership in the arena of diversity and inclusion by reaching beyond the four walls of our restaurants into the local communities we serve.</p>				
			TAX	
<i>Thank You</i>			TOTAL	

Our Community Involvement

We like to think of a Denny's restaurant as a microcosm of community diversity. It's one place where community members from every walk of life gather, 24 hours a day. Denny's is a shared experience for people who may not think of themselves as sharing a lot in common. Openness to different people and different ideas is simply a function of the kind of restaurant we are.

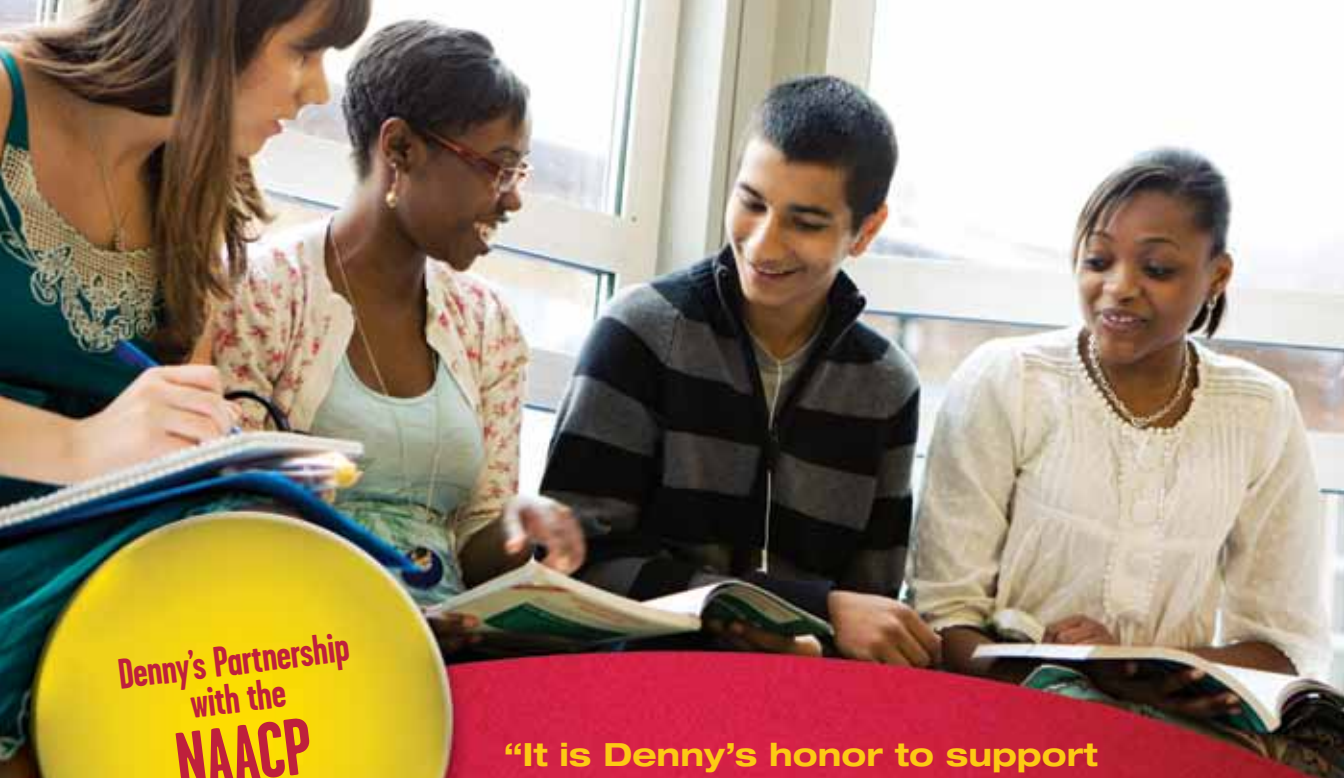
At Denny's, we have always taken our social responsibility seriously, understanding that it is a privilege to be able to give back to those we serve. By becoming involved in neighborhood activities that our customers care about, we give something back to our loyal customers and create positive, long-term relationships with our community members.

From sponsoring several nonprofit organizations' scholarship programs, at-risk children, and human rights initiatives, Denny's has contributed millions of dollars to our communities over the past 50 years.



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Denny's Partnership
with the
NAACP

“It is Denny’s honor to support the valuable mission of the NAACP and their continuing efforts to raise broad awareness of the value of a truly inclusive society.”

— Debra Smithart-Oglesby, Denny’s Chair

“Since its early days of transformation, Denny’s has become a model corporate citizen in advancing diversity and inclusiveness,” said Dwight C. James, Executive Director of the NAACP’s South Carolina State Conference.

“Their commitment has aided our efforts to promote leadership and academic achievement for youth . . . across South Carolina.”

“Denny’s and the NAACP’s relationship historically and presently is an example of how out of crises even adversaries can build a partnership. Denny’s is now a model company that is able to address problems proactively and react swiftly,” added Reverend Nelson B. Rivers, III, Vice President of Stakeholder Relations, NAACP.



Denny's Partnership
with the
**HISPANIC COLLEGE
FUND**

“Denny’s is proud to help young Hispanics working towards a higher education, and we congratulate this year’s scholarship winners.”

– Debra Smithart-Oglesby, Denny's Chair

Founded in 1993, the Hispanic College Fund is a non-profit organization based in Washington, D.C., with a mission to develop the next generation of Hispanic professionals. For 15 years, the Hispanic College Fund has provided educational, scholarship, and mentoring programs to students throughout the United States and Puerto Rico, establishing a career pipeline of talented and career-driven Hispanics who are trained in the fields of business, science, technology, engineering, and math. For more information about HCF, please visit www.hispanicfund.org.

www.hispanicfund.org

DENNY'S AWARDS SCHOLARSHIPS TO 30 HISPANIC STUDENTS

SPARTANBURG, SC – Denny's (NASDAQ: DENN) has announced that through its partnership with the Hispanic College Fund, Inc. (HCF), it has awarded the Denny's Single Parent Scholarship to 30 Hispanic students across the country.

"The Denny's Single Parent Scholarship initiative is providing much-needed financial support to individuals who strive to better their future and that of their children through higher education," said Idalia Fernandez, president of the Hispanic College Fund. "We are very pleased to partner with Denny's to ensure that these students are not denied the opportunity to pursue their dreams because they are single parents."

"Denny's is proud to help young Hispanics working towards a higher education, and we congratulate this year's scholarship winners," said April Kelly-Drummond, director of corporate diversity at Denny's. "Education can be the key to unlocking exciting opportunities. For eight years, Denny's has supported young Hispanics in their quest for a college degree."

To qualify for the scholarship, students had to be a single parent and demonstrate that they are seriously pursuing a college degree as a full-time student and be in good academic standing with a minimum grade-point average of a 3.0.

Denny's eight-year partnership with HCF has helped more than 400 Hispanic students realize their educational goals by providing over \$660,000 in scholarships. This is the first year of the Single Parent Scholarship program.

"I was very excited to hear that I was selected for this scholarship," said Veronica Trejo, a junior. The finance major maintains a 3.73 GPA at the University of the Incarnate Word. "I am 33 years old and a single mother of two young girls, and this takes a burden off of our shoulders. Being a single parent has been difficult and trying at times, but I am honored Denny's is willing to extend a helping hand to those single parents who struggle to get by every day."





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The Mission:
 Establish beneficial business relationships with diverse suppliers who share our commitment to quality, innovation, customer service and competitive pricing.



Thank You

TAX

TOTAL

Dear Potential Supplier,

At Denny's we're always open to different beliefs, different perspectives, and different people. Why? Because we believe our strength derives from the diversity of our customers, employees, suppliers, franchisees, and other partners across the country.

Our commitment to diversity over the years has earned us national recognition and a number of awards. But that's not why we do it. Creating an inclusive company that reflects our diverse customer base is just good business. What's more, it has had significant positive impacts in the communities we serve.

One of the ways we grow our company's diversity base is through our Supplier Diversity Initiative. It provides the essential link between diverse suppliers and our restaurants, ensuring that qualified minority and women owned suppliers have an equal opportunity to participate in our procurement process. Through this initiative, we have been able to support minority, and women, owned suppliers in other key areas, such as community outreach and second-tier opportunities.

Visit us at www.dennysupplierdiversity.com to learn more about how to become a supplier. We look forward to a mutually beneficial working relationship with you.

Debra Smithart-Oglesby, Denny's Chairperson of Board of Directors



Our Commitment to Supplier Diversity

Denny's is committed to the pursuit of business opportunities for minority and women business enterprises (M/WBEs) in all aspects of our company. It is our policy to give full consideration to diverse businesses having the actual or potential capabilities to meet our company's needs.

As such, the company will:

- Seek out such businesses and provide the opportunity for potentially qualified suppliers to demonstrate their ability to meet company needs and standards.
- Ensure that M/WBEs fully comprehend our company's requirements and are able to bid appropriately.
- Assist in developing qualified competitive M/WBEs to supply products/services.

We at Denny's are constantly striving to identify quality minority and women businesses to support the needs of our company. We have consistently maintained a record of over 10% of our annual purchases with minority and women owned businesses. Because we see diversity as an asset, we will attract and develop talent from the full range of the world's rich cultural base.

Michelle Hunt, Director of Supplier Diversity



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Supplier Diversity Definitions

Minority - A citizen of the United States who is African American, Hispanic American, Native American, Asian-Pacific American, or Asian Indian. “Native Americans” include American Indians, American Eskimos, American Aleuts, and Native Hawaiians. “Asian-Pacific Americans” include citizens whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan. “Asian-Indian Americans” include United States citizens whose origins are from India, Pakistan, and Bangladesh.

Minority-Owned Business (MBE) - A “minority-owned business” is defined as a business owned and controlled by minority individuals with at least (minimum) 51% interest held by said minority individuals, or in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals. Furthermore, the management and daily business operations are controlled by one or more such individuals.

Women-Owned Business (WBE) - Defined as a business that is at least 51% owned, controlled, and operated by a non-minority woman or women group members.

Second-Tier Purchasing - Second-tier purchasing is the process through which a first-tier (or prime) supplier utilizes a minority supplier either directly or indirectly.

What Denny's Needs from You

WE NEED OUR SUPPLIERS TO:

• Provide

- Quality product(s)
- Competitive pricing
- Outstanding customer service

• Have

- Industry knowledge and expertise
- A solid track record
- Problem-solving abilities

• Be

- Financially stable
- Resourceful
- Flexible

What will set you apart:

- Excel in your core competencies
- Stay abreast of new technology
- Offer a value proposition
- Develop creative ideas with customized solutions
- Provide a business plan for growth (if needed)



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FOOD PRODUCTS WE BUY:

- Beef, Pork, Poultry, Ham, Sausage
- Deli/Specialty Meats
- Bakery Items (cookies, pies, donuts, frozen bread, etc.)
- Grain/Mill, Sugar Sweeteners, Spices
- Produce, Eggs
- Shortenings/Oils, Margarines, Condiments, Salad Dressings, Sauces, Prepared Salads
- Soups
- Beverages, Coffee
- Dairy, Processed Fruits and Vegetables (canned/frozen)
- Beans, Pickles, Confections, Nuts, Toppings, Syrup, Potato Products, Entrees... and much more

NON-FOOD PRODUCTS WE BUY:

- Janitorial Supplies and Services, Chemicals
- Uniforms
- Safety/First Aid Supplies
- China, Glassware, Smallwares, Flatware, Hollowware
- Tabletop Items, Cookware, Lighting
- Packaging
- Paper Products, Plastic and Foam Products
- Outside Printing, Business Forms ... and many other services

EQUIPMENT WE BUY:

- Microwaves, Refrigerators, Freezers, Ovens, Grills, Broilers, Coolers
- Shelving
- Dishwashers, Blenders
- Furniture, Seating, Upholstery, Vinyl Signage, Wallpaper, Carpeting, Counters... and more



**The Process:
Becoming a Denny's
M/WBE Supplier**

1. Fill out a Supplier Registration at www.dennysupplierdiversity.com. This form requests background information on your company to include your company's capabilities, ownership, financial stability, etc.

2. Upload your minority certification or mail it to the address provided below along with a copy of your supplier registration.

- 3.** We will forward your profile along with any additional information to the appropriate person for review. One of the following will occur:
- If an opportunity arises, you will be contacted by the Supplier Diversity Director or the decision maker for the product or service you offer.
 - If an opportunity currently does not exist, we will hold your information for future references in the event that an opportunity arises at a later date.
 - If we determine that we cannot use your products or services, we will provide you with a written response.

Please allow 4 to 6 weeks following submission of all information for a response.



Your vendor application will remain in the supplier diversity database for a period of 3 years. You can update your profile periodically as your company information changes.

To check the status of your registration, you may contact Michelle Hunt at (864)597-8146 or by email at mhunt@dennys.com.

Please note that completion of this form is not a guarantee of business but only an initial inquiry about your company.

Send any additional materials to the following address along with a copy of your supplier registration:

Denny's, Inc., Supplier Diversity Department
203 East Main Street
Spartanburg, SC 29319



Franchise Growth Is on the Menu

Denny's strives to create strategic partnerships that will contribute to the growth and success of the brand. That is why we launched our first ever "Franchise Open House Program." This event took place on Tuesday, October 20, 2009, at our Corporate Headquarters in Spartanburg, South Carolina.

The Franchise Open House Program was designed to attract future franchise investors to Denny's. Our goal is to accelerate growth in new and existing markets that will afford us the opportunity to develop additional business partnerships. This one-day event enabled Denny's to market to future business partners by sharing our vision, promoting our incredible brand through valuable insights, and showcasing Denny's great hospitality. It allowed a broader pool of firsthand investors an opportunity to gain first hand knowledge and understanding of the past, present, and future of the brand.

This program was hosted by Denny's Development team and Executive Committee. Through this special program, we appealed to major investors across the board, especially those with diverse backgrounds, to support Denny's commitment to diversity and to grow Denny's franchise partnerships.

For more information on Franchising Opportunities, please visit us at www.dennysfranchising.com or call 1-800-304-0222



Currently, 85% of Denny's 1,600 restaurants in the domestic United States are franchised. Of these 1,365 franchise restaurants, 50% are minority owned.

Of the minority-owned units, one is owned by Native Americans, 20 are owned by African Americans, 77 are owned by Hispanic Americans, 90 are owned by Asian-Americans, and the largest number, is owned by Asian Indians at 487 units.



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<p>It's nice when people notice.</p>			
			TAX
<i>Thank You</i>			TOTAL

Awards and Recognition

Current

ASIAN ENTERPRISE MAGAZINE ranked Denny's as one of the "Top 10 Best Companies for Asian Americans" every year from 1999 to 2010 and Small Business Advocate of the Year for 2010.

CAROLINAS MINORITY SUPPLIER DEVELOPMENT COUNCIL named Denny's "Corporation of the Year" 2010 in Supplier Diversity.

Past

BLACK ENTERPRISE MAGAZINE ranked Denny's at the top of its list of "Best 40 Companies for Diversity" in 2006 and 2007.

ESSENCE MAGAZINE ranked Denny's as one of "The Best Companies for Black Women" in 2004.

FAMILY DIGEST MAGAZINE selected Denny's from over 700 U.S. companies as one of the Top 7 in the nation for African Americans in 2004, 2005, and 2006.

FORTUNE MAGAZINE ranked Denny's at the top of its survey of "America's 50 Best Companies for Minorities." Denny's ranked No. 2 in 1998; No. 6 in 1999; No. 1 in 2000 and 2001, and No. 3 in 2002 and 2003.

HISPANIC BUSINESS MAGAZINE ranked Denny's among the "Top 50 Companies for Diversity" in 2005, 2006, and 2007 in its survey of "Top 40 Companies for Hispanics."

THE NATIONAL ASSOCIATION FOR FEMALE EXECUTIVES ranked Denny's 13th in its 2002 survey of the "Top 25 U.S. Companies for Executive Women."



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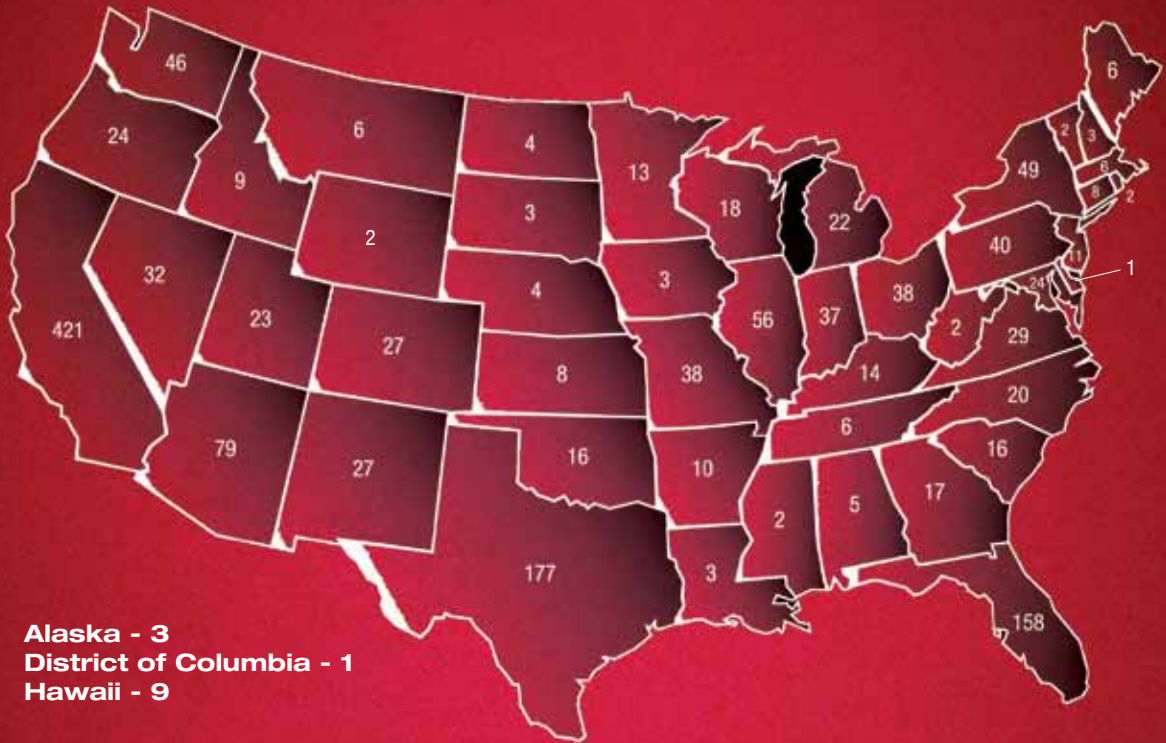
Denny's continues to partner and support organizations that are recognized as community leaders. We have relationships with over 25 unique women, minority, and community focused organizations which include:

- **Asian Women in Business**
- **Hispanic Association on Corporate Responsibility (HACR)**
- **Hispanic College Fund (HCF)**
- **League of United Latin American Citizens (LULAC)**
- **Magic Johnson Foundation**
- **Multicultural Foodservice and Hospitality Alliance (MFHA)**
- **The Muscular Dystrophy Foundation**
- **National Association for Asian Professionals**
- **National Council of La Raza (NCLR)**
- **NAACP-national, local, and regional**
- **National Minority Supplier Development Council (NMSDC) and its affiliates**
- **National Urban League and Affiliates (NUL)**
- **Native American Business Alliance (NABA)**
- **Rainbow Push Coalition**
- **Special Olympics**
- **Tom Joyner Foundation**
- **U.S. Marine Corps Reserve Toys for Tots Foundation**
- **United States Hispanic American Chamber of Commerce (USHACC)**
- **United States Pan Asian American Chamber of Commerce (USPAACC)**
- **United Way**
- **Women Business Enterprise National Council (WBENC)**



Denny's Restaurants Nationwide Company and Franchise

Total number of restaurants – 1,600



Alaska - 3
District of Columbia - 1
Hawaii - 9

International Restaurants

Canada - 59
Costa Rica - 2
Guam - 2
Mexico - 5
New Zealand - 7
Puerto Rico - 11

Data as of September 2010 and Includes Both Company and Franchise Restaurants

How to Contact Us

For employment opportunities:

Visit: www.dennys.com/careeropportunities

For supplier opportunities:

Visit: www.dennysupplierdiversity.com

Or Call 1-864-597-8146

For franchise opportunities:

Visit: www.dennysfranchising.com

Or Call 1-800-304-0222

For sponsorship and community outreach opportunities:

Visit: www.dennys.com/en/contact_dennys.aspx

Or Call 1-864-597-8650



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