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

FORM 8-K

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

Date of Report (Date of earliest event reported): **October 25, 2006**

IHOP CORP.
(Exact name of registrant as specified in its charter)

Delaware	001-15283	95-3038279
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

450 North Brand, Glendale, California	91203
(Address of principal executive offices)	(Zip Code)

(818) 240-6055
Registrant's telephone number, including area code

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 25, 2006, IHOP Corp. issued a press release announcing its third quarter 2006 financial results. A copy of the press release is attached as Exhibit 99.1, and incorporated herein by reference.

Also on October 25, 2006, IHOP Corp. held a conference call to discuss its third quarter 2006 financial results. A copy of the prepared remarks of management is attached as Exhibit 99.2, and incorporated herein by reference.

The prepared remarks of management accompanying management's discussion during the conference call includes references to the non-GAAP financial measures "free cash flow" and "net income excluding stock based compensation expense." The Company defines "free cash flow" for a given period as cash provided by operating activities for such period, less capital expenditures for such period. The Company defines "net income excluding stock based compensation expense" for a given period as net income for such period, less any stock based compensation expense incurred in such period. Management utilizes free cash flow as a measure of operating efficiency to determine the amount of cash remaining for general corporate and strategic purposes after funding operating activities and capital expenditures. Management believes this information is helpful to investors to determine the Company's cash available for these purposes. Management believes net income excluding stock based compensation expense and basic and diluted net income per share excluding stock based compensation expense is useful because it provides a more accurate period to period comparison. Free cash flow and net income excluding stock based compensation expense for any given period may be affected by a variety of factors, including but not limited to, changes in assets and liabilities and the timing of purchases and payments. Free cash flow and net income excluding stock based compensation expense are supplemental non-GAAP financial measures and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

The following table reconciles the Company's free cash flow to the Company's cash provided by operating activities for each of the nine months ended September 30, 2006 and 2005:

	Nine Months Ended September 30, 2006 (dollars in thousands)	Nine Months Ended September 30, 2005 (dollars in thousands)
Cash flows from operating activities:	$ 53,878	$ 45,433
Capital expenditures	(7,373)	(3,476)
Free cash flow	$ 46,505	$ 41,957

The following table reconciles net income to net income excluding the impact of stock based compensation expense, and basic and diluted net income per share to net income excluding the impact of stock based compensation expense per share, for each of the three and nine months ended September 30, 2006 and 2005:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
	(dollars in thousands, except per share amounts)			
Net income, as reported	$ 11,323	$ 11,972	$ 34,223	$ 33,976
Stock option expense	467	—	1,516	—
Restricted stock	576	86	1,386	201
Income tax benefit	(394)	(32)	(1,120)	(76)
Net income excluding stock based compensation expense	$ 11,972	$ 12,026	$ 36,005	$ 34,101
Basic net income per share:				
Net income, as reported per share	$ 0.63	$ 0.62	$ 1.88	$ 1.73
Stock option expense per share	0.03	—	0.08	—
Restricted stock per share	0.03	0.01	0.08	—
Income tax benefit per share	(0.02)	—	(0.06)	—
Net income excluding stock based compensation expense per share	$ 0.67	$ 0.63	$ 1.98	$ 1.73
Diluted net income per share:				
Net income, as reported per share	$ 0.62	$ 0.62	$ 1.86	$ 1.71
Stock option expense per share	0.03	—	0.08	—
Restricted stock per share	0.03	—	0.08	0.01
Income tax benefit per share	(0.02)	—	(0.06)	—
Net income excluding stock based compensation expense per share	$ 0.66	$ 0.62	$ 1.96	$ 1.72

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

Exhibit Number	Description
99.1	Press release of Registrant, dated October 25, 2006 (Third Quarter 2006 Financial Results).
99.2	Prepared remarks of management of Registrant for conference call held on October 25, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	IHOP CORP.
Date: October 25, 2006	By: /s/ THOMAS CONFORTI
	Thomas Conforti
	Chief Financial Officer(Principal Financial Officer)

EXHIBIT INDEX TO CURRENT REPORT ON FORM 8-K

Exhibit Number	Description
99.1	Press release of Registrant, dated October 25, 2006 (Third Quarter 2006 Financial Results).
99.2	Prepared remarks of management of Registrant for conference call held on October 25, 2006.

Exhibit 99.1

FOR IMMEDIATE RELEASE

Stacy Roughan
Director, Investor Relations
IHOP Corp.
818-637-3632

IHOP CORP. REPORTS THIRD QUARTER 2006 FINANCIAL RESULTS

Company Raises its 2006 EPS Guidance

GLENDALE, Calif., October 25, 2006 — IHOP Corp. (NYSE: IHP) today announced financial results for its third quarter and nine months ended September 30, 2006, as well as raised its fiscal 2006 earnings guidance to $2.35 to 2.40 per diluted share, including stock based compensation expense of $2.5 to $3.5 million.

Financial performance highlights for the third quarter and the first nine months of 2006 included:

- EPS for the third quarter 2006 of $0.62, including stock based compensation expense, was flat versus the same quarter last year. EPS for the third quarter 2006, excluding stock based compensation expense of $1.0 million, was $0.66, a 6.5% increase compared to prior year.
- Through the first nine months of fiscal 2006, EPS of $1.86, including stock based compensation expense, increased 8.8% versus the same period last year. EPS for the first nine months of fiscal 2006 increased 14.0% to $1.96, excluding stock based compensation expense of $2.9 million.
- Cash Flow from Operating Activities for the first nine months of fiscal 2006 increased 18.6% to $53.9 million. Additionally, $13.1 million of cash was provided by the collection of the Company's long-term receivables for the first nine months of fiscal 2006.
- Share repurchases for the third quarter 2006 amounted to approximately 279,000 shares of IHOP stock, totaling $13.1 million. Share repurchases for the first nine months of fiscal 2006 amounted to approximately 889,000 shares of IHOP stock, totaling $42.7 million.
- Same-store sales growth of 1.3% for the third quarter 2006 was entirely driven by increases in guest traffic, which offset a slight decrease in guest check average.
- System-wide restaurants grew 4.9% year-over-year to a total of 1,278 IHOPs. Fifteen new restaurants were developed and opened by IHOP franchisees and its area licensee during the quarter.

Julia A. Stewart, IHOP's Chairman and Chief Executive Officer, said, "We are pleased with our third quarter and year-to-date performance for 2006. We continue to drive organic growth throughout the IHOP system with our 15th consecutive quarter of positive same-store sales results and remain on target to meet our unit growth expectations for the year. While we are able to deliver solid results by focusing on driving top line growth, we also produced operating leverage through expense control and utilized our capital in ways that create value for our shareholders through share repurchase and dividend payments. Our improved earnings outlook for 2006 reflects the attractiveness of our franchise business model and the benefits of this successful financial formula."

Third Quarter and Nine Month 2006 Performance

IHOP reported a decrease of 5.4% in net income to $11.3 million, and diluted net income per share of $0.62 for the third quarter 2006, which was essentially flat compared to prior year. Excluding pre-tax stock based compensation expense of $1.0 million, net income decreased 0.4% to $12.0 million, and diluted net income per share increased 6.5% to $0.66. The increases in diluted net income per share resulted primarily from a 6.6% reduction in diluted average weighted shares outstanding due to ongoing share repurchases by the Company.

For the nine months ended September 30, 2006, IHOP reported an increase of 0.7% in net income to $34.2 million, and an increase of 8.8% in diluted net income per share to $1.86. Excluding pre-tax stock based compensation expense of $2.9 million, net income increased 5.6% to $36.0 million, and diluted net income per share increased 14.0% to $1.96. The increases in net income and diluted net income per share resulted primarily from a 10.3% increase in Franchise Operations segment profit due to higher same-store sales performance for the first nine months of fiscal 2006. This effectively leveraged against modest expense growth in this segment. Additionally, a 7.4% reduction in diluted weighted average shares outstanding contributed to IHOP's per share earnings performance for the nine months of fiscal 2006. This was d ue to ongoing share repurchases by the Company.

Cash Flow from Operating Activities increased for the nine months ended September 30, 2006 to $53.9 million compared with $45.4 million for the same period in 2005. This increase resulted primarily from steps taken to accelerate the depreciation of certain fixed assets for tax purposes as the result of the Company's recently completed cost segregation study. Principal receipts from notes and equipment contracts receivable, which are an additional source of cash generation for the Company, amounted to $13.1 million for the nine months ended September 30, 2006. Capital expenditures increased to $7.4 million for the first nine months of fiscal 2006 versus $3.5 million for the same period in 2005. The increase in capital expenditures primarily reflects the cost of restaurant development in IHOP's Company market in Cincinnati, Ohio.

For the third quarter 2006, system-wide same-store sales increased 1.3% due to increased guest traffic, which offset a slightly decreased guest check average. IHOP believes its appealing limited-time offers and franchisees' continued pricing moderation were primarily responsible for its positive traffic results for the quarter. For the nine months ended September 30, 2006, system-wide same-store sales increased 3.1%, primarily as a result of increases in traffic.

2006 Guidance Update

IHOP raised its fiscal 2006 earnings performance expectations to range between $2.35 and $2.40 per diluted share including estimated stock based compensation expense ranging between $2.5 million and $3.5 million for the year. This compares favorably to its previous earnings expectations of $2.25 to $2.35 per diluted share including stock based compensation expense. The Company's improved earnings outlook is primarily attributable to an overall reduction in previously planned G&A expenses for fiscal 2006, which is now expected to range between $63 million and $65 million including stock based compensation expense. This compares favorably to its previously stated guidance of $65 million to $67 million including stock based compensation expense for fiscal 2006.

IHOP also raised its fiscal 2006 guidance for Cash Flows from Operating Activities to $60 million to $65 million, largely due to the net benefit associated with the Company's previously announced cost segregation efforts resulting in the accelerated depreciation of certain fixed assets for tax purposes. This compares favorably to its previous Cash Flows from Operating Activities guidance of $55 million to $60 million for fiscal 2006. IHOP reiterated its principal receipts from notes and equipment contract receivable guidance, which is expected to be within the range of $18 million to $20 million.

IHOP reduced its Capital expenditures expectations for fiscal 2006 to range between $9 million and $11 million, which compares to its previously stated range of $12 million to $14 million. This reduction reflects lower estimates associated with the build out of IHOP's Company market in Cincinnati, Ohio.

Investor Conference Call Today

IHOP will host an investor conference call to discuss its third quarter 2006 results today, Wednesday, October 25, 2006 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time). To participate on the call, please dial 888-396-2384 and reference pass code 87528595. A live webcast of the call will be available on IHOP's Web site at www.ihop.com, and may be accessed by visiting Conference Calls & Presentations under the site's Investor Information section. Participants should allow approximately ten minutes prior to the call's start time to visit the site and download any streaming media software needed to listen to the webcast. A telephonic replay of the call may be accessed through November 1, 2006 by dialing 888-286-8010 and referencing pass code 42752292. An online archive of the webcast will also be available on the Investor Information section of IHOP's Web site.

About IHOP Corp.

The IHOP family restaurant chain has been serving a wide variety of breakfast, lunch and dinner selections for more than 45 years. Offering 14 types of pancakes as well as omelettes, breakfast specialties, burgers, sandwiches, chicken and steaks, IHOP's diverse menu appeals to people of all ages. IHOP restaurants are franchised and operated by Glendale, California based IHOP Corp. As of September 30, 2006, the end of IHOP's third quarter, there were 1,278 IHOP restaurants in 49 states and Canada. IHOP Corp. common stock is listed and traded on the NYSE under the symbol "IHP." For more information, call the Company's headquarters at (818) 240-6055 or visit the Company's Web site located at www.ihop.com.

Forward-Looking Statements

There are forward-looking statements contained in this news release. They use such words as "may," "will," "expect," "believe," "anticipate," "plan," or other similar terminology. These statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different than those expressed or implied in such statements. These factors include, but are not limited to: risks associated with the implementation of the Company's strategic growth plan, the availability of suitable locations and terms of the sites designated for development; the ability of franchise developers to fulfill their commitments to build new IHOP restaurants in the numbers and time frames covered by their development agreements; the ability of the Company to franchise its remaining Company-operated restaurants; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; conditions beyond the Company's control such as weather, natural disasters or acts of war or terrorism; availability and cost of materials and labor; cost and availability of capital; competition; continuing acceptance of the International House of Pancakes brand and concepts by guests and franchisees; the Company's overall marketing, operational and financial performance; economic and political conditions; adoption of new, or changes in, accounting policies and practices; and other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission. Forward-looking information is provided by IHOP pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. In addition, the Company disclaims any intent or obligation to update these forward-looking statements.

References to Non-GAAP Financial Measures

This news release includes references to the non-GAAP financial measure "net income excluding stock based compensation expense." The Company defines "net income excluding stock based compensation expense" for a given period as net income for such period, less any stock based compensation expense incurred in such period. Management believes net income excluding stock based compensation expense and basic and diluted net income per share excluding stock based compensation expense is useful because it provides a more accurate period to period comparison. Net income excluding stock based compensation expense for any given period may be affected by a variety of factors, including but not limited to, changes in assets and liabilities and the timing of purchases and payments. Net income excluding stock based compensation expense is a supplemental non-GAAP financial measure and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

[Financial Tables to Follow]

IHOP CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005
Revenues				
Franchise revenues	$ 45,961	$ 43,292	$ 133,706	$ 124,076
Rental income	33,428	33,239	99,032	99,083
Company restaurant sales	3,492	3,574	9,649	11,366
Financing revenues	5,156	11,197	19,241	25,508
Total revenues	88,037	91,302	261,628	260,033
Costs and Expenses				
Franchise expenses	21,520	20,720	61,244	58,371
Rental expenses	24,371	24,633	73,526	73,649
Company restaurant expenses	4,054	3,559	10,941	12,153
Financing expenses	2,092	7,532	9,961	13,676
General and administrative expenses	16,230	14,881	46,508	42,958
Other expense, net	1,567	844	3,718	4,430
Total costs and expenses	69,834	72,169	205,898	205,237
Income before income taxes	18,203	19,133	55,730	54,796
Provision for income taxes	6,880	7,161	21,507	20,820
Net income	$ 11,323	$ 11,972	$ 34,223	$ 33,976
Net Income Per Share				
Basic	$ 0.63	$ 0.62	$ 1.88	$ 1.73
Diluted	$ 0.62	$ 0.62	$ 1.86	$ 1.71
Weighted Average Shares Outstanding				
Basic	17,921	19,224	18,168	19,660
Diluted	18,123	19,394	18,381	19,858
Dividends Declared Per Share	$ 0.25	$ 0.25	$ 0.75	$ 0.75
Dividends Paid Per Share	$ 0.25	$ 0.25	$ 0.75	$ 0.75

IHOP CORP. AND SUBSIDIARIES
RESTAURANT DATA
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	**2005**	**2006**	**2005**
Restaurant Data				
Effective restaurants (a)				
Franchise	1,099	1,048	1,088	1,042
Company	8	7	7	8
Area license	156	151	155	150
Total	1,263	1,206	1,250	1,200
System-wide (b)				
Sales percentage change (c)	6.2%	9.6%	7.8%	6.7%
Same-store sales percentage change (d)	1.3%	4.5%	3.1%	2.1%
Franchise (b)				
Sales percentage change (c)	6.3%	10.5%	8.1%	7.6%
Same-store sales percentage change (d)	1.3%	4.5%	3.1%	2.1%
Company				
Sales percentage change (c)	(2.3)%	(52.4)%	(15.1)%	(56.9)%
Area License (b)				
Sales percentage change (c)	5.5%	12.4%	6.7%	11.3%

(a) "Effective restaurants" are the number of restaurants in a given fiscal period adjusted to account for restaurants open for only a portion of the period. Information is presented for all effective restaurants in the IHOP system, which includes IHOP restaurants owned by the Company as well as those owned by franchisees and area licensees.

(b) System-wide sales are retail sales at IHOP restaurants operated by franchisees, area licensees and the Company, as reported to the Company. Franchise restaurant sales were $489.3 million and $1,438.9 million for the third quarter and first nine months ended September 30, 2006, respectively, and sales at area license restaurants were $49.7 million and $153.3 million for the third quarter and first nine months ended September 30, 2006, respectively. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company.

(c) "Sales percentage change" reflects, for each category of restaurants, the percentage change in sales in any given fiscal period compared to the prior fiscal period for all restaurants in that category.

(d) "Same-store sales percentage change" reflects the percentage change in sales, in any given fiscal period compared to the prior fiscal period, for restaurants that have been operated throughout both fiscal periods that are being compared and have been open for at least 18 months. Because of new unit openings and store closures, the restaurants open throughout both fiscal periods being compared will be different from period to period. Same-store sales percentage change does not include data on restaurants located in Florida.

IHOP CORP. AND SUBSIDIARIES
RESTAURANT DEVELOPMENT AND FRANCHISING ACTIVITY
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Restaurant Development Activity				
Beginning of period	1,264	1,207	1,242	1,186
New openings				
Company-developed	2	—	3	2
Franchisee-developed	12	12	35	34
Area license	3	1	6	4
Total new openings	17	13	44	40
Closings				
Company and franchise	(3)	(2)	(7)	(8)
Area license	—	—	(1)	—
End of period	1,278	1,218	1,278	1,218
Summary-end of period				
Franchise	1,111	1,062	1,111	1,062
Company	9	4	9	4
Area license	158	152	158	152
Total	1,278	1,218	1,278	1,218
Restaurant Franchising Activity				
Company-developed	—	—	—	3
Franchisee-developed	12	12	35	34
Rehabilitated and refranchised	—	13	8	18
Total restaurants franchised	12	25	43	55
Reacquired by the Company	—	(6)	(7)	(14)
Closed	(3)	(2)	(7)	(7)
Net addition	9	17	29	34

IHOP CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	September 30, 2006 (Unaudited)	December 31, 2005
Assets		
Current assets		
Cash and cash equivalents	$ 26,410	$ 23,111
Receivables, net	41,363	43,690
Reacquired franchises and equipment held for sale, net	—	273
Inventories	359	537
Prepaid expenses	3,214	2,899
Total current assets	71,346	70,510
Long-term receivables	306,446	319,335
Property and equipment, net	312,194	317,959
Excess of costs over net assets acquired	10,767	10,767
Other assets	60,856	52,509
Total assets	$ 761,609	$ 771,080
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 19,693	$ 19,564
Accounts payable	8,197	15,083
Accrued employee compensation and benefits	10,535	10,745
Other accrued expenses	11,824	9,030
Deferred income taxes	2,617	2,882
Capital lease obligations	4,855	4,491
Total current liabilities	57,721	61,795
Long-term debt, less current maturities	112,515	114,210
Deferred income taxes	69,037	61,414
Capital lease obligations	170,906	172,681
Other liabilities	73,622	67,134
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $1 par value, 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $.01 par value, 40,000,000 shares authorized; September 30, 2006: 22,712,655 shares issued and 17,768,196 shares outstanding; December 31, 2005: 22,464,760 shares issued and 18,409,587 shares outstanding	226	225
Additional paid-in capital	126,227	120,922
Retained earnings	353,102	332,560
Deferred compensation	—	(747)
Accumulated other comprehensive loss	(143)	(205)
Treasury stock, at cost (4,944,459 shares and 4,055,173 shares at September 30, 2006 and December 31, 2005, respectively)	(201,604)	(158,909)
Total stockholders' equity	277,808	293,846
Total liabilities and stockholders' equity	$ 761,609	$ 771,080

IHOP CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2006	2005
Cash flows from operating activities		
Net income	$ 34,223	$ 33,976
Adjustments to reconcile net income to cash flows provided by operating activities		
Depreciation and amortization	15,042	14,759
Impairment and closure charges	43	885
Deferred income taxes	7,358	(2,170)
Stock-based compensation expense	2,902	201
Excess tax benefit from stock-based compensation	(594)	—
Tax benefit from stock options exercised	—	837
Changes in operating assets and liabilities		
Receivables	2,020	1,855
Inventories	178	(711)
Prepaid expenses	(315)	975
Accounts payable	(6,886)	(3,433)
Accrued employee compensation and benefits	(210)	(1,153)
Other accrued expenses	2,794	943
Other	(2,677)	(1,531)
Cash flows provided by operating activities	53,878	45,433
Cash flows from investing activities		
Additions to property and equipment	(7,373)	(3,476)
Additions to long-term receivables	255	(305)
Purchase and redemption of marketable securities, net	—	2,033
Proceeds from sale of land and building	—	890
Principal receipts from notes and equipment contracts receivable	13,129	14,387
Additions to reacquired franchises and equipment held for sale	(581)	(1,871)
Property insurance proceeds	2,034	—
Cash flows provided by investing activities	7,464	11,658
Cash flows from financing activities		
Repayment of long-term debt	(1,566)	(1,453)
Principal payments on capital lease obligations	(3,252)	(2,890)
Dividends paid	(13,681)	(14,862)
Purchase of treasury stock	(42,695)	(56,417)
Proceeds from stock options exercised	2,557	2,584
Excess tax benefit from stock-based compensation	594	—
Cash flows used in financing activities	(58,043)	(73,038)
Net change in cash and cash equivalents	3,299	(15,947)
Cash and cash equivalents at beginning of period	23,111	44,031
Cash and cash equivalents at end of period	$ 26,410	$ 28,084

IHOP CORP. AND SUBSIDIARIES
NON-GAAP FINANCIAL MEASURES
(In thousands, except per share amounts)
(Unaudited)

Reconciliation of net income to net income excluding impact of stock based compensation expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net income, as reported	$ 11,323	$ 11,972	$ 34,223	$ 33,976
Stock option expense	467	—	1,516	—
Restricted stock	576	86	1,386	201
Income tax benefit	(394)	(32)	(1,120)	(76)
Net income excluding stock based compensation expense	$ 11,972	$ 12,026	$ 36,005	$ 34,101
Basic net income per share:				
Net income, as reported per share	$ 0.63	$ 0.62	$ 1.88	$ 1.73
Stock option expense per share	0.03	—	0.08	—
Restricted stock per share	0.03	0.01	0.08	—
Income tax benefit per share	(0.02)	—	(0.06)	—
Net income excluding stock based compensation expense per share	$ 0.67	$ 0.63	$ 1.98	$ 1.73
Diluted net income per share:				
Net income, as reported per share	$ 0.62	$ 0.62	$ 1.86	$ 1.71
Stock option expense per share	0.03	—	0.08	—
Restricted stock per share	0.03	—	0.08	0.01
Income tax benefit per share	(0.02)	—	(0.06)	—
Net income excluding stock based compensation expense per share	$ 0.66	$ 0.62	$ 1.96	$ 1.72

Exhibit 99.2

IHOP Corp.
Third Quarter 2006 Call Script

Stacy Roughan — Welcome and Safe Harbor

Good morning and thank you for participating on IHOP's third quarter 2006 conference call. Today, with us from management are Julia Stewart, Chairman and CEO, and Tom Conforti, CFO.

Before I turn the call over to Julia and Tom, let me remind you of our Safe Harbor regarding forward-looking information. Today, management may discuss information that is forward-looking, and involves known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different than those expressed or implied in such statements. We caution you to evaluate such forward-looking information in the context of these factors, which are detailed in today's news release, as well as in our most recent Form 10-K filing with the Securities and Exchange Commission. In addition, IHOP disclaims any intent or obligation to update these forward-looking statements.

Now, I'd like to turn the call over to Julia Stewart.

Julia Stewart — Third Quarter 2006 Performance Overview

Thanks, Stacy. We have a lot to discuss today, so let's get started with earnings.

EPS for the quarter ended at $0.62 [cents], including stock based compensation expense. Excluding this expense of $1.0 million [dollars], EPS would have increased 6.5% [percent] to $0.66 [cents]. Growth in earnings per share was driven by a 6.6% [percent] reduction in diluted average weighted shares outstanding. This was due to ongoing share repurchases.

For the first nine months of the year, EPS increased 8.8% [percent] to $1.86 [dollar/cents] including stock based compensation expense. Excluding this expense of $2.9 million [dollars], EPS would have increased 14% [percent] to $1.96 [dollar/cents]. The increases resulted primarily from an increase in Franchise Operations segment profit. This was primarily due to higher same-store sales performance and new unit growth in the first nine months of 2006, which effectively leveraged against modest expense growth in this segment. Additionally, continued share repurchases drove EPS higher with a 7.4% [percent] reduction in diluted weighted average shares outstanding.

During the quarter, we purchased $13.1 million [dollars] worth of IHOP stock, or approximately 279,000 shares at an average price of $46.94 [dollars/cents]. Year-to-date, we have repurchased approximately 889,000 shares totaling $42.7 million [dollars] worth of IHOP stock. We have returned $13.7 million [dollars] to shareholders through quarterly dividend payments this year. That's a total return of $56.4 million [dollars] in cash to shareholders through the first nine months of 2006. Over the past 15 quarters, IHOP has returned approximately $273 million [dollars] to shareholders in the form of share repurchases and dividend payments.

We have generated 15 consecutive quarters of same-store sales growth. Same-store sales grew 1.3% [percent] for the third quarter, and 3.1% [percent] year-to-date. During the quarter, we faced a challenging consumer environment, as well as difficult comparisons to a much stronger 4.5% [percent] gain in the third quarter last year, which limited our growth. However, we are pleased with our year-to-date performance, which is in line with our annual same-store sales growth target of a 2% [percent] to 4% [percent] increase.

During the third quarter, we stayed close to our core brand equities around breakfast with our limited-time product promotions — Funnel Cake Carnival and French Toast Fantasy. Both were strong performers and appealing promotions that motivated guests to visit IHOP more often. The great news was that our 1.3% [percent] growth was driven entirely by increased traffic.

Guest check average was essentially flat to slightly down for the quarter. We were pleased that franchisees continued to exercise pricing moderation as we further strengthen IHOP's price/value relationship with guests. This remains a critical component of our success. Additionally, given reduced discretionary spending, we believe that our guests are also using our menu in a different way than they may have in the past — seeking out value offerings that allow them to stay within their budget as they continue to dine out.

For the full year, we expect to drive same-store sales growth in the range of 2% [percent] to 4% [percent] as previously guided, and there are a few notable initiatives taking place in the fourth quarter that should help us maintain our positive momentum.

First, we will launch our last promotion of year this coming Monday — Super Rooty Tooty Fresh and Fruity Combos. We're putting the spotlight back on one of IHOP's most famous dishes and a true guest favorite. It should be a great performer.

In November, an updated system-wide menu will be adopted in every IHOP restaurant, and provide franchisees with the opportunity to take pricing. The menu update will incorporate eight new offerings, including an entire new category of savory crepes, among other items.

Over the past year, IHOP has offered a supplemental menu called "IHOP for Me" that helps our guests order certain menu items with consideration to their dietary concerns. The "IHOP for Me" menu has allowed us to remind our guests that there is something for everyone at IHOP. To build upon this, the new fall menu will also integrate the "IHOP for Me" on its back cover.

Additionally, we are moving into the holiday season with an enhanced gift card program to drive incremental sales.

Turning to our recently completed National Franchise Conference… Last month, we experienced record attendance of more than 1,100 representatives from our franchise community, vendor-partners and IHOP employees at our NFC in Las Vegas. The message at the conference was "Breaking Through to the Guest" — by both enhanced service in our restaurants and improved media practices to reach more of our guests more frequently. To convey our message on service, we chose a very powerful analogy: "We want our service to be as good as our pancakes."

Over the past few years, we have made good incremental progress on service that has raised our internal operational scores, but it has not yet resulted in the guest acknowledging exceptional service improvements. Through an updated version of our Restaurant Training Program that will be rolled out in early 2007, we will provide servers the tools to deliver an exceptional guest experience. In this way, we will begin to fundamentally shift our service philosophy — from one that has been focused on efficiency and operational execution — to one that centers on warm, friendly interactions with our guests. Improving service will not be a one-time initiative. We will adopt a service culture, so it becomes an on-going process that we believe will be a strong point of difference to the way IHOP and our franchisees grow our business.

In addition to breakthrough service, we are identifying ways to increase the effectiveness of our media buying as we move forward. For IHOP, this is all about reaching more guests with tempting promotional messages to bring them into our restaurants more often.

I cannot overstate the importance of this evolution in our strategic focus. A higher level of service and reach cannot be easily copied or imitated by our competitors. Breaking through to the guest will position us for unrivaled success.

Turning to Franchise Development, franchisees and our Florida area licensee developed and opened 15 new IHOP restaurants during the quarter. We also added commitments for franchisees to develop 20 new IHOP restaurants over the next several years, including international locations in Ontario, Canada and the U.S. Virgin Islands. Our franchise development activity during the third quarter brings our current development pipeline to as many as 498 restaurants signed, optioned or pending to be developed by franchisees. This number includes the cancellation of a development deal in Alabama and the termination of negotiations for a development agreement in Mexico City, representing a total of 25 restaurants.

We also opened two new Company-operated IHOP's in our dedicated market of Cincinnati. Our store in Florence, Kentucky — which is a part of the greater Cincinnati market — marked IHOP's first entrance in to the Kentucky market. Now, we have a presence in 49 states across the U.S.

with franchise development in our final state — Vermont — expected to take place sometime next year.

Our Company market in Cincinnati now stands at a total of nine restaurants with one more opening expected by year-end. Cincinnati has been invaluable in speeding improvements to our system — like our new building prototype, core menu enhancements and our upcoming "To Go" program launch. However, we view our Company market as an R&D expense and encourage you to do the same.

Finally, moving to EPS guidance… We increased our full-year EPS guidance to range between $2.35 [dollars/cents] to $2.40 [dollars/cents] including stock based compensation expense. This is up from our previous EPS expectations of $2.25 [dollars/cents] to $2.35 [dollars/cents] for 2006. Our improved bottom line outlook is primarily due to reduced G&A spending, which Tom will cover in a moment. G&A is a key lever for profitability, so we are pleased to demonstrate continued moderation in this regard.

With that, I would now like to turn the call over to Tom Conforti, our Chief Financial Officer, for a more detailed discussion of our third quarter financial performance.

Tom Conforti — Third Quarter 2006 Performance Detail

Thanks, Julia, and good morning everyone. Julia covered our EPS performance just a moment ago. Today, I'll walk you through key drivers of that EPS performance for the third quarter 2006 in more detail.

Let's start with G&A… we experienced a 9.1% [percent] increase to $16.2 million [dollars] in G&A expenses for the third quarter 2006. This was primarily due to approximately $1.0 million [dollars] in stock based compensation expense. If you remove this stock based compensation impact, G&A expenses for the quarter would have grown a modest 2.6% [percent]. For the first nine months of the year, reported G&A grew at 8.3% [percent]. Excluding stock compensation expense, G&A growth would have been 2.0% [percent]. In fact, our tight management of G&A spending to date is the key driver to our improved earnings guidance. On a full year basis, our G&A projection now reflects a $2 million [dollar] improvement. Therefore, we are reducing our full-year G&A guidance from $65 to 67 million [dollars] to range between $63 and $65 million [dollars], including stock based compensation expense for fiscal 2006.

Moving to segment performance, let's start with Franchise Operations, our core business. Revenue grew 6.2% [percent] for the third quarter and 7.8% [percent] in the first nine months of 2006, driven by higher retail sales as a result of growth in same-store sales, as well as growth in the number of effective units. Year-to-date, franchise retail sales increased due to a 4.4% [percent] increase in effective restaurants from 2005 and a 3.1%

[percent] increase in same-store sales. On the expense side, Franchise Operations expense increased 3.9% [percent] in the quarter and 4.9% [percent] for the first nine months of the year. Our ability to manage relatively lower Franchise Operations expense growth was primarily due to the elimination of MICROS Point-of-sale incentives to our franchisees, as well as a reduction in the amount of financial relief granted to franchisees at certain underperforming restaurants. We grew expenses at a lower rate and leveraged our top line performance in this segment to produce an 8.3% [percent] increase in Franchise Operations profit for the quarter and 10.3% [percent] for the first nine months of the year. As a result, we expect Franchise Operations profit to come in at the higher end of our current 2006 performance range of $93 to $97 million [dollars].

Turning to the Rental Operations segment, rental income increased 0.6% [percent] for the quarter and was flat year-to-date consistent with our long-term guidance that this segment should be essentially flat as we manage our existing rental relationships. Rental expenses decreased 1.1% [percent] for the quarter and 0.2% for the first nine months. Rental Operations segment profit increased 5.2% [percent] for the quarter and 0.3% [percent] for the first nine months of 2006. We expect Rental Operations profit to come in at the lower end of our previously stated 2006 performance range of $33 to $36 million [dollars].

Company Operations performance for the quarter resulted in a loss of $562,000 [dollars] versus a modest profit in the prior year. Year-to-date, we reported a loss of $1.3 million [dollars] in Company Operations. These losses are largely due to a lower level of sales at recently opened locations in our Cincinnati market. At the end of the third quarter, we operated only nine IHOP restaurants, all of which are located in our dedicated Company market of Cincinnati. Given our financial performance to date, we now expect Company Operations to produce a loss between $1.5 and $2.0 million [dollars] for fiscal 2006, which compares to our previous guidance that this segment would perform at or near breakeven. As Julia mentioned, we view our Company market as an R&D expense and encourage you to do the same.

Turning to Financing Operations, profit in this segment declined 16.4% [percent] for the quarter and 21.6% [percent] for the first nine months of the year, as expected, as we continue to exit "Old Model" sources of revenue. This decrease was primarily due to the continued decline of long-term note balances, and the resulting interest income recognized in this segment as a result of our receivables run-off. In addition, our net gain from sale of franchises and equipment was unfavorable to 2005, partially due to the fact that 2005 included a gain of $600,000 [dollars] for the sale of a unit with no similar recorded gain in 2006. We expect Financing Operations profit to come in at the lower end of our previously stated 2006 performance range of $12 to $14 million [dollars].

Turning to Cash Flow, the increase in cash provided by operating activities was a key highlight, increasing 18.6% [percent] to $53.9 million [dollars] for the first nine months of the year. This increase was primarily due to the realization of an $8 million [dollar] benefit from the reclassification of assets for tax purposes related to a cost segregation study we completed earlier this year. As previously announced, we anticipate a $14.7 million [dollar] increase in Cash from Operations in 2006 due to this reclassification of assets. We expect the remaining $6.7 million [dollars] to be recognized in the fourth quarter of 2006.

This obviously will place us well over the high end of our Cash Flow guidance for the year. Therefore, we are increasing our fiscal 2006 guidance for Cash Flows from Operating Activities to $60 to $65 million [dollars], up from our previously expected range of $55 million to $60 million [dollars]. This does not reflect the full reclassification benefit primarily because of a potential cash obligation which may result from the resolution of a pending federal tax appeal. As you are aware, we previously disclosed that an IRS agent raised an issue with the historical tax treatment of certain franchise fee income. We are currently engaged in an administrative process with the IRS to resolve this issue, and we have reason to believe that the matter may be resolved by year-end. An unfavorable determination would result in a net income tax obligation that could offset a portion of the asset reclassification's one-time cash benefit.

CAPEX totaled $7.4 million [dollars], an increase of $3.9 million [dollars] versus the first nine months of 2005, primarily associated with the earlier timing of development of our Company market in Cincinnati. As a result, Free Cash Flow — defined as Cash from Operations less CAPEX — increased 10.8% [percent] to $46.5 million [dollars] as of the end of the quarter. We expect Capital Expenditures to come in below our current $12 million to $14 million [dollar] range for fiscal 2006. We now expect CAPEX to range between $9 and $11 million [dollars] primarily due to lower build out costs in our Company market in Cincinnati.

Our Cash Flow was augmented by $13.1 million [dollars] during the first nine months of the year from the structural run-off of our franchise and equipment notes receivables. This brought total cash generated — Cash from Operations plus the receivables run-off — to $67.0 million [dollars]. For the full year, we expect franchise and equipment notes receivables run-off to come in at the lower end of our previously stated $18 to $20 million [dollar] guidance range.

Now, I would like to provide you with a brief update on our refinancing and securitization process. In August, we announced our intention to borrow up to $200 million in a private securitization. This will consist of $175 million in medium term notes and a $25 million revolving credit facility. Funds will be used primarily to repay the Company's existing debt and for other corporate purposes, including share repurchases. This process is proceeding well, and we expect to complete the transaction after the first of the year.

As Julia mentioned, we repurchased nearly 280,000 shares during the quarter. While we are working to refinance our debt and eliminate the financial covenant restrictions on shareholders' equity that limit the number of shares that we can repurchase, we estimate that — based on our current share price level — that we have the ability to purchase approximately 600,000 additional shares without violating current covenant restrictions.

Then, once the refinancing is completed early next year, we will have much greater flexibility.

With that, I'll turn the call back to Julia.

Julia Stewart — Wrap Up to Q&A

Thanks, Tom.

We are pleased with our financial performance to date for 2006, and have updated key components of our fiscal 2006 guidance accordingly.

We remain dedicated to IHOP's three fold-strategy — Energize the Brand, Improve Operational Performance and Maximize Franchise Development.

Additionally, we are committed to evaluating strategic alternatives for the Company, including acquisition. We have begun to seek out and evaluate acquisition candidates that match the criteria we set forth at the outset of this process — non-competitive companies that are highly franchised or have the ability to become franchised of a sufficient size and at an attractive price to create value for our shareholders. Finally, as Tom mentioned, we are well on our way to providing increased financial flexibility for our Company with the securitization transaction.

I am very excited and optimistic about the balance of 2006. With that, I would now like to open the call to answer any questions you might have.

Operator?

Julia Stewart — Closing Comments

Thank you for joining today's call. Should you have additional questions, Tom and I are available after the call. Otherwise, we look forward to speaking to you on our next conference call to discuss fourth quarter 2006 results, which is scheduled for Wednesday, February 21st. Thank you.