FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

OR

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

For the transition period from ____________ to ____________

Commission File Number 0-8360

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

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

525 North Brand Boulevard, Glendale, California 91203-1903
(Address of principal executive offices) (Zip code)
(818) 240-6055
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of March 31,1998
Common Stock, $.01 par value	9,813,589

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 1998	December 31, 1997
Assets		
Current assets		
Cash and cash equivalents	$ 9,556	$ 5,964
Receivables	29,585	30,490
Reacquired franchises and equipment held for sale, net	2,614	2,321
Inventories	1,290	1,378
Prepaid expenses	309	629
Total current assets	43,354	40,782

Long-term receivables	173,687	171,967
Property and equipment, net	149,751	142,751
Reacquired franchises and equipment held for sale, net	14,812	13,151
Excess of costs over net assets acquired, net	12,375	12,481
Other assets	1,443	1,461
Total assets	$395,422	$382,593
Liabilities and Shareholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 5,009	$ 4,973
Accounts payable	18,681	20,626
Accrued employee compensation and benefits	3,523	4,595
Other accrued expenses	6,326	4,602
Deferred income taxes	3,468	3,468
Capital lease obligations	1,105	1,062
Total current liabilities	38,112	39,326
Long-term debt	55,046	54,950
Deferred income taxes	30,287	28,862
Capital lease obligations and other	109,023	103,271
Shareholders' equity		
Preferred stock, $1 par value, 10,000,000 shares authorized; None issued	-	-
Common stock, $.01 par value, 40,000,000 shares authorized; shares issued and outstanding: March 31, 1998, 9,813,589 shares (net of 3,080 treasury shares); December 31, 1997, 9,709,261 shares (net of 1,539 treasury shares)	98	97
Additional paid-in capital	57,732	54,629
Retained earnings	104,859	100,158
Contribution to ESOP	265	1,300
Total shareholders' equity	162,954	156,184
Total liabilities and shareholders' equity	$395,422	$382,593

See the accompanying notes to the consolidated financial statements.

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

	Three Months Ended March 31,	
	1998	1997
Revenues		
Franchise operations		
Rent	$ 8,984	$ 8,096
Service fees and other	21,816	18,833
	30,800	26,929
Company operations	17,685	14,048
Other	7,392	5,464
Total revenues	55,877	46,441
Costs and Expenses		
Franchise operations		
Rent	4,754	4,194
Other direct costs	8,830	7,721
	13,584	11,915
Company operations	16,449	13,425
Field, corporate and administrative	7,784	7,053

Depreciation and amortization	2,691	2,449
Interest	4,109	3,506
Other	3,554	2,273
Total costs and expenses	48,171	40,621
Income before income taxes	7,706	5,820
Provision for income taxes	3,005	2,270
Net income	$ 4,701	$ 3,550
Net Income Per Share		
Basic	$ .48	$ .37
Diluted	$ .47	$ .37
Weighted Average Shares Outstanding		
Basic	9,749	9,487
Diluted	9,916	9,568

See the accompanying notes to the consolidated financial statements.

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

	Three Months Ended March 31,	
	1998	1997
Cash flows from operating activities		
Net income	$ 4,701	$ 3,550
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	2,691	2,449
Deferred taxes	1,425	(1,041)
Contribution to ESOP	265	220
Change in current assets and liabilities		
Accounts receivable	1,023	3,949
Inventories	88	(104)
Prepaid expenses	320	321
Accounts payable	(1,945)	(2,675)
Accrued employee compensation and benefits	(1,072)	296
Other accrued expenses	1,724	69
Other, net	1,044	1,451
Cash provided by operating activities	10,264	8,485
Cash flows from investing activities		
Additions to property and equipment	(14,230)	(9,490)
Proceeds from sale and leaseback arrangements	5,570	-
Additions to notes, equipment contracts and direct financing leases receivable	(1,387)	(1,215)
Principal receipts from notes, equipment contracts and direct financing leases receivable	2,260	1,979
Additions to reacquired franchises held for sale	(752)	(8)
Cash used by investing activities	(8,539)	(8,734)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	235	20
Repayment of long-term debt	(17)	(30)
Principal payments on capital lease obligations	(154)	(156)
Exercise of stock options	1,803	104
Cash provided (used) by financing activities	1,867	(62)
Net change in cash and cash equivalents	3,592	(311)
Cash and cash equivalents at beginning of period	5,964	8,658

Cash and cash equivalents at end of period	$ 9,556	$ 8,347
Supplemental disclosures		
Interest paid, net of capitalized amounts	$ 2,910	$ 2,410
Income taxes paid	18	569
Capital lease obligations incurred	6,058	503

See the accompanying notes to the consolidated financial statements.

IHOP CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The accompanying consolidated financial statements for the three months ended March 31, 1998 and 1997 have been prepared in accordance with generally accepted accounting principles ("GAAP"). These financial statements have not been audited by independent public accountants but include all adjustments, consisting of normal, recurring accruals, which in the opinion of management of IHOP Corp. and Subsidiaries ("IHOP" or the "Company") are necessary for a fair presentation of the financial position and the results of operations for the periods presented. The accompanying consolidated balance sheet as of December 31, 1997 has been derived from audited financial statements, but does not include all disclosures required by GAAP. The results of operations for the three months ended March 31, 1998, are not necessarily indicative of the results to be expected for the full year ending December 31, 1998.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table sets forth certain operating data for IHOP restaurants:

	Three Months Ended March 31,	
	1998	1997
	(Dollars in thousands)	
Restaurant Data		
Effective restaurants (a)		
Franchise	567	533
Company	74	60
Area license	144	137
Total	785	730
System-wide		
Sales (b)	$247,412	$216,459
Percent increase	14.3%	14.2%
Average sales per effective restaurant	$ 315	$ 297
Percent increase	6.1%	6.5%
Comparable average sales per restaurant (c)	$ 322	$ 302
Percent increase	3.7%	3.9%
Franchise		
Sales	$194,549	$168,547
Percent increase	15.4%	14.8%
Average sales per effective Restaurant	$ 343	$ 316
Percent increase	8.5%	6.8%
Comparable average sales per restaurant (c)	$ 334	$ 311
Percent increase	4.2%	4.2%
Company		
Sales	$ 17,685	$ 14,048
Percent increase	25.9%	22.7%
Average sales per effective		

Restaurant	$ 239	$ 234
Percent increase	2.1%	6.4%
Area License		
Sales	$ 35,178	$ 33,864
Percent increase	3.9%	8.3%
Average sales per effective		
Restaurant	$ 244	$ 247
Percent change	(1.2)%	4.2%

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(a) "Effective restaurants" are the number of restaurants in a given fiscal period adjusted to account for restaurants open only a portion of the period.
(b) "System-wide sales" are retail sales of franchisees, area licensees and Company-operated restaurants as reported to the Company.
(c) "Comparable average sales" reflects sales for restaurants that are operated for the entire fiscal period in which they are being compared. Comparable average sales do not include data on restaurants located in Florida and Japan.

The following table summarizes IHOP's restaurant development and franchising activity:

	Three Months Ended March 31, 1998	1997
RESTAURANT DEVELOPMENT ACTIVITY (a)		
IHOP - beginning of period	787	729
New openings		
IHOP-developed	7	4
Investor program	2	-
Area license	1	2
Total new openings	10	6
Closings		
Company and franchise	(4)	(1)
Area license	(1)	-
IHOP - end of period	792	734
Summary - end of period		
Franchise	570	534
Company	77	62
Area license	145	138
Total IHOP	792	734
RESTAURANT FRANCHISING ACTIVITY(a)		
IHOP-developed	6	5
Investor program	2	-
Rehabilitated and refranchised	1	1
Total restaurants franchised	9	6
Reacquired by Company	(7)	(6)
Closed	(3)	(1)
Net decrease	(1)	(1)

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(a) The Company reports restaurants in Canada as franchise restaurants although the eleven restaurants are operated under an area license agreement.

The following discussion and analysis provides information management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997. Certain forward-looking statements are contained in this quarterly report. They use such words as "may," "will," "expect," "believe," "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: availability of suitable locations and terms of the sites designated for development; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; conditions beyond the Company's control such as weather or natural disasters; availability and cost of materials and labor; cost and availability of capital; competition; continuing acceptance of the International House of Pancakes brand and concept 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 the Company 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. The Company disclaims any intent or obligation to update these forward-looking statements.

IHOP's quarterly results are subject to seasonal fluctuation. IHOP's results of operations are impacted by the timing of additions of new restaurants, by the timing of the franchising of those restaurants, and by the number and profitability of restaurants in the Company's inventory of restaurants that are available for refranchising. Revenues from sales of franchises and equipment and their associated costs of sales are affected by the mix and number of restaurants franchised, as follows: (i) franchise rights with respect to restaurants newly developed by IHOP normally sell for a franchise fee of $200,000 to $350,000, and such restaurants have little if any franchise cost of sales and have equipment in excess of $300,000 that is usually sold at a price that includes little or no profit margin; (ii) franchise rights with respect to restaurants developed by franchisees normally sell for a franchise fee of $50,000, and such restaurants have minor associated franchise cost of sales and do not include an equipment sale; and (iii) previously reacquired franchises normally sell for a franchise fee of $100,000 to $300,000, include an equipment sale, and may have substantial costs of sales associated with both the franchise and the equipment. As a consequence of the foregoing factors, the results of operations for the three months ended March 31, 1998, are not necessarily indicative of the results to be expected for the full year ending December 31, 1998.

System-wide retail sales for the first quarter of 1998 grew 14.3% over system-wide retail sales for the first quarter of 1997. This was due to increases of 7.5% in the number of effective restaurants and 6.1% in average per unit revenues. System-wide comparable average sales per restaurant (exclusive of area license restaurants) for the first quarter of 1998 grew by 3.7% over those in the first quarter of 1997. Management continues to pursue growth in sales through the Company's restaurant development program, its advertising and marketing efforts, improvements in customer service and operations, and the Company's remodeling program.

Franchise operations revenues for the first quarter of 1998 grew 14.4% over franchise operations revenues for the first quarter of 1997. This was primarily due to an increase in revenues per effective franchised restaurant of 8.5% and an increase in the number of effective franchised restaurants of 6.4%. Franchise operations costs and expenses for the first quarter of 1998 increased 14.0% over costs and expenses for the first quarter of 1997. As a result of franchise revenues increasing in excess of franchise expenses, franchise margin increased to 55.9% in the first quarter of 1998 versus 55.8% in the comparable 1997 period.

Company-operated restaurant revenues in the first quarter of 1998 grew 25.9% over revenues for the first quarter of 1997. This was primarily due to an increase in the number of effective Company-operated restaurants of 23.3% and an increase in revenues per effective Company-operated restaurant of 2.1%. Company-operated restaurant costs and expenses for the first quarter of 1998 increased

22.5% from costs and expenses for the first quarter of 1997. Margin at Company-operated restaurants in the first quarter of 1998 increased to 7.0% compared with 4.4% in the comparable 1997 period. The change in margin was primarily due to reductions in employee costs and operating expenses as a percentage of revenues.

Other revenues in the first quarter of 1998 grew 35.3% over other revenues for the first quarter of 1997. This was primarily due to an increase in revenues from the sale of franchises and equipment to $4,047,000, from $2,924,000, and an increase of 31.2% in interest income from direct financing leases. Other costs and expenses in the first quarter of 1998 increased 56.4% over those in the first quarter of 1997 primarily from the increase in franchise and equipment cost of sales to $2,339,000, from $1,655,000, and a significant increase in preopening expenses associated with opening more new IHOP restaurants than in the comparable period. IHOP franchised nine restaurants in the first quarter of 1998 compared with six in the first quarter of 1997.

Field, corporate and administrative costs and expenses in the first quarter of 1998 increased 10.4% over costs and expenses in the first quarter of 1997, principally due to increases in employee-related expenses, including salaries and wages. Field, corporate and administrative expenses were 3.1% of system-wide sales in the first quarter of 1998 compared to 3.3% in the first quarter of 1997.

Depreciation and amortization expense in the first quarter of 1998 increased 9.9% over that of the comparable 1997 period, primarily reflecting the addition of new, larger restaurants, and an increase in the number of Company-operated restaurants.

Interest expense increased 17.2% in the first quarter of 1998 over that of the comparable 1997 period primarily due to interest associated with increased capital lease obligations.

Provision for income taxes was 39.0% of income before income taxes in both the first quarter of 1998 and the first quarter of 1997.

Liquidity and Capital Resources

The Company invests available funds into its business primarily through the development of additional restaurants and, to a lesser extent, through the remodeling of older Company-operated restaurants.

In 1998, IHOP and its franchisees and area licensees plan to develop and open approximately 70 to 85 restaurants. Included in that number are the development of 50 to 60 new restaurants by the Company and the development of 20 to 25 restaurants by IHOP franchisees and area licensees. Capital expenditure projections for 1998, which include IHOP's portion of the above development program, are approximately $60 to $75 million. In November 1998, the third annual installment of $4.6 million in principal becomes due on the Company's senior notes due 2002. The Company expects that funds from operations, sale and leaseback arrangements (estimated to be about $35 million) and its revolving line of credit will be sufficient to cover its operating requirements, its budgeted capital expenditures and its principal repayment on its senior notes in 1998. At March 31, 1998, $20 million was available to be borrowed under the Company's unsecured bank revolving credit agreement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Part II. OTHER INFORMATION

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Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

Exhibits not incorporated by reference are filed herewith. The remainder of the exhibits have heretofore been filed with the Commission and are incorporated herein by reference. Management contracts or compensatory plans or arrangements are marked with an asterisk.

3.1 Certificate of Incorporation of IHOP Corp. Exhibit 3.1 to Form 10-K for the fiscal year ended December 31, 1997, Commission file number 0-8360, (the "1997 Form 10-K") is hereby incorporated by reference.

3.2 Bylaws of IHOP Corp. Exhibit 3.2 to the 1997 Form 10-K is hereby incorporated by reference.

*10.1 Revised IHOP Corp. Executive Incentive Plan effective January 1, 1998.

11.0 Statement Regarding Computation of Per Share Earnings.

27.0 Financial Data Schedule.

(b) No reports on Form 8-K were filed during the quarter ended March 31, 1998.

SIGNATURES

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 thereunto duly authorized.

IHOP Corp.

(Registrant)

April 30, 1998 BY: /s/ Richard K. Herzer
(Date)
Richard K. Herzer
Chairman of the Board,
President and Chief Executive
Officer (Principal Executive
Officer)

April 30, 1998 BY: /s/ Frederick G. Silny
(Date)
Frederick G. Silny
Vice President-Finance and
Treasurer (Principal
Financial Officer)

IHOP CORP
EXECUTIVE INCENTIVE PLAN

1

EFFECTIVE DATE

The Executive Incentive Plan is effective January 1, 1998, and supersedes all previously implemented plans.

MODIFICATION OF THE PLAN

IHOP CORP reserves the right to modify, terminate or make exceptions to the Executive Incentive Plan at any time without prior notice. The Plan will be reviewed on an annual basis allowing for updates or revisions to be considered. The Plan and this Plan Document do not constitute or imply an employment contract, and participants accrue no interest, right or any benefit in the Plan, except as specifically set forth in this document.

ELIGIBILITY

The Plan includes the President, Vice Presidents and all director level reports to the Vice Presidents or President, including legal counsels of the IHOP Corporation and its subsidiaries; except those otherwise covered by another plan. Any director level employee not qualifying to the previous conditions may become eligible with the written approval of the President. Participants must be actively employed with IHOP Corp. and its subsidiaries through the plan year of the bonus plan. The last day worked is the last day an employee is considered active. In the case of termination, vacation or other payments can not be used to extend the last day worked.

The incentive calculations are based on the position held at the end of the fiscal year the incentive was earned, unless otherwise stated below.

NEW HIRES/RE-HIRES

New hires and re-hires eligible for the Plan will have the incentive amount prorated based on the number of whole months worked in the fiscal year. If the participant begins work on the first calendar or workday of the month, they will be credited for a whole month worked. In the event an eligible employee is terminated and re-hired in the same fiscal year, the re-hire date will be used to determine the number of whole months to be prorated for the given year. For re-hired participants, incentive will not consider any time worked prior to the re-hire date.

PROMOTIONS

Any employee promoted to an eligible position during the fiscal year will have an incentive prorated based on the number of whole months in the fiscal year. If the participant is promoted on the first calendar or workday of the month, they will be credited for a whole month worked. The effective date of the promotion will be used to determine the number of whole months worked.

DEMOTIONS

When an employee is demoted from one eligible position to another the incentive will be calculated using the base pay at the end of the fiscal year. The percentage multiplier will be derived from the factor that relates to the specific job at the end of the fiscal year. Therefore, the calculations for the incentive will be based on the attributes of the current job. There will be no prorated incentives for individuals demoted during the fiscal year to an eligible position.

JOB CHANGE TO A NON-ELIGIBLE POSITION

Any employee changing from an eligible position to a non-eligible position during the fiscal year will have an incentive prorated based on the number of whole months in the fiscal year. The effective date of the job change will be used to determine the number of whole months worked. If the participant changed positions on the first calendar or workday of the month, the previous month will be used to determine the last whole month worked.

SHORT-TERM OR LONG-TERM DISABILITY, WORKERS' COMPENSATION AND OTHER LEAVES OF ABSENCE

Any participant on leave of absence, or otherwise not actively working during the fiscal year will have an incentive prorated excluding the period on leave. The date the leave is effective and the date ending leave will be used to calculate the number of whole months worked in the fiscal year. This incentive will only be paid upon the employees returning to active duty.

TERMINATION DUE TO DEATH OR RETIREMENT

Any incentive earned will be prorated for the fiscal year earned and awarded with the normal distribution of incentives. The incentive amount will be based on the number of whole months worked in the fiscal year earned.

PLAN DESCRIPTION

The Executive Incentive Plan is an annual incentive based on the profitability growth of IHOP Corp. and on the achievement of specific individual business objectives of the participants.

DETERMINING INCENTIVE

The incentive award is a percentage of base salary which is dependent on the position of the participant (see "Bonus Allocation Table"). The Target Payout % multiplied by the participants base salary on the last day of the fiscal year is the Target Incentive in dollars. Any eligible participant that is not an Officer will have an incentive based on the Directors Target Payout as a percentage of Base Salary. The incentive weighting for the CEO is solely based on Company Performance. The incentive weighting for Executive Vice President, Vice Presidents, and Directors is 40% Individual Business Objectives and 60% Company Performance.

BONUS ALLOCATION TABLE

	CEO	EXECUTIVE VICE PRESIDENT	VICE PRESIDENTS	DIRECTORS
TARGET PAYOUT AS A % OF BASE SALARY	60%	50%	35%	20%

Incentive Payout Calculation

The incentive payout is based solely on performance, therefore no limiting factors will be used in calculating the incentive. The Level of Performance is always based on the last whole percentage actually achieved.

Examples of incentive calculations in various scenarios are attached to the Plan Document.

COMPANY PERFORMANCE

The Company Performance is based on a comparison of the actual profit before taxes and extraordinary items to the budgeted figure for the Plan Year. To determine the Profit Achievement for the organization divide the actual profit before taxes, bonus and extraordinary items by the budgeted profit before taxes, bonus and extraordinary items. Refer to the "Company Payout Table" to determine the bonus achieved for Company portion of the incentive. The bonus achieved is multiplied by the percentage weighting for the respective position (see "Determining Incentive") and then multiplied by the individual's base salary to determine the company portion of the payout.

COMPANY PAYOUT TABLE

Actual Profit Achieved	% OF BONUS ACHIEVED
Less than 90 %	0 %
90 %	75.0%
91 %	77.5%
92 %	80.0%
93 %	82.5%
94 %	85.0%
95 %	87.5%
96 %	90.0%
97 %	92.5%
98 %	95.0%
99 %	97.5%
100 %	100.0%
101 %	105.0%
102 %	110.0%
103 %	115.0%
104 %	120.0%
105 %	125.0%
106 %	130.0%
107 %	135.0%
108 %	140.0%
109 %	145.0%
110 %	150.0%
111 %	155.0%
112 %	160.0%
113 %	165.0%

114 % or more	170.0%

INDIVIDUAL BUSINESS OBJECTIVES

Annually, each eligible participant in the plan sets individual business objectives in conjunction with his or her immediate supervisor in December of each year. During this process challenging, measurable objectives that significantly impact the Company business objectives are to be mutually determined.

After the fiscal year, a percentage of Achievement is then established by the immediate supervisor and approved by the CEO. This percentage of Achievement is multiplied by the percentage weighting for the respective position (see "Determining Incentive") and then multiplied by the individual's base salary to determine the individual portion of the payout.

In addition to the calculated individual portion of the incentive, an award may be granted at the discretion of the President to individuals exceeding expected levels of performance.

PAYMENT DISTRIBUTION

Incentive payouts will be distributed as soon as possible following the closing of the fiscal year. Payouts will be paid in a separate check from the regular payroll check, and is subject to normal withholding deductions.

PLAN ADMINISTRATION

The Executive Incentive plan is administered by the IHOP Human Resources Department. This Plan Document and its provisions regulate all plan guidelines and participant eligibility. Any special circumstances must be submitted in writing to the Human Resources Department and approved by the President at the time of the exception.

INCENTIVE CALCULATION SCENARIOS

EXAMPLE #1: LOW INDIVIDUAL ACHIEVER & LOW COMPANY

Assume a Vice President has a Base Salary of $170,000.

INDIVIDUAL COMPONENT

The Individual Performance was reviewed and found 1 out of 4 goals were achieved. Assuming each goal was weighted equally, the Individual Component is 25%. Assume the EPS growth for the fiscal year was 11%.

COMPANY COMPONENT

Profit Before Taxes and Extraordinary Items for the year is 95% of the Target Amount. Therefore, the Bonus Achieved is 87.5% for the Company Component (see "Company Payout Table" on page 4 of the Plan).

Step # 1 - Target Payout

Base Salary * Target Payout % = Target Payout

$170,000 * (35%) = $59,500

Step # 2 - Individual Payout
- ---------------------------

Individual Component	*	Weighted as 40% of Target Payout	=	Individual Payout
25%	*	(40% * $59,500)	=	$5,950

Step # 3 - Company Payout
- ------------------------

Company Component	*	Weighted as 60% of Target	=	Company Target
87.5%	*	(60% * $59,500)	=	$31,237.50

Step # 4 - Incentive Payout
- --------------------------

Individual Payout	+	Company Payout	=	Incentive Payout
$5,950	+	$31,237.50	=	$37,187.50

EXAMPLE #2: HIGH INDIVIDUAL ACHIEVER & HIGH COMPANY

Assume a Vice President has a Base Salary of $170,000.

INDIVIDUAL COMPONENT
- --------------------
The Individual Performance was reviewed and found 4 out of 4 goals were achieved. Assuming each goal was weighted equally, the Individual Component is 100%. Assume the EPS growth for the fiscal year was 17%.

COMPANY COMPONENT
- -----------------
Profit Before Taxes and Extraordinary Items for the year is 108% of the Target Amount. Therefore, the Bonus Achieved is 140% for the Company Component (see "Company Payout Table" on page 4 of the Plan).

Step # 1 - Target Payout
- --------------------------
Base Salary * Target Payout % = Target Payout

$170,000 * (35%) = $59,500

Step # 2 - Individual Payout
- ---------------------------

Individual Component	*	Weighted as 40% of Target Payout	=	Individual Payout
100%	*	(40% * $59,500)	=	$23,800

Step # 3 - Company Payout
- ------------------------

Company Component	*	Weighted as 60% of Target	=	Company Target
140%	*	(60% * $59,500)	=	$49,980

Step # 4 - Incentive Payout
- --------------------------

Individual Payout	+	Company Payout	=	Incentive Payout
$23,800	+	$49,980	=	$73,780

EXHIBIT 11.0

IHOP CORP. AND SUBSIDIARIES

STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS

(In thousands, except per share data)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
NET INCOME PER COMMON SHARE - BASIC		
Weighted average shares outstanding	9,749	9,487
Net income available to common shareholders	$4,701	$3,550
Net income per share - Basic	$ .48	$ .37
NET INCOME PER COMMON SHARE - DILUTED		
Weighted average shares outstanding	9,749	9,487
Net effect of dilutive stock options based on the treasury stock method using the average market price.	167	81
Total	9,916	9,568
Net income available to common shareholders	$4,701	$3,550
Net income per share - Diluted	$ .47	$ .37

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED FINANCIAL STATEMENTS OF IHOP CORP. AND SUBSIDIARIES AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<F1> REPRESENTS BASIC EARNINGS PER SHARE.
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