

DENNYS CORP  
Form 8-K  
September 12, 2006

**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): September 8, 2006**

**DENNY'S CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
Incorporation or organization)

**0-18051**  
Commission File No.

**13-3487402**  
(I.R.S. Employer  
Identification No.)

**203 East Main Street**  
**Spartanburg, South Carolina 29319-0001**  
(Address of principal executive offices)  
(Zip Code)

**(864) 597-8000**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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 1.01 Entry into a Material Definitive Agreement**

On Friday, September 8, 2006, Denny's Inc. and Denny's Realty, LLC, affiliated entities of Denny's Corporation ("Denny's"), entered into an agreement to sell to National Retail Properties, Inc. (NYSE:NNN), a real estate investment trust, 66 franchise-operated Denny's restaurant properties for a purchase price of \$67 million.

Denny's expects this sale to generate after-tax proceeds of approximately \$65 million and result in a gain on sale of assets of approximately \$38 million. Consistent with the requirements of Denny's credit agreement, the proceeds of these asset sales will be applied to reduce the outstanding balance on Denny's \$219 million first lien term loan. After applying the net proceeds to reduce its debt, Denny's expects annual net income to increase by approximately \$1 million as reductions in interest expense and depreciation offset the loss of rental income. The transaction is scheduled to close within 30 days and is subject to customary closing conditions.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

Exhibit 99.1 -- Press release issued by Denny's Corporation on September 12, 2006.

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**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 hereunto duly authorized.

D e n n y ' s  
Corporation

Date: September 12, 2006

/s/ F. Mark  
Wolfinger  
F . M a r k  
Wolfinger  
Senior Vice  
President and  
C h i e f  
F i n a n c i a l  
Officer