WENDYS INTERNATIONAL INC
Form S-4
August 28, 2009

As filed with the Securities and Exchange Commission on August 28, 2009

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WENDY S/ARBY S RESTAURANTS, LLC
(Exact name of Registrant as specified in its charter)

Delaware	**5812**	**38-0471180**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Nils H. Okeson
Senior Vice President, General Counsel and Secretary
Wendy s/Arby s Restaurants, LLC
1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
John C. Kennedy
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
212-373-3000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. £

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price per share**	**Proposed maximum aggregate offering price (1)**	**Amount of registration fee (2)**
10.00% Senior Notes Due 2016	$ 565,000,000	100 %	$ 565,000,000	$ 31,527
Guarantees of 10.00% Senior Notes Due 2016	N/A	N/A	N/A	N/A (3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933.

(2) The registration fee has been calculated pursuant to Rule 457(f) under the

Securities Act of 1933.

(3) No additional consideration is being received for the guarantees, and, therefore no additional fee is required.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Name	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Wendy s International, Inc.	Ohio	5812	31-0785108
The New Bakery Co. of Ohio, Inc.	Ohio	5812	58-1344157
Wendy s of Denver, Inc.	Colorado	5812	84-0692495
Wendy s of N.E. Florida, Inc.	Florida	5812	31-1300482
Wendy s Old Fashioned Hamburgers of New York, Inc.	Ohio	5812	31-0986349
BDJ 71112, LLC	Ohio	5812	31-1681356
Arby s Restaurant Holdings, LLC	Delaware	5812	38-0471180
Triarc Restaurant Holdings, LLC	Delaware	5812	34-1992713
Arby s Restaurant Group, Inc.	Delaware	5812	13-3760393
Arby s Restaurant, LLC	Delaware	5812	71-0898730
Arby s, LLC	Delaware	5812	13-3760393
Wendy s/Arby s Support Center, LLC	Delaware	5812	90-0256478
ARG Services, Inc.	Colorado	5812	20-5728240
Sybra, LLC	Michigan	5812	26-1552833
Arby s IP Holder Trust	Delaware	5812	13-3760393
RTM Acquisition Company, L.L.C.	Georgia	5812	58-2307207
RTM, LLC	Georgia	5812	13-3760393
RTM Partners, LLC	Georgia	5812	13-3760393
RTM Operating Company, LLC	Delaware	5812	26-1552790
RTM Development Company, LLC	Delaware	5812	13-3760393
RTMSC, LLC	South Carolina	5812	13-3760393
RTM Georgia, LLC	Georgia	5812	13-3760393
RTM Alabama, LLC	Alabama	5812	13-3760393
RTM West, LLC	California	5812	13-3760393
RTM Sea-Tac, LLC	Washington	5812	26-1539466
RTM Indianapolis, LLC	Ohio	5812	13-3760393
Franchise Associates, LLC	Minnesota	5812	13-3760393
RTM Savannah, LLC	Georgia	5812	13-3760393
RTM Gulf Coast, LLC	Alabama	5812	13-3760393
RTM Portland, LLC	Oregon	5812	26-1552697
RTM Mid-America, LLC	Indiana	5812	26-1552741
ARG Resources, LLC	Georgia	5812	26-1476024
Wendy s/Arby s International, Inc.	Delaware	5812	27-0353122

Wendy s/Arby s International Services, Inc.	Delaware	5812	27-0353174

The address of each of the additional registrants is c/o Wendy s/Arby s Restaurants, LLC, 1155 Perimeter Center West, Atlanta, Georgia 30338.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 28, 2009

PROSPECTUS

Wendy s/Arby s Restaurants, LLC

Exchange Offer for $565,000,000
10.00% Senior Notes due 2016

The Notes and the Guarantees

We are offering to exchange $565,000,000 of our outstanding 10.00% Senior Notes due 2016, which were issued on June 23, 2009 and which we refer to as the initial notes, for a like aggregate amount of our registered 10.00% Senior Notes due 2016, which we refer to as the exchange notes. The exchange notes will be issued under an indenture dated as of June 23, 2009.

The exchange notes will mature on July 15, 2016. We will pay interest on the exchange notes on January 15 and July 15 of each year, commencing on January 15, 2010, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.

The exchange notes will be jointly and severally guaranteed on a senior unsecured basis by most of our domestic restricted subsidiaries that guarantee our senior secured credit facilities.

The exchange notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior debt, will rank senior to all of our future subordinated debt, and will effectively rank junior to all secured debt to the extent of the value of the collateral and to all liabilities of non-guarantor subsidiaries.

Terms of the exchange offer

It will expire at 5:00 p.m., New York City time, on , 2009, unless we extend it.

If all the conditions to this exchange offer are satisfied, we will exchange all of the initial notes that are validly tendered and not withdrawn for exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled Risk Factors commencing on page 17.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Wendy s/Arby s Restaurants, LLC has agreed that, for a period of 90 days after the expiration date, it will make this prospectus available to any broker- dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is , 2009.

TABLE OF CONTENTS

INDUSTRY AND MARKET DATA

We obtained the market and competitive position data used throughout this prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data and we do not make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable but it has not been verified by any independent sources.

PROSPECTUS SUMMARY

This summary may not contain all of the information that may be important to you. You should read this prospectus carefully in its entirety before making an investment decision. In particular, you should read the section entitled Risk Factors included elsewhere in this prospectus and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

Unless otherwise specified or the context requires otherwise, (i) the term Wendy s/Arby s Group refers to Wendy s/Arby s Group, Inc., our parent company; and (ii) the terms we, us, our, Wendy s/Arby s Restaurants, a the Company refer collectively to Wendy s/Arby s Restaurants, LLC and its subsidiaries. The term initial notes refers to the 10.00% Senior Notes due 2016 that were issued on June 23, 2009 in a private offering. The term exchange notes refers to the 10.00% Senior Notes due 2016 offered with this prospectus. The term notes refers to the initial notes and the exchange notes, collectively.

Our Business

Wendy s/Arby s Restaurants, LLC is the parent company of Wendy s International, Inc. (Wendy s) and Arby s Restaura Group, Inc. (Arby s or ARG), two of the leading quick service restaurant (QSR) companies in the United States. We are a wholly owned subsidiary of Wendy s/Arby s Group, Inc., which is publicly listed on the New York Stock Exchange under the ticker symbol WEN. We are the 3rd largest QSR company in the United States based on systemwide sales and we franchise and/or operate more than 10,000 restaurants worldwide. Our revenues and EBITDA for the six months ended June 28, 2009 totaled $1.8 billion and $195.3 million, respectively.

Wendy s/Arby s Group was created in September 2008 through the combination of two leading restaurant brands, Wendy s® and Arby s®. We believe each brand is distinctly known for its longstanding tradition of product innovation and commitment to serving its customers high quality and freshly prepared food. On a combined basis, over 75% of our Wendy s and Arby s restaurant systems are franchised, which we believe provides for a recurring and profitable franchise royalty stream of revenues. As of June 28, 2009, we owned the land and buildings for over 750 of our 2,565 company-owned restaurants, and we utilized land and building leases for the remainder of our company-owned restaurants. We believe that our franchise business model, along with realized and future expected synergies from the Wendy s/Arby s merger integration, continued operational and margin improvement at our company-owned restaurants, efficient working capital management and relatively moderate levels of capital expenditure needs will result in attractive free cash flow generation. These capital expenditure needs include non-discretionary capital expenditures of approximately $70 million annually to maintain and remodel our restaurants.

Wendy s: It s Waaaay Better than Fast Food

Founded in 1969 by Dave Thomas, Wendy s is the 3rd largest U.S. restaurant franchising system specializing in the QSR hamburger sandwich segment based on system-wide sales, according to Technomic, a leading restaurant industry information provider. Wendy s is widely regarded as the quality leader among national QSR hamburger chains through its use of fresh ingredients, including Fresh, Never Frozen Beef. In 2009, the Zagat Survey named Wendy s No. 1 overall among QSR mega-chains as well as No. 1 in food quality and facilities. In addition to its reputation for serving high quality products, Wendy s has a strong history of innovation among QSR operators. Wendy s has continued to add to its iconic status through high-profile marketing campaigns such as Where s the beef? of the mid-1980 s, the Dave campaign of the 1990 s personified by Wendy s founder Dave Thomas and offering his commitment to quality products and service, and its current It s Waaaay Better than Fast Food campaign.

In addition to hamburgers, each Wendy s restaurant offers a distinctive menu featuring premium chicken breast sandwiches, wraps, chicken nuggets, chili, baked and French fried potatoes, freshly prepared salads, soft drinks, and Frosty desserts. Wendy s has also been able to participate in the

1

value segment of QSR with a number of affordable menu items such as its Value Trio, three sandwiches each for 99¢, which was offered during the second quarter of 2009.

The typical Wendy s restaurant is a free-standing, 3,000 square foot location with seating for approximately 70-85 people. The majority of our Wendy s locations feature a drive-thru window, which accounts for approximately 65% of our daily sales volume. Wendy s unit volumes for 2008 were approximately $1.5 million for company-owned restaurants and $1.4 million for franchised restaurants, primarily in the lunch and dinner dayparts, which together accounted for approximately 62% of our sales, while the snack and late night dayparts together accounted for approximately 37% of our sales. As of June 28, 2009, the Wendy s restaurant system was comprised of 6,608 restaurants, including 725 locations outside of the United States, 5,213 (79%) of which were franchised and 1,395 (21%) of which were company-operated.

Prior to the merger with Wendy s, company-owned Wendy s restaurant margins were underperforming those of Wendy s peers and franchisees. We believe there is a significant opportunity to improve profitability from our company-owned Wendy s restaurants by establishing a culture of store-level margin accountability and effectively managing food, labor and controllable costs at the restaurants. We believe we can improve the pre-merger margins of our company-owned Wendy s restaurants by approximately 500 basis points by the end of 2011, representing approximately $100 million of incremental annualized EBITDA. Our operating plan to date is already showing results as Wendy s company-owned restaurant margins increased by approximately 240 basis points year-over-year for the first half of 2009 (the third fiscal quarter since our merger with Wendy s).

I m Thinking Arby s

Arby s is the 2nd largest U.S. restaurant franchising system in the sandwich QSR segment, based on system-wide sales, according to Technomic. We believe that Arby s offers a unique, better tasting alternative to traditional fast food. The Arby s brand is recognized as an industry leader specialized in serving one-of-a-kind menu items such as its signature slow-roasted, thinly sliced roast beef sandwiches and Market Fresh® premium sandwiches, toasted subs, and salads made with wholesome ingredients and served with the convenience of a drive-thru.

Arby s has a longstanding history of menu innovation and quality products that originated when it was founded by the Raffel Brothers in July 1964. Arby s created menu favorites such as Beef n Cheddar, Curly Fries, Jamocha Shakes and signature sauces, such as Arby s BBQ sauce and Horsey Sauce®. In 2007, Arby s added Toasted Subs to its sandwich selections, which was Arby s largest menu expansion since the 2001 introduction of its Market Fresh line. Arby s initial lineup of Toasted Sub offerings included four varieties on toasted ciabatta rolls: the French Dip & Swiss, the Philly Beef, the Classic Italian and the Turkey Bacon Club. During March 2009, Arby s successfully launched its new Roastburger line of premium oven-roasted, thinly sliced roast beef sandwiches enhanced with a variety of fresh burger-style toppings.

Arby s restaurants in the United States and Canada are typically 2,500 to 3,000 square foot free-standing locations with seating for approximately 75 people. Almost all of the restaurants feature drive-thru window service which accounts for approximately 57% of our daily sales volume. Arby s unit volumes for 2008 were approximately $1.0 million for company-owned restaurants and $0.9 million for franchised restaurants, primarily in the lunch and dinner dayparts, which together accounted for approximately 71% of our sales, while the snack and late night dayparts together accounted for approximately 27% of our sales. As of June 28, 2009, the Arby s restaurant system was comprised of 3,745 restaurants, 2,575 (69%) of which were franchised and 1,170 (31%) of which were company-operated. Of the 2,575 franchisee-owned restaurants, 123 are operated outside the United States, principally in Canada.

Arby s quality products are generally sold at a premium price point. Combined with an efficient operating system and focus on costs, Arby s has historically generated strong restaurant-level margins. Over the last three fiscal years, Arby s restaurant margins averaged more than 18.5%. We believe that as we continue to leverage our brand equity in roast beef to increase visit frequency

2

among Arby s enthusiasts to drive same store sales growth, we can improve Arby s restaurant margins from current levels. For the six months ended June 28, 2009, Arby s restaurant margins have decreased by approximately 190 basis points to 14.6% as compared to the six months ended June 29, 2008.

Our Industry

We operate in the QSR segment, which is the largest segment of the restaurant industry and accounts for approximately 53% of total restaurant sales in the United States. According to Technomic, QSR restaurant industry sales were approximately $193 billion in 2008. QSR has generated attractive historical sales growth averaging 5% per year from 2004-2008.

Overall U.S. restaurant sales growth slowed in 2008 due to macroeconomic conditions and weakened consumer spending. According to Technomic, total restaurant sales increased by 0.4% in 2008 as compared to 3.9% in 2007. The QSR segment, however, outpaced the broader restaurant industry, growing 3.2% in 2008. We believe that during economic downturns, the QSR segment, as a whole, generally outperforms other restaurant segments because customers seek value and migrate to lower price points. Going forward, we believe that QSR growth is expected to be driven by continued consumer desire for quality food, product innovation, good customer service, value and convenience.

Our Competitive Strengths

Portfolio of Iconic Restaurant Brands: We believe our Wendy s and Arby s restaurant brands are two of the most recognizable restaurant brands in the industry. Combined, these iconic brands have over 10,000 restaurants and operate in 25 countries, with over $12 billion in system-wide sales. According to Technomic, we are the 3rd largest QSR company in the United States based on system-wide sales. Both Wendy s and Arby s were established in the 1960 s. We believe Wendy s and Arby s have created their strong brand recognition through high quality food, successful marketing and continuous product innovation.

Differentiated versus QSR Competition: We believe both Wendy s and Arby s are well positioned against their QSR competitors. Both brands maintain leading positions within their individual segments by offering high quality menu items and premium products. Wendy s and Arby s both maintain their relevance with their core customers through continued product innovation. While both brands are widely known for their premium menu offerings, Wendy s and Arby s also offer value-priced menu offerings such as Wendy s Value Trio and Arby s discounted meal combos and bundle promotions.

Attractive Cash Flow Generation: Both of our brands have a well-established base of franchisees. On a combined basis, over 75% of our Wendy s and Arby s restaurant networks are franchised, which we believe provides for a recurring and profitable franchise royalty stream of revenues. We believe our franchise business model increases the stability of our revenue stream and strengthens our profitability through attractive margin contribution. Franchise revenues were $187.3 million on a combined basis for the six months ended June 28, 2009. Combined with our low working capital requirements and moderate capital expenditure needs, we are able to convert a significant portion of our EBITDA to free cash flow. These capital expenditure needs include non-discretionary capital expenditures of approximately $70 million annually to maintain and remodel our restaurants. Additionally, we believe further free cash flow enhancement is possible as we continue to realize post-merger synergies and efficiencies, as well as restaurant level margin improvements.

Experienced Management Team: Our senior management team is led by Roland Smith. Mr. Smith has been the Chief Executive Officer (CEO) of Wendy s/Arby s Group since June 2007 and was CEO of Arby s from April 2006 to September 2008 and from 1997 to 1999. Our senior management team is comprised of experienced restaurant industry executives and former franchise operators. David Karam, recently appointed President of Wendy s, served as President of Cedar

3

Enterprises, a 133-unit franchisee of Wendy s, from 1989 to September 2008. Thomas Garrett, President and CEO of Arby s, joined the company in 2005 with the acquisition of RTM Restaurant Group (RTM), at the time the largest Arby s franchisee. Mr. Garrett served as president of RTM prior to the acquisition. Stephen Hare has served as Senior Vice President and Chief Financial Officer of Wendy s/Arby s Group since September 2007 and served as Chief Financial Officer of Arby s since June 2006. We believe that our senior management team s longstanding experience operating our restaurant brands, combined with significant franchise experience, provides us with the operational expertise to lead a turnaround of the business and increase profitability over the long term.

Our Business Strategy

We believe there are significant opportunities to grow our business, strengthen our competitive position and enhance our profitability through the execution of the following strategies:

Re-vitalize the Wendy s and Arby s Brands: Although both the Wendy s and Arby s brands are well-established with a strong base of loyal customers, for several years before the September 2008 merger (see Company Information), Wendy s product innovation and advertising campaigns became less effective in attracting customers. Additionally, Arby s recent sales performance has declined as a result of the weak economy and unprecedented discounting by its competitors. We believe that new, creative advertising campaigns focused on key target customer groups, supported by successful new premium product introductions, along with more effective value menu offerings by Arby s are critical elements of our strategy to re-vitalize the Wendy s and Arby s brands and increase sales over the long term. We intend to generate future same-store sales growth at our Wendy s and Arby s locations by:

Increasing traffic at Wendy s: We believe we can increase traffic at Wendy s by creating innovative menu items specifically targeting its two super segments : customers focused on quality and freshness and customers who are price/value driven. Our Premium Fish and Value Trio are recent examples of offerings designed to target these two groups.

Additionally, during the second quarter of 2009 we launched distinctive add-on items which we believe appeal to both groups such as our Frosty -Cino and Coffee Toffee Twisted Frosty and we have also recently launched our premium chicken product. Our product pipeline currently includes new premium hamburger menu items to be launched during the second half of 2009. With the introduction of new premium hamburger products later this year, we believe we can enhance the Wendy s brand reputation as having the highest quality food among national QSR companies.

Increasing traffic at Arby s: During March

2009, we offered a new line of premium sandwiches called Roastburgers to leverage our brand equity in roast beef and increase visit frequency among Arby s enthusiasts. We believe the launch of Arby s Roastburgers in March drove a significant improvement in same-store sales in March when compared to the previous two months. We also plan on targeting our large base of medium Arby s customers (which we define as customers who visit Arby s restaurants 1-3 times per month) by extending our menu to other oven-roasted premium sandwich offerings such as chicken and turkey and adding more affordable full-meal combos during the second half of 2009.

Expanding our Daypart Focus: We plan to increase our restaurant productivity by expanding our participation in the breakfast daypart at both Wendy s and Arby s. According to Consumer Report of Eating Share Trends (CREST), breakfast represents approximately 23% of QSR traffic and is the fastest growing QSR daypart segment. However, our participation in this important daypart is currently very limited at both brands. We are testing new breakfast offerings for Wendy s and plan to expand our test markets in 2010 for a national launch by late

2011.

Improve Wendy s Company-Owned Restaurant Profitability: One of our highest priorities since merging with Wendy s in September 2008 has been to generate an improved level of profitability from our company-owned Wendy s restaurants. We believe that by establishing a culture of store-level margin accountability and effectively managing food, labor and controllable costs at the restaurants, we can improve the pre-merger margins of our company-owned Wendy s restaurants by approximately 500 basis points by the end of 2011, representing approximately $100 million of incremental annualized EBITDA. Our operating plan to date is already showing results as our company-owned Wendy s restaurant margins increased by approximately 240 basis points year-over-year for the first half of 2009 (the third fiscal quarter since our merger with Wendy s).

Realize Cost Savings Related to the Wendy s/Arby s Integration: We are focused on effectively managing the integration of our brand support centers and building a shared services organization to achieve significant synergies and efficiencies across our brands. While Wendy s and Arby s will continue to operate as independent brands, we have launched a major initiative to improve profitability through corporate support function consolidation. As of December 28, 2008 (the end of the first fiscal quarter since our merger with Wendy s), we had already achieved approximately $25 million in annualized savings through budget efficiencies and top-level staffing reductions. We are seeking to generate a total of $60 million of annualized post-merger cost savings by the end of 2011. We also believe our combined corporate infrastructure will provide us with an attractive platform for possible future acquisitions and business combinations in the restaurant industry.

Strategically Grow our Franchise Base: As of June 28, 2009, we had 5,213 franchised Wendy s and 2,575 franchised Arby s locations. We believe our strong and well-established brands should lead to additional restaurant development among existing franchisees and attract new franchisees in North America. Additionally, we believe there are compelling opportunities to leverage our leading U.S. brands and expand into new international markets. Currently, our international franchise units represent approximately 8% of our total restaurant system, which is significantly lower than several of our peers. During the second quarter of 2009, we announced plans for new franchisees to build 135 dual branded Wendy s and Arby s restaurants in nine countries in the Middle East and North Africa and to build 35 Wendy s restaurants in Singapore. Franchise unit expansion generally requires a minimal capital requirement from us and further contributes to our recurring franchise revenue stream.

Company Information

We were formed in Delaware in October 2008 under the name Wendy s International Holdings, LLC and changed our company name to Wendy s/Arby s Restaurants, LLC on June 19, 2009 in connection with the offering of the initial notes. Our principal executive office is located at 1155 Perimeter Center West, Atlanta, Georgia 30338, telephone (678) 514-4100. Wendy s® and Arby s® are our registered trademarks. This prospectus also includes other trade names, trademarks and service marks of our company.

On September 29, 2008, a subsidiary of Triarc Companies, Inc. (Triarc) merged with and into Wendy s (the Wendy s Merger), Wendy s became a wholly owned subsidiary of Triarc and Triarc changed its name to Wendy s/Arby s Group, Inc.

Our fiscal year consists of 52 or 53 weeks ending each year on the Sunday closest to December 31. Each fiscal year generally is comprised of four 13-week fiscal quarters, although in the years with 53 weeks, including 2009, the fourth quarter represents a 14-week period.

SUMMARY OF THE EXCHANGE OFFER

In this subsection, we, us and our refer only to Wendy s/Arby s Restaurants, LLC, as issuer of the notes, and not its subsidiaries.

We are offering to exchange $565.0 million aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn.

Exchange Offer	We will exchange our exchange notes for a like aggregate principal amount at maturity of our initial notes.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on , 2009, unless we decide to extend it.
Conditions to the Exchange Offer	We will complete this exchange offer only if: there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer, there is no change in the current interpretation of the staff of the SEC which permits resales of the exchange notes, there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939, there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer, and we obtain all the governmental approvals we deem necessary to complete this exchange offer. Please refer to the section in this prospectus entitled The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under The Exchange Offer Exchange Agent. In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes.
Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should

	contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your notes by using the guaranteed delivery procedures described under the section of this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes Guaranteed Delivery Procedure.
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under The Exchange Offer Exchange Agent before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any initial note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled The Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging initial notes for exchange notes will not be a taxable event for holders of initial notes for U.S. federal income tax purposes. For more information, see Certain United States Federal Income Tax Considerations.
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled The Exchange Offer Fees and Expenses.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy certain of our obligations under our registration rights agreement entered into in connection with the offering of the initial notes.
Consequences to Holders Who Do Not Participate in the Exchange Offer	If you do not participate in this exchange offer:

except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act, you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and

the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

You will not be able to require us to register your initial notes under the Securities Act unless:

an initial purchaser requests us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or

you are prohibited by law or SEC policy from participating in the exchange offer or do not receive freely tradable exchange notes in the exchange offer.

In these cases, the registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled Risk Factors Your failure to participate in the exchange offer will have adverse consequences.

Resales It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under Obligations of Broker-Dealers below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto,

the exchange notes acquired by you are being acquired in the ordinary course of business,

you have no arrangement or understanding with any person to participate in a distribution of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes, you are not an affiliate, as defined in Rule 405 under the Securities Act, of ours, or you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable,

if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes, and

if you are a broker-dealer, initial notes to be exchanged were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes.

Please refer to the sections of this prospectus entitled The Exchange Offer Procedure for Tendering Initial Notes Proper Execution and Delivery of Letters of Transmittal, Risk Factors Risks Relating to the Exchange Offer Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes and Plan of Distribution.

Obligations of Broker-Dealers	If you are a broker-dealer (1) that receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuers in the initial offering and not as a result of market making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

Summary of Terms of the Exchange Notes

Issuer	Wendy s/Arby s Restaurants, LLC.
Exchange Notes	Up to $565.0 million aggregate principal amount of 10.00% Senior Notes due 2016. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Maturity	July 15, 2016.

Interest	10.00% per annum, paid every six months on January 15 and July 15, with the first payment on January 15, 2010, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.
Optional Redemption	On or after July 15, 2012, we may redeem some or all of the notes at any time at the redemption prices set forth in Description of the Notes Optional Redemption. In addition, prior to July 15, 2012, we may redeem the notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before July 15, 2012, we may redeem up to 35% of the notes, including additional notes, with the

	proceeds of equity sales at a price of 110.00% of principal plus accrued interest, provided that at least 50% of the original aggregate principal amount of the notes remains outstanding after the redemption, as further described in Description of the Notes Optional Redemption.
Mandatory Offer to Repurchase	Upon the occurrence of certain change of control events described under Description of the Notes, you may require us to repurchase some or all of your notes at 101% of their principal amount plus accrued interest. The occurrence of those events may, however, be an event of default under our credit facility or other debt agreements, and those agreements may prohibit the

	repurchase. Further, we cannot assure you that we will have sufficient resources to satisfy our repurchase obligation. You should read carefully the sections called Risk Factors Risks Related to Our Substantial Indebtedness and the Notes We may be unable to make a change of control offer required by the indenture governing the notes which would cause defaults under the indenture governing the notes and our credit facilities and Description of the Notes.
Guarantors	All of our domestic restricted subsidiaries that guarantee our senior secured credit facilities are required to be guarantors of the notes, except as set forth below. Scioto Insurance Company, a Vermont captive

insurance company (Scioto), and Oldemark LLC (Oldemark), Scioto s wholly owned subsidiary, are subject to regulatory restrictions under Vermont insurance law that require governmental approval before they can incur guarantees. Each guarantee our senior secured credit facilities on a limited basis (limited to the lesser of (i) $200 million, or (ii) 90% of the excess of their total assets over their total liabilities (as determined in accordance with the terms of the guarantee)), but will not guarantee the notes. Oldemark owns substantially all of the U.S. trademarks and other intellectual property associated with the Wendy s brand. In addition, certain of our subsidiaries, including our foreign subsidiaries, do not guarantee our credit facilities and will not guarantee the notes. As of June 28, 2009, the non-guarantor subsidiaries had approximately $573 million of liabilities outstanding (which consists primarily of $425 million of deferred taxes principally related to intangible assets and also includes $2 million of long-term debt), and represented approximately 42.4% of our total combined assets (excluding intercompany balances) and 21.3% of our total combined liabilities, and would have contributed approximately 6.0% of our total combined revenue and did not contribute any EBITDA (excluding intercompany charges) for the six months ended June 28, 2009. Including intercompany charges, principally representing charges to operating entities for use of intellectual property owned by Oldemark, the non-guarantor subsidiaries would have contributed approximately 52.4% of our total combined EBITDA during that period and represented approximately 69.3% of our total combined assets as of June 28, 2009. Cash receipts from intercompany charges for the use of the intellectual property owned by Oldemark are used to settle intercompany balances with Wendy s International, Inc., our subsidiary and a guarantor of the notes, on a regular basis.

We currently intend eventually to cause Scioto to commute, transfer or otherwise eliminate its insurance obligations, relinquish its license to transact insurance, and take certain other actions that will result in no further restrictions on

Scioto and Oldemark guaranteeing indebtedness. Although there can be no assurance when or if we will be successful in removing those restrictions, Scioto and Oldemark will guarantee the notes when there are no restrictions imposed on them by the Vermont Department of Banking, Insurance, Securities and Health Care Administration (the Vermont Department of Insurance). So long as Scioto and Oldemark are regulated and do not guarantee the notes, they will not be permitted under the indenture governing the notes to incur any Debt (as defined under Description of the Notes) (other than the guarantee referred to above) and we will not be permitted to pledge their equity (other

	than to the credit facility lenders).
	Neither our parent company, Wendy s/Arby s Group, nor any of its subsidiaries that are not also owned by us will guarantee the notes.
Ranking	The notes and the subsidiary guaranties are unsecured and rank equally in right of payment with all of our and our guarantor subsidiaries other existing and future unsubordinated debt.
	The notes will effectively rank junior to all secured debt to the extent of the value of the collateral and to all liabilities of our subsidiaries that have not guaranteed the notes.

	At June 28, 2009: we and the guarantors had outstanding approximately $485 million of secured, unsubordinated debt; and our subsidiaries which have not guaranteed the notes had approximately $573 million of outstanding liabilities (which consists primarily of $425 million of deferred taxes principally related to intangible assets and also includes $2 million of long-term debt) that are effectively senior to the notes.
Certain Covenants	The indenture governing the notes contains covenants limiting our ability and our restricted subsidiaries ability to: incur additional debt or preferred or disqualified stock; pay dividends on our capital stock; redeem or repurchase capital stock or prepay or repurchase subordinated debt; make some types of investments and sell assets; create liens; engage in transactions with affiliates, except on an arms-length basis; and consolidate or merge with, or sell substantially all our assets to, another person.
	These covenants are subject to a number of important exceptions and qualifications, and certain of the covenants will be suspended at any time that the notes have an investment grade rating by both Moody s Investors Service, Inc. (Moody s) and Standard & Poor s Ratings Service (S&P). You shoul read Description of the Notes Certain Covenants for a description of these covenants.
Original Issue Discount	Because the initial notes were issued with original issue discount (OID), the exchange notes should be treated as having been issued with OID for U.S. federal income tax purposes. Thus, in addition to the stated interest on the exchange notes, U.S. Holders (as defined in Certain United States Federal Income Tax Considerations) will be required to include amounts representing the OID in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. For more information, see Certain United States Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes.

Absence of a Public Market for the Exchange Notes	The exchange notes are new securities with no established market for them. We cannot assure you that a market for these exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Relating to the Exchange Offer There may be no active or liquid market for the exchange notes.
Form of the Exchange Notes	The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company with U.S. Bank National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus

	entitled Description of the Notes Book Entry; Delivery and Form Exchange of Book Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants.
Risk Factors	See Risk Factors for a discussion of factors you should carefully consider before deciding to invest in the notes.

WENDY S/ARBY S RESTAURANTS, LLC SUMMARY FINANCIAL DATA

Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in Arby s and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s.

The summary historical combined statement of operations data presented below for each of the years in the three-year period ended December 28, 2008 have been derived from, and should be read together with, our audited combined financial statements and the accompanying notes included elsewhere in this prospectus.

The summary historical combined financial data presented below as of and for the six month periods ended June 28, 2009 and June 29, 2008 have been derived from, and should be read together with, our unaudited condensed combined financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

The following table also sets forth certain summary unaudited pro forma combined statement of operations data of Wendy s/Arby s Restaurants, LLC for the year ended December 28, 2008 and for the six months ended June 28, 2009. The summary pro forma combined statements of operations data have been prepared to illustrate the effect of the merger in which Wendy s became our wholly owned subsidiary as if the merger had taken place on December 31, 2007 (the first day of our 2008 fiscal year) and as if we had existed as a separate legal entity at the beginning of the earliest period presented. The summary pro forma combined statements of operations data also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering. All the data have been derived from our unaudited pro forma combined financial statements and the accompanying notes included elsewhere in this prospectus.

The financial statement data in the table below should be read in conjunction with the historical financial statements, Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are included elsewhere in this prospectus, the selected historical combined financial data contained in this prospectus and the unaudited pro forma combined statements of operation and accompanying notes to the unaudited pro forma combined financial statements included elsewhere in this prospectus. The unaudited pro forma combined financial statements are provided for informational purposes only and are not necessarily indicative of the combined operating results that would have occurred if the Wendy s Merger had been completed as of the dates set forth above, nor are they indicative of the future results or financial position of the combined company.

The summary combined financial data are qualified in their entirety by the more detailed information appearing in our combined financial statements and the related notes included elsewhere in this prospectus.

	Year Ended(1)				Six Months Ended(1)	
	December 31, 2006	December 30, 2007	December 28, 2008	Pro Forma Year Ended December 28, 2008 (Unaudited)	June 29, 2008	June 28, 2009
					(Unaudited)	
	(In millions)					
Combined Statement of Operations Data:						
Sales	$ 1,073.3	$ 1,113.4	$ 1,662.3	$ 3,279.5	$ 572.9	$ 1,589.
Franchise revenues	82.0	87.0	160.5	383.1	42.9	187.
Revenues	1,155.3	1,200.4	1,822.8	3,662.6	615.8	1,776.
Goodwill impairment			(460.1)	(460.1)		
Operating profit (loss)	95.3	108.7	(364.5)	(343.7)	34.6	86.
Income (loss) from continuing operations	25.4	32.8	(365.1)	(410.9)	4.3	18.
Loss from discontinued operations	(1.3)	(0.1)				
Net income (loss)	$ 24.1	$ 32.7	$ (365.1)	$ (410.9)	$ 4.3	$ 18.
Other Combined Financial Data:						
EBITDA (2)	$ 149.8	$ 168.2	$ 190.3	$ 310.7	$ 66.1	$ 195.
Capital expenditures	71.9	72.9	105.9	193.7	40.4	40.

	December 28, 2008 (In millions)	June 28, 2009 (Unaudited) (In millions)
Combined Balance Sheet Data (at period end):		

Cash and cash equivalents	$ 63.1	$ 582.5
Working capital (deficit)	(143.7)	406.5
Total assets	4,502.3	4,994.6
Long-term debt	1,089.7	1,510.2
Deferred income	16.9	35.7
Deferred income taxes	526.7	551.7
Other liabilities	155.4	165.5
Total invested equity	2,254.8	2,297.8

(1) Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in ARG and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial

statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/ Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s. The financial position and results of operations of Wendy s and its subsidiaries are included commencing with the date of the Wendy s Merger, September 29, 2008. We report our combined results on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. In accordance with this method, each of our fiscal years presented above contained 52 weeks. All references to years relate to fiscal years rather than calendar years.

(2) Earnings before interest, taxes, depreciation and amortization (EBITDA) is used by us as a performance measure for benchmarking against our peers and competitors. We believe EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the restaurant industry. EBITDA is not a recognized term under accounting principles generally accepted in the United States of America (GAAP). Because all companies do not calculate EBITDA or similarly titled financial measures in the

same way, those measures as used by other companies may not be consistent with the way we calculate EBITDA or similarly titled financial measures and should not be considered as alternative measures of operating profit or net income (loss).

Our presentation of EBITDA below is not intended to replace the presentation of our financial results in accordance with GAAP.

The following table presents our reconciliation of EBITDA to net income (loss):

	Year Ended			Pro Forma Year Ended December 28, 2008 (Unaudited)	Six Months Ended	
	December 31, 2006	December 30, 2007	December 28, 2008		June 29, 2008	June 28, 2009
					(Unaudited)	
				(In millions)		
EBITDA	$ 149.8	$ 168.2	$ 190.3	$ 310.7	$ 66.1	$ 195.3
Depreciation and amortization	(50.5)	(56.9)	(85.1)	(183.3)	(30.1)	(95.1)
Goodwill impairment			(460.1)	(460.1)		
Impairment of other long-lived assets	(4.0)	(2.6)	(9.6)	(11.0)	(1.4)	(13.4)
Operating profit (loss)	95.3	108.7	(364.5)	(343.7)	34.6	86.8
Interest expense	(56.9)	(59.2)	(66.9)	(154.4)	(27.8)	(52.4)
(Loss) gain on early extinguishment of debt	(1.0)		3.7	3.7		
Other income (expense), net	6.5	3.3	(0.5)	2.2	0.4	(4.7)
Income (loss) before income taxes	43.9	52.8	(428.2)	(492.2)	7.2	29.7
(Provision for) benefit from income taxes	(18.5)	(20.0)	63.1	81.3	(2.9)	(11.5)
Loss from discontinued operations	(1.3)	(0.1)				
Net income (loss)	$ 24.1	$ 32.7	$ (365.1)	$ (410.9)	$ 4.3	$ 18.2

RISK FACTORS

Investing in the notes involves a high degree of risk. You should carefully consider the following factors in addition to the other information set forth in this prospectus before you decide to purchase the notes being offered for sale. The following risks could materially and adversely affect our ability to make payments with respect to the notes, our business or our financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect us. In any such case, you may lose all or part of your original investment.

Risks Related to Our Substantial Indebtedness and the Notes

We have a significant amount of debt outstanding. Our indebtedness, along with our other contractual commitments, could adversely affect our business, financial condition and results of operations, as well as our ability to meet any of our payment obligations under the notes and our other debt.

We have a significant amount of debt and debt service requirements. As of June 28, 2009, we had approximately $1,510.2 million of outstanding debt.

This level of debt could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under the notes and our other outstanding debt;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all of our debt becoming

immediately due and payable;

reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;

subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit agreement;

limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and

placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

In addition, we also have significant contractual commitments for the purchase of supplies, which amounted to $532.8 million as of June 28, 2009, and we may enter into additional, similar agreements in the future. Wendy s has also provided loan guarantees to various lenders on behalf of franchisees entering into pooled debt facility arrangements for new store development and equipment financing, which amounted to $26.3 million as of June 28, 2009. Wendy s and Arby s also guarantee or are contingently liable for certain leases of their respective franchisees or affiliates for which they have been indemnified, which amounted to approximately $92.1 million and $12.4 million, respectively, as of June 28, 2009. In addition, Wendy s and Arby s also guarantee or are contingently liable for certain leases of their respective franchisees for which they have not been indemnified, which amounted to approximately $13.1 million and $2.8 million, respectively, as of June 28, 2009. These commitments could have an adverse effect on our liquidity and our ability to meet our payment obligations under the notes and other debt. Finally, we will likely be the principal source of cash to fund the needs of our parent company, including return of capital to its stockholders through repurchases of stock, repayment or refinancing of debt and/or dividends. See Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under the notes and our other debt and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including the notes, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the notes and our other debt and other obligations.

Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could exacerbate further the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the indenture and our existing credit agreement will restrict, but will not completely prohibit, us from doing so. In addition, the indenture will allow us to issue additional notes under certain circumstances, which will also be guaranteed by the guarantors. The indenture will also allow us to incur certain secured debt and will allow our foreign subsidiaries to incur additional debt, which would be effectively senior to the notes. In addition, the indenture will not prevent us from incurring other liabilities that do not constitute indebtedness. See Description of the Notes. If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

We and our subsidiaries are subject to various restrictions, and substantially all of our and their non-real estate assets are pledged subject to certain restrictions, under a Credit Agreement.

Under an amended and restated credit agreement we, Wendy s, Arby s Restaurant Holdings, LLC (Arby s Holdings) and ARG (collectively, the Borrowers) entered into as of March 11, 2009 (as amended from time to time, including by the amendment referred to in Description of Other Indebtedness Senior Secured Credit Facilities below, the Credit Agreement), substantially all of the assets of the Borrowers (other than real property) are pledged as collateral security. The Credit Agreement also contains financial covenants that, among other things, will require the Borrowers to maintain certain aggregate secured leverage, leverage and interest coverage ratios and restrict their ability to incur debt, pay dividends or make other distributions, make certain capital expenditures, enter into certain fundamental transactions (including sales of assets and certain mergers and consolidations) and create or permit liens. If the Borrowers are unable to generate sufficient cash flow or otherwise obtain the funds necessary to make required payments of interest or principal under, or are unable to comply with covenants of, the Credit Agreement, then they would be in default under the terms of the agreement, which would preclude the payment of dividends to Wendy s/Arby s Group, restrict access to their revolving lines of credit and, under certain circumstances, permit the lenders to accelerate the maturity of the indebtedness and foreclose on the collateral. See Description of Other Indebtedness Senior Secured Credit Facilities included elsewhere in this prospectus for further information regarding the Credit Agreement.

The current decline in the global economy and credit crisis may significantly inhibit our ability to reduce and refinance our current indebtedness.

As of June 28, 2009, within thirty-seven months we and our subsidiaries had approximately $253.5 million of indebtedness that is due under our existing senior secured term loan and $200.0 million of indebtedness due under the outstanding Wendy s 6.25% Senior Notes due 2011. Based on our current and expected cash flows, we expect that we will need to refinance a significant portion of this indebtedness. During the third quarter of 2008, the global credit markets suffered a significant contraction, including the failure of some large financial institutions. This has resulted in a

significant decline in the credit markets and the overall availability of credit. Although many governments, including the United States, have recently taken actions to ease the current credit crisis and make more credit available, no assurance can be provided that such efforts will be successful. Market disruptions, such as those currently being experienced, as well as our significant debt levels may increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. In addition, overall weakness in demand for food-away-from home services may decrease our cash flows and adversely affect our ability to meet our short-term and long-term obligations or refinance our obligations. If we are unable to refinance our indebtedness or access additional credit, or if our short-term or long-term borrowing costs dramatically increase, our ability to finance our current operations and meet our short-term and long-term obligations could be adversely affected.

The notes will be effectively subordinated to our and the guarantors secured debt.

The notes, and each guarantee of the notes, are unsecured and therefore will be effectively subordinated to any of our and the guarantors secured debt to the extent of the assets securing such debt. In the event of a bankruptcy or similar proceeding, the assets which serve as collateral for any secured debt will be available to satisfy the obligations under the secured debt before any payments are made on the notes. We had approximately $485.1 million of secured debt outstanding and $134.2 million of additional availability under our credit facilities as of June 28, 2009. The notes will be effectively subordinated to any borrowings under our credit facilities and other secured debt. The indenture governing the notes will allow us to incur a substantial amount of additional secured debt.

Not all of our subsidiaries will be required to guarantee the notes, and the assets of any non-guarantor subsidiaries may not be available to make payments on the notes.

On the issue date of the notes, all of our subsidiaries that guarantee our credit facilities, except for Scioto and Oldemark, will also guarantee the notes. All of our unrestricted subsidiaries, and any of our restricted subsidiaries that do not guarantee any of our other debt, will not guarantee the notes. Also, in the event an existing guarantor of the notes is released from its guarantee under our credit facilities, its guarantee of the notes will also be released.

Scioto, a Vermont captive insurance company, and Oldemark, Scioto s wholly owned subsidiary, are subject to regulatory restrictions under Vermont insurance law that require governmental approval before they can incur guarantees. Each guarantee our senior secured credit facilities on a limited basis (limited to the lesser of (i) $200 million, or (ii) 90% of the excess of their total assets over their total liabilities (as determined in accordance with the terms of the guarantee)), but will not guarantee the notes. Oldemark owns substantially all of the U.S. trademarks and other intellectual property associated with the Wendy s brand. In addition, certain of our subsidiaries, including our foreign subsidiaries, do not guarantee our credit facilities and will not guarantee the notes. As of June 28, 2009, the non-guarantor subsidiaries had approximately $573 million of liabilities outstanding (which consists primarily of $425 million of deferred taxes principally related to intangible assets and also includes $2 million of long-term debt), and represented approximately 42.4% of our total combined assets (excluding intercompany balances) and 21.3% of our total combined liabilities, and would have contributed approximately 6.0% of our total combined revenue and did not contribute any EBITDA (excluding intercompany charges) for the six months ended June 28, 2009. Including intercompany charges, principally representing charges to operating entities for use of intellectual property owned by Oldemark, the non-guarantor subsidiaries would have contributed approximately 52.4% of our total combined EBITDA during that period and represented approximately 69.3% of our total combined assets as of June 28, 2009. Cash receipts from intercompany charges for the use of the intellectual property owned by Oldemark are used to settle intercompany balances with Wendy s International, Inc., our subsidiary and a guarantor of the notes, on a regular basis. We currently intend eventually to cause Scioto to commute, transfer or otherwise eliminate its insurance obligations, relinquish its license to transact insurance, and take certain other actions that will result in no further restrictions on Scioto and Oldemark guaranteeing indebtedness. Although there can be no assurance when or if we will be successful in removing

those restrictions, Scioto and Oldemark will guarantee the notes when there are no restrictions imposed on them by the Vermont Department of Insurance. So long as Scioto and Oldemark are regulated and do not guarantee the notes, they will not be permitted under the indenture governing the notes to incur any Debt (as described under Description of the Notes) (other than the guarantee referred to above) and we will not be permitted to pledge their equity (other than to the credit facility lenders).

In the event that any of our non-guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of their debt, and their trade creditors generally, will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to us or any guarantors. Consequently, your claims in respect of the notes will be effectively subordinated to all of the liabilities of any of our subsidiaries that is not a guarantor, including trade payables. In addition, the indenture will, subject to certain limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that these subsidiaries may incur.

To service our debt and meet our other cash needs, we will require a significant amount of cash, which may not be available to us.

Our ability to make payments on, or repay or refinance, our debt, including the notes, and to fund planned capital expenditures, dividends and other cash needs will depend largely upon our future operating performance. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in our credit facilities and our other debt agreements, including the indenture governing the notes, and other agreements we may enter into in the future. Specifically, we will need to maintain specified financial ratios and satisfy financial condition tests. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our credit facilities or from other sources in an amount sufficient to enable us to pay our debt, including the notes, or to fund our dividends and other liquidity needs.

In addition, prior to the repayment of the notes, we will be required to refinance or repay our credit facilities and certain subsidiary debt. We cannot assure you that we will be able to refinance any of our debt, including our credit facilities, on commercially reasonable terms or at all. If we are unable to make payments or refinance our debt or, obtain new financing under these circumstances, we would have to consider other options, such as:

- sales of assets;
- sales of equity; and
- negotiations with our lenders to restructure the applicable debt.

Our credit facilities and the indenture governing the notes may restrict, or market or business conditions may limit, our ability to do some of these things.

We are dependent upon dividends from our subsidiaries to meet our debt service obligations.

We are a holding company and conduct all of our operations through our subsidiaries. Our ability to meet our debt service obligations is dependent on receipt of dividends from our direct and indirect subsidiaries. Subject to the restrictions contained in our credit facilities and indenture, future borrowings by our subsidiaries may contain restrictions or prohibitions on the payment of dividends by our subsidiaries to us. See Description of the Notes Certain Covenants. In addition, applicable state corporate law may limit the ability of our subsidiaries to pay dividends to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries, applicable laws or state regulation will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the notes when due.

Fraudulent conveyance laws may void the notes and/or the guarantees or subordinate the notes and/or the guarantees.

The issuance of the notes may be subject to review under federal bankruptcy law or relevant state fraudulent conveyance laws if a bankruptcy lawsuit is commenced by or on behalf of our or the guarantors creditors. Under these laws, if in such a lawsuit a court were to find that, at the time the notes are issued, we:

- incurred this debt with the intent of hindering, delaying or defrauding current or future creditors; or

- received less than reasonably equivalent value or fair consideration for incurring this debt, and the issuer:

- was insolvent or was rendered insolvent by reason of the related financing transactions;

- was engaged, or about to engage, in a business or transaction for which our remaining assets constituted unreasonably small capital to carry on our business; or intended to incur, or believed that we would incur, debts beyond our ability to pay these debts as they mature, as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes;

then the court could void the notes or subordinate the notes to our presently existing or future debt or take other actions detrimental to you.

Because a portion of the proceeds from the offering of the initial notes was used to fund a dividend to Wendy s/Arby s Group, our parent company, a court could conclude they were issued for less than reasonably equivalent value. The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, an entity would be considered insolvent if, at the time it incurred the debt:

it could not pay its debts or contingent liabilities as they become due;

the sum of its debts, including contingent liabilities, is greater than its assets, at fair valuation; or the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

We cannot assure you as to what standard a court would apply in order to determine whether we were insolvent as of the date the notes were issued, and we cannot assure you that, regardless of the method of valuation, a court would not determine that we were insolvent on that date. Nor can we assure you that a court would not determine, regardless of whether we were insolvent on the date the notes were issued, that the payments constituted fraudulent transfers on another ground.

Our obligations under the notes are guaranteed by all of our existing subsidiaries that are guarantors under our credit facilities except for Scioto and Oldemark, and the guarantees may also be subject to review under various laws for the protection of creditors. The analysis set forth above would generally apply, except that the guarantees could also be subject to the claim that, since the guarantees were incurred for our benefit, and only indirectly for the benefit of the guarantors, the obligations of the guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration. A court could void a guarantor s obligation under its guarantee, subordinate the guarantee to the other indebtedness of a guarantor, direct that holders of the notes return any amounts paid under a guarantee to the relevant guarantor or to a fund for the benefit of its creditors, or take other action detrimental to the holders of the notes. In addition, the liability of each guarantor under the indenture will be limited to the amount that will result in its guarantee not constituting a fraudulent conveyance, and there can be no assurance as to what standard a court would apply in making a determination as to what would be the maximum liability of each guarantor.

We may be unable to make a change of control offer required by the indenture governing the notes which would cause defaults under the indenture governing the notes and our credit facilities.

The terms of the notes will require us to make an offer to repurchase the notes upon the occurrence of a change of control at a purchase price equal to 101% of the principal amount of the notes, plus accrued interest to the date of the purchase. The terms of our credit facilities require, and other financing arrangements may require, repayment of amounts outstanding in the event of a change of control and limit our ability to fund the repurchase of your notes in certain circumstances. It is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in our credit facilities and other financing arrangements will not allow the repurchases. See Description of the Notes Certain Covenants Repurchase of Notes upon a Change of Control.

An active trading market may not develop for the notes, which may hinder your ability to liquidate your investment.

The notes are a new issue of securities with no established trading market and we do not intend to list them on any securities exchange. Certain of the initial purchasers have informed us that they intend to make a market in the notes. However, the initial purchasers are not obligated to do so and may cease their market-making at any time. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for fixed income securities and by changes in our financial performance or prospects or in the prospects for companies in our industry in general. As a result, we cannot assure you that an active trading market will develop for the notes. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all.

If a bankruptcy petition were filed by or against us, holders of notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing the notes.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of the notes may be limited to an amount equal to the sum of:

- the original issue price for the notes; and
- that portion of the original issue discount that does not constitute unmatured interest for purposes of the U.S. Bankruptcy Code.

Any original issue discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest. Accordingly, holders of the notes under these circumstances may receive a lesser amount than they would be entitled to receive under the terms of the indenture governing the notes, even if sufficient funds are available.

The exchange notes should be treated as issued with original issue discount for U.S. federal income tax purposes.

Because the initial notes were issued with OID, the exchange notes should be treated as having been issued with OID for U.S. federal income tax purposes. Thus, in addition to the stated interest on the exchange notes, U.S. Holders (as defined in Certain United States Federal Income Tax Considerations) will be required to include amounts representing the OID in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. For more information, see Certain United States Federal Income Tax Considerations.

Risks Related to the Exchange Offer

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences.

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under this act. We do not and will not assume, or indemnify you against, this liability.

Risks Related to Our Business

We may not be able to successfully consolidate business operations and realize the anticipated benefits of the Wendy s Merger.

Realization of the anticipated benefits of the Wendy s Merger, which was completed on September 29, 2008, including anticipated synergies and overhead savings, will depend, in large part, on our ability to continue to successfully eliminate redundant corporate functions and to continue to consolidate public company and shared service responsibilities. We will be required to devote significant management attention and resources to the consolidation of business practices and support functions while maintaining the independence of the Arby s and Wendy s standalone brands. The challenges we may encounter include the following:

- consolidating redundant operations, including corporate functions;

- realizing targeted margin improvements at company-owned Wendy s restaurants; and addressing differences in business cultures between Arby s and Wendy s, preserving employee morale and retaining key employees, maintaining focus on providing consistent, high quality customer service, meeting our operational and financial goals and maintaining the operational goals of each of the standalone brands.

In particular, our ability to realize the targeted margin improvements at company-owned Wendy s restaurants is subject to a number of risks, including general economic conditions, increases in food and supply costs, increased labor costs and other factors outside of our control.

The process of consolidating corporate level operations could cause an interruption of, or loss of momentum in, our business and financial performance. The diversion of management s attention and any delays or difficulties encountered in connection with the realization of corporate synergies and operational improvements could have an adverse effect on our business, financial results or financial condition. The consolidation and integration process may also result in additional and unforeseen expenses. There can be no assurance that the contemplated expense savings, improvements in Wendy s store-level margins and synergies anticipated from the Wendy s Merger will be realized.

A substantial amount of our parent company s common stock is concentrated in the hands of certain stockholders.

Our parent company, Wendy s/Arby s Group, owns our sole outstanding membership interest.

Nelson Peltz, our parent company s Chairman and former Chief Executive Officer, Peter W. May, our parent company s Vice Chairman and former President and Chief Operating Officer, and Edward P. Garden, a director of our parent company, beneficially own shares of our parent company s outstanding common stock that collectively constitute approximately 22% of our parent company s total voting power.

Messrs. Peltz, May and Garden and their affiliates may, from time to time, acquire beneficial ownership of additional shares of common stock. On November 5, 2008, in connection with the tender offer by Trian Fund Management, L.P. (Trian Partners), an asset management firm whose principals are Messrs. Peltz, May and Garden, and certain affiliates thereof (Trian) for up to 40 million shares of our parent company s common stock, Wendy s/Arby s Group entered into an agreement (the Trian Agreement) with Trian, Messrs. Peltz, May and Garden and several of their affiliates (the Covered Persons) in consideration for the granting of prior approval by the Board of Directors of Wendy s/Arby s Group pursuant to Section 203 of the Delaware General Corporation Law (Section 203) such that the consummation of the tender offer and the subsequent acquisition by the Covered Persons of beneficial ownership of up to 25% of the common stock of Wendy s/Arby s Group not be subject to the restrictions set forth in Section 203. The Trian Agreement provides, among other things, that: (i) to the extent the Covered Persons acquire any rights in respect of Wendy s/Arby s Group Class A common stock, par value $0.10 per share (the Wendy s/Arby s Group common stock) that would increase their aggregate beneficial ownership in Wendy s/Arby s Group common stock to greater than 25%, the Covered Persons may not engage in a business combination (within the meaning of Section 203) for a period of three years following the date of such occurrence unless such transaction would be subject to the exceptions set forth in paragraphs (b)(3) through (7) of Section 203 (assuming for these purposes that 15% in the definition of interested stockholder contained in Section 203 was deemed to be 25%); (ii) for so long as our parent company, Wendy s/Arby s Group, has a class of equity securities that is listed for trading on the New York Stock Exchange or any other national securities exchange, none of the Covered Persons shall solicit proxies or submit any proposal for the vote of Wendy s/Arby s Group stockholders or recommend or request or induce any other person to take any such actions or seek to advise, encourage or influence any other person with respect to Wendy s/Arby s Group common stock, in each case, if the result of such action would be to cause the Board of Directors of Wendy s/Arby s Group to be comprised of less than a majority of independent directors; and (iii) for so long as Wendy s/Arby s Group has a class of equity securities that is listed for trading on the New York Stock Exchange or any other national securities exchange, none of the Covered Persons shall engage in certain affiliate transactions with Wendy s/Arby s Group without the prior approval of a majority of the Audit Committee of Wendy s/Arby s Group or other committee of the board of directors that is comprised of independent directors. The Trian Agreement will terminate upon the earliest to occur of (i) the Covered Persons beneficially owning less than 15% of Wendy s/Arby s Group common stock, (ii) November 5, 2011 and (iii) at such time as any person not affiliated with the Covered Persons makes an offer to purchase an amount of Wendy s/Arby s Group common stock which when added to Wendy s/Arby s Group common stock already beneficially owned by such person and its affiliates and associates equals or exceeds 50% or more of Wendy s/Arby s Group common stock or all or substantially all of Wendy s/Arby s Group assets or solicits proxies with respect to a majority slate of directors.

On April 1, 2009, the parties entered into an amendment (the Trian Amendment) to the Trian Agreement. The Trian Amendment provides that Sections 3.1(a), 3.1(b) and Sections 6.1 through 6.10 of the Trian Agreement, which include the sections of the Trian Agreement that contractually replicate the anti-takeover restrictions of Section 203, will not automatically terminate,

if not earlier terminated, on November 5, 2011. Instead, such provisions will terminate on the earliest to occur of (i) the Covered Persons beneficially owning less than 15% of Wendy s/Arby s Group common stock and (ii) at such time as any person not affiliated with the Covered Persons makes an offer to purchase an amount of Wendy s/Arby s Group common stock which when added to Wendy s/Arby s Group common stock already beneficially owned by such person and its affiliates and associates equals or exceeds 50% or more of Wendy s/Arby s Group common stock or all or substantially all of Wendy s/Arby s Group s assets or solicits proxies with respect to a majority slate of directors.

The Trian Amendment became effective on May 28, 2009, simultaneously with the effectiveness of an amendment to the Wendy s/Arby s Group s certificate of incorporation providing for the repeal of Article VI of the Wendy s/Arby s Group s certificate of incorporation.

This concentration of ownership gives Messrs. Peltz, May and Garden significant influence over the outcome of actions requiring majority stockholder approval. Subject to the terms of the Trian Agreement, if in the future Messrs. Peltz, May and Garden and/or their affiliates were to acquire more than a majority of Wendy s/Arby s Group s outstanding voting power, they would be able to determine the outcome of the election of members of the board of directors and the outcome of corporate actions requiring majority stockholder approval, including mergers, consolidations and the sale of all or substantially all of Wendy s/Arby s Group s assets and would also be in a position to prevent or cause a change in control of us.

Our success depends substantially upon the continued retention of certain key personnel.

We believe that over time our success has been dependent to a significant extent upon the efforts and abilities of our senior management team. The failure by us to retain members of our senior management team could adversely affect our ability to build on the efforts we have undertaken to increase the efficiency and profitability of our businesses.

Acquisitions have been a key element of our business strategy, but we cannot assure you that we will be able to identify appropriate acquisition targets in the future and that we will be able to successfully integrate any future acquisitions into our existing operations.

On an on-going basis we evaluate potential acquisitions and business combinations in the restaurant industry which fit our long term corporate strategic goals. Acquisitions involve numerous risks, including difficulties assimilating new operations and products. In addition, acquisitions may require significant management time and capital resources. We cannot assure you that we will have access to the capital required to finance potential acquisitions on satisfactory terms or that management would be able to manage effectively the resulting business or that any such acquisition will be effected. Future acquisitions, if any, may result in the incurrence of additional indebtedness, which could contain additional restrictive covenants.

Growth of our restaurant businesses is significantly dependent on new restaurant openings, which may be affected by factors beyond our control.

Our restaurant businesses derive earnings from sales at company-owned restaurants, franchise royalties received from franchised restaurants and franchise fees from franchise restaurant operators for each new unit opened. Growth in our restaurant revenues and earnings is significantly dependent on new restaurant openings. Numerous factors beyond our control may affect restaurant openings. These factors include but are not limited to:

- our ability to attract new franchisees;

the availability of site locations for new restaurants;

the ability of potential restaurant owners to obtain financing, which has become more difficult due to current market conditions and operating results;

the ability of restaurant owners to hire, train and retain qualified operating personnel;

construction and development costs of new restaurants, particularly in highly-competitive markets;

the ability of restaurant owners to secure required governmental approvals and permits in a timely manner, or at all; and

adverse weather conditions.

Although as of June 28, 2009, franchisees had signed commitments to open 623 Wendy s or Arby s restaurants over the next seven years and have made or are required to make non-refundable deposits, we cannot assure you that franchisees will meet these commitments and that they will result in new restaurants. See Business The Wendy s Restaurant System Franchised Restaurants and Business The Arby s Restaurant System Franchised Restaurants.

Wendy s and Arby s franchisees could take actions that could harm our business.

Wendy s and Arby s franchisees are contractually obligated to operate their restaurants in accordance with the standards set forth in agreements with them. Each brand also provides training and support to franchisees. However, franchisees are independent third parties that we do not control, and the franchisees own, operate and oversee the daily operations of their restaurants. As a result, the ultimate success and quality of any franchise restaurant rests with the franchisee. If franchisees do not successfully operate restaurants in a manner consistent with required standards, royalty payments to us will be adversely affected and the brand s image and reputation could be harmed, which in turn could hurt our business and operating results.

Our success depends on franchisees participation in brand strategies.

Wendy s and Arby s franchisees are an integral part of our business. Each brand may be unable to successfully implement brand strategies that it believes are necessary for further growth if franchisees do not participate in that implementation. The failure of franchisees to focus on the fundamentals of restaurant operations such as quality, service, food safety and cleanliness would have a negative impact on our business.

Our financial results are affected by the operating results of franchisees.

As of June 28, 2009, approximately 79% of the Wendy s system and 69% of the Arby s system were franchised restaurants. We receive revenue in the form of royalties, which are generally based on a percentage of sales at franchised restaurants, rent and fees from franchisees. Accordingly, a substantial portion of our financial results is dependent upon the operational and financial success of our franchisees. Franchisee related accounts receivable and estimated reserves for uncollectability have increased recently and may continue to increase if the financial condition of some of our franchisees continues to deteriorate. If sales trends or economic conditions worsen for franchisees, their financial results may worsen and our royalty, rent and other fee revenues may decline. In addition, accounts receivable and related reserves may increase further. When company-owned restaurants are sold, one of our subsidiaries is often required to remain responsible for lease payments for these restaurants to the extent that the purchasing franchisees default on their leases. Additionally, if franchisees fail to renew their franchise agreements, or if we decide to restructure franchise agreements in order to induce franchisees to renew these agreements, then our royalty revenues may decrease.

Each brand may be unable to effectively manage acquisitions and dispositions of restaurants, which could adversely affect our business and financial results.

The ability of each brand to acquire restaurants from franchisees and eventually re-franchising these restaurants by selling them to new or existing franchisees is dependent upon the availability of sellers and buyers, the availability of financing, and the brand s ability to negotiate transactions on terms deemed acceptable. In addition, the operations of restaurants that each brand acquires may not be integrated successfully, and the intended benefits of such transactions may not be realized. Acquisitions of franchised restaurants pose various risks to brand operations, including:

- diversion of management attention to the integration of acquired restaurant operations;
- increased operating expenses and the inability to achieve expected cost savings and operating efficiencies;
- exposure to liabilities arising out of sellers prior operations of acquired restaurants; and
- incurrence or assumption of debt to finance acquisitions or improvements and/or the assumption of long-term, non-cancelable leases.

In addition, engaging in acquisitions and dispositions places increased demands on the brand s operational and financial management resources and may require us to continue to expand these resources. If either brand is unable to manage the acquisition and disposition of restaurants effectively, its business and financial results could be adversely affected.

ARG does not exercise ultimate control over advertising for its restaurant system, which could harm sales and the brand.

Arby s franchisees control the provision of national advertising and marketing services to the Arby s franchise system through the AFA Service Corporation (the AFA), a company controlled by Arby s franchisees. Subject to ARG s right to protect its trademarks, and except to the extent that ARG participates in the AFA through its company-owned restaurants, the AFA has the right to approve all significant decisions regarding the national marketing and advertising strategies and the creative content of advertising for the Arby s system. Although ARG has entered into a management agreement pursuant to which ARG, on behalf of the AFA, manages the day-to-day operations of the AFA, many areas are still subject to ultimate approval by the AFA s independent board of directors, and the management agreement may be terminated by either party for any reason upon one year s prior notice. See Business The Arby s Restaurant System Advertising and Marketing. In addition, local cooperatives run by operators of Arby s restaurants in a particular local area (including ARG) make their own decisions regarding local advertising expenditures, subject to spending the required minimum amounts. ARG s lack of control over advertising could hurt sales and the Arby s brand.

ARG does not exercise ultimate control over purchasing for Arby s restaurant system, which could harm sales and the Arby s brand.

Although ARG ensures that all suppliers to the Arby s system meet quality control standards, Arby s franchisees control the purchasing of food, proprietary paper, equipment and other operating supplies from such suppliers through ARCOP, Inc., a not-for-profit entity controlled by Arby s franchisees. ARCOP negotiates national contracts for such food, equipment and supplies. ARG is entitled to appoint one representative on the board of directors of ARCOP and participate in ARCOP through its company-owned restaurants, but otherwise does not control the decisions and activities of ARCOP except to ensure that all suppliers satisfy Arby s quality control standards. If ARCOP does not properly estimate the product needs of the Arby s system, makes poor purchasing decisions, or decides to cease its operations, system sales and operating costs could be adversely affected and the financial condition of ARG or the financial condition of Arby s franchisees could be hurt.

Shortages or interruptions in the supply or delivery of perishable food products could damage the Wendy s and/or Arby s brand reputation and adversely affect our operating results.

Each brand and its franchisees are dependent on frequent deliveries of perishable food products that meet brand specifications. Shortages or interruptions in the supply of perishable food products caused by unanticipated demand, problems in production or distribution, disease or food-borne illnesses, inclement weather or other conditions could adversely affect the availability, quality and cost of ingredients, which could lower our revenues, increase operating costs, damage brand reputation and otherwise harm our business and the businesses of our franchisees.

Instances of mad cow disease or other food-borne illnesses, such as bird flu or salmonella, could adversely affect the price and availability of beef, poultry or other meats and create negative publicity, which could result in a decline in sales.

Instances of mad cow disease or other food-borne illnesses, such as bird flu, salmonella, e-coli or hepatitis A, could adversely affect the price and availability of beef, poultry or other meats. Incidents may cause consumers to shift their preferences to other meats. As a result, Wendy s and/or Arby s restaurants could experience a significant increase in food costs if there are instances of mad cow disease or other food-borne illnesses.

In addition to losses associated with higher prices and a lower supply of our food ingredients, instances of food-borne illnesses could result in negative publicity for Wendy s and/or Arby s. This negative publicity, as well as any other negative publicity concerning types of food products Wendy s or Arby s serves, may reduce demand for Wendy s and/or Arby s food and could result in a decrease in guest traffic to our restaurants. A decrease in guest traffic to our restaurants as a result of these health concerns or negative publicity could result in a decline in sales at company-owned restaurants or in royalties from sales at franchised restaurants.

Changes in consumer tastes and preferences and in discretionary consumer spending could result in a decline in sales at company-owned restaurants and in the royalties that we receive from franchisees.

The quick service restaurant industry is often affected by changes in consumer tastes, national, regional and local economic conditions, discretionary spending priorities, demographic trends, traffic patterns and the type, number and location of competing restaurants. Our success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions and the availability of discretionary income. Accordingly, we may experience declines in sales during economic downturns. Any material decline in the amount of discretionary spending or a decline in consumer food-away-from-home spending could hurt our revenues, results of operations, business and financial condition.

In addition, if company-owned and franchised restaurants are unable to adapt to changes in consumer preferences and trends, company-owned and franchised restaurants may lose customers and the resulting revenues from company-owned restaurants and the royalties that we receive from franchisees may decline.

The recent disruptions in the national and global economies and the financial markets may adversely impact our revenues, results of operations, business and financial condition.

The recent disruptions in the national and global economies and financial markets, and the related reductions in the availability of credit, have resulted in declines in consumer confidence and spending and have made it more difficult for businesses to obtain financing. If such conditions persist, then they may result in significant declines in consumer food-away-from-home spending and customer traffic in our restaurants and those of our franchisees. Such conditions may also adversely impact the ability of franchisees to build or purchase restaurants, remodel existing restaurants, renew expiring franchise agreements and make timely royalty and other payments. There can be no assurance that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets or increase liquidity and the availability of credit. If we or our franchisees are unable to obtain borrowed funds on acceptable terms, or if conditions in the economy and the financial markets do not improve, our revenues, results of operations, business and financial condition could be adversely affected as a result.

Additionally, we have from time to time entered into interest rate swaps as described in Note 10 to the annual Combined Financial Statements included elsewhere in this prospectus. As of June 28, 2009, we did not have any interest rate swap agreements in place. We intend to enter into

28

$425.0 million (notional amount) of interest rate swap agreements during the third quarter of 2009 in order to hedge a portion of our fixed rate debt. Since June 29, 2009, we have entered into $186.0 million and $175.0 million of interest rate swap agreements on our 6.20% senior notes and our 6.25% senior notes, respectively.

Changes in food and supply costs could harm results of operations.

Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs. Any increase in food prices, especially those of beef or chicken, could harm operating results. Ethanol production has increased the cost of corn, which has raised corn oil prices and contributed to higher beef and chicken prices stemming from increased corn feed pricing. In addition, each brand is susceptible to increases in food costs as a result of other factors beyond its control, such as weather conditions, global demand, food safety concerns, product recalls and government regulations. Additionally, prices for feed ingredients used to produce beef and chicken could be adversely affected by changes in global weather patterns, which are inherently unpredictable. We cannot predict whether we will be able to anticipate and react to changing food costs by adjusting our purchasing practices and menu prices, and a failure to do so could adversely affect our operating results. In addition, we may not seek to or be able to pass along price increases to our customers.

Competition from other restaurant companies could hurt our brands.

The market segments in which company-owned and franchised Wendy s and Arby s restaurants compete are highly competitive with respect to, among other things, price, food quality and presentation, service, location, and the nature and condition of the restaurant facility. Wendy s and Arby s restaurants compete with a variety of locally-owned restaurants, as well as competitive regional and national chains and franchises. Several of these chains compete by offering high quality sandwiches and/or menu items that are targeted at certain consumer groups. Additionally, many of our competitors have introduced lower cost, value meal menu options. Our revenues and those of our franchisees may be hurt by this product and price competition. Arby s, in particular, has been adversely affected in recent periods as a result of discounting by its competitors.

Moreover, new companies, including operators outside the quick service restaurant industry, may enter our market areas and target our customer base. For example, additional competitive pressures for prepared food purchases have come from deli sections and in-store cafes of a number of major grocery store chains, as well as from convenience stores and casual dining outlets. Such competitors may have, among other things, lower operating costs, lower debt service requirements, better locations, better facilities, better management, more effective marketing and more efficient operations. Many of our competitors have substantially greater financial, marketing, personnel and other resources than we do, which may allow them to react to changes in pricing and marketing strategies in the quick service restaurant industry better than we can. Many of our competitors spend significantly more on advertising and marketing than we do, which may give them a competitive advantage through higher levels of brand awareness among consumers. All such competition may adversely affect our revenues and profits by reducing revenues of company-owned restaurants and royalty payments from franchised restaurants.

Current restaurant locations may become unattractive, and attractive new locations may not be available for a reasonable price, if at all.

The success of any restaurant depends in substantial part on its location. There can be no assurance that our current restaurant locations will continue to be attractive as demographic patterns change. Neighborhood or economic conditions where our restaurants are located could decline in the future, thus resulting in potentially reduced sales in those locations. In addition, rising real estate prices in some areas may restrict our ability and the ability of franchisees to purchase or lease new desirable locations. If desirable locations cannot be obtained at reasonable prices, each brand s ability to affect its growth strategies will be adversely affected.

Wendy s and Arby s business could be hurt by increased labor costs or labor shortages.

Labor is a primary component in the cost of operating our company-owned restaurants. Each brand devotes significant resources to recruiting and training its managers and hourly employees. Increased labor costs due to competition, increased minimum wage or employee benefits costs or other factors would adversely impact our cost of sales and operating expenses. In addition, each brand s success depends on its ability to attract, motivate and retain qualified employees, including restaurant managers and staff. If either brand is unable to do so, our results of operations could be adversely affected.

Each brand s leasing and ownership of significant amounts of real estate exposes it to possible liabilities and losses, including liabilities associated with environmental matters.

As of June 28, 2009, Wendy s leased or owned the land and/or the building for 1,395 Wendy s company-owned restaurants and ARG leased or owned the land and/or the building for 1,170 Arby s company-owned restaurants. Accordingly, each brand is subject to all of the risks associated with leasing and owning real estate. Wendy s also owned land and buildings for, or leased, 205 Wendy s restaurant locations which were leased or subleased to franchisees. ARG also owned 12 and leased 90 units that were either leased or sublet principally to franchisees. In particular, the value of our real property assets could decrease, and costs could increase, because of changes in the investment climate for real estate, demographic trends, supply or demand for the use of the restaurants, which may result from competition from similar restaurants in the area, and liability for environmental matters.

Each brand is subject to federal, state and local environmental, health and safety laws and regulations concerning the discharge, storage, handling, release and disposal of hazardous or toxic substances. These environmental laws provide for significant fines, penalties and liabilities, sometimes without regard to whether the owner, operator or occupant of the property knew of, or was responsible for, the release or presence of the hazardous or toxic substances. Third parties may also make claims against owners, operators or occupants of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such substances.

A number of our restaurant sites were formerly gas stations or are adjacent to current or former gas stations, or were used for other commercial activities that can create environmental impacts. We may also acquire or lease these types of sites in the future. We have not conducted a comprehensive environmental review of all of our properties. We may not have identified all of the potential environmental liabilities at our leased and owned properties, and any such liabilities identified in the future could cause us to incur significant costs, including costs associated with litigation, fines or clean-up responsibilities.

Each brand leases real property generally for initial terms of 20 years with two to four additional options to extend the term of the leases in consecutive five-year increments. Many leases provide that the landlord may increase the rent over the term of the lease and any renewals thereof. Most leases require us to pay all of the costs of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases. If an existing or future restaurant is not profitable, and we decide to close it, we may nonetheless be committed to perform its obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, as each lease expires, we may fail to negotiate additional renewals or renewal options, either on commercially acceptable terms or at all, which could cause us to close stores in desirable locations.

Complaints or litigation may hurt each brand.

Occasionally, Wendy s and Arby s customers file complaints or lawsuits against us alleging that we are responsible for an illness or injury they suffered at or after a visit to a Wendy s or Arby s restaurant, or alleging that there was a problem with food quality or operations at a Wendy s or Arby s restaurant. We are also subject to a variety of other claims arising in the ordinary course of our business, including personal injury claims, contract claims, claims from franchisees (which tend to

increase when franchisees experience declining sales and profitability) and claims alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters. We could also become subject to class action lawsuits related to these matters in the future. Regardless of whether any claims against us are valid or whether we are found to be liable, claims may be expensive to defend and may divert management s attention away from operations and hurt our performance. A judgment significantly in excess of our insurance coverage for any claims could materially adversely affect our financial condition or results of operations. Further, adverse publicity resulting from these allegations may hurt us and our franchisees.

Additionally, the restaurant industry has been subject to a number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers. Adverse publicity resulting from these allegations may harm the reputation of our restaurants, even if the allegations are not directed against our restaurants or are not valid, and even if we are not found liable or the concerns relate only to a single restaurant or a limited number of restaurants. Moreover, complaints, litigation or adverse publicity experienced by one or more of Wendy s or Arby s franchisees could also hurt our business as a whole.

Our current insurance may not provide adequate levels of coverage against claims that may be filed.

We currently maintain insurance we believe is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure, such as losses due to natural disasters or acts of terrorism. In addition, we currently self-insure a significant portion of expected losses under workers compensation, general liability and property insurance programs. Unanticipated changes in the actuarial assumptions and management estimates underlying our reserves for these losses could result in materially different amounts of expense under these programs, which could harm our business and adversely affect our results of operations and financial condition.

Changes in governmental regulation may hurt our ability to open new restaurants or otherwise hurt our existing and future operations and results.

Each Wendy s and Arby s restaurant is subject to licensing and regulation by health, sanitation, safety and other agencies in the state and/or municipality in which the restaurant is located. State and local government authorities may enact laws, rules or regulations that impact restaurant operations and the cost of conducting those operations. For example, recent efforts to require the listing of specified nutritional information on menus and menu boards could adversely affect consumer demand for our products, could make our menu boards less appealing and could increase our costs of doing business. There can be no assurance that we and/or our franchisees will not experience material difficulties or failures in obtaining the necessary licenses or approvals for new restaurants, which could delay the opening of such restaurants in the future. In addition, more stringent and varied requirements of local governmental bodies with respect to tax, zoning, land use and environmental factors could delay or prevent development of new restaurants in particular locations. We and our franchisees are also subject to the Fair Labor Standards Act, which governs such matters as minimum wages, overtime and other working conditions, along with the ADA, family leave mandates and a variety of other laws enacted by the states that govern these and other employment law matters. As described more fully under Business General Legal Proceedings, one of our subsidiaries was a defendant in a lawsuit alleging failure to comply with Title III of the ADA at approximately 775 company-owned restaurants acquired as part of the acquisition of RTM in July 2005 (the RTM Acquisition). Under a court approved settlement of that lawsuit, ARG estimates that it will spend approximately $1.15 million per year of capital expenditures over a seven-year period commencing in 2008 to bring these restaurants into compliance with the ADA, in addition to paying certain legal fees and expenses. We cannot predict the amount of any other future expenditures that may be required in order to permit company-owned restaurants to comply with any changes in existing regulations or to comply with any future regulations that may become applicable to our businesses.

Our operations are influenced by adverse weather conditions.

Weather, which is unpredictable, can impact Wendy s and Arby s restaurant sales. Harsh weather conditions that keep customers from dining out result in lost opportunities for our restaurants. A heavy snowstorm in the Northeast or Midwest or a hurricane in the Southeast can shut down an entire metropolitan area, resulting in a reduction in sales in that area. Our first quarter includes winter months and historically has a lower level of sales at company-owned restaurants. Because a significant portion of our restaurant operating costs is fixed or semi-fixed in nature, the loss of sales during these periods hurts our operating margins, and can result in restaurant operating losses. For these reasons, a quarter-to-quarter comparison may not be a good indication of either brand s performance or how it may perform in the future.

Due to the concentration of Wendy s and Arby s restaurants in particular geographic regions, our business results could be impacted by the adverse economic conditions prevailing in those regions regardless of the state of the national economy as a whole.

As of June 28, 2009, we and our franchisees operated Wendy s or Arby s restaurants in 50 states and 24 foreign countries. As of June 28, 2009 as detailed in Business General Properties, the six leading states by number of operating units were: Ohio, Florida, Texas, Michigan, Georgia and Pennsylvania. This geographic concentration can cause economic conditions in particular areas of the country to have a disproportionate impact on our overall results of operations. It is possible that adverse economic conditions in states or regions that contain a high concentration of Wendy s and Arby s restaurants could have a material adverse impact on our results of operations in the future.

We may not be able to adequately protect our intellectual property, which could harm the value of our brands and hurt our business.

Our intellectual property is material to the conduct of our business. We rely on a combination of trademarks, copyrights, service marks, trade secrets and similar intellectual property rights to protect our brands and other intellectual property. The success of our business strategy depends, in part, on our continued ability to use our existing trademarks and service marks in order to increase brand awareness and further develop our branded products in both existing and new markets. If our efforts to protect our intellectual property are not adequate, or if any third party misappropriates or infringes on our intellectual property, either in print or on the Internet, the value of our brands may be harmed, which could have a material adverse effect on our business, including the failure of our brands to achieve and maintain market acceptance. This could harm our image, brand or competitive position and, if we commence litigation to enforce our rights, cause us to incur significant legal fees.

We franchise our restaurant brands to various franchisees. While we try to ensure that the quality of our brands is maintained by all of our franchisees, we cannot assure you that these franchisees will not take actions that hurt the value of our intellectual property or the reputation of the Wendy s and/or Arby s restaurant system.

We have registered certain trademarks and have other trademark registrations pending in the United States and certain foreign jurisdictions. The trademarks that we currently use have not been registered in all of the countries outside of the United States in which we do business or may do business in the future and may never be registered in all of these countries. We cannot assure you that all of the steps we have taken to protect our intellectual property in the United States and foreign countries will be adequate. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States.

In addition, we cannot assure you that third parties will not claim infringement by us in the future. Any such claim, whether or not it has merit, could be time-consuming, result in costly litigation, cause delays in introducing new menu items or investment products or require us to enter into royalty or licensing agreements. As a result, any such claim could harm our business and cause a decline in our results of operations and financial condition.

Wendy s has re-focused its breakfast initiative on key markets and reduced the number of restaurants offering a breakfast menu from 1,070 to approximately 600 in 2008. The breakfast daypart remains competitive and markets may prove difficult to penetrate.

Wendy s roll out and expansion of breakfast has been accompanied by challenging competitive conditions, varied consumer tastes and discretionary spending patterns that differ from existing dayparts. In addition, breakfast sales could cannibalize sales during other parts of the day and may have negative implications on food and labor costs and restaurant margins. Wendy s has re-focused its breakfast initiative on key markets and reduced the number of restaurants offering a breakfast menu to approximately 600. Wendy s will need to reinvest royalties earned and other amounts to build breakfast brand awareness through greater investments in advertising and promotional activities. Capital investments will also be required at company-owned restaurants. As a result of the foregoing, breakfast sales and resulting profits may take longer to reach expected levels.

Our international operations are subject to various factors of uncertainty and there is no assurance that international operations will be profitable.

Each brand s business outside of the United States is subject to a number of additional factors, including international economic and political conditions, differing cultures and consumer preferences, currency regulations and fluctuations, diverse government regulations and tax systems, uncertain or differing interpretations of rights and obligations in connection with international franchise agreements and the collection of royalties from international franchisees, the availability and cost of land and construction costs, and the availability of experienced management, appropriate franchisees, and joint venture partners. Although we believe we have developed the support structure required for international growth, there is no assurance that such growth will occur or that international operations will be profitable.

We rely on computer systems and information technology to run our business. Any material failure, interruption or security breach of our computer systems or information technology may adversely affect the operation of our business and results of operations.

We are significantly dependent upon our computer systems and information technology to properly conduct our business. A failure or interruption of computer systems or information technology could result in the loss of data, business interruptions or delays in business operations. Also, despite our considerable efforts and technological resources to secure our computer systems and information technology, security breaches, such as unauthorized access and computer viruses, may occur resulting in system disruptions, shutdowns or unauthorized disclosure of confidential information. Any security breach of our computer systems or information technology may result in adverse publicity, loss of sales and profits, penalties or loss resulting from misappropriation of information.

We may be required to recognize additional asset impairment and other asset-related charges.

We have significant amounts of long-lived assets, goodwill and intangible assets and have incurred impairment charges in the past with respect to those assets. In accordance with applicable accounting standards, we test for impairment generally annually, or more frequently, if there are indicators of impairment, such as

- significant adverse changes in the business climate;

- current period operating or cash flow losses combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with long-lived assets;

a current expectation that more-likely-than-not (e.g., a likelihood that is more than 50%) long-lived assets will be sold or otherwise disposed of significantly before the end of their previously estimated useful life; and

a significant drop in the Wendy s/Arby s Group stock price.

Based upon future economic and capital market conditions, as well as the operating performance of our reporting units, future impairment charges could be incurred.

Other Risks

Changes in environmental regulation may adversely affect our existing and future operations and results.

Certain of our current and past operations are or have been subject to federal, state and local environmental laws and regulations concerning the discharge, storage, handling and disposal of hazardous or toxic substances that provide for significant fines, penalties and liabilities, in certain cases without regard to whether the owner or operator of the property knew of, or was responsible for, the release or presence of such hazardous or toxic substances. In addition, third parties may make claims against owners or operators of properties for personal injuries and property damage associated with releases of hazardous or toxic substances. Although we believe that our operations comply in all material respects with all applicable environmental laws and regulations, we cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or interpreted. We cannot predict the amount of future expenditures that may be required in order to comply with any environmental laws or regulations or to satisfy any such claims. See Business General Environmental Matters.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and oral statements made from time to time by our representatives may contain or incorporate by reference certain statements that are not historical facts, including, most importantly, information concerning our possible or assumed future results of operations. Those statements, as well as statements preceded by, followed by, or that include the words may, believes, plans, expects, anticipates, or the negation thereof, or similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the Reform Act). All statements that address future operating, financial or business performance; strategies or expectations; future synergies, efficiencies or overhead savings; anticipated costs or charges; future capitalization; and anticipated financial impacts of recent or pending transactions are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are based on our expectations at the time such statements are made, speak only as of the dates they are made and are susceptible to a number of risks, uncertainties and other factors. Our actual results, performance and achievements may differ materially from any future results, performance or achievements expressed or implied by our forward-looking statements. For all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Reform Act. Many important factors could affect our future results and could cause those results to differ materially from those expressed in, or implied by the forward-looking statements contained herein. Such factors, all of which are difficult or impossible to predict accurately, and many of which are beyond our control, include, but are not limited to, the following:

competition, including pricing pressures, aggressive marketing and the potential impact of competitors new unit openings on sales of Wendy ®s and Arby ®s restaurants;

consumers perceptions of the relative quality, variety, affordability and value of the food products we offer;

success of operating initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors;

development costs, including real estate and construction costs;

changes in consumer tastes and preferences, including changes resulting from concerns over nutritional or safety aspects of beef, poultry, French fries or other foods or the effects of food-borne illnesses such as mad cow disease and avian influenza or bird flu, and changes in spending patterns and demographic trends, such as the extent to which consumers eat meals away from home;

certain factors affecting our franchisees, including the business and financial viability of key franchisees, the timely payment of such franchisees obligations due to us, and the ability of our franchisees to open new restaurants in accordance with their development commitments, including their ability to finance restaurant development and remodels;

availability, location and terms of sites for restaurant development by us and our franchisees;

delays in opening new restaurants or completing remodels of existing restaurants;

the timing and impact of acquisitions and dispositions of restaurants;

our ability to successfully integrate acquired restaurant operations;

anticipated or unanticipated restaurant closures by us and our franchisees;

our ability to identify, attract and retain potential franchisees with sufficient experience and financial resources to develop and operate Wendy s and Arby s restaurants successfully;

availability of qualified restaurant personnel to us and to our franchisees, and the ability to retain such personnel;

our ability, if necessary, to secure alternative distribution of supplies of food, equipment and other products to Wendy s and Arby s restaurants at competitive rates and in adequate amounts, and the potential financial impact of any interruptions in such distribution;

changes in commodity costs (including beef and chicken), labor, supply, fuel, utilities, distribution and other operating costs;

availability and cost of insurance;

adverse weather conditions;

availability, terms (including changes in interest rates) and deployment of capital;

changes in legal or self-regulatory requirements, including franchising laws, accounting standards, payment card industry rules, overtime rules, minimum wage rates, government-mandated health benefits and taxation legislation;

the costs, uncertainties and other effects of legal, environmental and administrative proceedings;

the impact of general economic conditions on consumer spending, including a slower consumer economy particularly in geographic regions that contain a high concentration of Wendy s or Arby s restaurants, and the effects of war or terrorist activities; and other risks and uncertainties affecting us and our subsidiaries described in the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We assume no obligation to update any forward-looking statements after the date of this prospectus as a result of new information, future events or developments, except as required by federal securities laws. In addition, it is our policy generally not to make any specific projections as to future earnings, and we do not endorse any projections regarding future performance that may be made by third parties.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreements entered into in connection with the offering of the initial notes. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

The gross proceeds from the issuance of the initial notes were approximately $551.1 million. We used such proceeds to optionally prepay approximately $132.5 million in borrowings outstanding under our existing senior secured term loan (and to pay accrued interest with respect to such borrowings) and to pay the financing costs and other expenses in connection with the issuance of the initial notes. The remaining proceeds are currently invested in accordance with the terms of the notes. The remaining proceeds of $393.0 million can be distributed to our parent company, Wendy s/Arby s Group. Wendy s/Arby s Group may use the proceeds for general corporate purposes, which may include working capital, funding for key strategic growth initiatives, including new unit development, acquisitions of other restaurant companies, repayment or refinancing of indebtedness, and the return of capital to its stockholders, including through stock repurchases and/or dividends. In August 2009, the Wendy s/Arby s Group board of directors authorized a $50.0 million common stock repurchase program. The stock repurchase program will remain in effect through January 2, 2011 and will allow Wendy s/Arby s Group to make repurchases as market conditions warrant. In order to fund this stock repurchase program, Wendy s/Arby s Group would require a distribution of a portion of the proceeds from the issuance of the initial notes.

Our senior secured term loan and amounts borrowed under the revolving credit facility, as amended by an amendment dated as of June 10, 2009 (the Credit Agreement Amendment) and effective upon the issuance of the initial notes, bear interest at our option at either (i) Eurodollar Base Rate (as defined in the Credit Agreement), as adjusted pursuant to applicable regulations (but not less than 2.75%) plus 4.00%, 4.50%, 5.00% or 6.00% per annum, depending on our corporate credit rating or (ii) the Base Rate (as defined in the Credit Agreement), which is the higher of the interest rate announced by the administrative agent for the Credit Agreement as its base rate and the Federal funds rate plus 0.50% (but not less than 3.75%), in either case plus 3.00%, 3.50%, 4.00% or 5.00% per annum, depending on our corporate credit rating. The revolving credit facility expires not later than July 25, 2011. The senior secured term loan is due not later than July 25, 2012 and amortizes in the amount equal to approximately 1% per annum of the initial principal amount outstanding, as adjusted for any optional or mandatory prepayments, payable in quarterly installments through June 30, 2011, with the balance payable in the final year in four equal quarterly payments. Based on Wendy s/Arby s Restaurants corporate credit rating at the effective date of the amended credit agreement and as of June 28, 2009, the applicable interest rate margins available to us were 4.50% for Eurodollar Base Rate borrowings and 3.50% for Base Rate borrowings.

The following is a summary of the sources and uses of proceeds from the offering of the initial notes. You should read the following together with the information set forth under Prospectus Summary Summary of the Terms of the Exchange Notes, Capitalization and Description of Other Indebtedness.

Sources of funds (in millions)		**Uses of funds (in millions)**	
Initial notes(1)	$ 551.1	Optional prepayment of our existing senior secured term loan(2)	$ 134.6
		Financing costs and other expenses(3)	23.5
		Remaining proceeds	393.0

	$ 551.1	$ 551.1

(1) The initial notes have a face value of $565.0 million, but were offered at a discount of approximately $13.9 million.

(2) Includes approximately \$2.1 million of accrued interest from April 1, 2009 through June 23, 2009 with respect to the approximately \$132.5 million in borrowings under our existing senior secured term loan optionally prepaid in connection with the offering of the initial notes. The effect of the \$132.5 million repayment is not reduced by \$2.9 million which was repaid to us in respect of the indebtedness under our existing senior secured term loan which we had previously repurchased (and accrued interest thereon).

(3) Financing costs and other expenses include the initial purchasers discount and fees and expenses

related to the
offering of the
initial notes.

CAPITALIZATION

The following table shows our capitalization as of June 28, 2009 (unaudited). You should read this table in conjunction with our condensed combined financial statements and the related notes included elsewhere in this prospectus.

		June 28, 2009 (In millions)
Cash and cash equivalents	$	582.5
Long-term debt:		
Our long-term debt:		
Initial notes (1)	$	551.1
Senior secured term loan (2)		253.5
Senior secured revolving facility (2)		
Our subsidiaries long-term debt:		
6.20% Senior Notes due 2014 (3)		201.4
6.25% Senior Notes due 2011 (4)		190.8
7% Debentures due 2025 (5)		79.5
Sale-leaseback obligations, excluding interest		124.6
Capitalized lease obligations, excluding interest (6)		103.1
Notes payable (7)		4.7
Other		1.5
Total long-term debt	$	1,510.2
Invested equity:		
Member interest, $0.01 par value; 1,000 interests authorized, one issued and outstanding	$	
Other capital		2,964.3
Accumulated Deficit		(488.3)
Advances to Wendy s/Arby s Group		(155.0)
Accumulated other comprehensive loss		(23.2)
Total invested equity	$	2,297.8

(1) The initial notes have a face value of $565.0 million but were offered at a

discount of approximately $13.9 million. This discount is being accreted as of June 23, 2009 and is being included in interest expense through the maturity date of the notes.

(2) We, Wendy s, Arby s and certain other subsidiaries are the co-borrowers under the Credit Agreement. See Description of Other Indebtedness Senior Secured Credit Facilities included elsewhere in this prospectus.

The Credit Agreement includes a senior secured term loan facility (the Term Loan), which had $253.5 million outstanding as of June 28, 2009, and a senior secured revolving credit facility of $170.0 million. The revolving credit facility includes a sub-facility for the issuance of letters of credit up to $50.0 million. During the six months ended June 28, 2009, we borrowed a total of $51.2 million under the revolving credit facility; however, no amounts were outstanding as of June 28, 2009. The availability under the revolving credit facility as of June 28, 2009 was $134.2 million, which is net of $35.8 million for outstanding letters of credit.

(3) Unsecured debt assumed as part of the Wendy s Merger and is due June 2014 and redeemable prior to maturity at our option. The Wendy s 6.20% Senior Notes were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $225.0 million and an effective interest rate of 7.0%. These securities are obligations of Wendy s, our subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries. During the third quarter of 2009 we entered into $186.0 million (notional amount) of interest swaps in order to hedge a portion of this fixed rate debt.

(4) Unsecured debt assumed as part of the Wendy s Merger and is due November 2011 and is redeemable prior to maturity at our option. The Wendy s 6.25% Senior Notes were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $200.0 million and an effective interest rate of 6.6%. These securities are obligations of Wendy s, our subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries. During the

third quarter of 2009 we entered into $175.0 million (notional amount) of interest swaps in order to hedge a portion of this fixed rate debt.

(5) Unsecured debt assumed as part of the Wendy s Merger and is due in 2025. The Wendy s 7% debentures are unsecured and were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $100.0 million and an effective interest rate of 8.6%. These securities are obligations of Wendy s, our subsidiary and a

guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries.

(6) The capitalized lease obligations, which extend through 2036, include $30.1 million of capital lease obligations assumed as part of the Wendy s Merger. The Wendy s capital lease obligations were adjusted to fair value at the date of and in connection with the Wendy s Merger.

(7) This obligation represents notes payable assumed as part of the acquisition in 2008 of 41 franchised

Arby s restaurants in the California market (the California Restaurant Acquisition) which are due through 2014.

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The unaudited pro forma combined statements of operations are based upon our historical combined financial statements and upon the historical consolidated financial statements of Wendy s. They have been prepared to illustrate the effect of the merger in which Wendy s became our wholly-owned subsidiary (as a result of Wendy s/Arby s Group s contribution of its investment in Wendy s and its subsidiaries acquired in the Wendy s Merger) as if the merger had taken place on December 31, 2007 (the first day of our 2008 fiscal year) and as if we had existed as a separate legal entity at the beginning of the earliest period presented. The unaudited pro forma combined statements of operations also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering as if the notes had been issued on December 31, 2007.

We were formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Our sole asset at formation consisted of the contribution by Wendy s/Arby s Group of its investment in Wendy s and its subsidiaries, which had been acquired on September 29, 2008. In March 2009, Wendy s/Arby s Group contributed to us its long-standing investment in ARG and its subsidiaries. We have no assets or operations other than those of Wendy s and Arby s and their respective subsidiaries.

Our historical condensed combined financial statements present the results of Wendy s and Arby s as if we had existed as a separate legal entity at the beginning of the earliest period presented. The historical combined financial statements have been derived from the consolidated financial statements and historical accounting records of Wendy s/Arby s Group. Accordingly, the historical combined financial statements include the results of Wendy s and Arby s beginning from their time of ownership by Wendy s/Arby s Group. As a result, historical condensed combined financial results included in the pro forma information presented below for the year ended December 28, 2008 only includes Wendy s from September 29, 2008.

The unaudited pro forma combined statements of operations combine our historical combined statements of operations and the historical consolidated statement of operations of Wendy s and assume that the Wendy s Merger had been consummated on December 31, 2007. Our historical statements referred to above for the year ended December 28, 2008 and the six months ended June 28, 2009 are included elsewhere in this prospectus. The historical statements referred to above for Wendy s for the nine months ended September 28, 2008 are included elsewhere in this prospectus.

The unaudited pro forma combined statements of operations give effect to transactions and events that are (a) directly attributable to the merger and (b) factually supportable. The unaudited pro forma combined statements of operations also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering. Under the purchase method of accounting, the total estimated merger consideration, as described in the footnotes to our combined financial statements for each of the three years in the period ended December 28, 2008 included elsewhere in this prospectus, has been preliminarily allocated to Wendy s net tangible and intangible assets acquired and liabilities assumed based on their estimated fair values with the excess recognized as goodwill. Our management s preliminary allocation of the merger consideration still remains subject to finalization. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma combined financial statements.

The unaudited pro forma combined statements of operations do not reflect future events that may occur after the merger, including the potential realization of operating cost savings, margin improvements, general and administrative synergies or restructuring or other costs relating to the integration of the two companies nor do they include any other non-recurring costs related to the merger. The unaudited pro forma combined statements of operations are provided for informational purposes only and are not necessarily indicative of the financial position or results of operations that would have occurred if the Wendy s Merger had been completed on December 31, 2007 nor are they necessarily indicative of our future operating results. In addition, the unaudited pro forma financial information does not purport to indicate the results of operations as of any future date or

any future period. The pro forma adjustments are subject to change and are based upon currently available information which we believe is reasonable on this date.

The accompanying unaudited pro forma combined statements of operations should be read in conjunction with (i) the historical combined financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus and (ii) the historical consolidated financial statements for Wendy s, which are included elsewhere in this prospectus.

WENDY S/ARBY S RESTAURANTS, LLC
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
Year Ended December 28, 2008

	Historical		Pro Forma Adjustments		Pro Forma
	Wendy s/Arby s Restaurants, LLC Year Ended December 28, 2008	Wendy s Nine Months Ended September 28, 2008	Wendy s Merger (In Thousands)	Issuance of Senior Notes	Wendy s/Ar Restaurants, L Year Ended December 2 2008
Revenues:					
Sales	$ 1,662,291	$ 1,617,213	$	$	$ 3,279,504
Franchise revenues	160,470	222,740	(74)B		383,136
	1,822,761	1,839,953	(74)		3,662,640
Costs and expenses:					
Cost of sales	1,415,530	1,351,451	4,536 B		2,842,519
			(11,215)A		
			80,116 A		
			2,101 F		
Advertising		80,116	(80,116)A		
General and administrative	213,161	201,270	(76)B		419,245
			4,890 A		
Depreciation and amortization	85,058	96,369	(700)B		183,344
			(1,750)A		
			6,468 C		
			(2,101)F		
Goodwill impairment	460,075				460,075
Impairment of other long-lived assets	9,580		1,389 A		10,969
Facilities relocation and restructuring	3,221	2,523			5,744
Other operating expense (income), net	652	(9,186)	8,766 A		232
		84,231			84,231

Wendy s special committee expense					
	2,187,277	1,806,774	12,308		4,006,35
Operating (loss) profit	(364,516)	33,179	(12,382)		(343,71
Interest expense	(66,925)	(21,789)	(6,842)B	(54,117)G	(154,44
			(4,772)A		
Gain on early extinguishments of debt	3,656				3,65
Other (expense) income, net	(422)	(3,822)	(332)B		2,27
			6,852 A		
(Loss) income before income taxes	(428,207)	7,568	(17,476)	(54,117)	(492,23
Benefit from (provision for) income taxes	63,121	(13,359)	6,640 D	20,564 H	81,30
			4,342 E		
Net loss	$ (365,086)	$ (5,791)	$ (6,494)	$ (33,553)	$ (410,92

WENDY S/ARBY S RESTAURANTS, LLC
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
Six Months Ended June 28, 2009

	Historical Wendy s/Arby s Restaurants, LLC Six Months Ended June 28, 2009	Pro Forma Adjustments		Pro Forma Wendy s/Arby s Restaurants, LLC Six Months Ended June 28, 2009
		Wendy s Merger	Issuance of Senior Notes	
		(In Thousands)		
Revenues:				
Sales	$ 1,589,438	$	$	$ 1,589,438
Franchise revenues	187,233			187,233
	1,776,671			1,776,671
Costs and expenses:				
Cost of sales	1,362,404			1,362,404
General and administrative	213,063			213,063
Depreciation and amortization	95,059	(6,468)C		88,591
Impairment of other long-lived assets	13,404			13,404
Facilities relocation and restructuring	4,166			4,166
Other operating expense, net	1,732			1,732
	1,689,828	(6,468)		1,683,360
Operating profit	86,843	6,468		93,311
Interest expense	(52,363)		(26,485)G	(78,848)
Other (expense) income, net	(4,721)			(4,721)
Income (loss) before income taxes	29,759	6,468	(26,485)	9,742
(Provision for) benefit from income taxes	(11,584)	(2,458)D	10,064 H	(3,978)
Net income (loss)	$ 18,175	$ 4,010	$ (16,421)	$ 5,764

WENDY S/ARBY S RESTAURANTS, LLC
NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(Amounts in thousands)

PRO FORMA ADJUSTMENTS

1. Description of transaction and basis of presentation

The unaudited pro forma combined statements of operations are based upon our historical combined financial statements and upon the historical consolidated financial statements of Wendy s and have been prepared to illustrate the effect of the merger in which Wendy s became our wholly-owned subsidiary (as a result of Wendy s/Arby s Group s contribution of its investment in Wendy s and it subsidiaries acquired in such merger to us) as if the merger had taken place on December 31, 2007 (the first day of our 2008 fiscal year) and as if we had existed as a separate legal entity at the beginning of the earliest period presented. Our other acquisition or disposition transactions in 2008 and 2009 are not considered significant for pro forma presentation. The unaudited pro forma combined statements of operations also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering (see Use of Proceeds) as if the notes had been issued on December 31, 2007.

2. Pro forma adjustments

The following pro forma adjustments are included in the unaudited pro forma combined statements of operations:

Wendy s Merger

A. Represents reclassification of amounts in the Wendy s historical condensed statements of operations to conform to our presentation.

B. Represents adjustments for the difference between the estimated fair value of the Wendy s net tangible and intangible assets acquired and liabilities assumed recorded as part of the preliminary purchase price allocation as further described in Note 2 to our unaudited combined financial statements for the quarter ended June 28, 2009. Our management s preliminary allocation of the merger consideration still remains subject to finalization.

		Year Ended December 28, 2008
Increase (decrease) in franchise revenue:		
Net favorable / unfavorable sublease amortization from purchase price allocation	$	(74)
Increase (decrease) in expense:		
Cost of sales:		
Reversal of historical straight line rent and landlord inducement	$	(2,122)
Straight line rent, other rent expense and landlord inducement from purchase price allocation		5,119
Net favorable / unfavorable lease amortization from purchase price allocation		1,539
Total	$	4,536
General and Administrative:		
Other	$	(76)
Depreciation and amortization:		
Reversal of historical amounts for properties	$	(89,503)
Depreciation and amortization of properties from purchase price allocation		74,943
Amortization of computer software and hardware from purchase price allocation		1,253
Franchisee agreement amortization from purchase price allocation		12,607
Total	$	(700)
Interest:		
Interest expense related to the decrease in the fair value of debt from purchase price allocation	$	(6,842)
Other income, net:		
Interest income reduction related to the increase in the fair value of financing lease receivable from purchase price allocation	$	(332)

C. Represents the reversal of additional depreciation recorded in the first quarter of 2009 pertaining to the fourth quarter of 2008 as a result of refinements in 2009 to the Wendy s purchase price allocation (including long-lived assets).

D. Represents the tax effect of the pro forma adjustments described above at an assumed 38% statutory income tax rate. This rate is an estimate and does not take into account future tax strategies that may be applied to the consolidated entity.

E. Represents an increase in tax expense as a result of the non-deductibility of a portion of the Wendy s special committee costs. Wendy s had originally determined at the time of the 2007 tax accrual that, based on the then current status of any business combination in which it may have been involved, the full amount of the costs were deductible. The merger changed the deductibility of a portion of those costs.

F. Represents the reclassification of Arby s favorable lease amortization from depreciation and amortization to cost of sales.

Issuance of notes

G. Represents adjustments as if the notes were issued on the first day of fiscal 2008:

	Year ended December 28, 2008	Six months ended June 28, 2009
Interest expense:		
1) Notes	$ 56,500	$ 27,304
2) Amortization of the discount on the notes	1,544	674
3) Amortization of notes debt issuance costs	3,718	1,808
4) Effect of the prepayment of $132,500 of the existing senior secured term loan	(7,645)	(3,301)
	$ 54,117	$ 26,485

The unaudited pro forma combined statements of operations do not include any income from our investment of the net proceeds of the notes.

H. Represents the tax effect of the pro forma adjustments described above at an assumed 38% statutory income tax rate. This rate is an estimate and does not take into account future tax strategies that may be applied to the consolidated entity.

SELECTED HISTORICAL FINANCIAL DATA

Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in ARG and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s.

The selected historical combined financial data presented below as of and for each of the years in the period ended December 28, 2008 have been derived from, and should be read together with, our audited financial statements and the accompanying notes included elsewhere in this prospectus. The selected historical combined financial and other data for the years ended January 2, 2005 and January 1, 2006 and as of January 2, 2005 and January 1, 2006 have been derived from our financial statements not included in this prospectus.

The selected historical combined financial data presented below as of and for the six month periods ended June 28, 2009 and June 29, 2008 have been derived from, and should be read together with, our unaudited condensed combined consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

The financial statement data in the table below should be read in conjunction with the historical combined financial statements, Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are included elsewhere in this prospectus.

	Year Ended(1)					
	January 2, 2005	January 1, 2006(2)	December 31, 2006(3)	December 30, 2007(3)	December 28, 2008(4)	Jur 2(
	(In millions, except ratios)					
Combined Statement of Operations Data:						
Sales	$ 205.6	$ 570.8	$ 1,073.3	$ 1,113.4	$ 1,662.3	$
Franchise revenues	100.9	91.2	82.0	87.0	160.5	
Revenues	306.5	662.0	1,155.3	1,200.4	1,822.8	
Goodwill impairment					(460.1)	
Operating profit (loss)	59.2	52.9	95.3	108.7	(364.5)	
Income (loss) from continuing operations	17.0	(19.2)	25.4	32.8	(365.1)	
Loss from discontinued operations			(1.3)	(0.1)		
Net income (loss)	$ 17.0	$ (19.2)	$ 24.1	$ 32.7	$ (365.1)	$
Other Financial Data:						
EBITDA (5)	$ 72.1	$ 79.3	$ 149.8	$ 168.2	$ 190.3	$
Ratio of earnings to fixed charges (6)	1.9 x		1.6 x	1.6 x		
Capital expenditures	$ 12.1	$ 33.4	$ 71.9	$ 72.9	$ 105.9	$
Combined Balance Sheet Data (at period end):						
Cash and cash	$ 19.4	$ 53.0	$ 44.2	$ 44.1	$ 63.1	$

equivalents						
Working capital (deficit)	(24.5)	(37.4)	(37.5)	(41.5)	(143.7)	
Total assets	240.1	1,051.6	1,086.5	1,139.7	4,502.3	1,
Long-term debt	287.4	722.8	708.5	735.1	1,089.7	
Deferred income	4.7	3.0	10.8	6.7	16.9	
Deferred income taxes		4.5	15.6	8.6	526.7	
Other liabilities	18.5	48.1	60.1	65.1	155.4	
Total invested equity (deficit)	(134.2)	128.4	156.5	153.7	2,254.8	

(1) Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in ARG and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a

separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/ Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s. The financial position and results of operations of Wendy s and its subsidiaries are included commencing with the date of the Wendy s Merger, September 29, 2008. The financial position and results of operations of RTM are included commencing with its acquisition by us on July 25, 2005. We report our combined results on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. In accordance with this method, each of our fiscal years presented above contained 52 weeks except for the 2004 fiscal year, which ended on January 2, 2005 and contained 53 weeks. All references to years relate to fiscal years rather than calendar years.

(2) Reflects certain significant charges and credits recorded during 2005 as follows: $30.5 million charged to operating loss representing (1) a $17.2 million loss on settlements of unfavorable franchise rights representing the cost of settling franchise agreements acquired as a component of the acquisition of RTM with royalty rates below the 2005 standard 4% royalty rate that

we receive on new franchise agreements and (2) facilities relocation and corporate restructuring charges of $13.3 million; $39.7 million charged to loss from continuing operations and net loss representing the aforementioned $30.5 million charged to operating loss and a $35.8 million loss on early extinguishments of debt upon a debt refinancing in connection with the acquisition of RTM, both partially offset by $26.6 million of income tax benefit relating to the above charges.

(3) Selected financial data reflects the changes related to the adoption of the following accounting standards:

(a) We adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), Share-Based Payment (SFAS 123(R)), which revised SFAS No. 123, Accounting for Stock-Based Compensation (SFAS 123) effective January 2, 2006. As a result, we now measure the cost of employee services received in exchange for an award of equity instruments, including grants of employee stock options and restricted stock, based on the fair value of the award at the date of grant. We previously used the intrinsic value method to measure employee share-based compensation. Under the intrinsic value method, compensation cost for Wendy s/Arby s Group stock options was measured as the excess, if any, of the market price of Wendy s/Arby s Group Class A common stock, and/or Class B common stock, series 1, as applicable, at the date of grant, or at any subsequent measurement date as a result of certain types of modifications to the terms of its stock options, over the amount an employee must pay to acquire the stock. As we used the modified prospective adoption method under SFAS 123(R), there was no effect from the adoption of this standard on the financial statements for all periods presented prior to the adoption date.

(b) We adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48) as of January 1, 2007. FIN 48 clarifies how uncertainties in income taxes should be reflected in financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of potential tax benefits associated with tax positions taken or expected to be taken in income tax returns. FIN 48 prescribes a two-step process of evaluating a tax position, whereby an entity first determines if it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is then measured for purposes of financial statement recognition as the largest amount of benefit that is greater than 50 percent likely of being realized upon being effectively settled. There was no effect on the 2007 or prior period statements of operations upon the adoption of FIN 48. However, there was a net reduction of $2.5 million in invested equity as of January 1, 2007.

(4) Reflects certain significant charges and credits recorded during 2008 as follows: $460.1 million charged to operating profit consisting of a goodwill impairment for the Arby s

company-owned restaurant reporting unit; $391.8 million charged to income from continuing operations and net income representing the aforementioned $460.1 million charged to operating profit partially offset by $68.3 million of income tax benefit related to the above charges.

(5) Earnings before interest, taxes, depreciation and amortization (EBITDA) is used by us as a performance measure for benchmarking against our peers and competitors. We believe EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the restaurant industry. EBITDA is not a recognized term under accounting principles

generally accepted in the United States of America (GAAP). Because all companies do not calculate EBITDA or similarly titled financial measures in the same way, those measures as used by other companies may not be consistent with the way we calculate EBITDA or similarly titled financial measures and should not be considered as alternative measures of operating profit or net income (loss).

Our presentation of EBITDA below is not intended to replace the presentation of our financial results in accordance with GAAP.

The following table presents our reconciliation of EBITDA to net income (loss):

	Year Ended					Six Mo
	January 2, 2005	January 1, 2006(2)	December 31, 2006(3)	December 30, 2007(3)	December 28, 2008(4)	June 29 2008(3)
						(Una
				(In Millions)		
EBITDA (5)	$ 72.1	$ 79.3	$ 149.8	$ 168.2	$ 190.3	$ 66.1
Depreciation and amortization	(9.5)	(25.0)	(50.5)	(56.9)	(85.1)	(30.1)
Goodwill impairment					(460.1)	
Impairment of other long-lived assets	(3.4)	(1.4)	(4.0)	(2.6)	(9.6)	(1.4)
Operating profit (loss)	59.2	52.9	95.3	108.7	(364.5)	34.6
Interest expense	(26.2)	(36.8)	(56.9)	(59.2)	(66.9)	(27.8)
(Loss) gain on early extinguishment of debt		(35.8)			3.7	
Other (expense) income, net	(4.7)	(0.5)	5.5	3.3	(0.5)	0.4
Income (loss) before income taxes	28.3	(20.2)	43.9	52.8	(428.2)	7.2
(Provision for) benefit from income taxes	(11.3)	1.0	(18.5)	(20.0)	63.1	(2.9)
Loss from discontinued operations			(1.3)	(0.1)		
Net income (loss)	$ 17.0	$ (19.2)	$ 24.1	$ 32.7	$ (365.1)	$ 4.3

(6)

Earnings were inadequate to cover fixed charges by $29.3 million for the year ended January 1, 2006 and $328.6 million for the year ended December 28, 2008. On a pro forma basis for the issuance of the notes, pro forma earnings were inadequate to cover pro forma fixed charges by $328.6 million for the year ended December 28, 2008. On the same pro forma basis, the pro forma ratio of earnings to fixed charges for the six months ended June 28, 2009 was 1.0x.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management s Discussion and Analysis of Financial Condition and Results of Operations of Wendy s/Arby s Restaurants, LLC should be read in conjunction with the combined financial statements and the related notes that appear elsewhere herein. Certain statements we make under this section constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. See Note Regarding Forward-Looking Statements included elsewhere in this prospectus. You should consider our forward-looking statements in light of the risks discussed under the heading Risk Factors above as well as our combined financial statements, related notes, and other financial information appearing elsewhere in this prospectus.

We were formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Our sole asset at formation consisted of the contribution by Wendy s/Arby s Group of its investment in Wendy s and its subsidiaries. All of the outstanding common stock of Wendy s was acquired by Triarc on September 29, 2008 and at that same time Triarc changed its name to Wendy s/Arby s Group, Inc. In March 2009, Wendy s/Arby s Group contributed to us its long-standing investment in ARG and its subsidiaries. We have no assets or operations other than those of Wendy s and Arby s and their respective subsidiaries.

The combined financial statements present the historical results of Arby s and Wendy s as if Wendy s/Arby s Restaurants had existed as a separate legal entity by the beginning of the earliest period presented. The combined financial statements have been derived from the consolidated financial statements and historical accounting records of Wendy s/Arby s Group. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s.

The results of operations discussed below will not be indicative of future results due to the consummation of the Wendy s Merger as of the first day of the fourth quarter of 2008.

Introduction and Executive Overview

Wendy s Merger

On September 29, 2008, a subsidiary of Triarc merged with and into Wendy s and Wendy s became a wholly owned subsidiary of Triarc in an all-stock transaction in which Wendy s shareholders received a fixed ratio of 4.25 shares of Wendy s/Arby s Group common stock for each share of Wendy s common stock owned. We expect that the Wendy s Merger will better position us to deliver long-term value to Wendy s/Arby s Group stockholders through enhanced operational efficiencies, improved product offerings, and shared services. Wendy s operates, develops and franchises a system of distinctive quick service restaurants specializing in hamburgers.

Our Business

We are a wholly owned subsidiary of Wendy s/Arby s Group and the parent company of Wendy s and ARG, which are the owners and franchisors of the Wendy s® and Arby s® restaurant systems, respectively. We currently manage and internally report our operations as two business segments: the operation and franchising of Wendy s restaurants and the operation and franchising of Arby s restaurants. As of June 28, 2009, the Wendy s restaurant system was comprised of 6,608 restaurants, 1,395 of which we owned and operated. As of June 28, 2009, the Arby s restaurant system was comprised of 3,745 restaurants, 1,170 of which we owned and operated. All 2,565 Wendy s and Arby s company-owned restaurants are located principally in the United States and to a lesser extent in Canada (the North America Restaurants).

Restaurant business revenues for 2008 include: (1) $1,632.9 million recognized upon delivery of food to the customer, (2) $29.4 million from the sale of bakery items and kid s meal promotion items to our franchisees, (3) $149.5 million from royalty income from franchisees, (4) $7.6 million from rental income from properties leased to franchisees, and (5) $3.4 million from franchise and related fees. Restaurant business revenues for the first half of 2009 include: (1) $1,534.2 million of revenues from company-owned restaurants, (2) $55.2 million from the sale of bakery items and kid s meal promotion items to our franchisees, (3) $173.0 million from royalty income from franchisees and (4) $14.3 million of other franchise related revenue. Our revenues increased significantly in each period presented due to the Wendy s Merger. The Wendy s royalty rate was 4.0% for the year ended December 28, 2008 and the six months ended June 28, 2009. While over 80% of our existing Arby s royalty agreements and substantially all of our new domestic royalty agreements provide for royalties of 4% of franchise revenues, our average Arby s royalty rate was 3.6% for the year ended December 28, 2008 and for the six months ended June 28, 2009.

Business Highlights

We believe there are significant opportunities to grow our business, strengthen our competitive position and enhance our profitability through the execution of the following strategies:

Revitalizing the Wendy s and Arby s brands by creating innovative new menu items at Wendy s, increasing Arby s customer traffic by targeting our medium Arby s customers and expanding our breakfast daypart at both brands;

Improving Wendy s company-owned restaurant profitability;

Realizing cost savings related to the Wendy s/Arby s integration;

Strategically growing our franchise base by leveraging our brands to expand in North America as well as into new international markets with dual branded Wendy s and Arby s franchised restaurants; and

Acquisitions of other restaurant companies.

Key Business Measures

We track our results of operations and manage our business using the following key business measures:

Same-Store Sales

We report Arby s North America Restaurants same-store sales commencing after a store has been open for fifteen continuous months. Wendy s North America Restaurants same-store sales are reported after a store has been open for at least fifteen continuous months as of the beginning of the fiscal year. These methodologies are consistent with the metrics used by our management for internal reporting and analysis. Same-store sales exclude the impact of currency translation.

Restaurant Margin

We define restaurant margin as sales from company-owned restaurants (excluding sales from bakery items and kid s meal promotion items to franchisees) less cost of sales (excluding costs from bakery items and kid s meal promotion items), divided by sales from company-owned restaurants. Restaurant margin is influenced by factors such as restaurant openings and closures, price increases, the effectiveness of our advertising and marketing initiatives, featured products, product mix, the level of our fixed and semi-variable costs, and fluctuations in food and labor costs.

Restaurant Business Trends

Our restaurant businesses have recently experienced trends in the following areas:

Revenues

- Continued lack of general consumer confidence in the economy and the effect of decreases in many consumers discretionary income caused by factors such as volatility in the financial markets and recessionary economic conditions, including high unemployment levels, a declining real estate market, continuing unpredictability of fuel costs, and food cost inflation;

Continued and more aggressive price competition in the QSR industry, as evidenced by (1) value menu concepts, which offer comparatively lower prices on some menu items, (2) the use of coupons and other price discounting, (3) many recent product promotions focused on lower prices of certain menu items and (4) combination meal concepts, which offer a complete meal at an aggregate price lower than the price of individual food and beverage items;

Competitive pressures due to extended hours of operation by many QSR competitors, including breakfast and late night hours;

Competitive pressures from operators outside the QSR industry, such as the deli sections and in-store cafes of major grocery and other retail store chains, convenience stores and casual dining outlets offering prepared and take-out food purchases;

Increased availability to consumers of product choices, including (1) healthy products driven by a greater consumer awareness of nutritional issues, (2) products that tend to offer a variety of portion sizes and more ingredients, (3) beverage programs which offer a wider selection of premium non-carbonated beverages, including coffee and tea products and

(4) sandwiches with perceived higher levels of freshness, quality and customization; and

Competitive pressures from an increasing number of franchise opportunities seeking to attract qualified franchisees.

Cost of Sales

Higher commodity prices which increased our food costs during 2008, with moderation in recent months;

Changes in fuel prices which, when at much higher than current levels, contributed to increases in utility, distribution, and freight costs;

Federal, state and local legislative activity, such as minimum wage increases and mandated health and welfare benefits which is expected to continue to increase wages and related fringe benefits, including health care and other insurance costs; and

Legal or regulatory activity related to nutritional content or menu labeling which result in increased operating costs.

Other

Dislocation and weakness in the overall credit markets and higher borrowing costs in the lending markets typically used to finance new unit development and remodels.

These tightened credit conditions are negatively impacting the renewal of franchisee licenses as well as the ability of a franchisee to meet their commitments under development, rental and franchise license agreements;

A significant portion of both our Wendy s and Arby s restaurants are franchised and, as a result, we receive revenue in the form of royalties (which are generally based on a percentage of sales at franchised restaurants), rent and fees from franchisees. Arby s franchisee related accounts receivable and estimated reserves for uncollectability have increased, and may continue to increase, as a result of the deteriorating financial condition of some of our franchisees; and

Continued competition for development sites among QSR competitors and other businesses.

We experience these trends directly to the extent they affect the operations of our company-owned restaurants and indirectly to the extent they affect sales by our franchisees and, accordingly, the royalties and franchise fees we receive from them.

Certain Transactions with Wendy s/Arby s Group

We, Wendy s, and Arby s have transactions with Wendy s/Arby s Group in the normal course of operations for matters principally related to stock compensation, income taxes and certain administrative services.

In addition, during the fourth quarter of 2008, Wendy s advanced an aggregate of $155.0 million to Wendy s/Arby s Group and Wendy s/Arby s Group used such advances to fund $150.2 million of capital contributions to Arby s. These advances do not bear interest and Wendy s/Arby s Group does not currently intend to repay such advances. Accordingly, the $155.0 million of advances are reflected as a reduction of Invested equity in the accompanying combined balance sheet.

We receive certain management services from Wendy s/Arby s Group, including legal, accounting, tax, insurance, financial and other management services. In connection with the RTM Acquisition in July 2005, ARG entered into a new management services agreement with Wendy s/Arby s Group effective July 25, 2005 that provided for an initial annual fixed fee of $4.5 million plus annual cost of living adjustments beginning January 1, 2006.

For the 2008 fiscal year, we provided certain services, such as legal, accounting, tax, insurance, financial and other management services, to Wendy s/Arby s Group. Costs of the services that are allocated to Wendy s/Arby s Group are based on actual direct costs incurred. In the first quarter of 2009, Wendy s/Arby s began charging the restaurant segments for support services based upon budgeted segment revenues. Prior to that date, the restaurant segments had directly incurred such costs. Commencing with the second quarter of 2009, Wendy s/Arby s Restaurants established a shared service center in Atlanta and allocated its operating costs to the restaurant segments based on budgeted segment revenues.

Advisory Fees

Approximately $5.4 million in fees for corporate finance advisory services were paid to a management company, which was formed by certain directors of the Wendy s/Arby s Group including its Chairman of the Board of Directors, who is its former Chief Executive Officer, its Vice Chairman of the Board of Directors, who is its former President and Chief Operating Officer, and another director, who is also its former Vice Chairman of the Board of Directors in connection with the issuance of the notes and the amendment of the Credit Agreement.

Presentation of Financial Information

We report on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. All quarters presented contain 13 weeks. Because our 2009 fiscal year ending on January 3, 2010 will contain 53 weeks, our fourth quarter of 2009 will contain 14 weeks. All references to years relate to fiscal periods rather than calendar periods.

COMBINED RESULTS OF OPERATIONS

2008 Compared to 2007

Presented below is a table that summarizes our combined results of operations and compares the amount of the change between 2008 and 2007.

	2008	2007	Change
	(In Millions Except Percentages and Restaurant Count)		
Revenues:			
Sales	$ 1,662.3	$ 1,113.4	$ 548.9
Franchise revenues	160.5	87.0	73.5
	1,822.8	1,200.4	622.4
Costs and expenses:			
Cost of sales	1,415.5	894.5	521.0
General and administrative	213.2	136.8	76.4
Depreciation and amortization	85.1	56.9	28.2
Goodwill impairment	460.1		460.1
Impairment of other long-lived assets	9.6	2.6	7.0
Facilities relocation and corporate restructuring	3.2	0.6	2.6
Other operating expense, net	0.6	0.3	0.3
	2,187.3	1,091.7	1,095.6
Operating (loss) profit	(364.5)	108.7	(473.2)
Interest expense	(66.9)	(59.2)	(7.7)
Gain on early extinguishments of debt	3.6		3.6
Other income, net	(0.4)	3.3	(3.7)
(Loss) income from continuing operations before income taxes	(428.2)	52.8	(481.0)
Benefit from (provision for) income taxes	63.1	(20.0)	83.1
(Loss) income from continuing operations	(365.1)	32.8	(397.9)
Loss from discontinued operations, net of income taxes:		(0.1)	0.1
Net (loss) income	$ (365.1)	$ 32.7	$ (397.8)

Restaurant Statistics:

Wendy s same-store sales (a):	**Fourth Quarter 2008**
North America Company-owned restaurants	3.6 %
North America Franchise restaurants	3.8 %
North America Systemwide	3.7 %

Arby s same-store sales:	**2008**	**2007**
North America Company-owned restaurants	(5.8)%	(1.3)%
North America Franchised restaurants	(3.6)%	1.1 %
North America Systemwide	(4.3)%	0.3 %

Restaurant Margin:	**Fourth Quarter 2008**
Wendy s	11.7 %

	2008	**2007**
Arby s	16.1 %	19.7 %

Restaurant count:	**Company-owned**	**Franchised**	**Systemwide**
Wendy s restaurant count (a):			
Restaurant count at September 29, 2008	1,404	5,221	6,625
Opened since September 29, 2008	6	32	38
Closed since September 29, 2008	(5)	(28)	(33)
Net purchased from (sold by) franchisees since September 29, 2008	1	(1)	
Restaurant count at December 28, 2008	1,406	5,224	6,630
Arby s restaurant count:			
Restaurant count at December 30, 2007	1,106	2,582	3,688
Opened in 2008	40	87	127
Closed in 2008	(15)	(44)	(59)
Net purchased from (sold by) franchisees in 2008	45	(45)	
Restaurant count at December 28, 2008	1,176	2,580	3,756
Total restaurant count at December 28, 2008	2,582	7,804	10,386

Company-owned average unit volumes:	**2008**	**2007**
	(In Thousands)	
Wendy s North America	$ 1,452.9	$ 1,436.7
Arby s North America	$ 966.9	$ 1,016.0

(a) Wendy s data, other than average unit volumes, is only for the period commencing with the September 29, 2008 merger date through the end of the fiscal year.

Sales

Our sales, which were generated primarily from our company-owned restaurants in both periods, increased $548.9 million, or 49.3%, to $1,662.3 million for 2008 from $1,113.4 million for 2007. The increase in sales is primarily due to the Wendy s Merger, which added 1,406 net company-owned restaurants to the Wendy s and Arby s restaurant systems and generated $530.8 million in sales during the fourth quarter. Excluding Wendy s, sales increased $18.0 million, which is attributable to the $80.0 million increase in sales from the 70 net Arby s company-owned restaurants added since December 30, 2007 and substantially offset by a $62.0 million decrease in sales due to a 5.8% decrease in Arby s company-owned same-store sales. Of the 45 net restaurants acquired from franchisees, 41 are in the California market (the California Restaurants) and were purchased from a franchisee in the California Restaurant Acquisition on January 14, 2008. The California Restaurants generated approximately $36.0 million of sales in 2008. Same store sales of our Arby s company-owned restaurants were primarily impacted by the effect of deterioration of economic conditions in 2008 which resulted in decreases in consumers discretionary income, reduced consumer confidence in the economy, continued discounting by our competitors, and high unemployment levels. As a result of these factors, we have experienced an escalating decline in customer traffic and lower sales volumes. In addition, when compared to the prior year, Arby s executed marketing campaigns that were not as effective in reinforcing consumers perception of our value position in the QSR marketplace.

Franchise Revenues

Total franchise revenues, which were generated entirely from franchised restaurants, increased $73.5 million, or 84.5%, to $160.5 million for 2008 from $87.0 million for 2007. The increase was due to the Wendy s Merger, which added 5,224 franchised restaurants to the Wendy s and Arby s restaurant systems and generated $74.6 million in additional franchise revenue during the 2008 fourth quarter. Excluding Wendy s, franchise revenues decreased $1.1 million, which is primarily attributable to the effect of the California Restaurant Acquisition whereby previously franchised restaurants are now company-owned and the 3.6% decrease in same-store sales for Arby s franchised restaurants. Same-store sales of our franchise restaurants decreased primarily due to the same negative factors discussed above under Sales, but the use of incremental national media advertising initiatives in the 2008 first and third quarters had a greater positive effect on franchised restaurants than company-owned restaurants due to the increased exposure in many markets in which our franchisees operate.

Restaurant Margin

Our restaurant margin decreased to 14.8% for 2008 from 19.7% for 2007. We define restaurant margin as sales from company-owned restaurants (excluding sales from bakery items and kid s meal promotion items to franchisees) less cost of sales, divided by sales. In addition to the fourth quarter impact of lower average restaurant margins of 11.7% generated by Wendy s, total restaurant margin was negatively impacted by the decline in Arby s margin to 16.1% from 19.7% last year, stemming from (1) a decline in Arby s same-store sales which negatively impacted its operational leverage of fixed and semi-variable costs as a percentage of sales, (2) higher utilities and fuel costs under new distribution contracts that became effective in the third quarter of 2007, (3) increased advertising which was anticipated to generate additional customer traffic but did not, (4) an increase in labor costs primarily due to the effect on payroll and related costs from Federal and state minimum wage increases in 2008 and (5) higher food and paper costs primarily due to fluctuations in the cost of beef and other commodities.

General and Administrative

Our general and administrative expenses increased $76.4 million, or 55.8%, principally due to $79.5 million of Wendy s general and administrative expenses added during the 2008 fourth quarter as a result of the Wendy s Merger. Excluding Wendy s, general and administrative expenses decreased $3.2 million primarily due to (1) a $6.9 million decrease in incentive compensation in 2008 as compared to 2007, (2) a $6.5 million charge to Wendy s/Arby s Group for services provided in 2008, and (3) a $2.2 million decrease in relocation costs principally attributable to additional costs in the prior year related to estimated declines in market value and increased carrying costs for homes we purchased for resale from relocated employees. These decreases were partially offset by a (1) $4.5 million increase in salaries and wages as a result of the increase in employees at our corporate and regional offices as well as increases in existing employee salaries, (2) a $2.9 million increase in fringe benefits expenses primarily due to an increase in our 401K Plan match percentage, (3) a $1.9 million increase in professional fees and (4) a $1.0 million increase due to the reduction of the credit we received from the AFA for services we provided to them.

Depreciation and Amortization

	2008	2007	Change
		(In Millions)	
Arby s restaurants, primarily properties	$ 61.2	$ 56.9	$ 4.3
Wendy s restaurants, primarily properties	23.9		23.9
	$ 85.1	$ 56.9	$ 28.2

Goodwill Impairment

Following the Wendy s Merger, we operate in two business segments consisting of two restaurant brands: (1) Wendy s restaurants and (2) Arby s restaurants. Each segment includes reporting units for company-owned restaurants and franchise operations for purposes of measuring goodwill impairment under SFAS No. 142 Goodwill and Other Intangible Assets (SFAS 142).

We test the carrying value of goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired, by comparing the fair value of each reporting unit, using discounted cash flows or market multiples based on earnings, to determine if there is an indication that a potential impairment may exist. If we determine that an impairment may exist, we then measure the amount of the impairment loss as the excess, if any, of the carrying amount of the goodwill over its implied fair value. In determining the implied fair value of the reporting unit s goodwill, we allocate the fair value of a reporting unit to all of the assets and liabilities of that unit as if the unit had been acquired in a business combination and the fair value of the reporting unit was the price paid to acquire the reporting unit. The excess of the fair value of the unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. If the carrying amount of a reporting unit s goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

During the second and third quarters of 2008, we performed interim goodwill impairment tests at our Arby s company-owned restaurant and franchise operations reporting units due to the general economic downturn, a decrease in market valuations, and decreases in Arby s same store sales. The results of these interim tests indicated that the fair values of each of these Arby s reporting units exceeded their carrying values.

During the fourth quarter of 2008, we performed our annual goodwill impairment test. As a result of the acceleration of the general economic and market downturn as well as continued decreases in Arby s same store sales, we concluded that the carrying amount of the Arby s company-owned restaurant reporting unit exceeded its fair value. Accordingly, we completed step two of our impairment testing as prescribed in SFAS 142 and recorded an impairment charge of $460.1 million (with a $68.3 million tax benefit related to the portion of tax deductible goodwill) representing all of the goodwill recorded for the Arby s company-owned restaurant reporting unit. We also concluded at that time that there was no impairment of goodwill for the Arby s franchise reporting unit or any of the Wendy s reporting units.

The fair values of the reporting units were determined by management with the assistance of an independent third-party valuation firm.

Impairment of Other Long-Lived Assets

	2008	2007	Change
		(In Millions)	
Restaurants, primarily properties at underperforming locations	$ 9.6	$ 2.6	$ 7.0

Facilities Relocation and Restructuring

	2008	2007	Change
		(In Millions)	
Restaurants, primarily Wendy s severance costs	$ 3.2	$ 0.6	$ 2.6

Interest Expense

Interest expense increased $7.7 million principally as a result of the Wendy s Merger, which resulted in $11.4 million of additional interest expense during the 2008 fourth quarter. Excluding Wendy s, interest expense decreased $3.7 million principally reflecting a $13.0 million decrease in interest expense on the Term Loan included within the Arby s Credit Agreement due to (a) a decrease in the variable interest rates as compared to the prior year and (b) the decrease in the Term Loan outstanding principal balance as a result of the $143.2 million voluntary net prepayment in 2008 to assure compliance with certain covenants in the Credit Agreement. This decrease was partially offset by (1) a $3.7 million increase related to the change in our interest rate swap positions, through their expiration in 2008, due to market conditions and (2) a $3.2 million increase related to an increase in average outstanding debt, excluding the Term Loan.

Gain on Early Extinguishments of Debt

In 2008, we reacquired $10.9 million of outstanding ARG debt, resulting in a gain on early extinguishment of approximately $3.6 million.

Other (expense) income, net

	2008	2007	Change
		(In Millions)	
Interest income	$ 1.2	$ 2.7	$ (1.5)
Other than temporary loss on investment	(1.8)		(1.8)
Other	0.2	0.7	(0.5)
	$ (0.4)	$ 3.4	$ (3.8)

Our interest income decreased $1.5 million principally due to: (1) lower average outstanding balances of our interest-bearing investments due to our 2008 operating results and (2) a decrease in interest rates.

Based on a review of our unrealized investment losses in 2008, we determined that the decrease in the fair value of the cost method investment was other than temporary due to the severity of the decline, the financial condition of the investee and the prospect for future recovery in the market value of the investment and we recorded an other than temporary loss on investment of $1.8 million.

Benefit from (provision for) Income Taxes

Our effective tax benefit rate for 2008 was 15% compared to a (38)% provision in 2007. The effective benefit rate in 2008 is less than the provision rate in 2007 principally as a result of the 2008 tax effects of $(99.7) million provision on the impairment of goodwill as described above in Goodwill Impairment as a result of non-deductible goodwill in excess of tax goodwill and $9.2 million benefit on the distribution of foreign earnings net of related foreign tax credits.

Loss from Discontinued Operations, Net of Income Taxes

The loss from discontinued operations, net of income taxes, of $0.1 million in 2007 consists of a loss relating to the finalization of the leasing arrangements of two closed restaurants. There were no similar charges in 2008.

Net (Loss) Income

Our net results decreased $397.8 million to a net loss of $365.1 million in 2008 from net income of $32.7 million in 2007. This decrease is primarily due to the after-tax and applicable minority interest effects of the variances discussed above, including the goodwill and other long-lived assets impairments recorded during 2008.

2007 Compared to 2006

Presented below is a table that summarizes our combined results of operations and compares the amount of the change between 2007 and 2006 (the 2007 Change). Certain percentage changes between these years are considered not measurable or not meaningful (n/m).

	2007	2006	2007 Change Amount	2007 Change Percent
	(In Millions Except Percentages and Restaurant Count)			
Revenues:				
Sales	$ 1,113.4	$ 1,073.3	$ 40.1	3.7 %
Franchise revenues	87.0	82.0	5.0	6.1 %
	1,200.4	1,155.3	45.1	3.9 %
Costs and expenses:				
Cost of sales	894.5	857.2	37.3	4.4 %
General and administrative	136.8	147.2	(10.4)	(7.1)%
Depreciation and amortization	56.9	50.5	6.4	12.7 %
Impairment of other long-lived assets	2.6	4.0	(1.4)	(35.0)%
Facilities relocation and corporate restructuring	0.6	0.1	0.5	n/m
Other operating expense, net	0.3	0.9	(0.6)	(66.7)%
	1,091.7	1,059.9	31.8	3.0 %
Operating profit	108.7	95.4	13.3	13.9 %
Interest expense	(59.2)	(57.0)	(2.2)	3.9 %
Loss on early extinguishments of debt		(1.0)	1.0	(100.0)%
Other income, net	3.3	6.5	(3.2)	(49.2)%
Income from continuing operations before income taxes	52.8	43.9	8.9	20.3 %
Provision for income taxes	(20.0)	(18.5)	(1.5)	8.1 %
Income from continuing operations	32.8	25.4	7.4	29.1 %
Loss from discontinued operations, net of income taxes:	(0.1)	(1.3)	1.2	(92.3)%
Net income	$ 32.7	$ 24.1	$ 8.6	35.7 %

Restaurant Statistics:

Arby s same-store sales:	**2007**	**2006**
North America Company-owned restaurants	(1.3)%	1.1 %
North America Franchised restaurants	1.1 %	4.5 %
North America Systemwide	0.3 %	3.4 %

Restaurant Margin:	**2007**	**2006**
Arby s	19.7 %	20.1 %

Restaurant Count:	**Company-owned**	**Franchised**	**Systemwide**
Arby s			
Restaurant count at December 31, 2006	1,061	2,524	3,585
Opened in 2007	51	97	148
Closed in 2007	(15)	(30)	(45)
Net purchased from (sold by) franchisees in 2007	9	(9)	
Restaurant count at December 30, 2007	1,106	2,582	3,688

Sales

Our net sales, which were generated entirely from our Arby s company-owned restaurants, increased $40.1 million, or 3.7% to $1,113.4 million for 2007 from $1,073.3 million for 2006, due to the $56.3 million increase in net sales from the 45 net company-owned restaurants we added during 2007. This increase was partially offset by a $16.2 million, or 1.3% decrease in company-owned same-store sales. Same store sales of our Arby s company-owned restaurants decreased principally due to lower sales volume from a decline in customer traffic as a result of (1) increased price discounting by other larger QSRs and (2) price discounting associated with the introduction of a new value program and (3) a major new product launch that drove less traffic than expected. These negative factors were partially offset by the effect of selective price increases that were implemented in late 2006 and during 2007. Same-store sales of our company-owned restaurants declined while same-store sales of our Arby s franchised restaurants grew 1.1% primarily due to (1) the franchised restaurants implementing certain selective price increases earlier in 2007 than company-owned restaurants, and (2) the use throughout 2007 by franchised restaurants of incremental marketing and print advertising initiatives which we were already using for the company-owned restaurants. These positive impacts on same-store sales of Arby s franchised restaurants more than offset declines in traffic.

Franchise Revenues

Total franchise revenues, which were generated entirely from the Arby s franchised restaurants, increased $5.0 million, or 6.1%, to $87.0 million for 2007 from $82.0 million for 2006. Excluding $2.2 million of rental income from properties leased to franchisees being included in franchise revenues in 2007, Arby s franchise revenues increased $2.8 million reflecting higher royalties of (1) $2.5 million from the 58 net increase in Arby s franchised restaurants and (2) $0.7 million from a 1.1% increase in Arby s same-store sales of the Arby s franchised restaurants in 2007 as compared with 2006. These increases in royalties were partially offset by a $0.4 million decrease in Arby s franchise and related fees.

Restaurant Margin

Our Arby s restaurant margin decreased slightly to 19.7% in 2007 from 20.1%, in 2006. We define restaurant margin as sales from company-owned restaurants less cost of sales, divided by sales. The decrease was primarily related to (1) price discounting associated with the new value program discussed under Sales above, (2) increases in our cost of beef and other menu items, (3) higher utility and fuel costs under new distribution contracts that became effective in the third quarter of 2007 and (4) increased labor costs primarily due to the effect on payroll and related costs from Federal and state minimum wage increases implemented in 2007. These negative factors were significantly offset by the decrease in beverage costs partially due to the full year effect of increased rebates earned from a new beverage supplier we were in the process of converting to during 2006.

General and Administrative

Our general and administrative expenses decreased $10.4 million principally due to (1) a $3.4 million decrease in incentive compensation due to weaker performance at Arby s, (2) a $5.9 million decrease in outside consultant fees at Arby s partially offset by a $2.1 million increase in salaries, which partially replaced those fees, primarily attributable to the strengthening of the infrastructure of that segment following the RTM Acquisition prior to 2006, (3) a $4.0 million reduction of severance and related charges in connection with the replacement of three Arby s senior restaurant executives during 2006 that did not recur in 2007, (4) a $1.8 million decrease in recruiting fees at Arby s associated with the strengthening of the infrastructure in 2006 following the RTM Acquisition and (5) a $1.7 million reduction of training and travel costs at Arby s as part of an expense reduction initiative. These decreases were partially offset by a $2.3 million increase in relocation costs in Arby s principally attributable to additional estimated declines in market value and increased carrying costs related to homes we purchased for resale from relocated employees.

Depreciation and Amortization

	2007	2006	Change
		(In Millions)	
Arby s restaurants, primarily properties	$ 56.9	$ 50.5	$ 6.4

Impairment of Other Long-lived Assets

	2007	2006	Change
		(In Millions)	
Restaurants, primarily properties at underperforming locations	$ 2.6	$ 4.0	$ (1.4)

The impairment of other long-lived assets decreased principally to a $1.8 million decrease in charges related to underperforming Arby s restaurants.

Interest Expense

Interest expense increased $2.2 million from $57.0 million in 2006 to $59.2 million in 2007 principally as a result of increased interest rates, partially offset by a decrease in our weighted average debt outstanding.

Other Income, net

	2007	2006	Change
		(In Millions)	
Interest income	$ 2.6	$ 3.1	$ (0.5)
Rental income		3.1	(3.1)
Amortization of fair value of debt guarantees	0.6	0.2	0.4
Other	0.1	0.1	
	$ 3.3	$ 6.5	$ (3.2)

Loss on Early Extinguishments of Debt

The loss on early extinguishments of debt in 2006 consisted of a $1.0 million write-off of previously unamortized deferred financing costs in connection with principal repayments of the Term Loan from excess cash.

Provision for Income Taxes

Our effective tax rate for 2007 and 2006 was a provision of (38%) and (42%), respectively. The difference in these tax rates is primarily the result of higher state income tax expense in 2006 relative to pre-tax income.

Loss From Discontinued Operations, Net of Income Taxes

The loss from discontinued operations in 2007 consists of $0.1 million loss relating to the finalization of the leasing arrangements of the two closed Arby s restaurants. The loss from discontinued operations in 2006 consists of a $1.3 million loss from operations related to our closing two underperforming restaurants.

Net Income (Loss)

Our net results improved $8.6 million to income of $32.7 million in 2007 from $24.1 million in 2006. This increase is a result of the after-tax effects of the variances discussed above, including the facilities relocation charge.

Six Months Ended June 28, 2009 Compared to Six Months ended June 29, 2008

Presented below is a table that summarizes our results, same-store sales and restaurant margins for the 2009 first half and the 2008 first half. Due to the Wendy s Merger, the percentage change between these six-month periods is not meaningful.

	Six Months Ended		
	June 28, 2009	June 29, 2008	Change Amount
	(In Millions Except Percentages and Restaurant Count)		
Revenues:			
Sales	$ 1,589.4	$ 572.9	$ 1,016.5
Franchise revenues	187.3	42.9	144.4
	1,776.7	615.8	1,160.9
Costs and expenses:			
Cost of sales	1,362.4	478.4	884.0
General and administrative	213.1	71.7	141.4
Depreciation and amortization	95.1	30.1	65.0
Impairment of long-lived assets	13.4	1.4	12.0
Facilities relocation and restructuring	4.2	0.1	4.1
Other operating expense (income), net	1.7	(0.5)	2.2
	1,689.9	581.2	1,108.7
Operating profit	86.8	34.6	52.2
Interest expense	(52.4)	(27.8)	(24.6)
Other (income) expense, net	(4.7)	0.4	(5.1)
Income before income taxes	29.7	7.2	22.5
Provision for income taxes	(11.5)	(2.9)	(8.6)
Net income	$ 18.2	$ 4.3	$ 13.9

Restaurant statistics:

Wendy s same-store sales:	First Half 2009
North America Company-owned restaurants	(0.5)%
North America Franchised restaurants	0.5 %

North America Systemwide	0.3 %

Arby s same-store sales:	**First Half 2009**	**First Half 2008**
North America Company-owned restaurants	(6.9)%	(2.7)%
North America Franchised restaurants	(7.8)%	(1.0)%
North America Systemwide	(7.5)%	(1.6)%

Restaurant margin:	**First Half 2009**
Wendy s	13.6 %

	First Half 2009	**First Half 2008**
Arby s	14.6 %	16.5 %

Restaurant count:	**Company-owned**	**Franchised**	**Systemwide**
Wendy s restaurant count:			
Restaurant count at December 28, 2008	1,406	5,224	6,630
Opened	7	19	26
Closed	(7)	(41)	(48)
Sold to franchisees	(11)	11	
Restaurant count at June 28, 2009	1,395	5,213	6,608
Arby s restaurant count:			
Restaurant count at December 28, 2008	1,176	2,580	3,756
Opened	4	34	38
Closed	(10)	(39)	(49)
Restaurant count at June 28, 2009	1,170	2,575	3,745
Total restaurant count at June 28, 2009	2,565	7,788	10,353

Sales

Our sales, which were generated primarily from our company-owned restaurants, increased $1,016.5 million to $1,589.4 million for the six months ended June 28, 2009 from $572.9 million for the six months ended June 29, 2008. The increase in sales was due to the Wendy s Merger which added 1,395 net company-owned restaurants as of June 28, 2009 and generated $1,046.1 million in sales during the 2009 first half. Wendy s North America company-owned same-store sales, excluding the impact of fewer restaurants serving breakfast in the 2009 first half as compared to the 2008 first half, would have increased approximately 1.1%. Excluding Wendy s, sales decreased $29.6 million, which is attributable to the 6.9% decrease in same-store sales of our Arby s North America company-owned restaurants, stemming from lower customer traffic primarily impacted by the previously described negative economic trends and competitive pressures in Introduction and Executive Overview Our Business. The decrease in Arby s sales was partially mitigated by the continued positive effect on sales of the new Roastburger product launch in the 2009 first quarter.

Franchise Revenues

Total franchise revenues, which were generated entirely from franchised restaurants, increased $144.4 million to $187.3 million for the six months ended June 28, 2009 from $42.9 million for the six months ended June 29, 2008. The increase in franchise revenue was due to the Wendy s Merger which added 5,213 franchised restaurants as of June 28, 2009 to the Wendy s/Arby s restaurant system and generated $147.3 million in franchise revenue during the 2009 first half. Wendy s franchise store-sales were not significantly impacted by changes in the number of restaurants serving breakfast in the 2009 first half. Excluding Wendy s, franchise revenues decreased $2.9 million, which is attributable to the 7.8% decrease in same-store sales for Arby s North America franchised restaurants. Same-store sales of our Arby s North America franchise restaurants decreased primarily due to the same factors discussed above under Sales . In addition, sales at Arby s North America franchise restaurants were negatively affected by less aggressive pricing and in-store value promotions than at Company-owned restaurants.

Restaurant Margin

Our restaurant margin decreased to a consolidated 14.0% for the six months ended June 28, 2009 from the Arby s 16.5% restaurant margin for the six months ended June 28, 2008. The 2009 first half restaurant margin reflects the mix of the Wendy s restaurant margin of 13.6% and the Arby s restaurant margin of 14.6%. Wendy s restaurant margin for the 2008 first half was 11.2%. The increase in the Wendy s margin is primarily attributable to the effect of price increases in the second half of 2008 and improvements in food, labor and other controllable costs. The decrease in the Arby s margin was primarily attributable to the effect of the decrease in Arby s same store sales without comparable reductions in fixed and semi-variable costs, partially offset by price increases.

General and Administrative

Our general and administrative expenses increased $141.4 million to $213.1 million for the six months ended June 28, 2009 from $71.7 million for the six months ended June 29, 2008 principally due to the Wendy s Merger which added $122.5 million of general and administrative expenses in the 2009 first half. Excluding Wendy s, general and administrative expenses increased approximately $18.9 million principally due to (1) an increase in the 2009 first half in ARG permanent and temporary staffing and other expenses in connection with the establishment of the shared services center in Atlanta, Georgia and (2) a $2.1 million increase in the allowance for doubtful accounts for the collection of Arby s franchise revenues.

Depreciation and Amortization

	Six Months Ended	
	June 28, 2009	June 29, 2008
	(In Millions)	
Arby s restaurants, primarily properties	$ 28.1	$ 30.1
Wendy s restaurants, primarily properties	65.3	
Shared services center assets	1.7	
	$ 95.1	$ 30.1

Impairment of Long Lived Assets

	Six Months Ended	
	June 28, 2009	June 29, 2008
	(In Millions)	
Arby s restaurants, primarily properties at underperforming locations	$ 12.7	$ 1.4
Wendy s restaurants	0.7	
	$ 13.4	$ 1.4

Facilities Relocation and Restructuring

The expense for the six months ended June 28, 2009 represents Wendy s merger-related severance costs incurred in the 2009 second quarter.

Interest Expense

	Six Months Ended	
	June 28, 2009	June 29, 2008
	(In Millions)	
Arby s debt	$ 28.6	$ 27.8
Wendy s debt	22.8	
Wendy s/Arby s Restaurants debt	1.0	
	$ 52.4	$ 27.8

Interest expense increased $24.6 million principally reflecting (1) $22.8 million of interest on Wendy s debt assumed as a result of the Wendy s Merger, (2) $5.6 million from the write-off of deferred debt costs relating to the prepayments in the second quarter of 2009 on the Term Loan discussed below and (3) $1.0 million of interest on the Wendy s/Arby s Restaurants 10.00% notes issued in June 2009. These increases were partially offset by a decrease in the Term Loan interest expense due to a decrease in outstanding Term Loan debt resulting from the $277.5 million of prepayments since the end of the second quarter of 2008, including $132.5 million prepaid on June 23, 2009.

Other Income (Expense), Net

	Six Months Ended	
	June 28, 2009	June 29, 2008
	(In Millions)	
Deferred cost write-off	$ (4.3)	$
Other than temporary loss on investment	(1.9)	
Other	1.5	0.4
	$ (4.7)	$ 0.4

The deferred costs written off in the 2009 first half related to financing costs incurred for a Wendy s credit facility that was executed in January 2009 but was refinanced by the amended and restated Credit Agreement discussed below under Liquidity and Capital Resources Long-term Debt.

Based on a review of our unrealized investment losses in the 2009 six month period, we determined that the decreases in the fair value of one of our cost method investments was other than temporary due to the prospect for future recovery in the market value of the investment. Accordingly, we recorded other than temporary losses on one of our cost method investments of $1.9 million in the 2009 first half.

Provision for Income Taxes

The effective tax rates for the first half of 2009 and 2008 were 38.9% and 40.6%, respectively. The effective rate is higher in 2008 principally as a result of (1) the 2008 effect of adjustments to uncertain tax positions, and (2) the effect of tax credit benefits relative to pre-tax income in both periods.

Net Income

Our net income improved $13.9 million to $18.2 million in the 2009 first half from $4.3 million in the 2008 first half. The improvement is primarily attributed to the inclusion of the results of operations for the 2009 first half for Wendy s as partially offset by the decline in the results of operations for Arby s in the 2009 first half as compared to the same period in the prior year.

Liquidity and Capital Resources

Sources and Uses of Cash for 2008

Cash and cash equivalents (Cash) totaled $63.1 million at December 28, 2008 compared to $44.1 million at December 30, 2007. For the year ended December 28, 2008, net cash provided by operating activities totaled $101.0 million, primarily from the following significant items:

Our combined net loss of $365.1 million;

Arby s company-owned restaurants non-cash goodwill impairment of $460.1 million;

Depreciation and amortization of $85.1 million;

Impairment of other long-lived assets charges of $9.6 million;

Share-based compensation provision of $8.8 million;

The amortization of deferred financing costs which totaled $3.8 million;

Our deferred income tax benefit of $62.7 million;

The recognition of deferred vendor incentives, net of amount received, of $6.5 million and

A decrease in operating assets and liabilities of $31.7 million principally reflecting a $50.0 million decrease in accounts payable, accrued expenses and other current liabilities primarily due to (1) the payment of 2007 accrued bonuses in 2008, (2) significantly reduced bonus accruals in 2008 due to weaker performance and (3) a tax sharing payment to our parent.

Additionally, for the year ended December 28, 2008, we had the following significant sources and uses of cash other than from operating activities:

Proceeds of $17.8 million from long-term debt;

Cash of $199.8 million acquired as part of the Wendy s Merger;

Repayments of long-term debt of $175.5 million which includes $143.2 million of voluntary net principal repayments of our Arby s Term Loan discussed further below;

Advances to Wendy s/Arby s Group from Wendy s of $155.0 million which it does not intend to repay;

Capital contributions from Wendy s/Arby s Group of $150.2 million to Arby s as partial funding of the repayments of long-term debt;

- Cash capital expenditures totaling $105.9 million, including the construction of new restaurants which amounted to approximately $43.7 million and the remodeling of existing restaurants; and

- Cash paid for business acquisitions, other than Wendy s, totaling $9.6 million, including $7.9 million for the California Restaurant Acquisition.

The net cash provided by continuing operations was approximately $23.1 million.

Working Capital and Capitalization

Working capital, which equals current assets less current liabilities, was a deficiency of $143.7 million at December 28, 2008, reflecting a current ratio, which equals current assets divided by current liabilities, of 0.7:1. The working capital deficit at December 28, 2008 increased $102.2 million from a deficit of $41.5 million at December 30, 2007, primarily due to an increase of $89.6 million from the additional Wendy s working capital deficit.

Our total capitalization at December 28, 2008 was $3,344.5 million, consisting of invested equity of $2,254.8 million and long-term debt of $1,089.7 million, including current portion. Our total capitalization at December 28, 2008 increased $2,455.8 million from $888.7 million at December 30, 2007 principally reflecting:

- The Wendy s Merger, which increased our total capitalization by $2,991.8 million, consisting of additional invested equity of $2,494.7 million and long-term debt of $497.1 million, including current portion;

Capital contributions of $150.2 million from Wendy s/Arby s Group to Arby s;

Net loss of $365.1 million, which includes the effect of the goodwill impairment;

The change in the components of Accumulated other comprehensive loss, that are not included in the calculation of net loss, of $43.0 million principally reflecting the currency translation adjustment;

The advance to parent of $155.0 million that it does not intend to repay; and

The $142.5 million net decrease in

long-term debt principally due to the $143.2 million voluntary net principal prepayments on the Arby s Term Loan discussed below.

Sources and Uses of Cash for the Six Months Ended June 28, 2009

Cash totaled $582.5 million at June 28, 2009 compared to $63.1 million at December 28, 2008. For the six months ended June 28, 2009, net cash provided by continuing operating activities totaled $162.4 million, which includes the following significant items:

Our net income of $18.2 million;

Depreciation and amortization of $95.1 million;

The receipt of deferred vendor incentives, net of amount recognized, of $19.5 million;

Impairment of long-lived assets charges of $13.4 million;

- The write off and amortization of deferred financing costs of $11.8 million;
- Distributions received from our investments in a joint venture of $7.1 million; and
- Changes in operating assets and liabilities of $17.8 million principally reflecting an $11.1 million increase in prepaid expenses and other current assets and a $7.2 million decrease in accounts payable, accrued expenses and other current liabilities primarily due to payments to vendors.

We expect positive cash flows from continuing operating activities during the remainder of 2009.

Additionally, for the six months ended June 28, 2009, we had the following significant sources and uses of cash other than from operating activities:

- Proceeds of $553.8 million primarily from the issuance of the notes discussed below under Long-term Debt ;

- Net repayments of other long-term debt of $138.0 million including a prepayment of $132.5 million on the Term Loan in the second quarter of 2009;

- Cash capital expenditures totaling $40.0 million, including the construction of new restaurants (approximately $11.4 million) and the remodeling of existing restaurants; and

- Deferred financing costs of $29.6 million.

The net cash provided by continuing operations before the effect of exchange rate changes on cash was approximately $518.7 million.

Working Capital

Working capital, which equals current assets less current liabilities, was $406.5 million at June 28, 2009, reflecting a current ratio, which equals current assets divided by current liabilities, of 1.9:1. The working capital at June 28, 2009 increased $550.2 million from a deficit of $143.7 million at December 28, 2008, primarily related to $162.4 million in net cash provided by continuing operating activities and $387.8 million in net cash provided by continuing financing activities.

Long-term Debt

The following is our long-term debt as of June 28, 2009:

	Outstanding Balance at June 28, 2009 (In Millions)
10.00% Notes (1)	$ 551.1
Senior secured term loan (2)	253.5
6.20% Senior Notes (3)	201.3
6.25% Senior Notes (4)	190.8
Sale-leaseback obligations, excluding interest	124.6
Capitalized lease obligations, excluding interest (5)	103.1
7% Debentures (6)	79.5
Notes payable, weighted average interest rate of 7.27% (7)	4.7
Other	1.6
	$ 1,510.2

(1) On June 23, 2009, Wendy s/Arby s Restaurants, issued $565.0 million principal amount of notes. The notes will mature on July 15, 2016 and accrue interest at 10.00% per annum, payable semi-annually on January 15 and July 15, with the first payment on January 15, 2010. The notes

were issued at 97.533% of the principal amount, representing a yield to maturity of 10.50% and resulting in net proceeds paid to us of $551.1 million. The $13.9 million discount will be accreted and the related charge included in interest expense until the notes mature. The notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis by certain direct and indirect domestic subsidiaries of Wendy s/Arby s Restaurants (collectively, the Guarantors).

Wendy s/Arby s Restaurants incurred approximately $20.2 million in costs related to the issuance of the notes which will be amortized to interest expense over the term of the notes utilizing the effective interest method.

The indenture governing the notes, dated as of June 23, 2009 among Wendy s/Arby s Restaurants, the Guarantors and U.S. Bank National Association, as trustee, includes certain customary covenants that, subject to a number of important exceptions and qualifications, limit the ability of Wendy s/ Arby s Restaurants and its restricted subsidiaries to, among other things, incur debt or issue preferred or disqualified stock, pay dividends on equity interests, redeem or repurchase equity interests or prepay or repurchase subordinated debt, make some types of investments and sell assets, incur certain liens, engage in transactions with affiliates (except on an arms-length basis), and consolidate, merge or sell all or substantially all of their assets.

(2) Prior to March 11, 2009, ARG was party to a credit agreement, which included a senior secured term loan due in July 2012 and a senior secured revolving credit facility due in July 2011 (the Original Credit Agreement).

The Original Credit Agreement was amended and restated by the Credit Agreement as of March 11, 2009 and includes the Term Loan and a senior secured revolving credit facility. As a result of an agreement entered into on March 17, 2009, the amount of the senior secured revolving credit facility increased from $100.0 million to $170.0 million. As a result of the Credit Agreement, we and Wendy s and certain of our affiliates in addition to ARG and certain of its affiliates became co-obligors.

On June 10, 2009, Wendy s/Arby s Restaurants entered into an Amendment No. 1 to the Credit Agreement which, among other things (1) permitted the issuance by Wendy s/Arby s Restaurants of the notes described above and the incurrence of debt thereunder, and permitted Wendy s/Arby s Restaurants to dividend to Wendy s/Arby s Group the net cash proceeds of the notes issuance less amounts used to prepay the term loan under the Credit Agreement and pay accrued interest thereon and certain other payments, (2) modified certain total leverage financial covenants, added certain financial covenants based on senior secured leverage ratios and modified the minimum interest coverage ratio, (3) permitted the prepayment at any time prior to maturity of certain senior notes of Wendy s and eliminated certain incremental debt baskets in the covenant prohibiting the incurrence of additional indebtedness and (4) modified the interest margins to provide that the margins will fluctuate based on Wendy s/Arby s Restaurants corporate credit rating. Wendy s/Arby s Restaurants incurred approximately $3.1 million in costs related to such Amendment No 1.

As amended, the term loan under the Credit Agreement and amounts borrowed under the revolving credit facility under the Credit Agreement bear interest at our option at either (i) the Eurodollar Base Rate (as defined in the Credit Agreement), as adjusted pursuant to applicable regulations (but not less than 2.75%), plus an interest rate margin of 4.00%, 4.50%, 5.00% or 6.00% per annum, depending on Wendy s/Arby s Restaurants corporate credit rating, or (ii) the Base Rate (as defined in the Credit Agreement), which is the higher of the interest rate announced by the administrative agent for the Credit Agreement as its base rate and the Federal funds rate plus 0.50% (but not less that 3.75%), in either case plus an interest rate margin of 3.00%, 3.50%, 4.00% or 5.00% per annum, depending on Wendy s/Arby s Restaurants corporate credit rating. Based on Wendy s/Arby s Restaurants corporate credit rating at the effective date of the Amendment No. 1 and as of June 28, 2009, the applicable interest rate margins available to us were 4.50% for Eurodollar Base Rate borrowings and 3.50% for Base Rate borrowings.

Concurrently with the closing of the issuance of the notes, we prepaid the term loan under the Credit Agreement in an aggregate principal amount of $132.5 million and accrued interest thereon

The Term Loan is due July 2012 and the senior secured revolving credit facility expires in July 2011. During the six months ended June 28, 2009, we borrowed a total of $51.2

million under the senior secured revolving credit facility; however, no amounts were outstanding as of June 28,

2009. The senior secured revolving credit facility includes a sub-facility for the issuance of letters of credit up to $50.0 million. The availability under the senior secured revolving credit facility as of June 28, 2009 was $134.2 million, which is net of $35.8 million for outstanding letters of credit.

The Credit Agreement contains covenants that, among other things, require us to maintain certain aggregate maximum leverage and minimum interest coverage ratios and restrict our ability to incur debt, pay dividends or make other distributions to Wendy s/Arby s Group, make certain capital expenditures, enter into certain transactions (including sales of assets and certain mergers and consolidations) and create or permit liens.

(3) Unsecured debt assumed as part of the Wendy s Merger and is due June 2014 and redeemable prior to maturity at our option. The Wendy s 6.20% senior notes were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $225.0 million and an effective interest rate of 7.0%. These securities are obligations of Wendy s, our subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries. During the third quarter of 2009 we entered into $186.0 million (notional amount) of interest swaps in order to

hedge a portion of this fixed rate debt.

(4) Unsecured debt assumed as part of the Wendy s Merger and is due November 2011 and is redeemable prior to maturity at our option. The Wendy s 6.25% senior notes were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $200.0 million and an effective interest rate of 6.6%. These securities are obligations of Wendy s, our subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries. During the third quarter of 2009 we entered into $175.0 million (notional amount) of interest swaps in order to hedge a portion

of this fixed rate debt.

(5) The capitalized lease obligations, which extend through 2036, include $30.1 million of capital lease obligations assumed as part of the Wendy s Merger. The Wendy s capital lease obligations were adjusted to fair value at the date of and in connection with the Wendy s Merger.

(6) Unsecured debt assumed as part of the Wendy s Merger which is due in 2025. The Wendy s 7% debentures are unsecured and were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $100.0 million and an effective interest rate of 8.6%. These securities are obligations of Wendy s, our

subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries.

(7) This obligation represents notes payable assumed as part of the California Restaurant Acquisition which are due through 2014.

Debt Covenants

We were in compliance with all the covenants of the Credit Agreement as of June 28, 2009 and we expect to remain in compliance with all of these covenants for the next twelve months. As of June 28, 2009, there was $20.1 million immediately available for the payment of dividends indirectly to Wendy s/Arby s Group under the covenants of the Credit Agreement.

Wendy s 6.20% and 6.25% Senior Notes and 7% Debentures contain covenants that specify limits on the incurrence of secured indebtedness. We were in compliance with these covenants as of June 28, 2009 and project that we will be in compliance with these covenants for the next twelve months.

A significant number of the underlying leases in the Arby s restaurants segment for sale-leaseback obligations and capitalized lease obligations, as well as the operating leases, require or required periodic financial reporting of certain subsidiary entities within ARG or of individual restaurants, which in many cases has not been prepared or reported. Arby s has negotiated waivers and alternative covenants with its most significant lessors that substitute consolidated financial reporting of ARG for that of individual subsidiary entities and that modify restaurant level reporting requirements for more than half of the affected leases. Nevertheless, as of June 28, 2009, Arby s was not in compliance, and remains not in compliance, with the reporting requirements under those leases for which waivers and alternative financial reporting covenants have not been negotiated.

However, none of the lessors has asserted that Arby s is in default of any of those lease agreements. Arby s does not believe that such non-compliance will have a material adverse effect on its condensed consolidated financial position or results of operations.

Credit Ratings

Wendy s/Arby s Restaurants is rated by Moody s Investor s Service (Moody s) and specific debt issuances of Wendy s/Arby s and Wendy s are rated by Standard & Poor s (S&P) and Moody s.

In June 2009, the agencies assigned the following ratings for Wendy s/Arby s Restaurants and Wendy s:

	S&P	**Moody s**
Corporate family/corporate credit		
Entity	Not applicable	Wendy s/Arby s Restaurants
Rating		B2
Outlook		Stable
Wendy s/Arby s Restaurants Notes	B+	B2
Wendy s/Arby s Restaurants Credit Agreement	BB	Ba2
Wendy s Notes	B-	Caa1

There are many factors that could lead to future upgrades or downgrades of our credit ratings. Credit rating upgrades or downgrades could lead to, among other things, changes in borrowing costs and changes in our ability to access capital markets on acceptable terms.

A rating is not a recommendation to buy, sell or hold any security, and may be subject to revision or withdrawal at any time by the rating agency. Each rating should be evaluated independently of any other rating.

Dividends

During the first half of 2009, $7.6 million of intercompany dividends were paid to Wendy s/Arby s Group. No intercompany dividends were paid to Wendy s/Arby s Group during the first half of 2008. As of June 28, 2009, under the terms of the Credit Agreement, there was $20.1 million immediately available for the payment of dividends to Wendy s/Arby s Group, subject to adjustments.

In addition, under the terms of the notes, Wendy s/Arby s Restaurants could distribute the remaining net proceeds of $393.0 million from the issuance of the notes, after consideration of the original issue discounts, prepayments of debt, and financing costs and other costs related to the issuance of the notes, to Wendy s/Arby s Group. These proceeds may be used by Wendy s/Arby s Group for the use of general corporate purposes, including working capital, funding of key strategic growth initiatives, acquisitions of other restaurant companies, repayment or refinancing of indebtedness, and the return of capital to stockholders, including through stock repurchases and/or dividends.

Purchase of Indebtedness

Subject to market conditions, our capital needs and other factors, we or Wendy s/Arby s Group may from time to time repurchase our indebtedness or the indebtedness of our subsidiaries, including indebtedness outstanding under the Credit Agreement, in open market or privately negotiated transactions. During 2008, Wendy s/Arby s Group repurchased $10.9 million principal amount of indebtedness and contributed the repurchased notes to Arby s which were then extinguished for accounting purposes.

Sources and Uses of Cash for 2009

Our anticipated consolidated cash requirements for continuing operations for the remainder of 2009, exclusive of operating cash flow requirements, consist principally of:

- Cash capital expenditures of approximately $94.8 million;
- Potential intercompany dividends and fees;
- Scheduled debt principal repayments aggregating $24.0 million;
- Severance payments of approximately $4.6 million related to our Wendy s Merger integration program; and
- The costs of any potential business acquisitions or financing activities.

We expect to meet these requirements from operating cash flows and available cash.

Contractual Obligations

The following table summarizes the expected payments under our outstanding contractual obligations as of June 28, 2009:

			Fiscal Years		
	2009	**2010-2011**	**2012-2013**	**After 2013**	**Total**

	(In Millions)				
Long-term debt (a)	$ 29.8	$ 532.8	$ 272.6	$ 1,148.9	$ 1,984.1
Sale-leaseback obligations (b)	7.3	28.8	29.8	162.4	228.3
Capitalized lease obligations (b)	20.9	31.8	23.1	118.9	194.7
Operating leases (c)	71.8	257.4	222.5	1,135.4	1,687.1
Purchase obligations (d)	229.8	132.3	72.5	98.2	532.8
Severance obligations (e)	4.6	3.9			8.5
Total (f)	$ 364.2	$ 987.0	$ 620.5	$ 2,663.8	$ 4,635.5

(a) Excludes sale-leaseback and capitalized lease obligations, which are shown separately in the table. The table above includes interest of approximately $634.0 million on our long-term debt. We have estimated the interest on our variable-rate debt based on current base rates, the current interest rate margin and the amortization schedule in our credit agreement. The table above also reflects the effect of interest rate swaps entered into subsequent to June 28, 2009 which lowered our interest rate on certain of our fixed-rate debt. These amounts exclude the effects of the original issue discount on our notes of $13.9 million and the fair value adjustments related to certain debt assumed in the Wendy s Merger of $53.3 million.

(b) Excludes related sublease rental receipts of $9.3 million on sale-leaseback obligations and $4.7 million on capitalized lease obligations. The table above includes interest of approximately $104.0 million for sale-leaseback obligations and $92.0

million for capitalized lease obligations.

(c) Represents the present value of minimum lease cash payments. Excludes related sublease rental receipts of $139.0 million.

(d) Includes (1) $250.2 million remaining obligation for beverage purchase commitments with Coca-Cola, Inc. for Wendy s restaurants and PepsiCo, Inc. for Arby s restaurants, (2) $146.4 million for food purchase commitments, (3) $93.2 million for advertising commitments, (4) $15.7 million for capital expenditures and (5) $27.3 million for other purchase obligations.

(e) Represents severance for

Wendy s personnel in connection with the Wendy s Merger.

(f) Excludes FIN 48 obligations of $24.5 million. We are unable to predict when, and if, payment of any of this accrual will be required.

Guarantees and Other Contingencies

	As of June 28, 2009 (In Millions)
Lease guarantees and contingent rent on leases (1)	$ 120.4
Loan guarantees (2)	26.3
Letters of credit (3)	36.3

(1) As of June 28, 2009, RTM, one of our subsidiaries, guaranteed the lease obligations of 10 restaurants operated by former affiliates of RTM (the Affiliate Lease Guarantees). Certain former stockholders of RTM have indemnified us with respect to the Affiliate Lease Guarantees. In addition, RTM remains contingently liable for 13 leases for restaurants sold by RTM prior to the RTM Acquisition in 2005 if the respective purchasers do not make the

required lease payments (collectively with the Affiliate Lease Guarantees, the Lease Guarantees). These Lease Guarantees, which extend through 2025, including all existing extension or renewal option periods could aggregate a maximum of approximately $15.2 million as of June 28, 2009, assuming all scheduled lease payments have been made by the respective tenants through June 28, 2009. Wendy s is contingently liable for certain leases and other obligations primarily related to restaurant locations operated by its franchises amounting to $92.1 million as of June 28, 2009 assuming all scheduled lease payments have been made by the respective franchisees through June 28, 2009. These leases extend through 2022, including all existing extension or renewal option periods. In addition, Wendy s is contingently liable for certain leases which have been assigned to unrelated third parties, who have indemnified Wendy s against future liabilities arising under the leases of $13.1 million. These leases expire on various dates through 2022, including all existing extension or renewal option periods.

(2) Wendy s provided loan guarantees to various lenders on behalf of franchisees under debt arrangements for new store development and equipment

financing. Recourse on the majority of these loans is limited, generally to a percentage of the original loan amount or the current loan balance on individual franchisee loans or an aggregate minimum for the entire loan arrangement. Wendy s potential recourse for the aggregate amount of these loans amounted to $26.3 million as of June 28, 2009.

(3) Wendy s/Arby s Restaurants has outstanding letters of credit of $36.3 million with various parties; however, our management does not expect any material loss to result from these letters of credit because we do not believe performance will be required.

Application of Critical Accounting Policies

The preparation of our combined financial statements in conformity with GAAP requires us to make estimates and assumptions in applying our critical accounting policies that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Our estimates and assumptions concern, among other things, goodwill impairment, impairment of long-lived assets, other than temporary losses on investments, losses due to investment collectability, valuations of some of our investments, uncertainties for tax, legal and environmental matters, and accounting for leases. We evaluate those estimates and assumptions on an on-going basis based on historical experience and on various other factors which we believe are reasonable under the circumstances.

We believe that, as of June 28, 2009, the following represent our more critical estimates and assumptions used in the preparation of our combined financial statements:

Goodwill impairment:

Following the Wendy s Merger, we operate in two business segments consisting of two restaurant brands: (1) Wendy s restaurant operations and (2) Arby s restaurant operations. Each segment includes company-owned restaurants and franchise reporting units which are considered to be separate reporting units for purposes of measuring goodwill impairment under SFAS 142. As of June 28, 2009, Wendy s goodwill of $852.2 million relates entirely to the Wendy s franchise reporting units. Also, Arby s goodwill of $17.6 million relates entirely to the Arby s franchise operations.

We test goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired, by comparing the fair value of each reporting unit, using discounted cash flows or market multiples based on earnings, to the carrying value to determine if there is an indication that a potential impairment may exist. If we determine that an impairment may exist, we then measure the amount of the impairment loss as the excess, if any, of the carrying amount of the goodwill over its implied fair value. In determining the implied fair value of the reporting unit s goodwill, we allocate the fair value of a reporting unit to all of the assets and liabilities of that unit as if the unit had been acquired in a business combination and the fair value of the reporting unit was the price paid to acquire the reporting unit. The excess of the fair value of the unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. If the carrying amount of a reporting unit s goodwill exceeds the implied fair value of that goodwill, an impairment loss shall be recognized in an amount equal to that excess. The recoverability of the goodwill for the reporting periods was determined by management, with the assistance of an independent third-party valuation firm, and based on estimates we made regarding the present value of the anticipated cash flows associated with each reporting unit. Those estimates are subject to change as a result of many factors including, among others, any changes in our business plans, changing economic conditions and the competitive environment. Should actual cash flows and our future estimates vary adversely from those estimates we used, we may be required to recognize additional goodwill impairment charges in future years. Further, the fair value of the reporting unit can be determined under several different methods, of which discounted cash flows is one alternative. Had we utilized an alternative method, the amount of any potential goodwill impairment charge might have differed significantly from the amounts as determined.

During the second and third quarters of 2008, we performed interim goodwill impairment tests at our Arby s company-owned restaurant and franchise operations reporting units due to the general economic downturn, a decrease in market valuations, and decreases in Arby s same store sales. The results of these interim tests indicated that the fair values of each of these Arby s reporting units exceeded their carrying values.

During the fourth quarter of 2008, we performed our annual goodwill impairment test. As a result of the acceleration of the general economic and market downturn as well as continued decreases in Arby s same store sales, we concluded that the carrying amount of the Arby s company-owned restaurant reporting unit exceeded its fair value. Accordingly, we completed step two of our impairment testing as prescribed in SFAS 142 and recorded an impairment charge of $460.1 million (with a $68.3 million tax benefit related to the portion of tax deductible goodwill) representing all of the goodwill recorded for the Arby s company-owned restaurant reporting unit. We also concluded at that time that there was no impairment of goodwill for the Arby s franchise reporting unit or any of the Wendy s reporting units.

The fair value of the Wendy s franchise reporting unit approximated its carrying value at September 29, 2008. Should current economic trends deteriorate or should we experience adverse changes in the Wendy s business, we could be required to record impairment charges related to Wendy s goodwill.

Provisions for impairment of long-lived assets:

Long-lived assets include our Wendy s and Arby s company-owned restaurants assets and their intangible assets, which include trademarks, franchise agreements, favorable leases and reacquired rights under franchise agreements.

As of June 28, 2009, the net carrying value of

Wendy s restaurant segment long-lived assets and intangible assets were $1,205.7 million and $1,359.0 million, respectively and Arby s restaurant segment long-lived assets and intangible assets were $470.9 million and $37.6 million, respectively.

We review long-lived tangible and amortizing intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If that review indicates such assets may not be recoverable based upon forecasted undiscounted cash flows, an impairment loss is recognized for the excess of the carrying amount over the fair value of the asset. The fair value is generally estimated to be the present value of the associated cash flows. Non-amortizing intangible assets are tested for impairment annually by comparing their carrying value to fair value; any excess of carrying value over fair value would represent impairment and a corresponding charge would be recorded. Our critical estimates in this review process include the anticipated future cash flows of each of Arby s and Wendy s company-owned restaurants and our franchised operations used in assessing the recoverability of their respective long-lived assets.

Arby s restaurants impairment losses reflect impairment charges resulting from the deterioration in operating performance of certain company-owned restaurants in the first six months of 2009 and in the 2008, 2007, and 2006 fiscal years. In addition, we recognized impairment losses for the TJ Cinnamons brand (TJ Cinnamons) in 2008, 2007 and 2006. The fair values of the impaired assets were estimated to be the present value of the anticipated cash flows associated with each affected Arby s company-owned restaurant, the TJ Cinnamons trademark and the asset management contracts. Those estimates are or were subject to change as a result of many factors including, among others, any changes in our business plans, changing economic conditions and the competitive environment. Should actual cash flows and our future estimates vary adversely from those estimates we used, we may be required to recognize additional impairment charges in future years. Further, the fair value of the long-lived assets can be determined under several different methods, of which discounted cash flows is one alternative. Had we utilized an alternative method, the amounts of the respective impairment charges might have differed significantly from the charges reported.

Our company-owned restaurants and other long-lived assets could require testing for impairment should future events or changes in circumstances indicate that they may not be recoverable.

Federal and state income tax contingencies:

We recognize the income tax benefits and estimated accruals for the resolution of income tax matters which are subject to future examinations of Wendy s/Arby s

Group U.S. federal and state income tax returns as well as our state income tax returns by the Internal Revenue Service or state taxing authorities.

Effective January 1, 2007, we adopted FIN 48. As a result, we now measure income tax uncertainties in accordance with a two-step process of evaluating a tax position. We first determine if it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is then measured, for purposes of financial statement recognition, as the largest amount that has a greater than fifty percent likelihood of being realized upon effective settlement. With the adoption of FIN 48, at January 1, 2007 we recognized an increase in our reserves for uncertain income tax positions of $4.7 million and an increase in our liability for interest of $0.2 million.

These increases were partially offset by an increase in a deferred income tax benefit of $2.4 million. The net effect of all these adjustments was a decrease in retained earnings of $2.5 million. We have unrecognized tax benefits of $24.5 million and $23.6 million at June 28, 2009 and December 28, 2008, respectively.

We recognize interest accrued related to uncertain tax positions in Interest expense and penalties in General and administrative expenses. At June 28, 2009 and December 28, 2008, we had $5.2 million and $4.7 million accrued for the payment of interest and $1.4 million and $1.4 million accrued for penalties, both respectively.

As discussed above in Liquidity and Capital Resources, Wendy s/Arby s Group U.S. federal income tax return for the tax period ended December 28, 2008 is under examination as part of the CAP program. Their U.S. federal income tax returns for January 1, 2006 to and

including September
29, 2008 are not
currently under
examination while
certain Wendy s/

Arby s Group and Arby s state income tax returns and certain of Wendy s state income tax returns for periods prior to the merger are under examination. We believe that adequate provisions have been made for any liabilities, including interest and penalties that may result from the completion of these examinations.

Legal reserves:

We have reserves which total $2.2 million at June 28, 2009 for the resolution of all of our legal matters.

Should the actual cost of settling these matters, whether resulting from adverse judgments or otherwise, differ from the reserves we have accrued, that difference will be reflected in our results of operations when the matter is resolved or when our estimate of the cost changes.

Accounting for leases:

We operate restaurants that are located on sites owned by us and sites leased by us from third parties. At inception, each lease is evaluated to determine whether the lease will be accounted for as an operating or capital lease in accordance with the provisions of SFAS No. 13, *Accounting for Leases*, and other related authoritative guidance under GAAP. When determining the lease term we include option periods for which failure to renew the lease imposes an economic detriment. The primary penalty to which we are subject is the economic detriment associated with the existence of leasehold improvements which might be impaired if we choose not to exercise the available renewal options.

For operating leases, minimum lease payments, including minimum scheduled rent increases, are recognized as rent expense on a straight line basis (Straight-Line Rent) over the applicable lease terms. Lease terms are generally for 20 years and, in most cases, provide for rent escalations and renewal options. The term used for Straight-Line Rent expense is calculated from the date we obtain possession of the leased premises through the expected lease termination date at lease inception. We expense rent from possession date to the restaurant opening date, in accordance with FASB Staff Position No. 13-1, Accounting for Rental Costs Incurred during a Construction Period (FSP FAS 13-1).

There is a period under certain lease agreements referred to as a rent holiday (Rent Holiday) that generally begins on the possession date and ends on the rent commencement date. During the Rent Holiday period, no cash rent payments are typically due under the terms of the lease, however, expense is recorded for that period consistent with the Straight-Line Rent policy.

For leases that contain rent escalations, we record the rent payable during the lease term, as determined above, on the straight-line basis over the term of the lease (including the rent holiday period beginning upon our possession of the premises), and record the excess of the Straight-Line Rent over the minimum rents paid as a deferred lease liability included in Other liabilities. Certain leases contain provisions, referred to as contingent rent (Contingent Rent), that require additional rental payments based upon restaurant sales volume. Contingent rent is expensed each period as the liability is incurred, in addition to the Straight-Line Rent.

Favorable and unfavorable lease amounts are recorded as components of Other intangible assets and Other liabilities, respectively, when we purchase restaurants (see

Note 3) and are amortized to Cost of sales both on a straight-line basis over the remaining term of the leases. Upon early termination of a lease, the favorable or unfavorable lease balance associated with the lease is recognized as a loss or gain, respectively, in our results of operations.

Management, with the assistance of a valuation firm, makes certain estimates and assumptions regarding each new lease agreement, lease renewal, and lease amendment, including, but not limited to property values, property lives, discount rates, and probable term, all of which can impact (i) the classification and accounting for a lease as capital or operating, (ii) the rent holiday and/or escalations in payment that are taken into consideration when calculating straight-line rent and (iii) the term over which leasehold improvements for each restaurant are amortized. These estimates and assumptions may produce materially different amounts of depreciation and amortization, interest and rent expense that would be reported if different assumed lease terms were used.

Inflation and Changing Prices

We believe that inflation did not have a significant effect on our consolidated results of operations during the reporting periods since inflation rates generally remained at relatively low levels.

Seasonality

Our restaurant operations are moderately impacted by seasonality because Wendy s restaurant revenues are normally higher during the summer months than during the winter months. Because of this seasonality, results for any particular quarter are not necessarily indicative of the results that may be achieved for any other quarter or for the full fiscal year.

Accounting Pronouncements Adopted in 2009

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (SFAS 141(R)), and SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51 (SFAS 160). These statements change the way companies account for business combinations and noncontrolling interests by, among other things, requiring (1) more assets and liabilities to be measured at fair value as of the acquisition date, including a valuation of the entire company being acquired where less than 100% of the company is acquired, (2) an acquirer in preacquisition periods to expense all acquisition-related costs, (3) changes in acquisition related deferred tax balances after the completion of the purchase price allocation be recognized in the statement of operations as opposed to through goodwill and (4) noncontrolling interests in subsidiaries initially to be measured at fair value and classified as a separate component of Invested equity .

In addition, in April 2008, the FASB issued FASB Staff Position No. FAS 142-3, Determination of the Useful Life of Intangible Assets (FSP FAS 142-3). In determining the useful life of acquired intangible assets, FSP FAS 142-3 removes the requirement to consider whether an intangible asset can be renewed without substantial cost or material modifications to the existing terms and conditions and, instead, requires an entity to consider its own historical experience in renewing similar arrangements. FSP FAS 142-3 also requires expanded disclosure related to the determination of intangible asset useful lives.

In April 2009, the FASB issued FASB Staff Position No. FAS 141(R)-1, Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies (FSP FAS 141(R)-1). FSP FAS 141(R)-1 requires acquirers to recognize an asset acquired or liability assumed in a business combination that arises from a contingency at fair value if the acquisition-date fair value of that asset or liability can be determined during the measurement period.

SFAS 141(R), which became effective in our fiscal 2009 first quarter, will not impact our recording of the Wendy s Merger except for any potential adjustments to deferred taxes included in the allocation of the purchase price after such allocation has been finalized. The adoption of SFAS 160 had no effect on the Company as it does not have any non-controlling interests. SFAS 141 (R), FSP FAS 142-3, FSP FAS 141(R)-1 and SFAS 160 will impact future acquisitions, if any, the effect of which will depend upon the nature and terms of such agreements. The application of FSP FAS 142-3 did not have a material effect on our unaudited condensed combined financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133) and how these items affect a company s financial position, results of operations and cash flows. SFAS 161 affects only these disclosures and does not change the accounting for derivatives. SFAS 161 has been applied prospectively beginning with the first quarter of our 2009 fiscal year. The application of SFAS 161 did not have any effect on disclosures in our unaudited condensed combined financial statements.

In April 2009, the FASB issued FASB Staff Position No. FAS 107-1, Interim Disclosures about Fair Value of Financial Instruments (FSP FAS 107-1). FSP FAS 107-1 requires expanded fair value disclosures for all financial instruments within the scope of FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments. These disclosures are required for interim periods for publicly traded entities. In addition, entities are required to disclose the methods and significant assumptions used to estimate the fair value of financial instruments in financial statements on an interim basis. We have applied this Staff Position effective with our 2009 second quarter.

In May 2009, the FASB issued SFAS No. 165, Subsequent Events (SFAS 165). SFAS 165 defines the period after the balance sheet date during which a reporting entity s management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures an entity should make about events or transactions that occurred after the balance sheet date. SFAS 165 is effective for interim and annual periods ending after June 15, 2009, and we have applied SFAS 165 effective with our 2009 second quarter.

Accounting Standard Not Yet Adopted

In June 2009, the FASB issued SFAS No. 167, Consolidation of Variable Interest Entities (SFAS 167). SFAS 167 alters how a company determines when an entity that is insufficiently capitalized or not controlled through voting should be consolidated. A company has to determine whether it should provide consolidated reporting of an entity based upon the entity s purpose and design and the parent company s ability to direct the entity s actions. SFAS 167 is effective commencing with our 2010 fiscal year. We are currently evaluating the effects, if any, that adoption of this standard will have on our combined financial statements.

Also in June 2009, the FASB issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (SFAS 168). SFAS 168 authorized the Codification as the sole source for authoritative U.S. GAAP and any accounting literature that is not in the Codification will be considered nonauthoritative. SFAS 168 will be effective commencing with our 2009 third quarter and is not anticipated to have a material effect on our combined financial statements.

Outlook for the Remainder of 2009

Sales

As a result of the impact of the Wendy s Merger, our sales will increase significantly for the remainder of 2009 as compared to 2008. We anticipate that certain of the negative factors described above which affected our 2009 same-store sales will continue to impact our customer traffic and sales for the remainder of the 2009 fiscal year. Wendy s same-store sales for the remainder of 2009 are expected to be favorably impacted by continued operational improvements and premium product introductions. Offsetting factors will include the uncertain economic environment and a reduction in the number of stores serving breakfast while refining this daypart strategy. For the remainder of 2009, the Arby s marketing strategy will continue to emphasize Arby s core equity of sliced roasted meats and will focus on driving the frequency of our customer base. This frequency focus will be achieved through more relevant advertising messages and more competitive pricing. We anticipate that these marketing initiatives will improve Arby s same-store sales trends as compared to the first half of 2009. For the remainder of 2009, the net impact of new store openings and closings for Wendy s and Arby s are not expected to have a significant impact on consolidated sales. We continually review the performance of any underperforming company-owned restaurants and

79

evaluate whether to close those restaurants, particularly in connection with the decision to renew or extend their leases.

Franchise Revenues

Our franchise revenues will also increase significantly for the remainder of 2009 as a result of the impact of the Wendy s Merger. Despite an overall increase in franchise revenues, the same-store sales trends for franchised restaurants at Arby s and Wendy s will continue to be generally impacted by many of the same factors described above under Sales.

Restaurant Margin

We expect that the restaurant margins at company-owned restaurants for the remainder of 2009 for both of our brands will increase primarily as a result of the impact of currently effective price increases, sales leverage from improving same-store sales, higher margins on new premium menu items and tighter controls on fixed and semi-variable costs. In addition, the Wendy s margins are expected to benefit from seasonal sales increases in the third quarter of 2009. Wendy s and Arby s restaurant margins are also expected to be favorably impacted by improvement in commodity costs in the second half of 2009 as compared to the second half of 2008. These factors are expected to be partially offset by the negative impact on food cost of value menu offerings of Arby s as well as higher labor rates in the remainder of 2009.

General and Administrative

We expect that our general and administrative expense for the remainder of 2009 will increase significantly compared to the same period in 2008 as a result of the impact of the Wendy s Merger, including integration costs.

Depreciation and Amortization

We expect that our depreciation and amortization expense for the remainder of 2009 will increase compared to the same period in 2008 primarily as a result of the impact of the Wendy s Merger.

Facilities Relocation and Restructuring

We expect that our facilities relocation and corporate restructuring expense for the remainder of 2009 will be higher than the same period in 2008 primarily due to the impact of Wendy s Merger related costs that cannot yet be recognized under applicable accounting standards.

Interest Expense

We expect that our interest expense for the remainder of 2009 will increase compared to the same period in 2008 primarily as a result of: (1) the impact of the Wendy s Merger, (2) the issuance of the notes discussed in Liquidity and Capital Resources Long-term Debt and (3) the effect of increased interest rates under our amended Credit Agreement. These increases are expected to be partially offset by the effect on interest expense of the $277.5 million in prepayments of the Term Loan since the second quarter of 2008, including $132.5 million paid on June 23, 2009.

Quantitative and Qualitative Disclosures about Market Risk.

Certain statements we make in this section constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. See Note Regarding Forward-Looking Statements elsewhere in this prospectus.

We are exposed to the impact of interest rate changes, changes in commodity prices, changes in the market value of our investments and foreign currency fluctuations primarily related to the

Canadian dollar. In the normal course of business, we employ established policies and procedures to manage our exposure to these changes using financial instruments we deem appropriate.

Interest Rate Risk

Our objective in managing our exposure to interest rate changes is to limit the impact on our earnings and cash flows of increasing market interest while continuing to benefit from lower short-term rates on a portion of our debt. As of June 28, 2009 our long-term debt, including current portion, aggregated $1,510.2 million and consisted of $1,029.0 million of fixed-rate debt, $253.5 million of variable-rate debt, and $227.7 million of capitalized lease and sale-leaseback obligations. Our variable interest rate debt consists of $253.5 million of Arby s term loan borrowings under the Credit Agreement. The term loan borrowings under the Credit Agreement and amounts borrowed under the revolving credit facility included in the Credit Agreement bear interest at the borrowers option at either (1) LIBOR (0.60% at June 28, 2009) of not less than 2.75% plus an interest rate margin of 4.5% or (2) the higher of a base rate determined by the administrative agent for the Credit Agreement or the Federal funds rate plus 0.5% (but not less than 3.75%), in either case plus an interest rate margin of 3.5%. The base rate option was chosen as of June 28, 2009 with a resulting 7.25% interest rate. As of June 28, 2009, we did not have any interest rate swap agreements in place. We intend to enter into $425.0 million (notional amount) of interest rate swap agreements during the third quarter of 2009 in order to hedge a portion of our fixed rate debt. Since June 29, 2009, we have entered into $186.0 million and $175.0 million of interest rate swap agreements on the 6.20% senior notes and 6.25% senior notes, respectively. The fair value of our fixed-rate debt will decline if interest rates increase.

Commodity Price Risk

In our restaurants, we purchase certain food products, such as beef, poultry, pork and cheese, that are affected by changes in commodity prices and, as a result, we are subject to variability in our food costs. While price volatility can occur, which would impact profit margins, there are generally alternative suppliers available. Our ability to recover increased costs through higher pricing is, at times, limited by the competitive environment in which we operate. Management monitors our exposure to commodity price risk.

Arby s does not enter into financial instruments to hedge commodity prices or hold any significant inventories of these commodities. In order to ensure favorable pricing for its major food products, as well as maintain an adequate supply of fresh food products, we are members of a purchasing cooperative along with our franchisees that negotiates contracts with approved suppliers on behalf of the Arby s system. These contracts establish pricing arrangements, and historically have limited the variability of these commodity costs, but do not establish any firm purchase commitments by us or our franchisees.

Wendy s employs various purchasing and pricing contract techniques in an effort to minimize volatility. Generally these techniques can include setting fixed prices with suppliers generally for one year or less, and setting in advance the price for products to be delivered in the future by having the supplier enter into forward arrangements (sometimes referred to as buying forward).

Foreign Currency Risk

Our objective in managing our exposure to foreign currency fluctuations is to limit the impact of these fluctuations on earnings and cash flows. As of June 29, 2009, our primary exposures to foreign currency risk are primarily related to fluctuations in the Canadian dollar relative to the U.S. dollar for our Canadian operations. Exposure outside of North America is limited to the effect of rate fluctuations on royalties paid by franchisees. We monitor these exposures and periodically determine our need for the use of strategies intended to lessen or limit our exposure to these fluctuations. We have exposure to (1) our investment in a joint venture with Tim Hortons, Inc. (THI), (2) investments in a Canadian foreign subsidiary, and (3) export revenues and related receivables denominated in foreign currencies which are subject to foreign currency fluctuations.

81

Wendy s is a partner in a Canadian restaurant real estate joint venture with THI (TimWen). Wendy s 50% share of TimWen is accounted for using the Equity Method. Our foreign subsidiary exposures relate to restaurants and administrative operations in Canada. The exposure to Canadian dollar exchange rates on our cash flows primarily includes imports paid for by Canadian operations in U.S. dollars and payments from our Canadian operations to our U.S. operations in U.S. dollars, and to a lesser extent royalties paid by Canadian franchisees. Revenues from foreign operations for the six- months ended June 28, 2009 represented 5% of our total franchise revenues and 6% of our total revenues. For the six-months ended June 29, 2008, the same percentages were 6% and less than 1%, respectively. Accordingly, an immediate 10% change in foreign currency exchange rates versus the United States dollar from their levels at June 28, 2009 and June 29, 2008 would not have a material effect on our combined financial position or results of operations**.** Revenues from foreign operations for the year ended December 28, 2008 represented 7% of our total franchise revenues and 3% of our total revenues. For the year ended December 30, 2007, the same percentages were 4% and less than 1%, respectively. Accordingly, an immediate 10% change in foreign currency exchange rates versus the U.S. dollar from their levels at December 28, 2008 and December 30, 2007 would not have a material effect on our consolidated financial position or results of operations.

Overall Market Risk

At December 28, 2008, our investments were classified in the following general types or categories (in millions):

Type	At Cost	At Fair Value(a)	Carrying Value Amount	Carrying Value Percent
Cash equivalents	$ 9.5	$ 9.5	$ 9.5	7.1 %
Current and non-current restricted cash equivalents	27.3	27.3	27.3	20.5 %
Other non-current investments in investment limited partnerships accounted for at cost	6.5	6.5	6.5	4.9 %
Other non-current investments accounted for at equity	90.0	90.0	90.0	67.5 %
	$ 133.3	$ 133.3	$ 133.3	100 %

(a) There can be no assurance that we would be able to sell certain of these investments at these amounts.

Our overall market risk as of June 28, 2009 includes cash equivalents, certain cost investments and our equity investments including TimWen. As of June 28, 2009, these investments were classified in our unaudited Condensed

Combined Balance Sheets as follows (in millions):

Cash equivalents included in	Cash and cash equivalents	$	410.5
Restricted cash equivalents:			
Current			2.5
Non-current			6.5
Equity investments			91.8
Cost investments			4.6
		$	515.9

Our cash equivalents are short-term, highly liquid investments with maturities of three months or less when acquired and consist principally of cash in bank money market and mutual fund accounts, and are primarily not in Federal Deposit Insurance Corporation insured accounts. As of June 28, 2008, $9.0 million of our cash equivalents were restricted.

At June 28, 2009 our investments were classified in the following general types or categories (in millions):

Type	At Cost	At Fair Value(a)	Carrying Value Amount	Carrying Value Percent
Cash equivalents	$ 410.5	$ 410.5	$ 410.5	79 %
Current and non-current restricted cash equivalents	9.0	9.0	9.0	2 %
Other non-current investments accounted for at:				
Equity	91.8	91.8	91.8	18 %
Cost	4.6	4.9	4.6	1 %
	$ 515.9	$ 516.2	$ 515.9	100 %

(a) There can be no assurance that we would be able to realize these amounts.

Our investments, which are accounted for at cost, included limited partnerships and other non-current investments in which we do not have significant influence over the investees. Realized gains and losses on our investments recorded at cost are reported as income or loss in the period in which the securities are sold. Investments accounted for in accordance with the equity method of accounting are those in which we have significant influence over the investees and for which our results of operations include our share of the income or loss of the investees. We review all of our investments in which we have unrealized losses and recognize investment losses currently for any unrealized losses we deem to be other than temporary.

Sensitivity Analysis

Our estimate of market risk exposure is presented for each class of financial instruments held by us at June 28, 2009 and December 28, 2008 for which an immediate adverse market movement causes a potential material impact on our financial position or results of operations. We believe that the adverse market movements described below represent the hypothetical loss to future earnings and do not represent the maximum possible loss nor any expected actual loss, even under adverse conditions, because actual adverse fluctuations would likely differ. In addition, since our investment portfolio is subject to changes in our portfolio management strategy, and general market conditions, these estimates are not necessarily indicative of the actual results which may occur. As such, the table below reflects the risk for those financial instruments entered into for other than trading purposes as of June 28, 2009 and December 28, 2008 based upon assumed immediate adverse effects as noted below (in millions):

June 28, 2009

	Carrying Value	Interest Rate Risk	Equity Price Risk	Foreign Currency Risk
Cash equivalents	$ 410.5	$	$	$
Current and non-current restricted cash equivalents	9.0			
Equity investments	91.8		(9.2)	(9.2)
Other investments	4.6		(0.5)	
Long-term debt, excluding capitalized lease and sale-leaseback obligations-fixed	(1,029.0)	(33.8)		
Long-term debt, excluding capitalized lease and sale-leaseback obligations-variable	(253.5)	(6.6)		

83

	December 28, 2008			
	Carrying Value	Interest Rate Risk	Equity Price Risk	Foreign Currency Risk
Cash equivalents	$ 9.5	$	$	$
Current and non-current restricted cash equivalents	27.3			
Equity investments	90.0		(9.0)	(9.0)
Other investments	6.5		0.7	
Long-term debt, excluding capitalized lease and sale-leaseback obligations-fixed	(474.0)	(60.6)		
Long-term debt, excluding capitalized lease and sale-leaseback obligations-variable	(385.0)	(11.9)		

The sensitivity analysis of financial instruments held at June 28, 2009 and December 28, 2008 assumes (1) an instantaneous one percentage point adverse change in market interest rates and (2) an instantaneous 10% adverse change in the foreign currency exchange rates versus the U.S. dollar, each from their levels at June 28, 2009 and December 28, 2008, respectively, and with all other variables held constant. The sensitivity analysis also assumes that the decreases in the equity markets and foreign exchange rates are other than temporary.

Our cash equivalents and restricted cash equivalents included $419.5 million as of June 28, 2009 of bank money market accounts and interest-bearing brokerage and bank accounts which are all investments with a maturity of three months or less when acquired and are designed to maintain a stable value.

As of June 28, 2009, we had amounts of both fixed-rate debt and variable-rate debt. On the fixed-rate debt, the interest rate risk presented with respect to our long-term debt, excluding capitalized lease and sale-leaseback obligations, primarily relates to the potential impact a decrease in interest rates of one percentage point has on the fair value of our $1,029.0 million of fixed-rate debt and not on our financial position or our results of operations. On the variable-rate debt, the interest rate risk presented with respect to our long-term debt, excluding capitalized lease and sale-leaseback obligations, represents the potential impact an increase in interest rates of one percentage point has on our results of operations related to our $253.5 million of variable-rate long-term debt outstanding as of June 28, 2009. Our variable-rate long-term debt outstanding as of June 28, 2009 had a weighted average remaining maturity of approximately three years.

Our variable-rate long-term debt outstanding as of June 28, 2009 and December 28, 2008 had a weighted average remaining maturity of approximately three years. We had limited our interest rate risk on a portion of this debt by the use of interest rate swap agreements from prior to 2007 through October 2008. As of June 28, 2009, we did not have any interest rate swap agreements in place. We intend to enter into $425.0 million (notional amount) of interest rate swap agreements during the third quarter of 2009 in order to hedge a portion of our fixed rate debt. Since June 29, 2009, we have entered into $186.0 million and $175.0 million of interest rate swap agreements on the 6.20% senior notes and 6.25% senior notes, respectively.

For other non-current investments included in Other investments in the tables above, the decrease in the equity markets was assumed for this analysis to be other than temporary.

BUSINESS

Introduction

Wendy s/Arby s Restaurants, LLC is the parent company of Wendy s and Arby s, two of the leading QSR companies in the United States. We are a wholly owned subsidiary of Wendy s/Arby s Group, which is publicly listed on the New York Stock Exchange under the ticker symbol WEN. We are the 3rd largest QSR company in the United States based on system-wide sales and we franchise and/or operate more than 10,000 restaurants worldwide. Our revenues and EBITDA for the six months ended June 28, 2009 totaled $1.8 billion and $195.3 million, respectively.

Wendy s/Arby s Group was created in September 2008 through the combination of two leading restaurant brands, Wendy s and Arby s. We believe each brand is distinctly known for its longstanding tradition of product innovation and commitment to serving its customers high quality and freshly prepared food. On a combined basis, over 75% of our Wendy s and Arby s restaurant systems are franchised, which we believe provides for a recurring and profitable franchise royalty stream of revenues. As of June 28, 2009, we owned the land and buildings for over 750 of our 2,565 company-owned restaurants, and we utilized land and building leases for the remainder of our company-owned restaurants. We believe that our franchise business model, along with realized and future expected synergies from the Wendy s/Arby s merger integration, continued operational and margin improvement at our company-owned restaurants, efficient working capital management and relatively moderate levels of capital expenditure needs will result in attractive free cash flow generation. These capital expenditure needs include non-discretionary capital expenditures of approximately $70 million annually to maintain and remodel our restaurants.

Wendy s Merger

On September 29, 2008, a subsidiary of Triarc merged with and into Wendy s and became a wholly owned subsidiary of Triarc in an all-stock transaction in which Wendy s shareholders received 4.25 shares of Wendy s/Arby s Group common stock for each Wendy s common share owned.

The Wendy s and Arby s brands continue to operate independently, with headquarters in Dublin, Ohio and Atlanta, Georgia, respectively. A consolidated support center is based in Atlanta, Georgia and oversees all public company responsibilities, as well as other shared service functions.

Our Industry

We operate in the QSR segment, which is the largest segment of the restaurant industry and accounts for approximately 53% of total restaurant sales in the United States. According to Technomic, QSR restaurant industry sales were approximately $193 billion in 2008. QSR has generated attractive historical sales growth averaging 5% per year from 2004-2008.

Overall U.S. restaurant sales growth slowed in 2008 due to macroeconomic conditions and weakened consumer spending. According to Technomic, total restaurant sales increased by 0.4% in 2008 as compared to 3.9% in 2007. The QSR segment, however, outpaced the broader restaurant industry, growing 3.2% in 2008. We believe that during economic downturns, the QSR segment, as a whole, generally outperforms other restaurant segments because customers seek value and migrate to lower price points. Going forward, we believe that QSR growth is expected to be driven by continued consumer desire for quality food, product innovation, good customer service, value and convenience.

Our Competitive Strengths

Portfolio of Iconic Restaurant Brands: We believe our Wendy s and Arby s restaurant brands are two of the most recognizable restaurant brands in the industry. Combined, these iconic brands have over 10,000 restaurants and operate in 25 countries, with over $12 billion in system-wide sales. According to Technomic, we are the 3rd largest QSR company in the United States based on system-wide sales. Both Wendy s and Arby s were established in the 1960 s. We believe Wendy s and

Arby s have created their strong brand recognition through high quality food, successful marketing and continuous product innovation.

Differentiated versus QSR Competition: We believe both Wendy s and Arby s are well positioned against their QSR competitors. Both brands maintain leading positions within their individual segments by offering high quality menu items and premium products. Wendy s and Arby s both maintain their relevance with their core customers through continued product innovation. While both brands are widely known for their premium menu offerings, Wendy s and Arby s also offer value-priced menu offerings such as Wendy s Value Trio and Arby s discounted meal combos and bundle promotions.

Attractive Cash Flow Generation: Both of our brands have a well-established base of franchisees. On a combined basis, over 75% of our Wendy s and Arby s restaurant networks are franchised, which we believe provides for a recurring and profitable franchise royalty stream of revenues. We believe our franchise business model increases the stability of our revenue stream and strengthens our profitability through attractive margin contribution. Franchise revenues were $187.3 million on a combined basis for the six months ended June 28, 2009. Combined with our low working capital requirements and moderate capital expenditure needs, we are able to convert a significant portion of our EBITDA to free cash flow. These capital expenditure needs include non-discretionary capital expenditures of approximately $70 million annually to maintain and remodel our restaurants. Additionally, we believe further free cash flow enhancement is possible as we continue to realize post-merger synergies and efficiencies, as well as restaurant level margin improvements.

Experienced Management Team: Our senior management team is led by Roland Smith. Mr. Smith has been the CEO of Wendy s/Arby s Group since June 2007 and was CEO of Arby s from April 2006 to September 2008 and from 1997 to 1999. Our senior management team is comprised of experienced restaurant industry executives and former franchise operators. David Karam, recently appointed President of Wendy s, served as President of Cedar Enterprises, a 133-unit franchisee of Wendy s, from 1989 to September 2008. Thomas Garrett, President and CEO of Arby s, joined the company in 2005 with the acquisition of RTM, at the time the largest Arby s franchisee. Mr. Garrett served as president of RTM prior to the acquisition. Stephen Hare has served as Senior Vice President and Chief Financial Officer of Wendy s/Arby s Group since September 2007 and served as Chief Financial Officer of Arby s since June 2006. We believe that our senior management team s longstanding experience operating our restaurant brands, combined with significant franchise experience, provides us with the operational expertise to lead a turnaround of the business and increase profitability over the long term.

Business Strategy

We believe there are significant opportunities to grow our business, strengthen our competitive position and enhance our profitability through the execution of the following strategies:

Re-vitalize the Wendy s and Arby s Brands: Although both the Wendy s and Arby s brands are well-established with a strong base of loyal customers, for several years before the September 2008 merger, Wendy s product innovation and advertising campaigns became less effective in attracting customers. Additionally, Arby s recent sales performance has declined as a result of the weak economy and unprecedented discounting by its competitors. We believe that new, creative advertising campaigns focused on key target customer groups, supported by successful new premium product introductions, along with more effective value menu offerings by Arby s are critical elements of our strategy to re-vitalize the Wendy s and Arby s brands and increase sales over the long term. We intend to generate future same-store sales growth at our Wendy s and Arby s locations by:

Increasing traffic at Wendy s:

We believe we can increase traffic at Wendy s by creating innovative menu items specifically targeting its two super segments : customers focused on quality and freshness and customers who are price/value driven. Our Premium Fish and Value Trio are recent examples of offerings designed to target these two groups. Additionally, during the second quarter we launched distinctive add-on items which we believe appeal to both groups such as our Frosty-Cino and Coffee Toffee Twisted Frosty and we have also recently launched our premium chicken product. Our product pipeline currently includes new premium hamburger menu items to be launched during the second half of 2009. With the introduction of new premium hamburger products later this year, we believe we can enhance the Wendy s brand reputation as having the highest quality food among national QSR companies.

Increasing traffic at Arby s: During March 2009, we offered a new line of premium sandwiches called Roastburgers to leverage our brand equity in roast beef and increase visit frequency among Arby s enthusiasts. We believe the launch of

Arby s Roastburgers in March drove a significant improvement in same-store sales in March when compared to the previous two months. We also plan on targeting our large base of medium Arby s customers (which we define as customers who visit Arby s restaurants 1-3 times per month) by extending our menu to other oven-roasted premium sandwich offerings such as chicken and turkey and adding more affordable full-meal combos during the second half of 2009.

Expanding our Daypart Focus: We plan to increase our restaurant productivity by expanding our participation in the breakfast daypart at both Wendy s and Arby s. According to CREST, breakfast represents approximately 23% of QSR traffic and is the fastest growing QSR daypart segment. However, our participation in this important daypart is currently very limited at both brands. We are testing new breakfast offerings for Wendy s and plan to expand our test markets in 2010 for a national launch by late 2011.

Improve Wendy s Company-Owned Restaurant Profitability: One of our highest priorities since merging with Wendy s in September 2008 has been to generate an improved level of profitability from our company-owned Wendy s restaurants. We believe that by establishing a culture of store-level margin accountability and effectively managing food, labor and controllable costs at the restaurants, we can improve the pre-merger margins of our company-owned Wendy s restaurants by approximately 500 basis points by the end of 2011, representing approximately $100 million of incremental annualized EBITDA. Our operating plan to date is already showing results as our company-owned Wendy s restaurant margins increased by approximately 240 basis points year-over-year for the first half of 2009 (the third fiscal quarter since our merger with Wendy s).

Realize Cost Savings Related to the Wendy s/Arby s Integration: We are focused on effectively managing the integration of our brand support centers and building a shared services organization to achieve significant synergies and efficiencies across our brands. While Wendy s and Arby s will continue to operate as independent brands, we have launched a major initiative to improve profitability through corporate support function consolidation. As of December 28, 2008 (the end of the first fiscal quarter since our merger with Wendy s), we had already achieved approximately $25 million in annualized savings through budget efficiencies and top-level staffing reductions. We are seeking to generate a total of $60 million of annualized post-merger cost savings by the end of 2011. We also believe our combined corporate infrastructure will provide us with an attractive platform for possible future acquisitions and business combinations in the restaurant industry.

Strategically Grow our Franchise Base: As of June 28, 2009, we had 5,213 franchised Wendy s and 2,575 franchised Arby s locations. We believe our strong and well-established brands should lead to additional restaurant development among existing franchisees and attract new franchisees in North America. Additionally, we believe there are compelling opportunities to leverage our leading U.S. brands and expand into new international markets. Currently, our international franchise units represent approximately 8% of our total restaurant system, which is significantly lower than several of our peers. During the second quarter of 2009, we announced plans for new franchisees to build 135 dual branded Wendy s and Arby s restaurants in nine countries in the Middle East and North Africa and to build 35 Wendy s restaurants in Singapore. Franchise unit expansion generally requires a minimal capital requirement from us and further contributes to our recurring franchise revenue stream.

Fiscal Year

We use a 52/53 week fiscal year convention whereby our fiscal year ends each year on the Sunday that is closest to December 31 of that year. Wendy s used the same fiscal periods for all periods presented in this prospectus. Each fiscal year generally is comprised of four 13-week fiscal quarters, although in the years with 53 weeks, including 2009, the fourth quarter represents a 14-week period.

Business Segments

We operate in two business segments, Wendy s and Arby s. See Note 24 of the Audited Combined Financial Statements and Note 11 of the Unaudited Combined Financial Statements included elsewhere in this prospectus for financial information attributable to our business segments.

The Wendy s Restaurant System

Founded in 1969 by Dave Thomas, Wendy s is the 3rd largest U.S. restaurant franchising system specializing in the QSR hamburger sandwich segment based on system-wide sales, according to Technomic, a leading restaurant industry information provider. Wendy s is widely regarded as the quality leader among national QSR hamburger chains through its use of fresh ingredients, including Fresh, Never Frozen Beef. In 2009, the Zagat Survey named Wendy s No. 1 overall among QSR mega-chains as well as No. 1 in food quality and facilities. In addition to its reputation for serving high quality products, Wendy s has a strong history of innovation among QSR operators. Wendy s has continued to add to its iconic status through high-profile marketing campaigns such as Where s the beef? of the mid-1980 s, the Dave campaign of the 1990 s personified by Wendy s founder Dave Thomas and offering his commitment to quality products and service, and its current It s Waaaay Better than Fast Food campaign.

In addition to hamburgers, each Wendy s restaurant offers a distinctive menu featuring premium chicken breast sandwiches, wraps, chicken nuggets, chili, baked and French fried potatoes, freshly prepared salads, soft drinks, and Frosty desserts. Wendy s has also been able to participate in the value segment of QSR with a number of affordable menu items such as its Value Trio, three sandwiches each for 99¢, which was offered during the second quarter of 2009.

The typical Wendy s restaurant is a free-standing, 3,000 square foot location with seating for approximately 70-85 people. The majority of our Wendy s locations feature a drive-thru window, which accounts for approximately 65% of our daily sales volume. Wendy s unit volumes for 2008 were approximately $1.5 million for company-owned restaurants and $1.4 million for franchised restaurants, primarily in the lunch and dinner dayparts, which together accounted for approximately 62% of our sales, while the snack and late night dayparts together accounted for approximately 37% of our sales. As of June 28, 2009, the Wendy s restaurant system was comprised of 6,608 restaurants, including 725 locations outside of the United States, 5,213 (79%) of which were franchised and 1,395 (21%) of which were company-operated.

Prior to the merger with Wendy s, company-owned Wendy s restaurant margins were underperforming those of Wendy s peers and franchisees. We believe there is a significant opportunity to improve profitability from our company-owned Wendy s restaurants by establishing a culture of store-level margin accountability and effectively managing food, labor and controllable costs at the restaurants. We believe we can improve the pre-merger margins of our company-owned Wendy s restaurants by approximately 500 basis points by the end of 2011, representing approximately $100 million of incremental annualized EBITDA. Our operating plan to date is already showing results as Wendy s company-owned restaurant margins increased by approximately 240 basis points year-over-year for the first half of 2009 (the third fiscal quarter since our merger with Wendy s).

Overview

Wendy s is primarily engaged in the business of operating, developing and franchising a system of distinctive quick-service restaurants serving high quality food. At June 28, 2009, there were 6,608

Wendy s restaurants in operation in the United States and in 21 foreign countries and U.S. territories. Of these restaurants, 1,395 were operated by Wendy s and 5,213 by a total of 484 franchisees. See General Properties for a listing of the number of company-owned and franchised locations in the United States and in foreign countries and U.S. territories.

The revenues from our restaurant business are derived from four principal sources: (1) sales at company-owned restaurants; (2) sales of bakery items and kid s meal promotional items to franchisees; (3) franchise royalties received from all Wendy s franchised restaurants; and (4) up-front franchise fees from restaurant operators for each new unit opened.

Wendy s Restaurants

During 2008, Wendy s opened 15 new restaurants and closed 16 generally underperforming restaurants. In addition, Wendy s sold a net 7 existing restaurants to its franchisees. During 2008, Wendy s franchisees opened 82 new restaurants and closed 96 generally underperforming restaurants. You should read the information contained in Risk Factors Risks Related to Our Business Growth of our restaurant businesses is significantly dependent on new restaurant openings, which may be affected by factors beyond our control.

The following table sets forth the number of Wendy s restaurants at the beginning and end of each year from 2006 to 2008 and at the beginning and end of the six months ended June 28, 2009:

	June 28, 2009	**2008**	**2007**	**2006**
Restaurants open at beginning of period	6,630	6,645	6,673	6,746
Restaurants opened during period	26	97	92	122
Restaurants closed during period	(48)	(112)	(120)	(195)
Restaurants open at end of period	6,608	6,630	6,645	6,673

During the period from January 2, 2006, through December 28, 2008, 311 Wendy s restaurants were opened and 427 generally underperforming Wendy s restaurants were closed. During the period from December 29, 2008 through June 28, 2009, 26 Wendy s restaurants were opened and 48 Wendy s restaurants were closed.

Operations

Each Wendy s restaurant offers a relatively standard menu featuring hamburgers and filet of chicken breast sandwiches and wraps, which are prepared to order with the customer s choice of condiments. Wendy s menu also includes chicken nuggets, chili, baked and French fried potatoes, freshly prepared salads, soft drinks, milk, Frosty desserts, floats and kids meals. In addition, the restaurants sell a variety of promotional products on a limited basis.

Wendy s strives to maintain quality and uniformity throughout all restaurants by publishing detailed specifications for food products, preparation and service, by continual in-service training of employees, restaurant reviews and by field visits from Wendy s supervisors. In the case of franchisees, field visits are made by Wendy s personnel who review operations, including quality, service and cleanliness and make recommendations to assist in compliance with Wendy s specifications.

Generally, Wendy s does not sell food or supplies, other than sandwich buns and kids meal toys, to its franchisees. However, Wendy s has arranged for volume purchases of many food and supply products. Under the purchasing arrangements, independent distributors purchase certain products directly from approved suppliers and then store and sell them to local company and franchised restaurants. These programs help assure availability of products and provide quantity discounts, quality control and efficient distribution. These advantages are available both to Wendy s and to its franchisees.

The New Bakery Co. of Ohio, Inc. (Bakery), a wholly-owned subsidiary of Wendy s, is a producer of buns for some Wendy s restaurants, and to a lesser extent for outside parties. At June 28, 2009, the Bakery supplied 700 restaurants operated by Wendy s and 2,469 restaurants operated by franchisees. The Bakery also manufactures and sells some products to customers in the grocery and food service businesses.

See Note 24 of the Audited Combined Financial Statements included elsewhere in this prospectus for financial information attributable to certain geographical areas.

Raw Materials

Wendy s and its franchisees have not experienced any material shortages of food, equipment, fixtures or other products that are necessary to maintain restaurant operations. Wendy s anticipates no such shortages of products and believes that alternate suppliers are available.

Trademarks and Service Marks

Wendy s has registered certain trademarks and service marks in the United States Patent and Trademark Office and in international jurisdictions, some of which include Wendy s, Old Fashioned Hamburgers® and Quality Is Our Recipe®. Wendy s believes that these and other related marks are of material importance to its business. Domestic trademarks and service marks expire at various times from 2009 to 2018, while international trademarks and service marks have various durations of 10 to 15 years. Wendy s generally intends to renew trademarks and service marks that are scheduled to expire.

Wendy s entered into an Assignment of Rights Agreement with the company s founder, R. David Thomas, and his wife dated as of November 5, 2000 (the Assignment). Wendy s had used Mr. Thomas, who was Senior Chairman of the Board until his death on January 8, 2002, as a spokesperson and focal point for its products and services for many years. With the efforts and attributes of Mr. Thomas, Wendy s has, through its extensive investment in the advertising and promotional use of Mr. Thomas name, likeness, image, voice, caricature, endorsement rights and photographs (the Thomas Persona), made the Thomas Persona well known in the United States and throughout North America and a valuable asset for both Wendy s and Mr. Thomas estate. Under the terms of the Assignment, Wendy s acquired the entire right, title, interest and ownership in and to the Thomas Persona, including the sole and exclusive right to commercially use the Thomas Persona.

Seasonality

Wendy s restaurant operations are moderately seasonal. Wendy s average restaurant sales are normally higher during the summer months than during the winter months. Because the business is moderately seasonal, results for any quarter are not necessarily indicative of the results that may be achieved for any other quarter or for the full fiscal year.

Competition

Each Wendy s restaurant is in competition with other food service operations within the same geographical area. The quick-service restaurant segment is highly competitive. Wendy s competes with other restaurant companies and food outlets, primarily through the quality, variety, convenience, price and value perception of food products offered. The number and location of units, quality and speed of service, attractiveness of facilities, effectiveness of marketing and new product development by Wendy s and its competitors are also important factors. The price charged for each menu item may vary from market to market (and within markets) depending on competitive pricing and the local cost structure.

Wendy s competitive position is differentiated by a focus on quality, its use of fresh, never frozen ground beef in North America and certain other countries, its unique and diverse menu, promotional products, its wide choice of condiments and the atmosphere and decor of its restaurants.

Quality Assurance

Wendy s Quality Assurance program is designed to verify that the food products supplied to our restaurants are processed in a safe, sanitary environment and in compliance with our food safety and quality standards. Wendy s Quality Assurance personnel conduct multiple on-site sanitation and production audits throughout the year at all of our core menu product processing facilities, which includes beef, poultry, pork, buns, French fries, Frosty dessert ingredients, and produce. Animal welfare audits are also conducted every year at all beef, poultry, and pork facilities to confirm compliance to our required animal welfare and handling policies and procedures. In addition to our facility audit program, weekly samples of beef, poultry, and other core menu products from our distribution centers are randomly sampled and analyzed by a third party laboratory to test conformance to our quality specifications. Each year, Wendy s representatives conduct unannounced inspections of all company and franchise restaurants to test conformance to our sanitation, food safety, and operational requirements. Wendy s has the right to terminate franchise agreements if franchisees fail to comply with quality standards.

Acquisitions and Dispositions of Wendy s Restaurants

Wendy s has from time to time acquired the interests of and sold Wendy s restaurants to franchisees, and it is anticipated that the company may have opportunities for such transactions in the future. Wendy s generally retains a right of first refusal in connection with any proposed sale of a franchisee s interest. Wendy s will continue to sell and acquire restaurants in the future where prudent.

International Operations

As of June 28, 2009, Wendy s had 137 company-owned and 236 franchised restaurants in Canada and 352 franchised restaurants in 20 other countries and U.S. territories. Wendy s is evaluating further expansion into other international markets. Wendy s has granted development rights for the countries and U. S. territories listed under General Properties.

Franchised Restaurants

As of June 28, 2009, Wendy s franchisees operated 5,213 Wendy s restaurants in 50 states, Canada and 20 other countries and U.S. territories.

The rights and obligations governing the majority of franchised restaurants operating in the United States are set forth in the Wendy s Unit Franchise Agreement. This document provides the franchisee the right to construct, own and operate a Wendy s restaurant upon a site accepted by Wendy s and to use the Wendy s system in connection with the operation of the restaurant at that site. The Unit Franchise Agreement provides for a 20-year term and a 10-year renewal subject to certain conditions. Wendy s has in the past franchised under different agreements on a multi-unit basis; however, Wendy s now generally grants new Wendy s franchises on a unit-by-unit basis.

The Wendy s Unit Franchise Agreement requires that the franchisee pay a royalty of 4% of gross sales, as defined in the agreement, from the operation of the restaurant. The agreement also typically requires that the franchisee pay Wendy s a technical assistance fee. In the United States, the standard technical assistance fee required under a newly executed Unit Franchise Agreement is currently $25,000 for each restaurant.

The technical assistance fee is used to defray some of the costs to Wendy s in providing technical assistance in the development of the Wendy s restaurant, initial training of franchisees or their operator and in providing other assistance associated with the opening of the Wendy s restaurant. In certain limited instances (like the regranting of franchise rights or the relocation of an existing restaurant), Wendy s may charge a reduced technical assistance fee or may waive the technical assistance fee. Wendy s does not select or employ personnel on behalf of franchisees.

Wendy s currently does not offer any financing arrangements to franchisees seeking to build new franchised units. However, Wendy s had previously made such financing available to qualified franchisees and Wendy s had guaranteed payment on a portion of the loans made by third-party lenders to those franchisees.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Guarantees and Other Contingencies for further information regarding guaranty obligations.

Wendy s Restaurants of Canada, Inc. (WROC), a wholly owned subsidiary of Wendy s, holds master franchise rights for Canada. The rights and obligations governing the majority of franchised restaurants operating in Canada are set forth in a Single Unit Sub-Franchise Agreement. This document provides the franchisee the right to construct, own and operate a Wendy s restaurant upon a site accepted by WROC and to use the Wendy s system in connection with the operation of the restaurant at that site. The Single Unit Sub-Franchise Agreement provides for a 20-year term and a 10-year renewal subject to certain conditions. The sub-franchisee pays to WROC a monthly royalty of 4% of gross sales, as defined in the agreement, from the operation of the restaurant or C$1,000, whichever is greater. The agreement also typically requires that the franchisee pay WROC a technical assistance fee. The standard technical assistance fee is currently C$35,000 for each restaurant.

The rights and obligations governing franchisees who wish to develop outside the United States and Canada are currently contained in the Franchise Agreement and Services Agreement (the International Agreements). The International Agreements may be for an initial term of 10 years or 20 years depending on the country and a 10-year renewal, subject to certain conditions. The term will expire with expiration of the term of the lease for the restaurant site, if shorter. The International Agreements license the franchisee to use the Wendy s trademarks and know-how in the operation of a Wendy s restaurant at a specified location. Upon execution of the International Agreements, the franchisee is required to pay a technical assistance fee. The current technical assistance fee is US$30,000 for each restaurant. Currently, the franchisee is required to pay a monthly royalty equal to 2% of the monthly gross sales of the restaurant, as defined in the International Agreements, or US $1,000, whichever is greater, and a monthly service fee equal to 2% of the monthly gross sales of the restaurant. In certain foreign markets, Wendy s and the franchisee may sign a development agreement under which the franchisee undertakes to develop a specified number of new Wendy s restaurants based on a negotiated schedule. Wendy s may agree to modify the technical assistance and/or the monthly fees conditioned on the franchisee meeting its annual development obligations.

See Note 5 and Note 20 of the Audited Combined Financial Statements included elsewhere in this prospectus, and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations herein, for further information regarding reserves, commitments and contingencies involving franchisees.

Advertising and Promotions

Wendy s participates in two national advertising funds established to collect and administer funds contributed for use in advertising through television, radio, newspapers, the Internet and a variety of promotional campaigns. Separate national advertising funds are administered for Wendy s U.S. and Canadian locations. Contributions to the national advertising funds are required to be made from both company-owned and franchised restaurants and are based on a percent of restaurant retail sales. In addition to the contributions to the national advertising funds, Wendy s requires additional contributions to be made for both company-owned and franchised restaurants based on a percent of restaurant retail sales for the purpose of local and regional advertising programs. Required franchisee contributions to the national advertising funds and for local and regional advertising programs are governed by the Wendy s Unit Franchise Agreement. Required contributions by company-owned restaurants for advertising and promotional programs are at the same percent of retail sales as franchised restaurants within the Wendy s system. Currently the contribution rate for U.S. and Canadian restaurants is generally 3% of retail sales for national advertising and 1% of retail sales for local and regional advertising.

See Note 23 of the Audited Combined Financial Statements included elsewhere in this prospectus for further information regarding advertising.

The Arby s Restaurant System

Arby s is the 2nd largest U.S. restaurant franchising system in the sandwich QSR segment, based on system-wide sales, according to Technomic. We believe that Arby s offers a unique, better tasting alternative to traditional fast food. The Arby s brand is recognized as an industry leader specialized in serving one-of-a-kind menu items such as its signature slow-roasted, thinly sliced roast beef sandwiches and Market Fresh premium sandwiches, toasted subs, and salads made with wholesome ingredients and served with the convenience of a drive-thru.

Arby s has a longstanding history of menu innovation and quality products that originated when it was founded by the Raffel Brothers in July 1964. Arby s created menu favorites such as Beef n Cheddar, Curly Fries, Jamocha Shakes and signature sauces, such as Arby s BBQ sauce and Horsey Sauce. In 2007, Arby s added Toasted Subs to its sandwich selections, which was Arby s largest menu expansion since the 2001 introduction of its Market Fresh line. Arby s initial lineup of Toasted Sub offerings included four varieties on toasted ciabatta rolls: the French Dip & Swiss, the Philly Beef, the Classic Italian and the Turkey Bacon Club. During March 2009, Arby s successfully launched its new Roastburger line of premium oven-roasted, thinly sliced roast beef sandwiches enhanced with a variety of fresh burger-style toppings.

Arby s restaurants in the United States and Canada are typically 2,500 to 3,000 square foot free-standing locations with seating for approximately 75 people. Almost all of the restaurants feature drive-thru window service which accounts for approximately 57% of our daily sales volume. Arby s unit volumes for 2008 were approximately $1.0 million for company-owned restaurants and $0.9 million for franchised restaurants, primarily in the lunch and dinner dayparts, which together accounted for approximately 71% of our sales, while the snack and late night dayparts together accounted for approximately 27% of our sales. As of June 28, 2009, the Arby s restaurant system was comprised of 3,745 restaurants, 2,575 (69%) of which were franchised and 1,170 (31%) of which were company-operated. Of the 2,575 franchisee-owned restaurants, 123 are operated outside the United States, principally in Canada.

Arby s quality products are generally sold at a premium price point. Combined with an efficient operating system and focus on costs, Arby s has historically generated strong restaurant-level margins. Over the last three fiscal years, Arby s restaurant margins averaged more than 18.5%. We believe that as we continue to leverage our brand equity in roast beef to increase visit frequency among Arby s enthusiasts to drive same store sales growth, we can improve Arby s restaurant margins from current levels.

Overview

As the franchisor of the Arby s restaurant system, ARG, through its subsidiaries, owns and licenses the right to use the Arby s brand name and trademarks in the operation of Arby s restaurants. ARG provides Arby s franchisees with services designed to increase both the revenue and profitability of their Arby s restaurants. The most important of these services are providing strategic leadership for the brand, product development, quality control, operational training and counseling regarding site selection.

The revenues from our restaurant business are derived from three principal sources: (1) sales at company-owned restaurants; (2) franchise royalties received from all Arby s franchised restaurants; and (3) up-front franchise fees from restaurant operators for each new unit opened.

Arby s Restaurants

Arby s opened its first restaurant in Boardman, Ohio in 1964. As of June 28, 2009, ARG and Arby s franchisees operated Arby s restaurants in 48 states, and four foreign countries. See General Properties for a listing of the number of company-owned and franchised locations in the United States and in foreign countries.

Arby s restaurants in the United States and Canada typically range in size from 2,500 square feet to 3,000 square feet, and almost all of the freestanding system-wide restaurants feature drive-thru windows. Restaurants typically have a manager, at least one assistant manager and as many as 30 full and part-time employees. Staffing levels, which vary during the day, tend to be heaviest during the lunch hours.

During 2008, ARG opened 40 new Arby s restaurants and closed 15 generally underperforming Arby s restaurants. In addition, ARG acquired a net of 45 existing Arby s restaurants from its franchisees, including one that was previously operated by ARG under a management agreement. During 2008, Arby s franchisees opened 87 new Arby s restaurants and closed 44 generally underperforming Arby s restaurants. In addition, during 2008, Arby s franchisees closed 52 T.J. Cinnamons outlets located in Arby s units, and franchisees closed an additional six T.J. Cinnamons outlets located outside of Arby s units. As of June 28, 2009, franchisees have committed to open 362 domestic Arby s restaurants over the next ten years. You should read the information contained in Risk Factors Risks Related to Our Business Growth of our restaurant businesses is significantly dependent on new restaurant openings, which may be affected by factors beyond our control.

As of June 28, 2009, Canadian franchisees have committed to open 26 Arby s restaurants over the next ten years. During 2008, five new Arby s units were opened in Canada and six Arby s units in Canada were closed. During 2008, no other Arby s units were opened or closed outside the United States.

The following table sets forth the number of Arby s restaurants at the beginning and end of each year from 2006 to 2008 and for the six months ended June 28, 2009:

	June 28, 2009	2008	2007	2006
Restaurants open at beginning of period	3,756	3,688	3,585	3,506
Restaurants opened during period	38	127	148	131
Restaurants closed during period	(49)	(59)	(45)	(52)
Restaurants open at end of period	3,745	3,756	3,688	3,585

During the period from January 2, 2006, through December 28, 2008, 406 Arby s restaurants were opened and 156 generally underperforming Arby s restaurants were closed. We believe that closing underperforming Arby s restaurants has a positive effect on the average annual unit sales volume of the Arby s system, as well as improves the overall brand image of Arby s. During the period from December 29, 2008 through June 28, 2009, 38 Arby s restaurants were opened and 49 restaurants were closed.

As of June 28, 2009, ARG owned or operated 1,170 domestic Arby s restaurants, of which 1,145 were freestanding units, ten were in shopping malls, five were in office buildings/urban inline locations, four were in convenience stores, four were in travel plazas and two were in strip center locations.

Provisions and Supplies

As of June 28, 2009, three independent meat processors (four total production facilities) supplied all of Arby s beef for roasting in the United States. Franchise operators are required to obtain beef for roasting from these approved suppliers.

ARCOP, Inc., a not-for-profit purchasing cooperative, negotiates contracts with approved suppliers on behalf of ARG and Arby s franchisees. Suppliers to the Arby s system must comply with United States Department of Agriculture

(USDA) and United States Food and Drug Administration (FDA) regulations governing the manufacture, packaging, storage, distribution and sale of all food and packaging products. Franchisees may obtain other products, including food, ingredients, paper goods, equipment and signs, from any source that meets ARG s specifications and approval. Through ARCOP, ARG and Arby s franchisees purchase food, beverage, proprietary paper and operating supplies under national contracts with pricing based upon total system volume.

Trademarks and Service Marks

ARG, through its subsidiaries, owns several trademarks that we consider to be material to our restaurant business, including Arby s®, Arby s Market Fresh®, Market Fresh®, Horsey Sauce®, Sidekickers® and Roastburger .

ARG s material trademarks are registered in the U.S. Patent and Trademark Office and various foreign jurisdictions. Our registrations for such trademarks in the United States will last indefinitely as long as ARG continues to use and police the trademarks and renew filings with the applicable governmental offices. There are no pending challenges to ARG s right to use any of its material trademarks in the United States.

Seasonality

Arby s restaurant operations are not significantly impacted by seasonality. However, our restaurant revenues are somewhat lower in our first quarter.

Competition

Arby s faces direct and indirect competition from numerous well-established competitors, including national and regional non-burger sandwich chains, such as Panera Bread®, Subway® and Quiznos®, as well as hamburger chains, such as McDonald s®, Burger King ® and Wendy s, and other quick service restaurant chains, such as Taco Bell®, Chick-Fil-A® and Kentucky Fried Chicken®. In addition, Arby s competes with locally owned restaurants, drive-ins, diners and other similar establishments. Key competitive factors in the quick service restaurant industry are price, quality of products, convenience, quality and speed of service, advertising, brand awareness, restaurant location and attractiveness of facilities. Arby s also competes within the food service industry and the quick service restaurant sector not only for customers, but also for personnel, suitable real estate sites and qualified franchisees.

Many of the leading restaurant chains have focused on new unit development as one strategy to increase market share through increased consumer awareness and convenience. This has led to increased competition for available development sites and higher development costs for those sites. Competitors also employ marketing strategies such as frequent use of price discounting, frequent promotions and heavy advertising expenditures. Continued price discounting in the quick service restaurant industry and the emphasis on value menus has had and could continue to have an adverse impact on us. In addition, the growth of fast casual chains and other in-line competitors could cause some fast food customers to trade up to a more traditional dining out experience while keeping the benefits of quick service dining.

Other restaurant chains have also competed by offering higher quality sandwiches made with fresh ingredients and artisan breads. Several chains have also sought to compete by targeting certain consumer groups, such as capitalizing on trends toward certain types of diets (e.g., low carbohydrate or low trans fat) by offering menu items that are promoted as being consistent with such diets.

Additional competitive pressures for prepared food purchases come from operators outside the restaurant industry. A number of major grocery chains offer fresh deli sandwiches and fully prepared food and meals to go as part of their deli sections. Some of these chains also have in-store cafes with service counters and tables where consumers can order and consume a full menu of items prepared especially for that portion of the operation. Additionally, convenience stores and retail outlets at gas stations frequently offer sandwiches and other foods.

Many of our competitors have substantially greater financial, marketing, personnel and other resources than we do.

Quality Assurance

ARG has developed a quality assurance program designed to maintain standards and the uniformity of menu offerings at all Arby s restaurants. ARG assigns a quality assurance employee to each of the independent facilities that process beef for domestic Arby s restaurants. The quality assurance employee inspects the beef for quality, uniformity and to assure compliance with quality and safety requirements of the USDA and the FDA. In addition, ARG periodically evaluates randomly selected samples of beef and other products from its supply chain. Each year, ARG representatives conduct unannounced inspections of operations of a number of franchisees to ensure that required policies, practices and procedures are being followed. ARG field representatives also provide a variety of on-site consulting services to franchisees. ARG has the right to terminate franchise agreements if franchisees fail to comply with quality standards.

Acquisitions and Dispositions of Arby s Restaurants

As part of ARG s continuous efforts to enhance the Arby s brand, grow the Arby s system and improve Arby s system operations, ARG from time to time acquires or sells individual or multiple Arby s restaurants. ARG may use such transactions as a way of further developing a targeted market. For example, ARG may sell a number of restaurants in a particular market to a franchisee and obtain a commitment from the franchisee to develop additional restaurants in that market. Or, ARG may acquire restaurants from a franchisee demonstrating a limited desire to grow and then seek to further penetrate that market through the development of additional company-owned restaurants. ARG believes that dispositions of multiple restaurants at once can also be an effective strategy for attracting new franchisees who seek to be multiple unit operators with the opportunity to benefit from economies of scale. In addition, ARG may acquire restaurants from a franchisee who wishes to exit the Arby s system. When ARG acquires underperforming restaurants, it seeks to improve their results of operations and then either continues to operate them as company-owned restaurants or re-sells them to new or existing franchisees.

Franchised Restaurants

ARG seeks to identify potential franchisees that have experience in owning and operating quick service restaurant units, have a willingness to develop and operate Arby s restaurants and have sufficient net worth. ARG identifies applicants through its website, targeted mailings, maintaining a presence at industry trade shows and conventions, existing customer and supplier contacts and regularly placed advertisements in trade and other publications. Prospective franchisees are contacted by an ARG sales agent and complete an application for a franchise. As part of the application process, ARG requires and reviews substantial documentation, including financial statements and documents relating to the corporate or other business organization of the applicant. Franchisees that already operate one or more Arby s restaurants must satisfy certain criteria in order to be eligible to enter into additional franchise agreements, including capital resources commensurate with the proposed development plan submitted by the franchisee, a commitment by the franchisee to employ trained restaurant management and to maintain proper staffing levels, compliance by the franchisee with all of its existing franchise agreements, a record of operation in compliance with Arby s operating standards, a satisfactory credit rating and the absence of any existing or threatened legal disputes with Arby s. The initial term of the typical traditional franchise agreement is 20 years.

ARG currently does not offer any financing arrangements to franchisees seeking to build new franchised units.

ARG offers franchises for the development of both single and multiple traditional and non-traditional restaurant locations. As compared to traditional restaurants, non-traditional restaurants generally occupy a smaller retail space, offer no or very limited seating, may cater to a captive audience, have a limited menu, and possibly have reduced services, labor and storage and different hours of operation. Both new and existing franchisees may enter into a development agreement, which requires the franchisee to develop one or more Arby s restaurants in a particular geographic area or at a specific site within a specific time period. All franchisees are required to execute standard franchise agreements. ARG s standard U.S. franchise agreement for new Arby s traditional restaurant franchises currently requires an initial $37,500 franchise fee for the first franchised unit, $25,000 for each subsequent unit and a monthly royalty payment equal to 4.0% of restaurant sales for the term of the franchise agreement. ARG s non-traditional restaurant franchise agreement requires an initial $12,500 franchise fee for the first and all subsequent units, and a monthly royalty

payment ranging from 4.0% to 6.8%, depending upon the non-traditional restaurant category. Franchisees of traditional restaurants typically pay a $10,000 commitment fee, and franchisees of non-traditional restaurants typically pay a $12,500 commitment fee, which is credited against the franchise fee during the development process for a new restaurant.

In 2007 and 2008, ARG introduced several programs designed to accelerate the development of restaurants. In 2007, in order to increase development of traditional Arby s restaurants in selected markets, our Select Market Initiative (SMI) program was introduced. ARG s franchise agreement for participants in the SMI program currently requires an initial $27,500 franchise fee for the first franchised unit, $15,000 for each subsequent unit and a monthly royalty payment equal to 1.0% of restaurant sales for the first 36 months the unit is open. After 36 months, the monthly royalty rate reverts to the prevailing 4% rate for the remaining term of the agreement. The commitment fee is $5,000 per restaurant, which is credited against the franchise fee during the development process.

In 2008, in order to promote conversion of other quick service restaurants into Arby s restaurants, our U.S. Conversion Incentive (CI) program was introduced. The CI applies to freestanding properties, and calls for an initial $13,500 franchise fee for the first franchised unit, $1,000 for each subsequent unit, and a graduated scale monthly royalty payment equal to 1% for the first twelve months the unit is open, 2% for the for the second twelve months the unit is open, 3% for the third twelve months the unit is open, and the prevailing 4% for the remaining term of the agreement. The commitment fee is $1,000 per restaurant, which is credited against the franchise fee during the development process. Another eligibility requirement is that CI units must be open and operating by November 30, 2010.

Because of lower royalty rates still in effect under certain agreements, the average royalty rate paid by U.S. ARG franchisees was approximately 3.6% in each of 2006, 2007, 2008 and the six months ended June 28, 2009.

Franchised restaurants are required to be operated under uniform operating standards and specifications relating to the selection, quality and preparation of menu items, signage, decor, equipment, uniforms, suppliers, maintenance and cleanliness of premises and customer service. ARG monitors franchisee operations and inspects restaurants periodically to ensure that required practices and procedures are being followed.

Advertising and Marketing

Arby s advertises nationally on cable television networks. In addition, from time to time, Arby s will sponsor a nationally televised event or participate in a promotional tie-in for a movie. Locally, Arby s primarily advertises through regional network and cable television, radio and newspapers. The AFA, an independent membership corporation in which every domestic Arby s franchisee is required to participate, was formed to create advertising and perform marketing for the Arby s system. ARG s chief marketing officer currently serves as president of the AFA. The AFA is managed by ARG pursuant to a management agreement, as described below. The AFA is funded primarily through member dues. As of January 1, 2009, ARG and most domestic Arby s franchisees must pay 1.2% of gross sales as dues to the AFA. Domestic franchisee participants in our SMI program pay an extra 1% (currently 2.2% total) of gross sales as AFA dues for the first 36 months of operation, then their dues revert to the lower prevailing rate.

Effective October 2005, ARG and the AFA entered into a management agreement (the Management Agreement) that ARG believes has enabled a closer working relationship between ARG and the AFA, allowed for improved collaboration on strategic marketing decisions and created certain operational efficiencies, thus benefiting the Arby s system as a whole. Pursuant to the Management Agreement, ARG assumed general responsibility for the day-to-day operations of the AFA, including preparing annual operating budgets, developing the brand marketing strategy and plan, recommending advertising and media buying agencies, and implementing all marketing/media plans. ARG performs these tasks subject to the approval of the AFA s Board of Directors. In addition to these responsibilities, ARG is obligated to pay for the general and administrative costs of the AFA, other than the cost of an annual audit of the AFA and certain other expenses specifically retained by the AFA. ARG provided the AFA with general and administrative services

in 2008, a portion of which was offset by the AFA s payment of $0.5 million to ARG, as required under the Management Agreement. Beginning in 2009 and for each year thereafter, the AFA will no longer be required to make any such offsetting payments to ARG. Under the Management Agreement, ARG is also required to provide the AFA with appropriate office space at no cost to the AFA. The Management Agreement with the AFA continues in effect until terminated by either party upon one year s prior written notice. In addition, the AFA may terminate the Management Agreement upon six months prior written notice if there is a change in the identity of any two of the individuals holding the titles of Chief Executive Officer, Chief Operating Officer or Chief Administrative Officer of ARG in any period of 36 months. See Note 23 of the Audited Combined Financial Statements included elsewhere in this prospectus for further information on the Management Agreement with the AFA.

In addition to their contributions to the AFA, ARG and Arby s domestic franchisees are also required to spend a reasonable amount, but not less than 3% of gross sales of their Arby s restaurants, for local advertising. This amount is divided between (i) individual local market advertising expenses and (ii) expenses of a cooperative area advertising program. Contributions to the cooperative area advertising program, in which both company-owned and franchisee-owned restaurants participate, are determined by the local cooperative participants and are generally in the range of 3% to 7% of gross sales. Domestic franchisee participants in our SMI program are not, however, required to make any expenditure for local advertising until their restaurants have been in operation for 36 months.

General

Governmental Regulations

Various state laws and the Federal Trade Commission regulate Wendy s and Arby s franchising activities. The Federal Trade Commission requires that franchisors make extensive disclosure to prospective franchisees before the execution of a franchise agreement. Several states require registration and disclosure in connection with franchise offers and sales and have franchise relationship laws that limit the ability of franchisors to terminate franchise agreements or to withhold consent to the renewal or transfer of these agreements. In addition, Wendy s and Arby s and their respective franchisees must comply with the federal Fair Labor Standards Act and the Americans with Disabilities Act (the ADA), which requires that all public accommodations and commercial facilities meet federal requirements related to access and use by disabled persons, and various state and local laws governing matters that include, for example, the handling, preparation and sale of food and beverages, the provision of nutritional information on menu boards, minimum wages, overtime and other working and safety conditions. Compliance with the ADA requirements could require removal of access barriers and non- compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants. As described more fully under Business General Legal Proceedings, one of ARG s subsidiaries was a defendant in a lawsuit alleging failure to comply with Title III of the ADA at approximately 775 company-owned restaurants acquired as part of the July 2005 acquisition of RTM. Under a court approved settlement of that lawsuit, we estimate that ARG will spend approximately $1.15 million per year of capital expenditures over a seven-year period which commenced in 2008 to bring these restaurants into compliance with the ADA, in addition to paying certain legal fees and expenses. We do not believe that the costs related to this matter or any other costs relating to compliance with the ADA will have a material adverse effect on our consolidated financial position or results of operations. We cannot predict the effect on our operations, particularly on our relationship with franchisees, of any pending or future legislation.

Environmental Matters

Our past and present operations are governed by federal, state and local environmental laws and regulations concerning the discharge, storage, handling and disposal of hazardous or toxic substances. These laws and regulations provide for significant fines, penalties and liabilities, sometimes without regard to whether the owner or operator of the property knew of, or was

responsible for, the release or presence of the hazardous or toxic substances. In addition, third parties may make claims against owners or operators of properties for personal injuries and property damage associated with releases of hazardous or toxic substances. We cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or interpreted. We similarly cannot predict the amount of future expenditures that may be required to comply with any environmental laws or regulations or to satisfy any claims relating to environmental laws or regulations. We believe that our operations comply substantially with all applicable environmental laws and regulations. Accordingly, the environmental matters in which we are involved generally relate either to properties that our subsidiaries own, but on which they no longer have any operations, or properties that we or our subsidiaries have sold to third parties, but for which we or our subsidiaries remain liable or contingently liable for any related environmental costs. Our company-owned Wendy s and Arby s restaurants have not been the subject of any material environmental matters. Based on currently available information, including defenses available to us and/or our subsidiaries, and our current reserve levels, we do not believe that the ultimate outcome of the environmental matter discussed below or other environmental matters in which we are involved will have a material adverse effect on our consolidated financial position or results of operations. See Management s Discussion and Analysis of Financial Condition and Results of Operations.

In addition to environmental matters, we are involved in other litigation and claims incidental to our current and prior businesses. We and our subsidiaries have reserved for all of our legal and environmental matters aggregating $2.2 million as of June 28, 2009. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be disposed of unfavorably to us, based on currently available information, including legal defenses available to us and/or our subsidiaries, and given the aforementioned reserves and our insurance coverages, we do not believe that the outcome of these legal and environmental matters will have a material adverse effect on our consolidated financial position or results of operations.

Employees

As of June 28, 2009, we had approximately 69,000 employees, including approximately 9,000 salaried employees and 60,000 hourly employees. We believe that our employee relations are satisfactory.

Properties

We believe that our properties, taken as a whole, are generally well maintained and are adequate for our current and foreseeable business needs.

The following table contains information about our material facilities as of June 28, 2009:

Active Facilities	Facilities-Location	Land Title	Approximate Sq. Ft. of Floor Space
Corporate and Arby s Headquarters	Atlanta, GA	Leased	184,251 *
Wendy s Corporate Headquarters	Dublin, OH	Owned	249,025
Wendy s Restaurants of Canada Inc	Oakville, Ontario Canada	Leased	35,125

* ARCOP, the independent

Arby s purchasing cooperative, and the Arby s Foundation, a not-for-profit charitable foundation in which ARG has non-controlling representation on the board of directors, sublease approximately 2,680 and 3,800 square feet, respectively, of this space from ARG.

At June 28, 2009, Wendy s and its franchisees operated 6,608 Wendy s restaurants. Of the 1,395 company-owned Wendy s restaurants, Wendy s owned the land and building for 628 restaurants, owned the building and held long-term land leases for 567 restaurants and held leases covering land and building for 200 restaurants. Wendy s land and building leases are generally written for terms of 10 to 25 years with one or more five-year renewal options. In certain lease agreements Wendy s has the option to purchase the real estate. Certain leases require the payment of additional rent equal to a percentage, generally less than 6%, of annual sales in excess of specified amounts. Wendy s also owned land and buildings for, or leased, 205 Wendy s restaurant locations which were leased or subleased to franchisees. Surplus land and buildings are generally held for sale.

The Bakery operates two facilities in Zanesville, Ohio that produce hamburger buns for Wendy s restaurants. The hamburger buns are distributed to both company-owned and franchised restaurants using primarily the Bakery s fleet of trucks. As of June 28, 2009 the Bakery employed approximately 350 people at the two facilities that had a combined size of approximately 205,000 square feet.

As of June 28, 2009, Arby s and its franchisees operated 3,745 Arby s restaurants. Of the 1,170 company-owned Arby s restaurants, ARG owned the land and building for 138 of these restaurants and leased or subleased the remainder. As of June 28, 2009, ARG also owned 12 and leased 90 units that were either leased or sublet principally to franchisees. Our other subsidiaries also owned or leased a few inactive facilities and undeveloped properties, none of which are material to our financial condition or results of operations.

The location of company-owned and franchised restaurants as of June 28, 2009 is set forth below.

State	Wendy s		Arby s	
	Company	Franchise	Company	Franchise
Alabama		96	71	32
Alaska		7		9
Arizona	47	54		84
Arkansas		64		44
California	57	217	42	86
Colorado	47	80		63
Connecticut	5	45	12	2
Delaware		15		19
Florida	189	303	93	87
Georgia	55	238	92	59
Hawaii	7			7
Idaho		29		22
Illinois	97	90	5	145
Indiana	5	171	99	82
Iowa		45		53
Kansas	11	64		50
Kentucky	3	140	36	99
Louisiana	55	74		31
Maine	5	15		8
Maryland		114	17	30
Massachusetts	71	22		6
Michigan	21	249	111	80
Minnesota		68	84	2
Mississippi	8	88	3	24

Missouri	26	56	4	76
Montana		17		18
Nebraska		34		50
Nevada		46		34
New Hampshire	4	21		1
New Jersey	21	119	18	11
New Mexico		38		30
New York	65	156	1	89
North Carolina	40	213	60	80
North Dakota		9		14
Ohio	78	350	106	185

State	Wendy s		Arby s	
	Company	Franchise	Company	Franchise
Oklahoma		38		95
Oregon	19	33	21	16
Pennsylvania	79	180	90	61
Rhode Island	9	11		
South Carolina		132	13	60
South Dakota		9		15
Tennessee		179	54	59
Texas	75	323	72	110
Utah	57	28	33	39
Vermont		5		
Virginia	53	163	2	107
Washington	27	45	25	41
West Virginia	22	51	1	35
Wisconsin		63	4	87
Wyoming		14	1	15
District of Columbia		4		
Domestic Subtotal	1,258	4,625	1,170	2,452

Country/Territory	Wendy s		Arby s	
	Company	Franchise	Company	Franchise
Aruba		3		
Bahamas		8		
Canada	137	236		113
Cayman Islands		3		
Costa Rica		4		
Dominican Republic		2		
El Salvador		14		
Guam		2		
Guatemala		7		
Honduras		29		
Indonesia		24		
Jamaica		2		
Japan		71		
Malaysia		8		
Mexico		17		
New Zealand		15		

Panama		5		
Philippines		30		
Puerto Rico		65		
Qatar				1
Turkey				8
United Arab Emirate				1
Venezuela		41		
U.S. Virgin Islands		2		
International Subtotal	137	588		123
Grand Total	1,395	5,213	1,170	2,575

Legal Proceedings

On April 25, 2008, a putative class action complaint was filed by Ethel Guiseppone, on behalf of herself and others similarly situated, against Wendy s, its directors, Wendy s/Arby s Group (then known as Triarc Companies, Inc.), and Trian Partners, in the Franklin County, Ohio Court of

Common Pleas. A motion for leave to file an amended complaint was filed on June 19, 2008. The proposed amended complaint alleged breach of fiduciary duties arising out of the Wendy s board of directors search for a merger partner and out of its approval of the merger agreement on April 23, 2008, and failure to disclose material information related to the merger in Amendment No. 3 to the Form S-4 under the Securities Act of 1933 (the Form S-4). The proposed amended complaint sought certification of the proceeding as a class action; preliminary and permanent injunctions against disenfranchising the purported class and consummating the merger; a declaration that the defendants breached their fiduciary duties; costs and attorneys fees; and any other relief the court deemed proper and just.

Also on April 25, 2008, a putative class action and derivative complaint was filed by Cindy Henzel, on behalf of herself and others similarly situated, and derivatively on behalf of Wendy s, against Wendy s and its directors in the Franklin County, Ohio Court of Common Pleas. A motion for leave to file an amended complaint was filed on June 16, 2008. The proposed amended complaint alleged breach of fiduciary duties arising out of the Wendy s board of directors search for a merger partner and out of its approval of the merger agreement on April 23, 2008, and failure to disclose material information related to the merger in the Form S-4. The proposed amended complaint sought certification of the proceeding as a derivative and class action; an injunction against consummating the merger and requiring the defendants to promptly hold an annual meeting and to seek another merger partner; rescission of any part of the merger agreement already implemented; a declaration that the defendants breached their fiduciary duties; costs and attorneys fees; and any other relief the court deemed proper and just.

On May 22, 2008, a putative class action complaint was filed by Ronald Donald Smith, on behalf of himself and others similarly situated, against Wendy s and its directors in the Franklin County, Ohio Court of Common Pleas. A motion for leave to file an amended complaint was filed on June 30, 2008. The proposed amended complaint alleged breach of fiduciary duties arising out of Wendy s board of directors search for a merger partner and out of its approval of the merger agreement on April 23, 2008, and failure to disclose material information related to the merger in the Form S-4. The proposed amended complaint sought certification of the proceeding as a derivative and class action; an injunction against consummating the merger and requiring the defendants to promptly hold an annual meeting and to seek another merger partner; rescission of any part of the merger agreement already implemented; a declaration that the defendants breached their fiduciary duties; costs and attorneys fees; and any other relief the court deemed proper and just.

On June 13, 2008, a putative class action complaint was filed by Peter D. Ravanis and Dorothea Ravanis, on behalf of themselves and others similarly situated, against Wendy s, its directors, and Triarc in the Supreme Court of the State of New York, New York County. An amended complaint was filed on June 20, 2008. The amended complaint alleged breach of fiduciary duties arising out of Wendy s board of directors search for a merger partner and out of its approval of the merger agreement on April 23, 2008, and failure to disclose material information related to the merger in the Form S-4. The amended complaint sought certification of the proceeding as a class action; preliminary and permanent injunctions against consummating the merger; other equitable relief; attorneys fees; and any other relief the court deemed proper and just. All parties to this case jointly requested that the court stay the action pending resolution of the Ohio cases.

On July 9, 2008, the parties to the three Ohio actions described above filed a stipulation and proposed order that would consolidate the cases, provide for the proposed amended complaint in the Henzel case to be the operative complaint in each of the cases, designate one law firm as lead plaintiffs counsel, and establish an answer date for the defendants in the consolidated case. The court entered the order as proposed in all three cases on July 9, 2008.

On August 13, 2008, counsel for the parties to the Guiseppone, Henzel, Smith and Ravanis cases described above entered into a memorandum of understanding in which they agreed upon the terms of a settlement of all such lawsuits, which would include the dismissal with prejudice, and release, of all claims against all the defendants, including Wendy s, its directors, Triarc and Trian. In

connection with the settlement, Wendy s agreed to make certain additional disclosures to its shareholders, which were contained in the Form S-4 and to pay plaintiffs legal fees.

On January 30, 2009, the parties entered into a Class and Derivative Action Stipulation of Settlement. The settlement was subject to approval by the Common Pleas Court of Franklin County, Ohio. On January 30, 2009, the plaintiffs submitted an application for an order preliminarily approving the settlement, certifying a class for settlement purposes only, providing for notice to the class and setting a final settlement hearing.

On April 1, 2009, the Common Pleas Court of Franklin County, Ohio entered an order preliminarily approving settlement of all claims and certifying a class for settlement purposes only, which provided for notice of settlement to the class and set a final settlement hearing date of July 1, 2009. On May 1, 2009, Wendy s/Arby s Group mailed a notice of pendency of the class actions, the proposed settlement and the final hearing date.

On July 1, 2009, the Common Pleas Court of Franklin County, Ohio entered a final order approving settlement of all claims in the Guiseppone, Henzel and Smith cases and certifying a class for settlement purposes only. On July 9, 2009, the Supreme Court of the State of New York, New York County, entered a dismissal of the Ravanis case, with prejudice. The disposition of these cases was not material to the results of operations or financial condition of the Company.

In November 2002, Access Now, Inc. and Edward Resnick, later replaced by Christ Soter Tavantzis, on their own behalf and on the behalf of all those similarly situated, brought an action in the United States District Court for the Southern District of Florida against RTM Operating Company, which became a subsidiary of ours following our acquisition of RTM in July 2005. The complaint alleged that the approximately 775 Arby s restaurants owned by RTM Operating Company and its affiliates failed to comply with Title III of the ADA. The plaintiffs requested class certification and injunctive relief requiring RTM Operating Company and such affiliates to comply with the ADA in all of their restaurants. The complaint did not seek monetary damages, but did seek attorneys fees. Without admitting liability, RTM Operating Company entered into a settlement agreement with the plaintiffs on a class-wide basis, which was approved by the court on August 10, 2006. The settlement agreement calls for the restaurants owned by RTM Operating Company and certain of its affiliates to be brought into ADA compliance over an eight year period at a rate of approximately 100 restaurants per year. The settlement agreement also applies to restaurants subsequently acquired by RTM Operating Company and such affiliates. ARG estimates that it will spend approximately $1.15 million per year of capital expenditures over a seven-year period commencing in 2008 to bring the restaurants into compliance under the settlement agreement, in addition to paying certain legal fees and expenses.

In addition to the matters described above, the Company is involved in litigation and claims incidental to its current and prior business. The Company has reserves for all of its legal matters aggregating $2.2 million as of June 28, 2009. Although the outcome of such matters cannot be predicted with certainty and some of these matters may be disposed of unfavorably to the Company, based on currently available information, including legal defenses available to the Company, and given the aforementioned reserves the Company does not believe that the outcome of such legal matters will have a material adverse effect on its combined financial position or results of operations.

MANAGEMENT

Wendy s/Arby s Restaurants, LLC is a wholly owned subsidiary of Wendy s/Arby s Group, Inc., and Wendy s/Arby s Group, Inc. is the sole member of Wendy s/Arby s Restaurants, LLC. In this section, references to the Company, we, and our refer to Wendy s/Arby s Group, Inc. and its subsidiaries.

The following table sets forth certain information regarding the current managers and executive officers of Wendy s/Arby s Restaurants, LLC, all of whom are U.S. citizens.

Name	Age	Positions
Roland C. Smith	54	Manager; President and Chief Executive Officer
Stephen E. Hare	56	Manager; Senior Vice President and Chief Financial Officer
J. David Karam	51	President Wendy s International, Inc.
Sharron L. Barton	57	Senior Vice President and Chief Administrative Officer
Thomas A. Garrett	47	President and Chief Executive Officer Arby s Restaurant Group, Inc.
Nils H. Okeson	43	Manager; Senior Vice President, General Counsel and Secretary
John D. Barker	47	Senior Vice President and Chief Communications Officer
Steven B. Graham	56	Senior Vice President and Chief Accounting Officer
Darrell G. van Ligten	44	Senior Vice President, Strategic Development

The following table sets forth certain information regarding the current directors and executive officers of Wendy s/Arby s Group, all of whom are U.S. citizens.

Name	Age	Positions
Nelson Peltz	67	Chairman
Peter W. May	67	Vice Chairman
Hugh L. Carey	90	Director
Clive Chajet	72	Director
Edward P. Garden	48	Director
Janet Hill	61	Director
Joseph A. Levato	68	Director
J. Randolph Lewis	59	Director
David E. Schwab II	78	Director
Raymond S. Troubh	83	Director
Jack G. Wasserman	72	Director
Roland C. Smith	54	Director; President and Chief Executive Officer
Stephen E. Hare	56	Senior Vice President and Chief Financial Officer
J. David Karam	51	President Wendy s International, Inc.
Thomas A. Garrett	47	President and Chief Executive Officer Arby s Restaurant Group, Inc.
Sharron L. Barton	57	Senior Vice President and Chief Administrative Officer
Nils H. Okeson	43	Senior Vice President, General Counsel and Secretary
John D. Barker	47	Senior Vice President and Chief Communications Officer

Steven B. Graham	56	Senior Vice President and Chief Accounting Officer
Darrell G. van Ligten	44	Senior Vice President, Strategic Development

Nelson Peltz. Mr. Peltz has been a director of the Company since April 1993 and non-executive Chairman since June 2007. He also served as Chairman and Chief Executive Officer of the Company and as a director or manager and officer of certain of the Company s subsidiaries from April 1993 through June 2007. Additionally, Mr. Peltz has been Chief Executive Officer and a founding partner of Trian Partners, an asset management firm, since November 2005. Mr. Peltz has also been Chairman of the Board of Trian Acquisition I Corp. since its inception in October 2007. Trian Acquisition I Corp. is a publicly traded blank check company formed to effect a business combination. From its formation in January 1989 to April 1993, Mr. Peltz was Chairman and Chief Executive Officer of Trian Group, Limited Partnership (Trian Group), which provided investment banking and management services for entities controlled by Mr. Peltz and Mr. May. From 1983 to December 1988, he was Chairman and Chief Executive Officer and a director of Triangle Industries, Inc. (Triangle), which, through wholly-owned subsidiaries, was, at that time, a manufacturer of packaging products, copper electrical wire and cable and steel conduit and currency and coin handling products. Mr. Peltz has also served as a director of H.J. Heinz Company since September 2006. Mr. Peltz is the father-in-law of Edward P. Garden.

Peter W. May. Mr. May has been a director of the Company since April 1993 and has served as non-executive Vice Chairman since June 2007. He served as the President and Chief Operating Officer of the Company and also as a director or manager and officer of certain of the Company s subsidiaries from April 1993 through June 2007. Additionally, Mr. May has been President and a founding partner of Trian Partners since November 2005. Mr. May has also been Vice Chairman and a Director of Trian Acquisition I Corp. since its inception in October 2007. From its formation in January 1989 to April 1993, Mr. May was President and Chief Operating Officer of Trian Group. He was President and Chief Operating Officer and a director of Triangle from 1983 until December 1988. Mr. May has also served as a director of Tiffany & Co. since May 2008 and of Deerfield Capital Corp. since December 2007.

Hugh L. Carey. Mr. Carey has been a director of the Company since June 1994. He was an Executive Vice President of W.R. Grace & Co. (Grace) from 1987 through December 1995. From 1993 to December 1995, he served Grace as director of its Government Relations Division, and from 1987 until 1993, he ran Grace s office of environmental policy. Mr. Carey was the Governor of the State of New York from 1975 until 1983 and a member of Congress from 1960 until 1975. From 1991 until 1993, he was Chairman of the National Institute of Former Governors. Mr. Carey is also a director of Chinatrust Bank (U.S.A.), and a partner of Harris Beach LLP, a law firm.

Clive Chajet. Mr. Chajet has been a director of the Company since June 1994. He has been Chairman of Chajet Consultancy, L.L.C., a consulting firm specializing in identity and image management, since January 1997. Prior to that time, Mr. Chajet was Chairman of Lippincott & Margulies Inc., also a consulting firm specializing in identity and image management, from 1983 to January 1997.

Edward P. Garden. Mr. Garden has been a director of the Company since December 2004. He served as Vice Chairman from December 2004 through June 2007 and Executive Vice President from August 2003 until December 2004. Additionally, Mr. Garden has been Vice Chairman and a founding partner of Trian Partners since November 2005. Mr. Garden has also been President, Chief Executive Officer and a Director of Trian Acquisition I Corp. since its inception in October 2007. From 1999 to 2003, Mr. Garden was a managing director of Credit Suisse First Boston, where he served as a senior investment banker in the Financial Sponsors Group. From 1994 to 1999, he was a managing director at BT Alex Brown where he was a senior member of the Financial Sponsors Group and, prior to that, co-head of Equity Capital Markets. Mr. Garden is the son-in-law of Nelson Peltz.

Janet Hill. Ms. Hill has been a director of the Company since September 2008. She served as a director of Wendy s from 1994 until its merger with a subsidiary of the Company in September 2008. Ms. Hill is currently Vice President of Alexander & Associates, Inc., a corporate consulting firm in Washington, D.C. She provides corporate planning, advice and analysis to directors, executives and managers in the areas of human resource planning, corporate responsibility, corporate communications and government consultation. Ms. Hill also serves as a director of Dean Foods Company and Sprint Nextel Corporation.

Joseph A. Levato. Mr. Levato has been a director of the Company since June 1996. Mr. Levato served as Executive Vice President and Chief Financial Officer of the Company and certain of its subsidiaries from April 1993 to August 1996. He was Senior Vice President and Chief Financial Officer of Trian from January 1992 to April 1993. From 1984 to December 1988, he served as Senior Vice President and Chief Financial Officer of Triangle.

J. Randolph Lewis. Mr. Lewis has been a director of the Company since September 2008. He served as a director of Wendy s from 2004 until its merger with a subsidiary of the Company in September 2008. Mr. Lewis is Senior Vice President, Distribution and Logistics, Walgreen Co., Deerfield, Illinois. Walgreen Co. is the nation s largest drugstore chain. Mr. Lewis joined Walgreen Co. in March, 1992 as Divisional Vice President, Logistics and Planning. He was promoted to his current position in 1999. Prior to joining Walgreen Co. he was a partner in the consulting division of Ernst & Young.

105

David E. Schwab II. Mr. Schwab has been a director of the Company since October 1994. Mr. Schwab has been a Senior Counsel of Cowan, Liebowitz & Latman, P.C., a law firm, since January 1998. Prior to that time, he was a partner of Schwab Goldberg Price & Dannay, a law firm, for more than five years. Mr. Schwab also serves as Chair Emeritus of the Board of Trustees and Chair of the Executive Committee of Bard College.

Roland C. Smith. Mr. Smith has been a director and the Chief Executive Officer of the Company since June 2007, and he has also served as President of the Company and Chief Executive Officer of Wendy s since September 2008. Mr. Smith served as the Chief Executive Officer of ARG from April 2006 to September 2008. Mr. Smith also served as President of ARG from April 2006 to June 2006. Mr. Smith served as President and Chief Executive Officer of American Golf Corporation and National Golf Properties from February 2003 to November 2005. Prior thereto, Mr. Smith served as President and Chief Executive Officer of AMF Bowling Worldwide, Inc. from April 1999 to January 2003. Mr. Smith served as President and Chief Executive Officer of ARG s predecessor, Arby s, Inc., from February 1997 to April 1999. Mr. Smith also serves as a director of Carmike Cinemas, Inc.

Raymond S. Troubh. Mr. Troubh has been a director of the Company since June 1994. He has been a financial consultant since prior to 1989. Mr. Troubh is a director of Diamond Offshore Drilling, Inc., General American Investors Company and Gentiva Health Services, Inc.

Jack G. Wasserman. Mr. Wasserman has been a director of the Company since March 2004. Mr. Wasserman has practiced law as a solo practitioner since September 2001. Prior to that time, he was a senior partner of Wasserman, Schneider, Babb & Reed (and its predecessors) from 1966 until September 2001. Mr. Wasserman serves as a director of Icahn Enterprises G.P., Inc., the general partner of Icahn Enterprises L.P., and Cadus Inc.

Stephen E. Hare has served as Senior Vice President and Chief Financial Officer of the Company since September 2007. Mr. Hare also serves as Chief Financial Officer of ARG, a position he has held since June 2006, and as Chief Financial Officer of Wendy s, a position he has held since December 2008. Previously, he served as Executive Vice President of Cadmus Communications Corporation (Cadmus) and President of Publisher Services Group, a division of Cadmus, from January 2003 to June 2006. Prior thereto, Mr. Hare served as Executive Vice President, Chief Financial Officer of Cadmus from September 2001 to January 2003.

J. David Karam has served as President of Wendy s since September 2008. From 1989 to September 2008, Mr. Karam served as the President of Cedar Enterprises, Inc., a 133-unit franchisee of Wendy s that has operations in Las Vegas, San Antonio, Indianapolis, Seattle and Hartford. Mr. Karam served as Vice President of Finance for Cedar Enterprises, Inc. from 1986 to 1989. Prior to joining Cedar Enterprises, Inc. Mr. Karam was a Senior Auditor with Touche Ross & Company.

Thomas A. Garrett has served as President and Chief Executive Officer of ARG since September 2008. He served as Executive Vice President and Chief Operating Officer of the Company from September 2007 to September 2008. Mr. Garrett also served as President and Chief Operating Officer of ARG from June 2006 to September 2008. Mr. Garrett served as Chief Operating Officer of ARG following the Company s acquisition of RTM in July 2005 to June 2006. From June 2003 to July 2005, Mr. Garrett served as President of RTM, and from May 2000 to June 2003, he served as Chief Operating Officer of RTM.

Sharron L. Barton has served as Chief Administrative Officer of the Company since September 2008. She has also served as Chief Administrative Officer of ARG since July 2005. Prior thereto, she served as RTM s Senior Vice President, General Counsel and Chief Administrative Officer from June 2001 to July 2005. Ms. Barton began her career with RTM in 1977.

Nils H. Okeson has served as Senior Vice President and Secretary of the Company since September 2007. Mr. Okeson served as Associate General Counsel of the Company from September 2007 through December 2007, and he has served as General Counsel since then. Mr. Okeson also serves as General Counsel of ARG, a position he has held since October 2005, and as General Counsel of Wendy s, a position he has held since September 2008. Prior to joining ARG, he was a partner of Alston & Bird, LLP, a law firm he joined in 1990.

John D. Barker has served as Senior Vice President and Chief Communications Officer of the Company since September 2008. Mr. Barker previously served as Senior Vice President, Corporate Affairs and Investor Relations at Wendy s, and joined Wendy s in May 1996 as Vice President of Investor Relations. Mr. Barker was Manager of Investor Relations and Financial Communications for American Greetings Corp. in Cleveland from 1992 to 1996. He held positions as a business editor for The Plain Dealer newspaper in Cleveland, Business Editor for The Beaver County Times near Pittsburgh, and News Desk Editor for The Observer-Reporter in Washington, PA. Mr. Barker is a trustee of the Dave Thomas Foundation for Adoption.

Steven B. Graham has served as Senior Vice President and Chief Accounting Officer of the Company since September 2007. Mr. Graham also serves as Senior Vice President, Corporate Controller of ARG, a position he has held since January 2007, and as Senior Vice President and Chief Accounting Officer of Wendy s, a position he has held since February 2009. From October 2006 through December 2006, he served as Vice President, Assistant Corporate Controller of ARG. Mr. Graham served as Corporate Controller at Princeton Review LLC from April 2004 to September 2006. Prior thereto, he served as Vice President Controller of Sbarro, Inc. from January 2000 to March 2004 and as Controller of Sbarro, Inc. from April 1994 to January 2000.

Darrell G. van Ligten was appointed Senior Vice President, Strategic Development for Wendy s/Arby s Group in February 2009. Prior to joining Wendy s/Arby s Group in February 2009, Mr. van Ligten was a founding partner of Regent Golf. Mr. van Ligten served as Senior Vice President, Marketing and Operation Services of American Golf Corp. from 2003 to 2006. He served as General Manager, Toybox Group at Toys R Us, Inc. from 2001 to 2003. Prior to 2001, Mr. van Ligten held positions in Strategic Planning and Marketing at Yum! Brands, Inc., Arby s, Inc., Taco Bell Corp. and PepsiCo, Inc.

The term of office of each executive officer is until the organizational meeting of the Board following the next annual meeting of Wendy s/Arby s Group stockholders and until his or her successor is elected and qualified or until his or her prior death, resignation or removal.

CORPORATE GOVERNANCE

Independence of Managers/Directors

None of our managers is independent.

Under the New York Stock Exchange s listing requirements, the board of directors of Wendy s/Arby s Group (the Wendy s/Arby s Group Board of Directors) must have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. Pursuant to Wendy s/Arby s Group Corporate Governance Guidelines (the Corporate Governance Guidelines), the Wendy s/Arby s Group Board of Directors is to determine whether each director satisfies the criteria for independence based on all of the relevant facts and circumstances. No director qualifies as independent unless the Wendy s/Arby s Group Board of Directors affirmatively determines that such director has no material relationship with Wendy s/Arby s Group. In accordance with the New York Stock Exchange listing requirements and the Corporate Governance Guidelines, the Wendy s/Arby s Group Board of Directors has adopted categorical standards (Independence Standards) to assist it in determining the independence of Wendy s/Arby s directors. Pursuant to the Independence Standards, any relationship described below will be deemed to be material if:

the director is, or has been within the last three years, an employee of Wendy s/Arby s

Group, or an immediate family member of the director is, or has been within the last three years, an executive officer of Wendy s/Arby s Group;

the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from Wendy s/Arby s Group as an executive officer, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service);

(i) the director is a current partner or employee of a firm that is Wendy s/Arby s Group s internal or external auditor; (ii) the director has an immediate family member who is a current partner of such a firm; (iii) the director has an immediate family member who is a current employee of such a firm and personally works on the Wendy s/Arby s Group audit; or (iv) the director or an immediate family member of the director was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Wendy s/Arby s Group audit within that time;

the director or an immediate family member of the director is, or has been within the last three years, employed as an executive officer of another company where any of Wendy s/ Arby s Group s present executive officers at the same time serves or served on the compensation committee of that company s board of directors;

the director is a current employee, or an immediate family member of the director is a current executive officer, of another company that has made payments to, or received payments from, Wendy s/Arby s Group for property or services in an amount that, in any of the last three fiscal years, exceeds the greater of $1.0 million or 2% of such other company s consolidated gross revenues. Both the payments and the consolidated gross revenues to be measured will be those of such other company s last completed fiscal year. Also, the three year look-back period referred to above applies only to the financial relationship between Wendy s/Arby s Group and the director s or immediate family member s current employer (i.e., former employment of the director or immediate family member need not be considered); or

the director, or an immediate family member of the director, is employed as an executive officer of a non-profit organization, foundation or university to which, within the last three years, Wendy s/Arby s

Group has made discretionary contributions (excluding for this purpose matching funds paid by Wendy s/Arby s Group as a result of contributions by Wendy s/Arby s Group s directors and employees) that, in any fiscal year of such non-profit organization, foundation or university, exceeded the greater of $1.0 million or 2% of such entity s consolidated gross revenues.

The foregoing clauses are to be interpreted by the Wendy s/Arby s Group Board of Directors taking into account any commentary or other guidance provided by the New York Stock Exchange with respect to Section 303A of the New York Stock Exchange Listed Company Manual.

The Independence Standards further provide that the relationship between Wendy s/Arby s Group and an entity for which a director serves solely as a non-management director is not material. The Independence Standards also provide that employment as an interim Chairman or CEO or other executive officer will not disqualify a director from being considered independent following that employment. In addition, any other relationship not described above will not be deemed material unless (i) the director would have thereby a direct or indirect material interest within the meaning of Item 404(a) of Regulation S-K and the material terms of the relationship were materially more favorable than those that would be offered at the time and in comparable circumstances to persons unaffiliated with Wendy s/Arby s or (ii) the Wendy s/Arby s Group Board of Directors, in exercising its judgment in light of all the facts and circumstances, determines that the relationship should be considered to be material and to affect the independence of the director in question. For purposes of the Independence Standards, the term Company includes any subsidiary in the Wendy s/Arby s Group consolidated group.

In March 2009, the Nominating and Corporate Governance Committee of Wendy s/Arby s Group and the Wendy s/Arby s Group Board of Directors considered and reviewed the various commercial and charitable transactions and relationships identified through directors responses to annual questionnaires that they are required to complete, as well as data collected by management and presented to the Nominating and Corporate Governance Committee of Wendy s/Arby s Group and to the Wendy s/Arby s Group Board of Directors related to transactions during the last three years between Wendy s/Arby s and a director, immediate family member of a director or business or charitable affiliate of a director. As a result of this review, the Wendy s/Arby s Group Board of Directors determined that none of the identified transactions or relationships with Messrs. Carey, Chajet, Levato, Lewis, Schwab, Troubh and Wasserman, and Ms. Hill, was material and that each of such nominees is independent of Wendy s/Arby s. In making its independence determinations, the Wendy s/Arby s Group Board considered the following transactions that occurred during the last three years, each of which, as noted above, was deemed not to be material: for Mr. Chajet, contributions to a charity for which he or his spouse serves as a director; for Ms. Hill, payments for telecommunications services from Sprint Nextel Corporation, for which she serves as a director; and for Mr. Troubh, contributions to a charity for which his spouse serves as a director.

As indicated in Ms. Hill s biographical information above, she is also a director of Dean Foods Company, which is one of the leading food and beverage companies in the United States. Both Wendy s and Arby s, through independent distributors, purchase products of Dean Foods Company.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The compensation of our managers and executive officers is determined by the Compensation Committee of Wendy s/Arby s Group (the Wendy s/Arby s Group Compensation Committee).

The most recently completed fiscal year, 2008, marked the successful consummation of the merger of Wendy s and Arby s. In this Compensation Discussion and Analysis and the subsequent compensation tables and accompanying text, for periods before the merger, the Company refers to Triarc Companies, Inc., and Arby s Restaurant Group, Inc. (Arby s), and Wendy s means Wendy s International, Inc. For periods after the merger, the Company refers to the combined operations of Arby s and Wendy s.

During this year the Wendy s/Arby s Group Compensation Committee was focused on (i) providing senior management of the Company with adequate incentives to maintain operations and effectuate the merger successfully during a period of significant economic turmoil in the markets, (ii) assisting the Company in attracting and retaining executive talent to successfully operate the expanded post-merger business and (iii) reviewing the compensation programs for the Company, post-merger, as part of an overall effort to integrate the operations of the companies and recognize synergies and savings from the merger. Compensation policies used in the past for former senior management, when the Company historically functioned both in the manner of an acquisition vehicle/private equity firm involved in the acquisition and growth of undervalued businesses, and as a manager of companies in diverse business sectors, have now been superseded by compensation policies that are consistent with the Company s focus on its restaurant business.

Objectives of Compensation Philosophy

Introduction

In determining the appropriate compensation for its executive officers (consisting of its named executive officers (namely Messrs. Smith, Hare, Okeson and Garrett and Ms. Barton) and three other senior executives), the Wendy s/Arby s Group Compensation Committee, in consultation with the Wendy s/Arby s Group Compensation Committee s Compensation Consultant, considers a number of factors: competitive market practice, relative importance of role, individual performance, compensation history (including past pay levels with the Company), internal pay equity, alignment with stockholders interests and the creation of long term stockholder value.

During 2008, the Company s executive officers operated under the general framework of the Arby s compensation structure. Historically, the total compensation package for Arby s executive officers has consisted of the following elements: base salary, annual cash incentives, long-term equity incentives and broad-based retirement and health and welfare plans. Generally, before the merger, Arby s senior management s base salary was targeted at the 50th percentile of peer group companies, and through the operation of an annual incentive plan, total annual cash compensation (consisting of base salary and target bonus) and total direct compensation (consisting of base salary, target bonus and long-term incentives) targeted at the 75th percentile. In 2008, and as further described below, the CEO and five other Arby s executive officers participated in the 1999

Executive Bonus Plan with annual incentive awards tied to the achievement of modified EBITDA, earnings per share and appreciated stock price. If target performance had been achieved in 2008 with respect to these criteria, the participant s total cash compensation would be consistent with the 75th percentile of peer company practices (as discussed below, no payments were made for 2008 in connection with awards under the 1999 Executive Bonus Plan).

The total compensation package for Wendy s executive officers historically has consisted of the following elements: base salary, annual cash incentives, long-term equity incentives and broad-based retirement and health and welfare plans. Generally, prior to the merger, Wendy s senior management s base salary compensation was targeted at the 50th percentile of peer group companies, and through the operation of an annual incentive plan, total annual cash compensation and total direct compensation was targeted at the 60th percentile for 2007 and 2008. With respect to annual incentive awards, Wendy s senior management participated in a performance-based bonus incentive plan with performance goals based on the achievement of enterprise Adjusted EBITDA and net income, and individual performance.

In December 2008, applicable for 2009, the Wendy s/Arby s Group Compensation Committee has adopted an approach that contains elements of both the compensation practices of Arby s and the historical practices of Wendy s: base salary targeted at the 50th percentile of peer group companies, with total annual cash compensation targeted at the 75th percentile and total direct compensation targeted at the 60th percentile, assuming target performance with respect to the applicable incentive criteria. The Wendy s/Arby s Group Compensation Committee anticipates that during fiscal 2009 and in future years, and consistent with its charter, it will continue to review and evaluate compensation policies, with an emphasis on compensation programs that encourage senior executives to reduce operating costs and achieve synergies associated with the merger.

Elements of Compensation

Throughout 2008, the Company s overall compensation program (which is referred to as the Executive Compensation Program) was designed to achieve the Company s business objectives, with particular emphasis on attracting and retaining top quality talent in a highly competitive market, motivating the Company s executive officers during the negotiation and implementation of the merger and rewarding the Company s executive officers for successfully completing the merger. The compensation goal is to provide its executive officers with a total compensation package that at expected levels of performance and consistent with an executive s area of responsibility is generally intended to be competitive with compensation opportunities that might otherwise be available to executives of similar experience and standing in the competitive market.

There are three primary components of executive compensation: (i) base salary; (ii) annual performance-based bonus awards, including cash bonuses under the 1999 Executive Bonus Plan, and (iii) long-term equity compensation under the Company s equity plans.

During periods prior to the merger, the Company historically targeted pay against the quick serve restaurant and broader chain restaurant industry using disclosed pay practices of 20 publicly-traded companies (Legacy Proxy Peer Group) and the Chain Restaurant Compensation Association (CRCA) executive compensation surveys. The CRCA survey includes pay data on 101 restaurant companies managing 185 concepts. The data from the Legacy Proxy Peer Group and the CRCA survey was supplemented by broader retail and general industry market pay data where restaurant industry data were not available or were insufficient. The Legacy Proxy Peer Group is listed below. The Legacy Proxy Peer Group was used for determining compensation levels for Arby s executive officers in 2008, prior to the merger.

Legacy Proxy Peer Group

AFC Enterprises, Inc.	Chipotle Mexican Grill, Inc.	P.F. Chang s China Bistro, Inc.
Brinker International, Inc.	CKE Restaurants, Inc.	Ruby Tuesday, Inc.
Burger King Holdings, Inc.	Darden Restaurants, Inc.	Sonic Corp.
Cracker Barrel Old Country	Denny s Corporation	Starbucks Corporation
Store, Inc.	Bob Evans Farms, Inc.	YUM! Brands Inc.
CEC Entertainment, Inc.	DineEquity, Inc.	
The Cheesecake Factory	Jack In The Box Inc.	
Incorporated	McDonald s Corporation	

In December 2008, the Company made adjustments to compensation (both cash and equity) for executive officers that took into account published survey data for companies of comparable revenue operating across general industry sectors and in the retail and chain restaurant sectors, as well as proxy statement data for a peer group of 14 publicly-traded chain restaurant companies (New Proxy Peer Group). The New Proxy Peer Group was selected based on Wendy s peer group, with additions and deletions based on merger and acquisition activity, the Company s competitors and availability of public data and is listed below.

New Proxy Peer Group

Brinker International, Inc.	Darden Restaurants, Inc.	Panera Bread Company
Burger King Holdings, Inc.	Domino s Pizza, Inc.	Papa John s International, Inc.
Cracker Barrel Old Country	Bob Evans Farms, Inc.	Ruby Tuesday, Inc.
Store, Inc.	Jack In The Box Inc.	Starbucks Corporation
CKE Restaurants, Inc.	McDonald s Corporation	YUM! Brands Inc.

Base Salary

The Company s base salary program is intended to provide base salary levels that are not subject to performance-related risk and that are competitive, in the judgment of the Wendy s/Arby s Group Compensation Committee and management, to the external market for executive talent and reflect an executive s on-going performance. Generally, base salaries are benchmarked on average at the 50th percentile of the relevant peer group at the time. Base salaries for the Company s executives, including the named executive officers, for fiscal 2008 were established prior to the merger with Wendy s, and during fiscal 2008 base salaries for the executive officers generally remained constant until December, when new employment agreements were entered into as described below (see Executive Agreements and Other Arrangements New Employment Agreements for the Senior Management Team.)

Annual Bonus Awards

The Company maintains various bonus plans for bonus awards to its executive officers. Annual incentive cash bonuses under the stockholder-approved 1999 Executive Bonus Plan are designed to reward and motivate those executive officers designated by the Wendy s/Arby s Group Performance Committee to be participants over a one-year time frame based on the achievement of financial and business objectives that increase the value and prospects of the Company. For fiscal 2008, all of the currently-serving named executive officers participated in the 1999 Executive

Bonus Plan. Discretionary annual bonuses also may be paid to executive officers. Executive officers who have not participated in the 1999 Executive Bonus Plan have participated in operating level bonus plans tied to various operating goals (e.g. modified EBITDA) in 2008.

1999 Executive Bonus Plan

Overview

Under one part of the 1999 Executive Bonus Plan (Part II), eligible executives are designated each year by the Wendy s/Arby s Group Performance Committee to receive an annual Performance Goal Bonus Award that is tied to the achievement of various Performance Goals (i.e., objective quantifiable measures for the Company or its operating units). Part I of the 1999 Executive Bonus Plan is no longer applicable.

Under the terms of the 1999 Executive Bonus Plan, individual performance and individual contributions are not recognized as separate compensable elements, and participants are eligible for bonus compensation based only on Company results. Each year, the Wendy s/Arby s Group Performance Committee is responsible for establishing the Performance Goals in a timely manner and may exercise negative discretion with respect to the payment of all or a portion of any Performance Goal Bonus Award even if all Performance Goals have been achieved. In 2008 none of the named executives qualified for a bonus with respect to awards under the 1999 Executive Bonus Plan and consequently no such negative discretion was exercised. With respect to 2007, no negative discretion was exercised in connection with payment under the bonus awards made to Mr. Smith, who was the sole participant in 2007. During 2006 the Wendy s/Arby s Group Performance Committee exercised negative discretion with respect to bonuses payable to certain former named executive officers of the Company then eligible for such bonuses under Part II of the plan.

Under the terms of the 1999 Executive Bonus Plan no payment under Part II to any participant can exceed $5 million. Performance Goal Bonus Awards may result in payment if actual results satisfy or exceed designated Performance Goals. The size of the payment is expressed as a percentage of the participants base salary as determined by the Wendy s/Arby s Group Performance Committee, with payments keyed to various percentages of base salary, depending on the level of achievement. In cases where the Wendy s/Arby s Group Performance Committee has denominated multiple performance goals, achievement of multiple goals could result in an incentive bonus payment in excess of 100% of an executive s base salary, subject to reduction by the Wendy s/Arby s Group Performance Committee.

At the time that the Performance Goals are established for any fiscal year, the compensation that would be payable if the goals were to be achieved is intended to be qualified performance based compensation under Section 162(m) of the Code, in that the goals that are selected are substantially uncertain of being achieved at the time they are established and there can be no guarantee that all or any one of the performance goals will be satisfied based on actual fiscal year results.

With respect to Part II payments under the 1999 Executive Bonus Plan, before 2008, the Company met minimum or target levels for certain performance goals. Fiscal 2007 was the first year in which the plan included a performance goal with reference to the aggregate consolidated net income for the applicable fiscal year determined in accordance with GAAP, applied on a basis consistent with past practice, modified as follows (as so modified Modified EBITDA):

plus (without duplication and only to the extent such amount was deducted in calculating such consolidated net income) the following items on a consolidated basis: (a) interest expense; (b) income taxes; (c) depreciation expense; and (d) amortization expense;

minus (without duplication and only to the extent such amount was included in calculating such consolidated net income) the following items on a consolidated basis: (e) interest income; and (f) other income not included in operating profit under GAAP; and

further adjusted to exclude the impact of: (i) annual operating plan net expense variances attributable to the financing of new units (opened during the applicable fiscal year) through capital leases instead of operating leases as contemplated by the annual operating plan, provided that (A) no adjustment under this clause (i) shall be made in respect of such new units in excess of the total number of new units contemplated by the annual operating plan, (B) no adjustment under this clause (i) shall be made in respect of (1) new units financed through capital leases, other than such new units in excess of the total number of new units contemplated by the annual operating plan to be financed through capital leases or (2) new units financed through operating leases, other than such new units in excess of the total number of new units contemplated by the annual operating plan to be financed through operating leases; (ii) acquisitions and dispositions, by (A) disregarding for any portion of the fiscal year in which any assets are acquired (and any later fiscal years) any portion of actual Modified EBITDA attributable to any such acquired assets and (B) reducing the applicable performance goal and cumulative performance goal for the fiscal year in which any assets are disposed (and any later fiscal years) by the projected amount of Modified EBITDA attributable to any such disposed assets for the portion of the fiscal year of disposition (and any later fiscal years) that was reflected in such performance goal and cumulative performance goal; (iii) all items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence, as determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board, and any amendment, restatement, modification, supplement or successor thereto; and (iv) all items of expense related to equity based compensation determined in accordance with the standards established by SFAS 123(R), and any amendment, modification or successor thereto.

The Modified EBITDA performance goal was applied to Arby s operating unit results, and, based on fiscal 2007 results the level of achievement for the Arby s operating unit exceeded the minimum threshold for performance. In the case of fiscal 2008, however, target levels were not achieved with respect to the three performance goals and no amounts were paid out under the plan.

In connection with the administration of the 1999 Executive Bonus Plan, the Company s CFO provides the Wendy s/Arby s Group Performance Committee with a certificate regarding the computation of the various components of the Part II bonus awards and the Company s outside accountants confirm the amount of the bonus awards relative to the underlying financial statement detail.

Fiscal 2008 Awards

In February 2008, the Wendy s/Arby s Group Performance Committee designated the named executive officers as participants for the 2008 plan year under the 1999 Executive Bonus Plan and, in March 2008, set the performance goal bonus targets for the 2008 plan year for each participant. In conjunction with the Wendy s/Arby s Group Compensation Committee s Compensation Consultant, and consistent with its efforts to develop performance goals under the bonus plan tailored to the business operations of Arby s, the Wendy s/Arby s Group Performance Committee established three performance metrics for determining bonus payments under the 1999 Executive Bonus Plan: (i) Modified EBITDA, which applied to Arby s operations and took into account Company-wide expenses at the corporate headquarters level (which were not associated with the Modified EBITDA target for the Arby s operating unit in 2007); (ii) Earnings Per Share (EPS); and (iii) Stock Price Appreciation on the Company s Class B common shares (SPA).

Under the terms of the 1999 Executive Bonus Plan, the Wendy s/Arby s Group Performance Committee also has the authority to adjust or modify the calculation of performance goals to take into account unusual corporate transactions or other unusual or nonrecurring events affecting the Company. In light of the anticipated accounting impact in fiscal 2008 resulting from the disposition by the Company of its interest in an asset management subsidiary unrelated to its restaurant operations and fees and expenses incurred in connection with on-going strategic and financing matters initiated in prior years, the Wendy s/Arby s Group Performance Committee determined that the impact of such matters should be excluded from the determination of the achievement of performance goals for 2008. The intent of this adjustment was to ensure that the management team s compensation was tied to the Company s operations and results rather than to other events outside of their direct control. In addition, the Modified EBITDA, EPS and SPA targets, which were $162.4 million, $0.31 and $9.913, respectively, for fiscal 2008 were established by the Wendy s/Arby s Group Performance Committee prior to the announcement of the merger with Wendy s. Accordingly, these targets were based only on the operating and financial results for the Arby s operations and

Company-wide expenses at the corporate headquarters level, which accounted only for a part of the post-merger operations.

As adopted by the Wendy s/Arby s Group Performance Committee, each executive was assigned to a category providing for a target payout as a percentage of base salary: 100% for Mr. Smith, 90% for Mr. Garrett and 75% for the other participants. Threshold, target and maximum achievement of each of the three designated performance goals was correlated with a percentage of the executive s target payout percentage. In the case of the Modified EBITDA and EPS goals, the levels of achievement included thresholds at 85% of target (which would result in a 25% payout), target (which would result in a 50% payout) and maximum achievement at 120% of target (which would result in a 100% payout). In the case of SPA, threshold achievement was 10% appreciation (which would result in a 25% payout), target (which would result in a 50% payout) and maximum achievement (which would result in a 100% payout).

Based on the target payout percentages designated for the participants, assuming target performance for all three metrics, Mr. Smith would have qualified for a bonus payment of 150% of his base salary ($1.5 million), Mr. Garrett would have qualified for a bonus payment of 135% of his base salary ($1.012 million), and the other participants would have qualified for bonus payments of 112.5% of their base salaries (ranging from $521,437 to $731,250). In the event of maximum performance for all three metrics, Mr. Smith would have qualified for a bonus payment of 300% of his base salary, Mr. Garrett would have qualified for a bonus payment of 270% of his base salary, and the other participants would have qualified for bonus payments of 225% of their base salaries. If actual performance had fallen between designated achievement levels, the relevant payout percentage would have been interpolated. While all such bonus payments would have been subject to negative discretion (and reduction) by the Wendy s/Arby s Group Performance Committee, the performance goal awards for fiscal 2008 were designed so that, in the event of target level achievement for all three metrics, the participant s total cash compensation (base salary and bonus) would have been consistent with the 75th percentile of peer company practices.

The Wendy s/Arby s Group Performance Committee utilized the services of the Wendy s/Arby s Group Compensation Committee s Compensation Consultant in establishing the three performance metrics for determining bonus payments under Part II of the Executive Bonus Plan. In particular, the Compensation Consultant provided information on the Company s peer group regarding commonly used performance metrics for executive officer compensation, analyzed the impact of the achievement of the performance metrics at threshold, target and maximum performance on the projected total cash compensation and total direct compensation for the eligible executives, and provided the Wendy s/Arby s Group Performance Committee with materials setting forth their analysis.

Based on actual operating results for fiscal 2008 and the performance of the Company s stock during the applicable period in 2008, none of the participants were entitled to any payments on their awards under Part II of the 1999 Executive Bonus Plan.

Fiscal 2008 Discretionary Bonuses

In fiscal 2008, the Wendy s/Arby s Group Compensation Committee approved the award of discretionary bonuses to executive officers and other officers and employees in recognition of their efforts in successfully completing the Wendy s Merger. The Wendy s business is a significantly larger operation than the pre-merger Arby s, one of the best known food brands in the United States, and the Wendy s/Arby s Group Compensation Committee considered it appropriate to reward senior management and other selected personnel for the completion of the merger and the long-term value it added to the overall business and prospects of the Company.

The Wendy s/Arby s Group Compensation Committee also considered, as a basis for these discretionary awards, the fact that no bonus payouts were achieved under the 1999 Executive Bonus Plan for 2008, in part due to the financial market turmoil and adverse economic circumstances arising in the U.S. markets in 2008. Based on the successful completion of the merger, and the Company s operations in 2008, the Wendy s/Arby s Group Compensation Committee believed that

the award of the following discretionary bonuses to senior management, was an appropriate recognition of their merger-related efforts.

One-time discretionary bonuses were paid to Messrs. Smith, Hare and Okeson of $500,000, $200,000 and $200,000 respectively, and to Ms. Barton of $100,000 (which in part constituted an advance with respect to $100,000 of her guaranteed 2008 bonus of $150,000), with such amounts as recommended by Mr. Smith as the Company s CEO. Each of these bonuses is significantly less than the threshold or target bonuses possible under the 1999 Executive Bonus Plan. The Wendy s/Arby s Group Compensation Committee views these as non-recurring bonus payments that were warranted by the overall facts and circumstances associated with completing the Wendy s Merger, as discussed above. These bonuses are not intended to qualify under Section 162(m) of the Code.

Long-term Incentive Compensation

The Wendy s/Arby s Group Compensation Committee uses long-term incentive compensation to deliver competitive compensation, retain executive talent and encourage a focus on long-term growth and stock appreciation. As a result of the merger, the Company can continue to provide for awards under its existing equity plans and awards can also continue to be made to certain select recipients under legacy equity plans maintained by Wendy s prior to the merger. Information about shares available for equity grants under these plans is set forth in the table under the caption Equity Compensation Plan Information below.

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding options or stock appreciation rights or cancel outstanding options or stock appreciation rights in exchange for cash, other awards or options or stock appreciation rights with an exercise price that is less than the exercise price of the original options or stock appreciation rights without stockholder approval.

What follows is a description of the existing equity plans and developments under those plans with respect to the Company s executive officers.

Amended and Restated 2002 Equity Participation Plan

The Company provides officers and key employees of the Company and its principal business units with equity-based incentives linked to longer-term business unit and corporate performance through the Amended and Restated 2002 Equity Participation Plan (the 2002 Plan), which provides for the grant of options to purchase shares of Company stock and the award of restricted stock, restricted stock units and/or stock appreciation rights. Option grants under the plan generally provide for ratable vesting over three years; restricted stock grants generally provide for ratable vesting over three years. Payment of the exercise price of options may be made by cash or by check payable to the Company and/or by delivery of unrestricted shares of Company stock having a fair market value equal to all or part of the purchase price. Payment for options may also be satisfied by way of a net exercise pursuant to which the option holder, without tendering the purchase price for the shares being purchased under the option, is paid shares of stock representing the excess of the aggregate fair market value (as defined in the Plan) on the date of exercise of the shares of stock as to which the option is being exercised over the aggregate purchase price for such shares. Option grants also provide for a net exercise feature allowing grantees to satisfy withholding tax obligations through the receipt of option shares net of withholding tax liability. Restricted stock awards allow for net settlement, allowing grantees to satisfy withholding obligations upon vesting through the forfeiture of a portion of the award. Generally, unvested options become fully vested upon a change of control or the optionee s death or disability, and unvested options are forfeited upon termination for other reasons. Restricted shares generally vest as provided for in the grantee s award or upon death or disability and unvested shares are forfeited. Notwithstanding the foregoing, the Wendy s/Arby s Group Compensation Committee retains the discretion to award grants of options and/or restricted shares with different vesting and forfeitability features. Except as modified by an

award, vested options must be exercised within ninety days following a resignation or termination without cause, and within one year of the grantee s termination as a result of death or disability or within the one year anniversary of a change of control, unless the option term expires earlier.

As to the timing of equity grants generally, newly hired executives are granted options or equity effective on or about their first date of employment as approved by the Wendy s/Arby s Group Compensation Committee.

During fiscal 2008, the Wendy s/Arby s Group Performance Committee awarded options and restricted shares in the second and fourth quarters; and in past years awards have generally been made in the first or second quarter. For fiscal 2008, such grants included the grant of options and restricted shares to Messrs. Smith, Garrett, Hare and Okeson and to Ms. Barton (in the amounts reflected in the Grants of Plan-Based Awards below). In determining the size of option grants in the fourth quarter of fiscal 2008, the Wendy s/Arby s Group Performance Committee received data prepared by the Wendy s/Arby s Group Compensation Committee s Compensation Consultant that set forth the executive s compensation relative to market practices, based on cash compensation and earlier option awards made in the second quarter of fiscal 2008 (Second Quarter 2008 Grants). The data provided by the Compensation Consultant showed that, after taking into account the Second Quarter 2008 Grants, the covered senior executives were below the 60th percentile with respect to their total direct compensation (TDC), as a result of the lower value attributable to the Second Quarter 2008 Grants. Consequently, additional option grants were made which brought TDC for these executives based on 2008 compensation closer to the 60th percentile TDC target.

The overall equity awards made in 2008 were based on a variety of factors, including rewarding efforts in 2008 and the need to provide appropriate incentives to senior management in connection with post-merger transition and integration efforts, while also limiting the size of the awards to avoid significant stockholder dilution and remain within the pre-established annual grant rate. Particularly with respect to the equity grants in the fourth quarter of 2008, the Wendy s/Arby s Group Performance Committee expressed its view that the awards were based on the unique circumstances that had occurred in 2008 and were not necessarily indicative of future activity.

In fiscal 2008, the Wendy s/Arby s Group Compensation Committee and Wendy s/Arby s Group Performance Committee also approved an adjustment to the exercise price on options outstanding under the 2002 Plan (and outstanding under the Company s 1997 and 1998 Equity Participation Plans) to take into account the effect of the special dividend that the Company implemented in April, 2008. At that time, and as part of its transition to a pure play restaurant company, the Company distributed approximately 9.8 million shares of common stock of Deerfield Capital Corp, which it had received as consideration for the sale of its financial services subsidiary. Pursuant to the terms of the 2002 Plan (and other equity plans as well) the special dividend warranted an adjustment to the exercise price of all outstanding options, which had been determined by management, based on the advice of an outside consulting firm, to be thirteen cents ($0.13) per option.

Wendy s Legacy Equity Plans

Wendy s legacy equity plans continue in effect following the merger, and consistent with applicable New York Stock Exchange and Section 162(m) guidelines, grants may continue to be made under those plans (other than the Wendy s WeShare Stock Option Plan) to certain employees. The option and restricted stock grants awarded under the Wendy s equity plans generally reflect the same characteristics as comparable awards under the Company s plans.

In 2008, the Company entered into a consulting and employment agreement with J. David Karam, which provided for him to become President of Wendy s upon consummation of the merger. In connection with that agreement, upon effectiveness of the merger, Mr. Karam received an inducement award of 1,600,000 options (vesting over four years), which was granted under the Wendy s 2007 Stock Incentive Plan. The grant to Mr. Karam was made after the Compensation Consultant provided the Committee with data showing that Mr. Karam s annualized total direct compensation (with the initial equity award divided equally over the vesting period) fell between the annual total direct compensation of Messrs. Smith and Garrett. Mr. Karam, who has had extensive

experience as a franchisee in the Wendy s system, was recommended by senior management as a key candidate whose hiring was critical to the successful implementation of the merger. Mr. Karam s employment agreement is described more fully below under the caption Executive Agreements and Other Arrangements Employment Agreement with Wendy s President.

Executive Agreements and Other Arrangements

During 2008, the Company reviewed and revised the employment agreements for its CEO and other executive officers and entered into a new agreement with J. David Karam providing for him to become President of Wendy s upon effectiveness of the merger. The executive officer agreements were modified to address certain tax matters relating to Code Sections 409A and 162(m), as well as to create a uniform contractual framework going forward for the executive officers to assure the continued services of the experienced senior team, as their prior agreements were nearing expiration or were in renewal terms. The agreement with Mr. Karam was entered into to secure the services of a key executive with extensive experience in the Wendy s system, who it is anticipated will make a significant contribution to the post-merger integration and operations of the Company.

New Employment Agreements for the Senior Management Team

Mr. Smith

The term of Mr. Smith s employment has been extended for three years and will be automatically renewed for additional one-year periods unless either party delivers a notice of non-renewal at least 120 days prior to the expiration of the then current term. Mr. Smith s base annual salary was increased to $1,150,000 and his target bonus percentage was increased to 150%. The severance and termination provisions in his agreement are set forth in the chart below. Mr. Smith s agreement also contains restrictive covenants, including non-competition and non-solicitation covenants for 18 to 24 months following termination of employment depending on the circumstances of such termination.

Messrs. Garrett, Hare and Okeson and Ms. Barton

The term of employment has been extended for two years and will be automatically renewed for additional one-year periods unless either party delivers a notice of non-renewal at least 120 days prior to the expiration of the then current term. Mr. Garrett s annual base salary was increased to $800,000 and his target bonus percentage for 2009 (and the remaining contract term) was increased to 100%. Mr. Hare s base annual salary was increased to $600,000 and his target bonus for 2009 (and the remaining contract term) is 75% of his base salary. Mr. Okeson s annual base salary was increased to $500,000 and his target bonus for 2009 (and the remaining contract term) is 75% of his base salary. Ms. Barton s annual base salary is $650,000 and her target bonus for 2009 (and the remaining contract term) is 75% of her base salary.

Mr. Garrett had a guaranteed bonus for 2008 of $250,000. Ms. Barton had a guaranteed bonus for 2008 of $150,000. Guaranteed bonuses are not provided for with respect to 2009 or later years under their revised employment agreements.

The severance and termination provisions in the agreements are set forth in the chart below. The agreements also contain restrictive covenants, including non-competition and non-solicitation covenants for 12 to 24 months following termination of employment depending on the circumstances of such termination.

Employment Agreement with Wendy s President

On July 25, 2008, the Company entered into a consulting and employment agreement with J. David Karam, with his consulting services transitioning to employment contingent upon effectiveness of the Wendy s Merger. On September

29, 2008, the merger became effective and Mr. Karam became the President of Wendy s. In this capacity, he reports solely to Mr. Smith, the CEO of the Company. Mr. Karam s employment term is for an initial three year period and will then be automatically extended for additional one year periods unless either party provides a notice of non-renewal at least 120 days prior to the expiration of the then-current term. Mr. Karam s initial base salary is $900,000, and he will be eligible to earn a bonus annually. Mr. Karam s target bonus will be equal to 100% of his base salary for the fiscal year if Wendy s achieves its target performance goals and his stretch bonus will be equal to 200% of his base salary for the fiscal year if Wendy s achieves or exceeds its stretch performance goals. With respect to fiscal year 2008, Mr. Karam is entitled to a pro-rata target bonus based on the number of days worked by Mr. Karam for Wendy s during the fiscal year, which equals $225,000. With respect to fiscal year 2009, Mr. Karam is guaranteed an annual bonus equal to 50% of his base salary, provided he remains employed by Wendy s through December 31, 2009.

On September 29, 2008, concurrent with effectiveness of the Wendy s Merger, Mr. Karam was granted a 10-year option to purchase 1,600,000 shares of the Company s common stock pursuant to the Wendy s 2007 Stock Incentive Plan at an exercise price of $5.50 per share (the fair market value on the date of grant). The option will vest over a four-year period, 25% on each anniversary of the date of grant, provided Mr. Karam remains employed on each vesting date. The options will immediately vest in full and become exercisable upon a change in control (as defined in his employment agreement). Mr. Karam will also be eligible to receive additional equity-based awards during his employment.

During the employment period, Mr. Karam will generally be entitled to participate in all of Wendy s employee benefit plans and programs and will be entitled to four weeks of annual paid vacation each calendar year, reimbursement of all reasonable business expenses and a car allowance.

Upon any termination of employment, Mr. Karam is entitled to receive any accrued but unpaid base salary, vacation time, incentive bonus and any outstanding business expense reimbursements. Additionally, if Mr. Karam s employment is terminated by Wendy s without Cause or by Mr. Karam for Good Reason (each as defined in his employment agreement), he will receive a lump sum cash amount equal to two times the sum of his base salary and target bonus. Wendy s will also pay the cost for Mr. Karam and his dependents to continue to participate in any of Wendy s group health plans or life insurance plans for an 18 month period following termination. If such cash severance payment and health benefits continuation for Mr. Karam would trigger an excise tax, then in certain circumstances Mr. Karam will be entitled to receive a gross-up payment with respect to such payment and benefits, as more fully described in his employment agreement.

All outstanding equity awards held by Mr. Karam will become fully vested upon termination of his employment by Wendy s without Cause or by Mr. Karam for Good Reason and will remain exercisable until the earlier of one year following such termination or the scheduled expiration date of the award. Mr. Karam s equity awards will also be treated in this manner if his employment is terminated due to his death or disability. In order to receive payments or benefits payable to Mr. Karam as a result of his termination for Cause or without Good Reason, he must execute a waiver and general release of claims in favor of the Company, Wendy s, their subsidiaries and affiliates, and other related parties.

Mr. Karam s employment agreement also contains restrictive covenants, including non-competition and non-solicitation covenants that apply for one (1) or two (2) years following termination of employment depending on the circumstances of such termination. Mr. Karam also agreed that, for one year following termination of employment, he will not solicit any individual employed by the Company, Wendy s and their respective affiliates or who was employed by them during the six-month period prior to such solicitation.

The Wendy s/Arby s Group Compensation Committee s Compensation Consultant, analyzed the economic terms of Mr. Karam s employment arrangements as proposed by senior management, which indicated that on an annualized basis (i.e., annualizing his inducement option grant over the proposed term) total annual compensation for Mr. Karam fell between the compensation provided to Mr. Smith, the Company s CEO, and Mr. Garrett, the President of Arby s. Management s proposal for Mr. Karam was based on the proposition that he would be responsible for operating Wendy s, a much larger operating business than Arby s, that as a Wendy s franchisee he had significant experience in the Wendy s system and would play an important role in improving operating results at Wendy s post-merger, and that in terms of internal pay equity, his compensation opportunity should fall between Messrs. Smith and Garrett. The Wendy s/Arby s Group Compensation Committee adopted this approach and approved the proposed compensation package for Mr. Karam.

Severance and Change in Control Benefits

Senior members of the Company s management team have provisions in their respective employment agreements that provide for certain severance payments upon a termination by the Company without cause, termination by the executive as a result of a Triggering Event and, in the case of Mr. Smith, as a result of a Special Termination Event, i.e., a termination by him within a designated period following a change of control. The key terms and provisions of the severance arrangements that are currently in effect are summarized in the following table and are governed by the named executive officer s employment agreement (all of which are exhibits attached to Wendy s/Arby s Group s Form 8-K filed with the Securities and Exchange Commission on December 22, 2008). As to the quantitative nature of certain payments in parentheses below, the Company estimated the values as if the triggering event took place on December 26, 2008, the last business day of the Company s 2008 fiscal year.

Description	Chief Executive Officer	Other Named Executive Officers
Termination events triggering severance cash benefits and benefits continuation:	Involuntary termination without Cause, other than for death or disability. Termination by Mr. Smith for a Triggering Event. Termination by Mr. Smith in connection with a Special Termination Event.	Involuntary termination without Cause, other than for death or disability. Termination by executive officer for a Triggering Event.
Severance cash benefit:	(a) Lump sum payment equal to (i) two times base salary in effect as of the effective date of termination ($2,300,000) plus (ii) two times target annual bonus for the year prior to the year of termination ($2,000,000). (b) $25,000 (which shall increase to $27,500 in December 2010). (c) Pro rata annual bonus based on actual performance, payable in lump sum on date bonuses are normally paid. (d) In the event severance cash benefits are provided pursuant to a Special Termination Event, Mr. Smith will receive a tax gross up for any excise tax imposed by Code Section 4999 on any excess parachute payments. If a Special Termination Event had occurred on 12/26/08, Mr. Smith would not have received a tax gross up because the amount of his benefits would not have been excess parachute payments so as to be taxed	(a) The sum of the base salary in effect as of the effective date of termination plus the actual annual bonus paid, if any, for the year prior to the year of termination, paid in semi-monthly installments for a period of 12 months. Values as of 12/26/08 are as follows: Hare: $986,250; Garrett: $1,256,250; Barton: $913,250; and Okeson: $847,625. (b) Continuation of the base salary in effect as of the effective date of termination for an additional period of 12 months, paid in semi-annual installments and offset by compensation earned by the executive officer during the same period. (c) $25,000 (which shall increase to $27,500 in December 2010). (d) Pro rata annual bonus based on actual performance, payable in lump sum on date bonuses are normally

under Code Section 4999.	paid.

119

Description	Chief Executive Officer	Other Named Executive Officers
Executive must sign release to receive severance benefits:	Yes.	Yes.
Health and welfare benefits continuation:	Continued participation in the Company s health and welfare plans for 18 months at Mr. Smith s election and at full cost to Mr. Smith.	Continued participation in the Company s health and welfare plans for 18 months at the executive officer s election and at full cost to the executive officer.
Equity treatment:	All unvested stock options and restricted stock shall vest in full upon a Change in Control, an involuntary termination without Cause; termination by death or disability; or a termination following a Triggering Event or Special Termination Event. The estimated value of accelerated options if such an event occurred on 12/26/08 is $150,000 and the estimated value of accelerated restricted stock is $633,337.	All unvested stock options that would have vested if the executive officer had remained employed by the Company through December 18, 2010 shall vest in full upon an involuntary termination without Cause, other than for death; a termination for disability; or a termination following a Triggering Event. In the case of Mr. Garrett, options and restricted stock will be fully vested. Values as of 12/26/08 are as follows: Hare: $33,333; Garrett: $60,000 for options and $118,750 for restricted stock; Barton: $16,668; and Okeson: $16,668.
	Options remain exercisable for a period ending on the earlier of the one year anniversary of the termination or the expiration of the applicable option in the event of an involuntary termination without Cause; termination by death or disability; or a termination following a Triggering Event or Special Termination Event.	Options remain exercisable for a period ending on the earlier of the one year anniversary of the termination or the expiration of the applicable option, except that Mr. Garrett s replacement options remain exercisable for a period of 30 days after termination of employment.
Outplacement assistance:	No.	No.
Restrictive covenants:	In the event of the termination of Mr. Smith s employment without Cause or due to a Triggering Event, the restrictive period for the following covenants shall run for a period of 24 months. In the event of the termination of Mr. Smith s employment for cause or other than due to a Triggering Event, the restrictive period shall be 18 months.	In the event of the termination of the executive officer s employment without Cause or due to a Triggering Event, the restrictive period for the following covenants shall run for a period of 24 months. In the event of the termination of the executive officer s employment for cause or other than due to a Triggering Event, the restrictive period shall be 12 months.

Description	Chief Executive Officer	Other Named Executive Officers
	Prohibited from soliciting franchisees or suppliers and employees of the Company.	Prohibited from soliciting franchisees or suppliers and employees of the Company.
	Prohibited from competing with the Company (see details below).	Prohibited from competing with the Company (see details below).
	Mr. Smith is also subject to certain confidentiality and non-disparagement covenants.	The executive officers are also subject to certain confidentiality and non-disparagement covenants.
Non-Renewal Severance:	Non-Renewal by the Company constitutes a Triggering Event-see above for severance benefits.	If employment is terminated by the Company by 120 day written notice of expiration, executive officer shall receive:
		Continuation of the base salary in effect as of the effective date of termination for at least 8 months (payments to be made in semi-monthly installments);
		Pro rata annual bonus, payable in lump sum on date bonuses are normally paid, based on actual performance, provided the executive officer remains employed during the 120 day notice period.

The estimated total value of benefits provided to Mr. Smith under his employment agreement in the event his employment was terminated on December 26, 2008 as described in the table above is $5,108,337. The estimated total value for the other named executive officers under their respective employment agreements (other than in the event of non-renewal of the employment agreement) is as follows: $1,644,583 for Mr. Hare; $2,210,000 for Mr. Garrett; $1,604,918 for Ms. Barton; and $1,389,293 for Mr. Okeson. For Messrs. Hare and Okeson and Ms. Barton, these amounts do not include the value of accelerated vesting of restricted stock that would occur under the terms of their separate restricted stock award agreements in the event of termination of employment without cause or on account of death or permanent disability. Those values are $95,000, $79,164 and $39,582, respectively.

In calculating the values for the table above, the following assumptions were made: (1) price of the Company s common stock was $4.75, the closing price per share on December 26, 2008; (2) there was no compensation offset for executives whose second year severance payments would otherwise be subject to reduction for outside earnings; (3) immediate exercise of all options that vested as of a December 26, 2008 termination date; (4) the remaining unvested options subject to accelerated vesting as of December 26, 2008 were valued at $0 (as none of the remaining unvested options has an exercise price less than $6.77/share); and (5) no six month delay in payment to any specified employee that would otherwise be required under Code Section 409A.

The employment agreements for Mr. Smith and the other named executive officers generally define Cause as: (i) commission of any act of fraud or gross negligence by the executive in the course of his or her employment that, in the case of gross negligence, has a material adverse effect on the business or financial condition of the Company or any of its affiliates; (ii) willful material misrepresentation by him or her to the President and Chief Executive Officer of the Company (not applicable to Mr. Smith) or the Board; (iii) voluntary termination by him or her of his or her employment (other than on account of a Triggering Event) or the willful failure or refusal to comply with any material obligation(s) owed to the Company or to comply with a reasonable and lawful instruction of the Chief Executive Officer of the Company (not applicable to Mr. Smith) or the Board; (iv) engagement by him or her in any conduct or the commission by him or her of any act that is, in the reasonable opinion of the Board, materially injurious or detrimental to the substantial interest of the Company or any of its affiliates; (v) his or her indictment for any felony, whether of the United States or any state thereof or any similar foreign law to which he or she may be subject; (vi) any failure substantially to comply with any written rules, regulations, policies or procedures of the Company furnished to him or her that, if not complied with, could reasonably be expected to have a material adverse effect on the business of the Company or any of its affiliates; (vii) any willful failure to comply with the Company s policies regarding insider trading; (viii) his or her death; or (ix) his or her inability to perform all or a substantial part of his or duties or responsibilities on account of his or her illness (either physical or mental) for more than 90 consecutive calendar days or for an aggregate of 150 calendar days during any consecutive nine month period (Disability).

The employment agreement for Mr. Smith generally defines Triggering Event as (i) a material reduction in his responsibilities as President and Chief Executive Officer of the Company; (ii) a requirement that he reports to any person other than the Board; (iii) a reduction in his then current base salary or target bonus percentage; (iv) relocation to a work situs not in the Atlanta, Georgia greater metropolitan area without his consent, (v) a Company-initiated non-renewal of his employment at the end of the Employment Term or (vi) the occurrence of a Special Termination Event ; *provided* that he must provide written notice no later than 30 days following his learning of the existence of a Triggering Event (other than under subclauses (v) or (vi) and provide the Company 30 days to cure the Triggering Event. Additionally, Mr. Smith must terminate his employment within six months of the initial occurrence of the circumstances constituting a Triggering Event for such termination to be a Triggering Event.

Mr. Smith s employment agreement generally defines Special Termination Event as Mr. Smith s decision to terminate his employment in the event that there is a change in control prior to the expiration of the Employment Term where he has provided between 90 and 120 days written notice (no more and no less) of his intention to terminate his employment in the 30-day period commencing 270 days following the change in control. For purposes of Mr. Smith s employment agreement, change in control includes the acquisition by any person of 50% or more of the combined voting power of the Company, a majority of the Board of Directors not being nominated by the Board of the Company or a majority of the Board of Directors not consisting of Messrs. Peltz, May or individuals nominated or recommended by them. (The definition of change in control excludes certain transactions in which Messrs. Peltz, May or their affiliates continue to control or influence the management or policies of the Company or any merger or sale of the Company to entities controlled by Messrs. Peltz, May or their affiliates).

The employment agreements for the other named executive officers generally define Triggering Event as (i) a material reduction in his or her responsibilities to the Company; (ii) a requirement that he or she report to any person other than the Chief Executive Officer of the Company or the Board; (iii) a reduction in his or her then current base salary or target bonus percentage; or (iv) relocation to a work situs not in the Atlanta, Georgia greater metropolitan area without his or her consent; *provided* that he or she must provide written notice no later than 30 days following his or her learning of the existence of a Triggering Event and provide the Company 30 days to cure the Triggering Event. Additionally, he or she must terminate his or her employment within six months of the initial occurrence of the circumstances constituting a Triggering Event for such termination to be a Triggering Event.

The employment agreements for the named executive officers generally restrict the executive officer from competing against the Company generally in the following manner: the executive officer, in any state or territory of the United States (and the District of Columbia) or any country where the Company maintains restaurants, will not engage or be engaged in any capacity, directly or indirectly (as defined below), except as a passive investor owning less than a two-percent (2%) interest in a publicly held company, in any business or entity that is competitive with the business of the Company or its affiliates. This restriction includes, without limitation, (A) any business engaged

in drive through or counter food service restaurant business typically referred to as Quick Service restaurants (such as Burger King, McDonald s, Jack in the Box, etc.), for which revenues from the sale of hamburgers, sandwiches (including wraps) and salads represents at least 50% of total revenues from the sales of food items (excluding beverages) and also includes any business engaged in real estate development for such Quick Service businesses and (B) Yum! Brands, Inc. or its brands and each of its subsidiaries. Notwithstanding anything to the contrary above, the executive officer shall not be prohibited from (X) accepting employment, operating or otherwise becoming associated with a franchisee of the Company, any of its affiliates or any subsidiary of the foregoing, but only in connection with the activities associated with the operation of such a franchise or activities that otherwise are not encompassed by the restrictions of this definition, subject to any confidentiality obligation that the executive officer may have, or (Y) accepting employment, operating or otherwise becoming associated with a Quick-Service restaurant business of a brand that has less than 100 outlets system-wide (including both franchised outlets and franchisor-operated outlets).

Other Benefits and Perquisites

Consistent with the Company s Executive Compensation Program, and to enable the Company to attract and retain superior executives for key positions, the Company s executives are provided with certain benefits and perquisites. For example, the Company s executive officers are entitled to participate in the various benefits made available to the Company s employees, such as the Company s 401(k) plan, group health plans, vacation and sick leave, life insurance and short-term and long-term disability benefits, and all of the executive officers are covered by directors and officers liability insurance and indemnification agreements. Executive officers (as well as certain employees at various levels) are also provided with cellular phones, PDAs, and laptops that are intended primarily for business use.

In October 2008, the Wendy s/Arby s Group Compensation Committee approved certain expenditures in connection with the temporary living arrangements of Mr. Smith in Columbus, Ohio as a result of the Wendy s Merger. The presence of Mr. Smith in Columbus, as CEO of the Company, was viewed as critical to the successful integration of operations following the merger; particularly since one of the conditions of the merger was that the headquarters of Wendy s remain in the vicinity of Columbus for a designated period of time. The expenditures approved include: a lease of an apartment for Mr. Smith and his wife in Columbus, Ohio (at a current rate of $7,200 per month); renter s insurance for the apartment; $50,000 for company-owned furniture, painting and set up costs associated with the apartment; the lease of an automobile; transportation to Atlanta for Mr. Smith and his wife (and reimbursement of the tax associated with the imputed income of his wife s flights); moving expenses for personal items and reimbursement and a tax gross up on the tax differential resulting from the taxes associated with Ohio-related imputed income.

Other Material Considerations

Impact of Accounting, Tax and Legal Considerations

With respect to taxes, Section 162(m) of the Code imposes a $1 million limit on the deduction that the Company may claim in any tax year with respect to compensation paid to each of the Chief Executive Officer and three other named executive officers (other than the Chief Financial Officer). Accordingly, the Wendy s/Arby s Group Performance Committee monitors which executive officers may be subject to Section 162(m) in order to maximize the amount of compensation paid to these officers that will be deductible under Section 162(m).

Certain types of performance-based compensation are exempted from the $1.0 million limit. Performance-based compensation can include income from stock options, performance-based restricted stock, and certain formula driven compensation that meets the requirements of Section 162(m) (such as the provisions of the 1999 Executive Bonus Plan). The Wendy s/Arby s Group Performance Committee seeks to structure performance-based and equity compensation for the named executive officers in a manner that complies with Section 162(m) in order to provide for the

deductibility of such compensation. At the same time, there may be circumstances in which the Wendy s/Arby s Group Compensation Committee and/or Performance Committee determines, in the exercise of its independent judgment that it is in the best interests of the Company to provide for compensation that may not be deductible.

Another section of the Code, Section 409A, affects the manner by which deferred compensation opportunities are offered to the Company s employees because Section 409A requires that nonqualified deferred compensation be structured in a manner that limits employees abilities to accelerate or further defer certain kinds of deferred compensation. The Company has undertaken the necessary steps to ensure that its existing deferred compensation plans are operated in accordance with Section 409A.