

THE **Wendy's** COMPANY
Quality is Our Recipe...Worldwide



First Quarter 2012 Earnings Conference Call

May 8, 2012

THE **Wendy's** COMPANY
Quality is Our Recipe...Worldwide



JOHN BARKER

CHIEF COMMUNICATIONS OFFICER



Today's Agenda



Financial Update

Steve Hare

CEO Overview

Emil Brolick

Q&A

Forward-Looking Statements and Non-GAAP Financial Measures



This presentation, and certain information that management may discuss in connection with this presentation, contains certain statements that are not historical facts, including information concerning possible or assumed future results of our operations. Those statements constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (The “Reform Act”). For all 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 our forward-looking statements. 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 those identified under the caption “Forward-Looking Statements” in our news release issued on May 8, 2012 and in the “Special Note Regarding Forward-Looking Statements and Projections” and “Risk Factors” sections of our most recent Form 10-K / Form 10-Qs.

In addition, this presentation and certain information management may discuss in connection with this presentation reference non-GAAP financial measures, such as adjusted earnings before interest, taxes, depreciation and amortization, or adjusted EBITDA, and adjusted earnings per share. Adjusted EBITDA and adjusted earnings per share exclude certain expenses, net of certain benefits. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the Appendix to this presentation, and are included in our news release issued on May 8, 2012 and posted on www.aboutwendys.com.

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**STEVE
HARE**

CHIEF FINANCIAL OFFICER



Q1 2012 Financial Summary

- Fourth consecutive quarter of positive SSS
- Q1 2012 system SSS of 0.8% lower than expected
 - Lost momentum from strong +5.1% SSS in 4Q 2011
- Margin negatively impacted by product mix and commodities
- Revising Adjusted EBITDA from continuing operations outlook to \$320 to \$335 million
- Investing in business to drive future growth

Q1 2012 Financial Highlights

January



February



March



Q1 2012 N.A. Same-Store Sales

Company-owned	+0.8%
Franchise	+0.7%
Systemwide	+0.7%

Company Restaurant Margin

Q1 2012	11.8%	} (160) bps
Q1 2011	13.4%	

Key Margin Variance

Commodities	(220) bps
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Q1 2012 Financial Highlights

<i>(\$ in Millions except per share amounts)</i>	<u>Q1 2012</u>	<u>Q1 2011</u>	<u>Better/ (Worse)</u>
Sales	\$ 519.9	\$ 509.3	\$ 10.6
Franchise revenues	73.3	73.2	0.1
Total revenues	<u>\$ 593.2</u>	<u>\$ 582.5</u>	<u>\$ 10.7</u>
Adjusted EBITDA*	\$ 63.9	\$ 73.7	\$ (9.8)
Income from continuing operations attributable to The Wendy's Company	\$ 12.4	\$ (0.3)	\$ 12.7
Reported EPS	\$ 0.03	\$ 0.00	\$ 0.03
Adjusted income from continuing operations attributable to The Wendy's Company*	\$ 3.3	\$ 9.3	\$ (6.0)
Adjusted EPS*	\$ 0.01	\$ 0.02	\$ (0.01)

* See reconciliation of Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), Adjusted Income and Adjusted Earnings per Share from continuing operations attributable to The Wendy's Company in the appendix.

Income from Continuing Operations and Special Items

Reconciliation of Adjusted Income and Adjusted Earnings per Share from Continuing Operations to Income (Loss) and Earnings per Share from Continuing Operations Attributable to The Wendy's Company

(Unaudited) (In thousands, except per share amounts)	First Quarter			
	2012		2011	
	per share		per share	
Adjusted income and adjusted earnings per share from continuing operations	\$ 3,347	\$ 0.01	\$ 9,300	\$ 0.02
Plus (less):				
Gain on sale of investment, net	17,978	0.05	-	-
Impairment of long-lived assets	(2,783)	(0.01)	(4,873)	(0.01)
Facilities relocation and other transition costs	(3,429)	(0.01)	-	-
Transaction related costs	(379)	(0.00)	(1,187)	(0.00)
Arby's indirect corporate overhead in general and administrative (G&A)	-	-	(4,970)	(0.01)
SSG purchasing cooperative expense reversal in G&A	-	-	1,434	0.00
Total Adjustments	11,387	0.03	(9,596)	(0.02)
Income (loss) from continuing operations and earnings per share	14,734	0.04	(296)	(0.00)
Net income attributable to noncontrolling interests	(2,384)	(0.01)	-	-
Income (loss) and earnings per share from continuing operations attributable to The Wendy's Company	\$ 12,350	\$ 0.03	\$ (296)	\$ (0.00)

* See reconciliation of Adjusted Income and Adjusted Earnings Per Share from Continuing Operations in the appendix.

Q1 2012 Cash Flow

<i>(\$ in Millions)</i>	<u>Q1 2012</u>
Net Income	\$ 14.7
Less: Adjustments	<u>(29.8)</u>
Cash flow used in operations	(15.1)
Capital expenditures	(47.0)
Restaurant acquisitions	(2.6)
Proceeds from sale of investment	24.4
Dividends paid	(7.8)
Other financing / investing activities	<u>(2.3)</u>
Net cash decrease before debt payments	(50.4)
Repayments of long-term debt	<u>(6.4)</u>
Net decrease in cash after debt payments	(56.8)
Beginning cash balance	<u>475.2</u>
Ending cash balance	<u><u>\$ 418.4</u></u>

Q1 2012 Consolidated Debt

<i>(\$ in Millions)</i>	<u>April 1, 2012</u>
Senior Debt	\$ 1,328.2
Capital Leases and Other Debt	24.2
Total Debt	<u>1,352.4</u>
Less: Cash and Cash Equivalents	418.4
Net Debt	<u>\$ 934.0</u>
TTM Adjusted EBITDA*	<u>\$ 321.2</u>
Total Debt / TTM Adjusted EBITDA*	<u>4.2x</u>
Net Debt / TTM Adjusted EBITDA*	<u>2.9x</u>

* See reconciliation of Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) in the appendix

Refinancing: Transaction Summary

- Wendy's International, Inc. raising \$1.125 billion of new secured term loans and \$200 million of revolving Credit Facility
 - Improves covenant flexibility, extends maturity and increases liquidity
 - Annual interest savings of \$25 million
- Transaction proceeds will be used*:
 - To redeem or repurchase Wendy's Restaurants' existing 10% Senior Notes due 2016
 - To refinance the Company's existing credit facilities
 - For general corporate purposes, including the funding of related transaction fees and expenses
- Timing
 - May 15: Settlement of tender
 - July 16: Expected completion of the call

* Subject to market conditions and other factors, Wendy's Restaurants currently intends to redeem on July 16 any Senior Notes that remain outstanding following consummation of the tender offer.

2012 and Long-Term Outlook

- **2012 outlook for Adjusted EBITDA from Continuing Operations lowered to a range of \$320 to \$335 million**
- **Reaffirming long-term average annual Adjusted EBITDA growth rate in the high-single-digit to low-double-digit range beginning in 2013**

2012 Revised Outlook

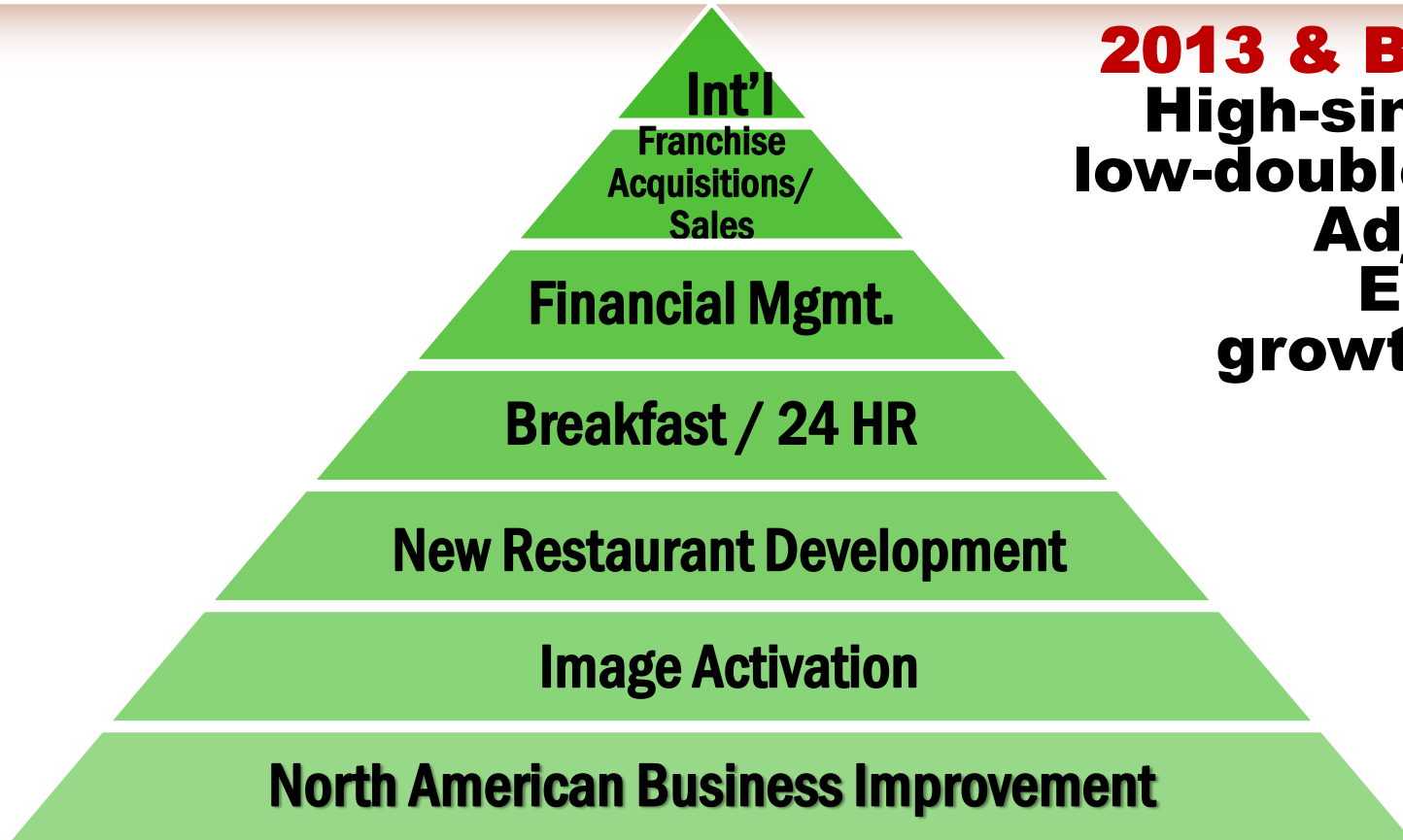
- Sales momentum from October 2011 launch of Dave's Hot 'N Juicy Cheeseburger line did not carry over into Q1 2012
 - The "W" Cheeseburger diluted marketing message and cannibalized positive momentum from Dave's Hot 'N' Juicy
- Q1 marketing calendar did not drive sales
 - Intense competitive couponing and discounting
 - Wendy's marketing messages were less effective in driving transactions

2012 Revised Outlook

- Unfavorable product mix resulted in negative impact on margin
 - The “W” Cheeseburger was mispriced at \$2.99
 - More beef on the “W” (4.5 ounces) than on Dave’s Hot ‘N’ Juicy (4 ounces)
 - Caused trade-down from premium rather than trade-up from value
 - Raising the “W” a la carte price from \$2.99 to \$3.19 prior to March promotion did not achieve desired results
 - Consumers changed buying behavior
 - Managed check by buying fewer or different items to maintain or reduce spending
 - Resulted in less leverage on fixed costs

STRATEGIC ACTIONS TO IMPROVE PERFORMANCE

Wendy's Long-Term Strategic Growth Components



**2013 & Beyond
High-single to
low-double digit
Adjusted
EBITDA
growth rate**

THE **Wendy's** COMPANY
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EMIL BROLICK

PRESIDENT & CHIEF EXECUTIVE OFFICER



1st Quarter Below Expectations



- Refining marketing messages
- Dynamic consumer & market environment
- Restaurant execution improving
- Big brand image building
- 2012: Transition year

We Remain Confident in Our Strategies



- “A Cut Above” brand positioning
- “Recipe to Win”
- Growth platforms to produce shareholder value
- Financial resources
- Building people capabilities
- Iron-willed determination



“A CUT ABOVE”

A CUT ABOVE



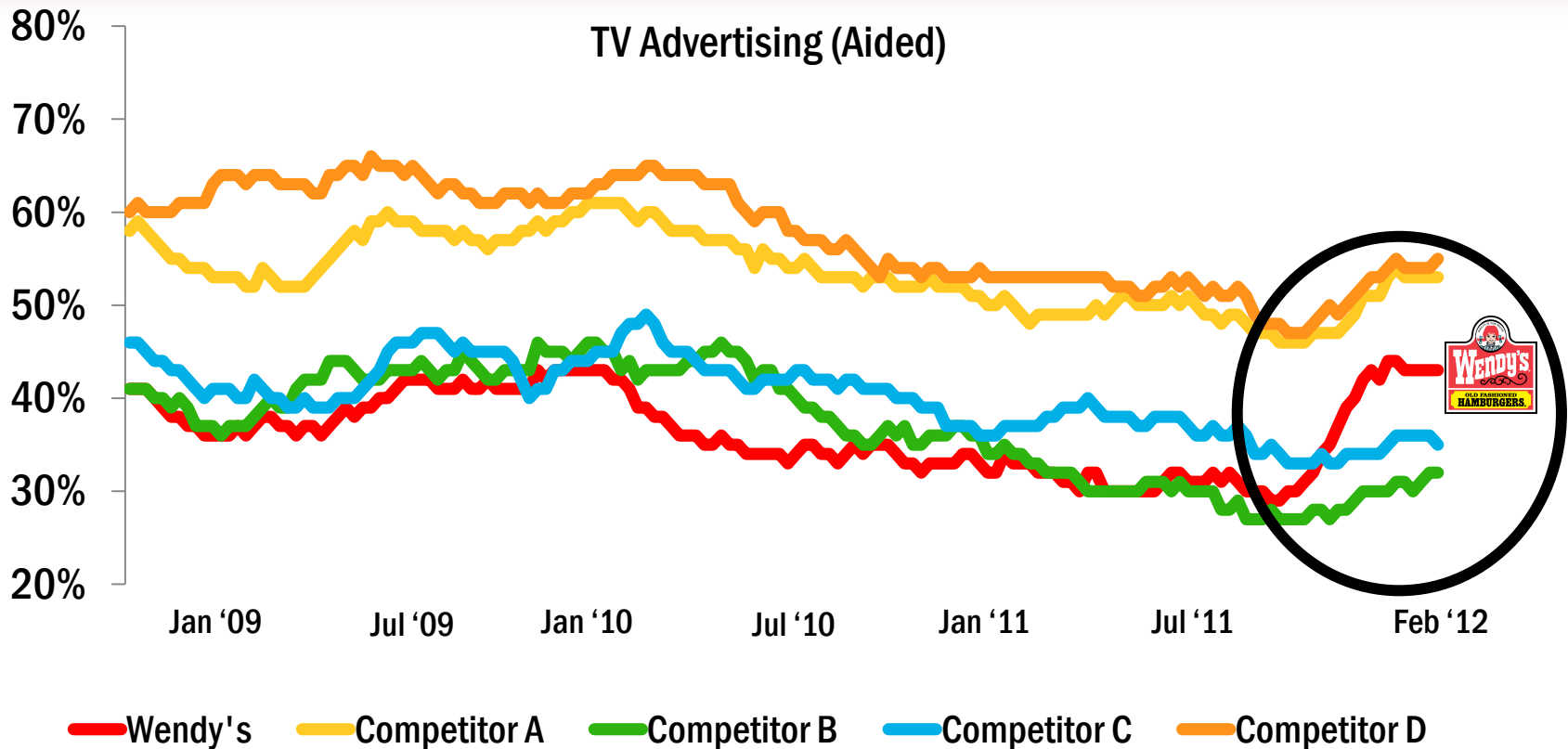
Why it will work

- Reimagining the Restaurants
- Reimagining the People
- Reimagining the Experience
- Reimagining the Food
- Reimagining the Brand Communications

Wendy's Big Brand Perceptions Poised to Rebound!



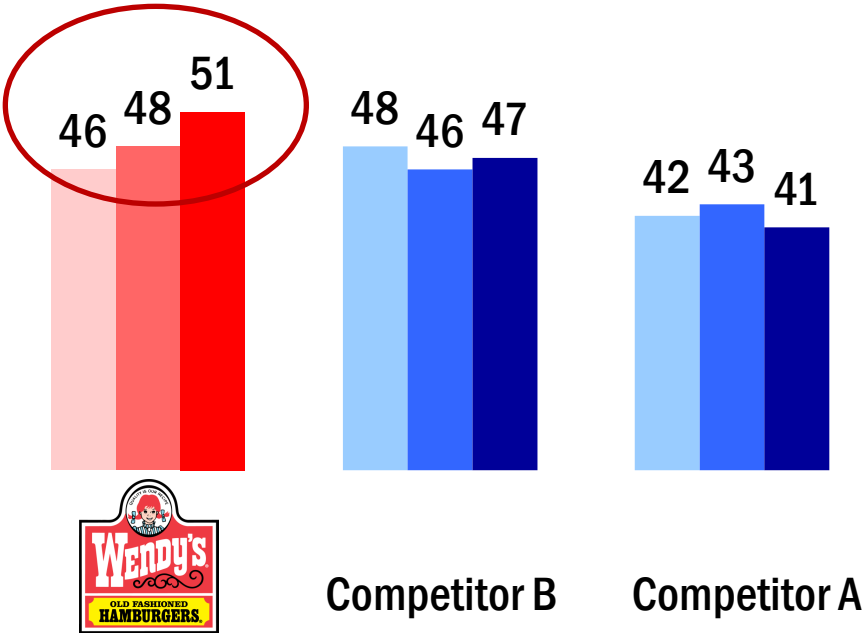
Wendy's Advertising Awareness Levels Have Spiked to Highest Levels in Over 2 Years



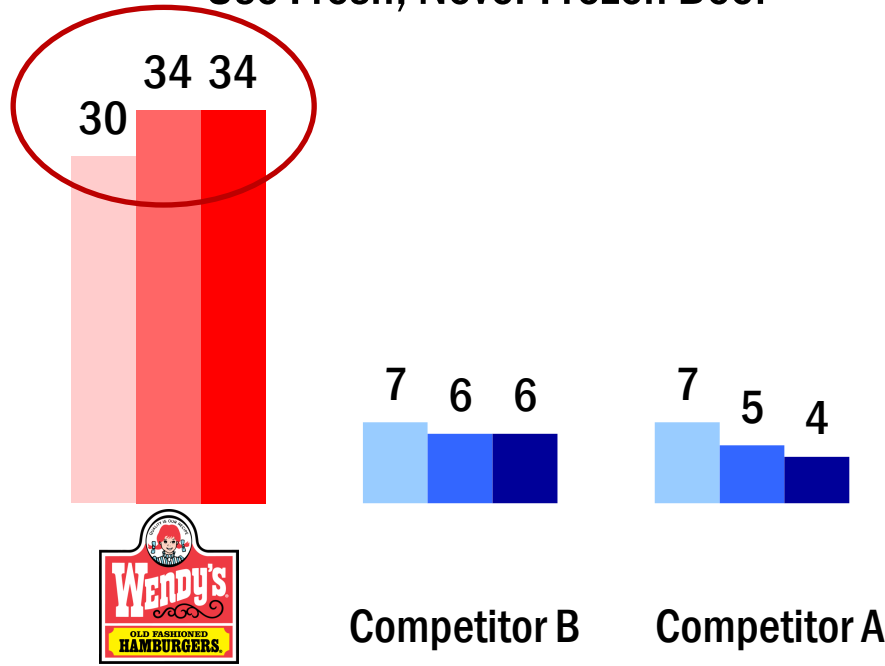
Since the Launch of Dave's Hot 'N Juicy Cheeseburgers, Wendy's has Made Gains in Hamburger Attributes

Q3 '11 Q4 '11 Q1 '12

Great Tasting Hamburgers



Use Fresh, Never Frozen Beef



Source: Millward Brown. Data based on Q3 2011, Q4 2011, Q1 2012.



RECIPE TO WIN

TOOLS

P PRICE

P PRODUCT

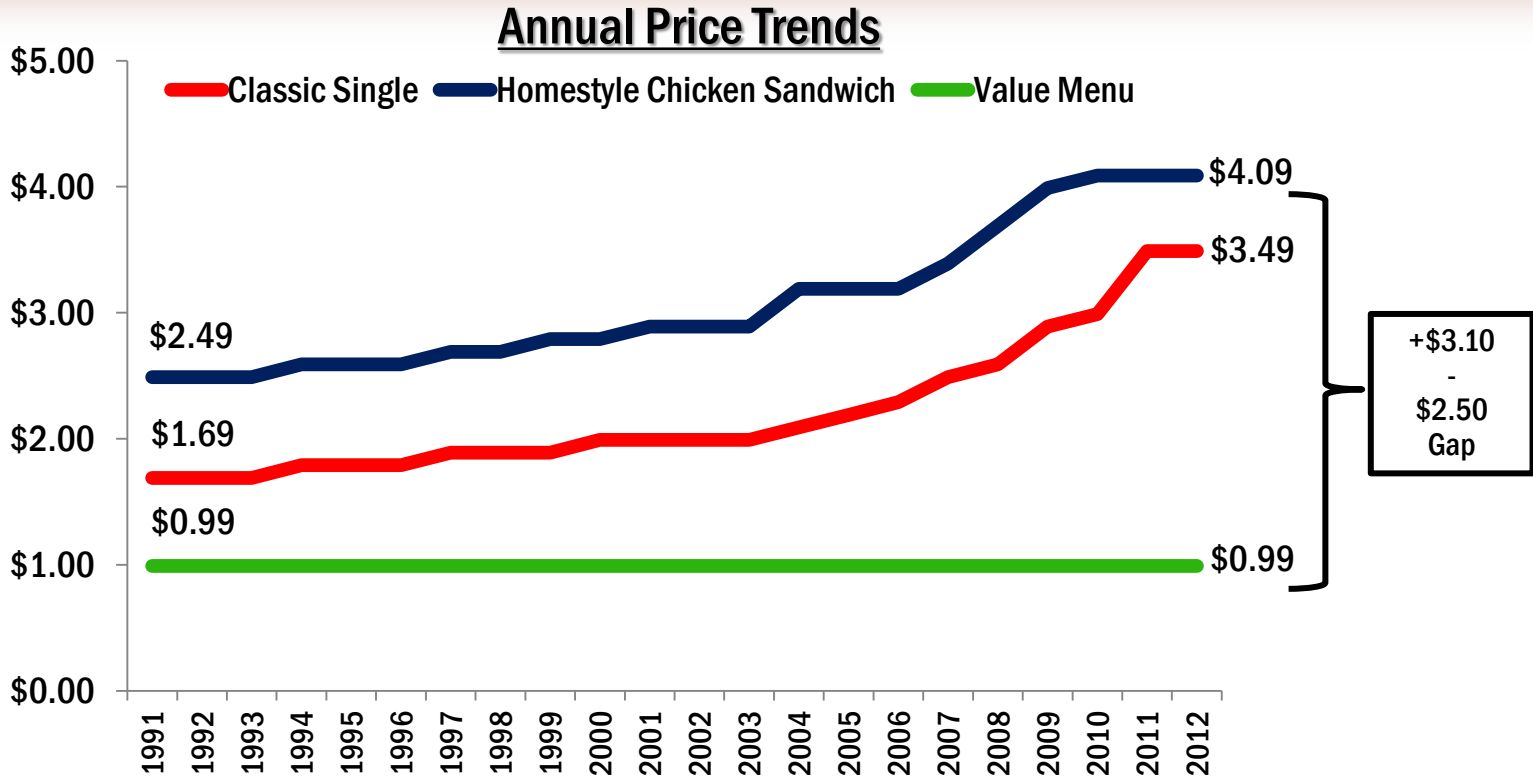
P PROMOTION

P PLACE

P PERFORMANCE

P PEOPLE

PRICE: Price/Value Imbalance



Company Stores

In 2011, Single transitioned to include cheese in standard build.

2011 pricing reflects blended cheese/no cheese price, prior years show pricing for Single no cheese.

PRICE



Right Price ...

Right Size ...

Right Quality ...

- Moving to a tighter 99-cent value menu
- Testing products / prices at “value” tiers above 99 cents

EVERYDAY VALUE MENU	
JR. CHEESEBURGER	99¢
CRISPY CHICKEN SANDWICH	99¢
5-PC. SPICY CHICKEN NUGGETS	99¢
VALUE NATURAL-CUT FRIES	99¢
VALUE SOFT DRINK	99¢
SMALL FROSTY	99¢



PLACE

RECIPE TO WIN

IMAGE ACTIVATION

- Ten 2011 prototypes exceeding sales expectations
- Customer reaction extremely positive
- Elevates customer experience with innovative interior and exterior designs



IMAGE ACTIVATION PERFORMANCE

Consumer Insights on Restaurant Design

All Interiors are a “WOW” customer experience

- Welcoming, Positive Ambiance: Fireplaces, Lounge Seating, Booths, TVs
- Separation Between Order Placement and Pick Up
- New Queue and Front Counter are Differentiators, Not Typical QSR



IMAGE ACTIVATION PROGRESS

- **2012**
 - 50 reimages
 - 20 new builds
 - Testing with select franchisees
- **2013**
 - Plan to accelerate with tiered investment approach
 - Developing financing sources for franchisees





RECIPE TO WIN

PEOPLE

- Deliver “A Cut Above” customer experience
- Provide a Fast Casual experience at traditional QSR price



Improving Reliability and Predictability



RECIPE TO WIN

PEOPLE

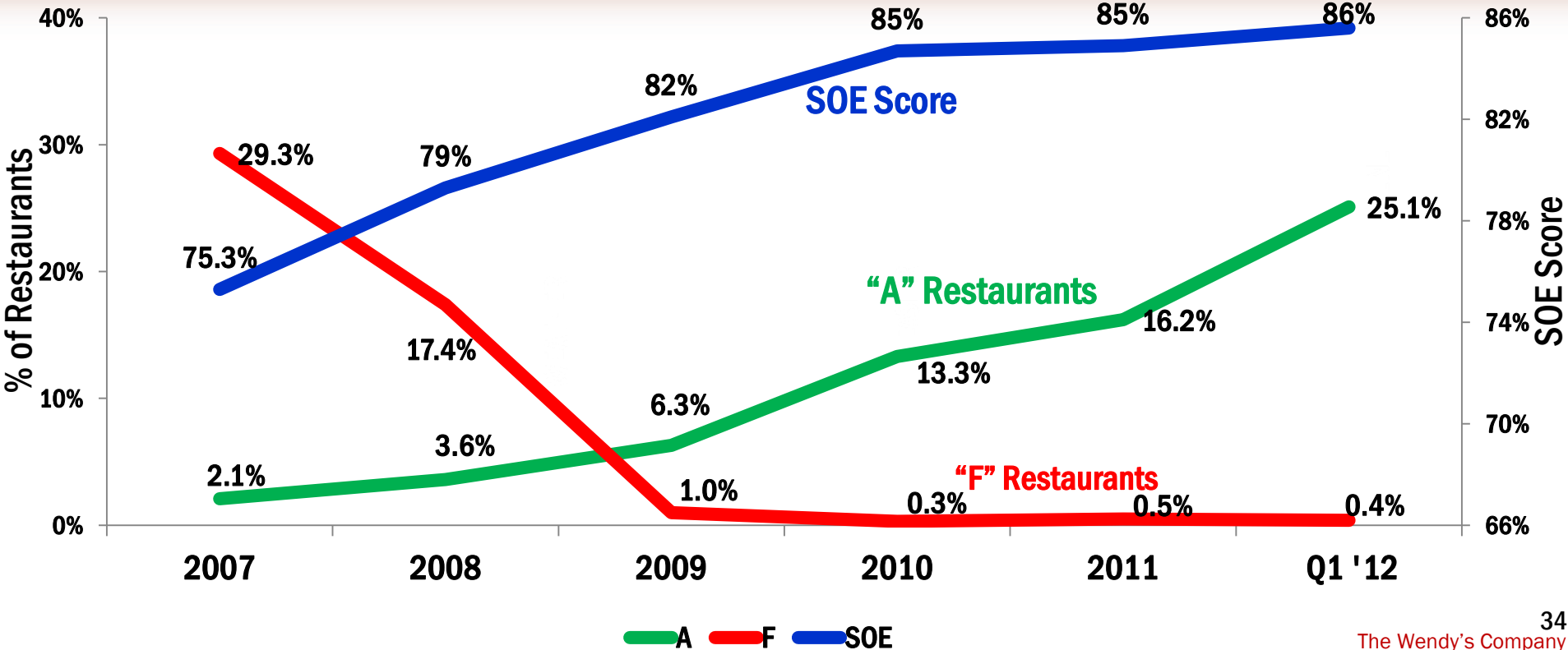
Executive Leadership:

- Hired Craig Bahner, Chief Marketing Officer
- Hired Scott Weisberg, Chief People Officer
- Promoted John Peters, SVP of Operations



PERFORMANCE

Sparkle Operators Evaluation (SOE) scores at all-time highs



PROMOTION: Advertising



New advertising campaign and strategy:

- Began April 2
- Smartly challenges consumer food choices and promotes the benefits of choosing Wendy's
- Features two consumer champions:
 - **Consumer advocate**
 - **Wendy Thomas**

PROMOTION: Advertising

Product / Promotion

Advocate for consumers

- Contemporizes brand
- Sets expectations for the Wendy's experience
- 76% positive sentiment in social media; 18,000+ new campaign conversations; mentioned every 132 seconds.

“Now, That’s Better”



PROMOTION: Advertising



Brand Promise

Brand heritage and ambassador: Wendy Thomas

- Demonstrates brand values: Quality, Fresh preparation, Honest Food
- Sets expectation for Wendy's quality



RECIPE TO WIN

PRODUCT

Spicy Chicken Guacamole Club



CHILI CHEESE FRIES

Our national-cut fries with sea salt topped with slow-cooked, rich and moaty chili.

MAC & CHEESE

Made with a blend of real white and Vermont cheddar cheeses.

BAKED SWEET POTATO

Fresh baked for an hour in our kitchen and served with an all-natural, factory cinnamon spread.

NEW SIGNATURE SIDES



Making sides that make the meal.
That's Wendy's way.

PRODUCT: Strengthen The Core

- **Hamburgers:** Promotional LTO
- **Heritage Products:** Baked Potato, Frosty and Chili
- **Salads:** Seasonal favorite





PRODUCT

RECIPE TO WIN

Dave's
HOT 'N JUICY
CHEESEBURGERS

we believe honest food just tastes better. Taste for yourself...

\$2 OFF ANY LARGE ENTREE SALAD	FREE SMALL FROSTY™ with the purchase of a large sandwich in any combo	\$1.00 KIDS' MEAL with the purchase of a large sandwich in any combo	FREE LARGE CHICKEN SANDWICH Every Monday through Thursday with purchase of meal or large "Hot 'N Juicy" drink
FREE DAVE'S HOT 'N JUICY™ SINGLE CHEESEBURGER with purchase of meal or large "Hot 'N Juicy" drink	FREE LARGE CHICKEN SANDWICH Every Monday through Thursday with purchase of meal or large "Hot 'N Juicy" drink	FREE SMALL SIGNATURE BEVERAGE on national holidays, with any 2 for 1 purchase of meal or large "Hot 'N Juicy" drink	FREE DAVE'S HOT 'N JUICY™ SINGLE CHEESEBURGER with purchase of meal or large "Hot 'N Juicy" drink

Direct Mail Coupons

Brand Access and Asset Utilization

- Breakfast is most rapidly growing QSR daypart past five years & next five years
- Breakfast is 22% of QSR traffic, 17% of QSR sales
- Puts Wendy's in position to serve 24 hours



Breakfast Menu Strategy

Premium ingredients and authentic preparation



Signature Sandwiches

Distinctive

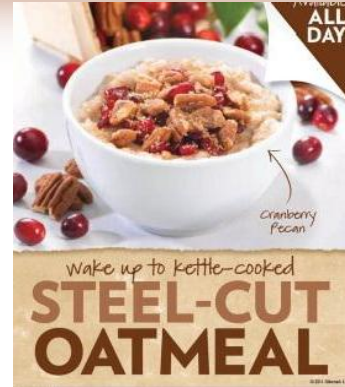
Artisan Egg Sandwich
Mornin' Melt Panini
Biscuit Sandwiches



Beverages/Coffee

Coffee Credibility

Red Head Roasters
Orange Juice
Soft Drinks



Sides

Differentiation

Home-Style Potatoes
Steel-Cut Oatmeal
Fruit Cup



Value

Everyday Affordability

Sausage & Egg Burrito
Oatmeal Bar
Sausage Biscuit

Breakfast Next Steps

- Focused on improving breakfast sales and profitability
- Expand to Northeastern U.S. market in summer 2012
- Adding breakfast to certain reimaged and new restaurants
- Evaluating optimal expansion strategy



INTERNATIONAL OPPORTUNITY

International Update

Development Update

- Opened 4 restaurants in Q1, increasing total restaurant count to 354
- Added 37 new restaurant commitments increasing total commitments to 636
- Total (open / commitments) ~ 1,000 restaurants
- Signed development agreement with Wissol Group for Georgia & Republic of Azerbaijan for 25 restaurants

Buenos Aires



Buenos Aires, Argentina

International Update



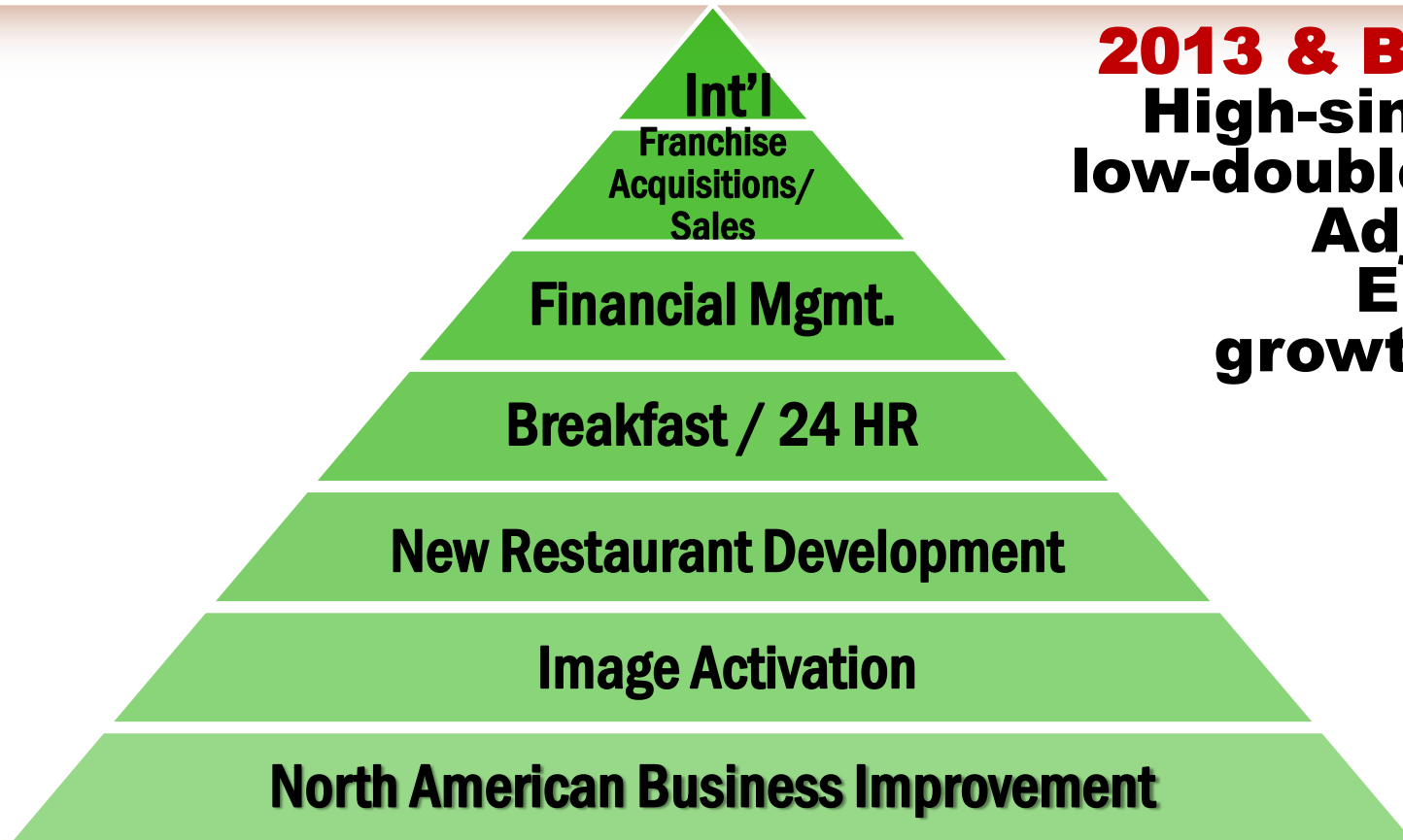
● Following Recipe to Win: 6 P's

- Refining menu architecture to drive “A Cut Above” positioning
- Launching Dave’s Hot ‘N Juicy in many markets in May and June
- Translating and activating “Now That’s Better” campaign



**Premium Porcini Mushroom
Chicken Sandwich in Japan**

Wendy's Long-Term Strategic Growth Components



**2013 & Beyond
High-single to
low-double digit
Adjusted
EBITDA
growth rate**

Summary



- We know what we want to be...“A Cut Above”
- We know how to get there...“The Recipe to Win”
- We have the growth platforms to produce shareholder value
- We have the financial resources
- We are building the people capability
- We have great franchise partners
- We have iron-willed determination

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JOHN BARKER

CHIEF COMMUNICATIONS OFFICER



Upcoming Investor Calendar



- **May 23:** Morgan Stanley Retail Conference
- **May 24:** The Wendy's Company Annual Meeting
- **June 28:** Investor Day in Dublin, OH
- **August 9:** 2Q Earnings Release

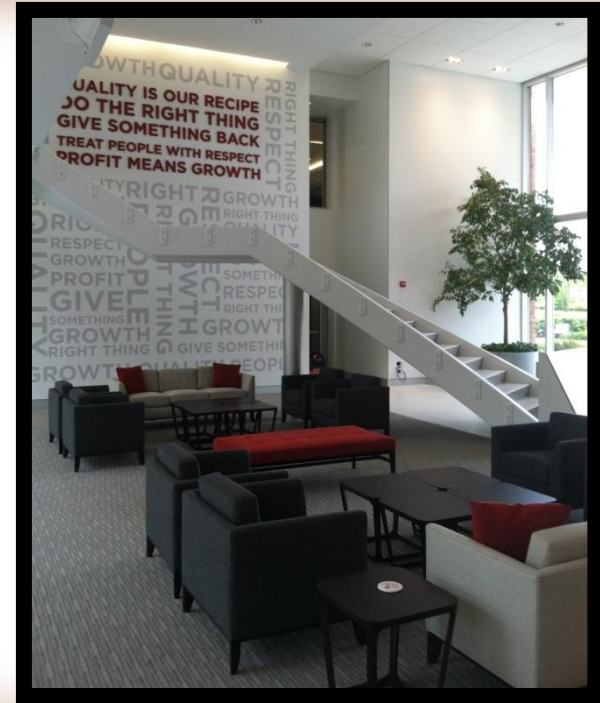
JUNE INVESTOR DAY

Thursday, June 28 in Dublin, OH

- Management Presentations
- Image Activation restaurant tours
- Formal invitations will be e-mailed

**The Wendy's Company
Restaurant Support Center**

June 28, 2012
8:00 am – 4:00 pm



Wendy's[®]

A CUT ABOVE

THE **Wendy's** COMPANY
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Appendix

Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income (Loss) Attributable to The Wendy's Company

(Unaudited)	First Quarter	
	2012	2011
	(In thousands)	
Adjusted EBITDA from continuing operations	\$ 63,881	\$ 73,725
(Less) plus:		
Depreciation and amortization	(32,311)	(30,314)
Impairment of long-lived assets	(4,511)	(7,897)
Facilities relocation and other transition costs	(5,531)	-
Transaction related costs	(612)	(1,884)
Arby's indirect corporate overhead in general and administrative (G&A)	-	(7,888)
SSG purchasing cooperative expense reversal in G&A	-	2,275
Operating profit	20,916	28,017
Interest expense	(28,235)	(29,442)
Gain on sale of investment, net	27,407	-
Other income, net	1,524	253
Income (loss) from continuing operations before income taxes and noncontrolling interests	21,612	(1,172)
(Provision for) benefit from income taxes	(6,878)	876
Income (loss) from continuing operations	14,734	(296)
Loss from discontinued operations, net of income taxes	-	(1,113)
Net income (loss)	14,734	(1,409)
Net income attributable to noncontrolling interests	(2,384)	-
Net income (loss) attributable to The Wendy's Company	<u>\$ 12,350</u>	<u>\$ (1,409)</u>

Reconciliation of Adjusted Income from Continuing Operations and Adjusted Earnings per Share to Income (Loss) from Continuing Operations and Earnings per Share Attributable to The Wendy's Company

(Unaudited) (In thousands, except per share amounts)	First Quarter			
	2012		2011	
	per share		per share	
Adjusted income and adjusted earnings per share from continuing operations	\$ 3,347	\$ 0.01	\$ 9,300	\$ 0.02
Plus (less):				
Gain on sale of investment, net	17,978	0.05	-	-
Impairment of long-lived assets	(2,783)	(0.01)	(4,873)	(0.01)
Facilities relocation and other transition costs	(3,429)	(0.01)	-	-
Transaction related costs	(379)	(0.00)	(1,187)	(0.00)
Arby's indirect corporate overhead in general and administrative (G&A)	-	-	(4,970)	(0.01)
SSG purchasing cooperative expense reversal in G&A	-	-	1,434	0.00
Total Adjustments	<u>11,387</u>	<u>0.03</u>	<u>(9,596)</u>	<u>(0.02)</u>
Income (loss) from continuing operations and earnings per share	14,734	0.04	(296)	(0.00)
Net income attributable to noncontrolling interests	<u>(2,384)</u>	<u>(0.01)</u>	-	-
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