

The Wendy's Company and Subsidiaries
Consolidated Statement of Operations
Twelve Month Period Ended December 29, 2013
(In Thousands Except Per Share Amounts)
(Audited)

	Twelve Months
	2013¹
Revenues:	
Sales	\$ 2,102,881
Franchise revenues	320,788
	2,423,669
Costs and expenses:	
Cost of sales	1,780,931
General and administrative	291,544
Depreciation and amortization	175,391
System optimization gains, net	(51,276)
Reorganization and realignment costs	37,017
Impairment of long-lived assets	36,385
Impairment of goodwill	9,397
Other operating expense, net	4,950
	2,284,339
Operating profit	139,330
Interest expense	(68,644)
Loss on early extinguishment of debt	(28,563)
Investment income, net	23,565
Other expense, net	(2,096)
Income from continuing operations before income taxes	63,592
Provision for income taxes	(16,057)
Income from continuing operations	47,535
Net loss from discontinued operations	(2,903)
Net income	44,632
Net loss attributable to noncontrolling interests	855
Net income attributable to The Wendy's Company	\$ 45,487
Basic income (loss) per share:	
Continuing operations	\$ 0.12
Discontinued operations	(0.01)
Net income	\$ 0.12
Diluted income (loss) per share:	
Continuing operations	\$ 0.12
Discontinued operations	(0.01)
Net income	\$ 0.11
Number of shares used to calculate basic income (loss) per share	392,585
Number of shares used to calculate diluted income (loss) per share	398,680

¹ 2013 consolidated statement of operations reflects reclassifications to conform to the current year presentation.

	December 29,
	2013²
	(Unaudited)
Balance Sheet Data:	
Cash and cash equivalents	\$ 579,507
Total assets	4,352,339
Long-term debt, including current portion	1,450,978
Total stockholders' equity	1,929,486

² December 29, 2013 balance sheet data reflects our bakery's assets and liabilities as discontinued operations.

Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income
(In Thousands)
(Unaudited)

	Twelve Months
	2013¹
Adjusted EBITDA from continuing operations	\$ 346,244
(Less) plus:	
Depreciation and amortization	(175,391)
System optimization gains, net	51,276
Reorganization and realignment costs	(37,017)
Impairment of long-lived assets	(36,385)
Impairment of goodwill	(9,397)
Operating profit	139,330
Interest expense	(68,644)
Loss on early extinguishment of debt	(28,563)
Investment income, net	23,565
Other expense, net	(2,096)
Income from continuing operations before income taxes	63,592
Provision for income taxes	(16,057)
Income from continuing operations	47,535
Net loss from discontinued operations	(2,903)
Net income	44,632
Net loss attributable to noncontrolling interests	855
Net income attributable to The Wendy's Company	\$ 45,487
Adjusted EBITDA margin	14.3%
Previously reported Adjusted EBITDA ¹	\$ 367,133
Updated to exclude net gain on disposal of assets	(4,705)
Updated to exclude Adjusted EBITDA from our bakery's discontinued operations	(16,184)
Adjusted EBITDA from continuing operations	\$ 346,244

¹ 2013 Adjusted EBITDA updated to conform to the current year presentation.

**Reconciliation of Adjusted Income and Adjusted Earnings Per Share from
Continuing Operations to Net Income and Diluted Earnings Per Share
(In Thousands Except Per Share Amounts)
(Unaudited)**

	<u>Twelve Months</u>	
	<u>2013¹</u>	
		<u>Per share</u>
Adjusted income and adjusted earnings per share from continuing operations	\$ 110,691	\$ 0.28
Plus (less):		
System optimization gains, net	151,427	0.38
Reorganization and realignment costs	(102,598)	(0.25)
Depreciation of assets that will be replaced as part of the Image Activation initiative	(23,822)	(0.06)
Loss on early extinguishment of debt	(17,829)	(0.05)
Impairment of long-lived assets	(75,174)	(0.19)
Impairment of goodwill	(9,207)	(0.02)
Loss on sale of investment, net	(503)	(0.00)
Dividend from Arby's	14,550	0.03
Total adjustments	<u>(63,156)</u>	<u>(0.16)</u>
Income from continuing operations	47,535	0.12
Net loss from discontinued operations	<u>(2,903)</u>	<u>(0.01)</u>
Net income	44,632	0.11
Net loss attributable to noncontrolling interests	855	0.00
Net income and diluted earnings per share attributable to The Wendy's Company	<u>\$ 45,487</u>	<u>\$ 0.11</u>
Previously reported adjusted income and adjusted earnings per share ¹	\$ 119,215	\$ 0.30
Updated to exclude net gain on disposal of assets	(2,936)	(0.01)
Updated to exclude adjusted income from our bakery's discontinued operations	<u>(5,588)</u>	<u>(0.01)</u>
Adjusted income and adjusted earnings per share from continuing operations	\$ 110,691	\$ 0.28

¹ 2013 Adjusted income and adjusted earnings per share updated to conform to the current year presentation.