

# Wendy's International, Inc.



## CORPORATE NEWS

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### **Wendy's International, Inc. announces second-quarter same-store sales**

### **Wendy's produces positive comps, highest in last seven quarters**

### **Tim Hortons continues momentum with solid results in Canada and U.S.**

DUBLIN, Ohio (July 5, 2006) – Wendy's International, Inc. (NYSE: WEN) today announced preliminary same-store sales for its second quarter, which ended on Sunday, July 2, 2006:

- Wendy's® same-store sales increased 0.5% to 0.6% at U.S. company stores and 0.9% to 1.0% at U.S. franchised restaurants.
- Same-store sales increased 6.0% to 6.1% at Tim Hortons® restaurants in Canada and 8.1% to 8.3% at restaurants in the United States
- Baja Fresh® Mexican Grill's system same-store sales declined -5.5% to -5.8%.

"Our second quarter represents the best same-store sales period for the Wendy's brand in more than a year and a half," said interim Chief Executive Officer and President Kerri Anderson. "Our June same-store sales were the highest in the quarter, showing a significantly improving trend. We are also optimistic about our initiatives to build customer traffic in the back half of the year."

In April Wendy's introduced its new Frescata™ deli sandwich line, which features high-quality deli meats, fresh toppings and artisan bread that is baked at the restaurant. During the second quarter Wendy's also promoted its Late-Night business; its Fix n' Mix Frosty™, featuring the customer's choice of M&Ms®, Butterfinger® or Oreo® toppings; Combo Choices, which offers consumers a choice of side items with the purchase of a sandwich; a new 3-Tier Combo program; a new 99-cent chicken sandwich; and Wendy's Kids' Meal® Choices program, featuring two nutritious new Kids' Meal sandwiches and a low-fat yogurt and granola side option. Wendy's announced today that it will be introducing a Vanilla Frosty at most locations throughout the U.S., beginning in August.

Wendy's food costs continue to improve, with beef, chicken and bacon all trending lower relative to 2005. While Wendy's per-pound cost for fresh ground beef during the second quarter of 2006 was approximately flat compared to its per-pound price one year ago, the Company expects its third-quarter beef price to improve on a system-wide basis by an average of 13.5% compared to the third quarter of 2005. Average beef costs for the first nine months of 2006 will be 7.8% lower than in the same period in 2005. The Company expects rising utility costs to partly offset the improvement in food costs.

### **Tim Hortons continues strong sales performance**

In April Tim Hortons promoted its new caramel-themed baked goods, including caramel apple fritters, caramel streusel cakes, caramel-chocolate donuts, caramel turnovers. In May the Company promoted iced cappuccino with "flavor shots" of butter

caramel, French vanilla, hazelnut or raspberry. These flavor shots can also be added to other beverages. Through May and June, Tim Hortons introduced a new chunky chicken salad wrap, and later in June promoted strawberry-themed desserts, featuring a strawberry tart.

**Tim Hortons shares to be spun off to existing Wendy's shareholders by October 1**

The Company recently announced that its Board of Directors has confirmed its intent to spin off the 160.0 million shares of Tim Hortons that it currently owns. The shares represent an 82.75% ownership stake in Tim Hortons. Wendy's is now targeting Oct. 1, 2006, to complete the Tim Hortons spin-off, assuming it has received from the IRS a ruling on the tax-free status of the distribution by that time.

**Company continues to move forward with plan to reduce costs**

The Company recently completed a key step in its program to achieve \$100 million in cost savings, as approximately 115 full-time U.S. employees elected last month to accept voluntary early retirement packages. The employees who accepted the voluntary early retirement packages will comprise a portion of the total 350 to 375 positions the Company has targeted as part of its total planned workforce reduction.

The Company expects to incur charges during the second quarter as a result of its voluntary early retirement plan, severance related to its planned reduction in workforce and other expenses related to the cost-reduction initiative. These charges, as well as other previously announced factors, will result in lower 2006 second-quarter earnings per share relative to the second quarter of 2005.

**Second-quarter earnings release scheduled for July 27**

The Company will release second-quarter earnings at 1 p.m. on Thursday, July 27 and host a conference call beginning at 4:00 p.m. (Eastern) the same day. Investors and the public may participate in the conference call in either one of the following ways:

- Phone Call: The dial-in number is (877) 572-6014 (U.S. and Canada) or (706) 679-4852 (International). No need to register in advance.
- Simultaneous Web Cast: Available at [www.wendys-invest.com](http://www.wendys-invest.com). The call will also be archived at that site.

**Tim Hortons to release second-quarter earnings July 27**

Tim Hortons will release second-quarter earnings at 1 p.m. on Thursday, July 27, and host a conference call beginning at 3:00 p.m. (Eastern) the same day. Investors and the public may participate in the conference call in either one of the following ways:

- Phone Call: The dial-in number is (877) 572-6014 (Canada and U.S.) or (706) 679-4852 (International). No need to register in advance.
- Simultaneous Web Cast: Available at [www.timhortons-invest.com](http://www.timhortons-invest.com) and [www.wendys-invest.com](http://www.wendys-invest.com). The call will also be archived at that site.

**Second-Quarter Same-Store Sales Summary**

	<b>2Q 2006</b>	<b>2Q 2005</b>	<b>2006 YTD</b>
Wendy's U.S. Company	0.5% to 0.6%	-4.6%	-2.1% to -2.2%
Wendy's U.S. Franchise	0.9% to 1.0%	-3.9%	-2.1% to -2.2%
Tim Hortons Canada	6.0% to 6.1%	5.6%	7.3% to 7.4%
Tim Hortons U.S.	8.1% to 8.3%	9.1%	8.9% to 9.0%
Baja Fresh System	-5.5% to -5.8%	-4.1%	-4.6% to -4.8%

## Monthly Same-Store Sales Summary for April\*, May, and June

	April 2006	April 2005	May 2006	May 2005	June 2006	June 2005
Wendy's U.S. Company	0.2%	-5.8%	-0.5%	-4.0%	2.0% to 2.2%	-3.7%
Wendy's U.S. Franchise	0.5%	-5.5%	-0.1%	-2.9%	2.3% to 2.5%	-2.9%
Tim Hortons Canada	5.0%	6.5%	6.4%	6.3%	7.0% to 7.3%	3.7%
Tim Hortons U.S.	5.6%	11.5%	10.0%	9.0%	9.4% to 9.7%	6.2%

\* April sales results were impacted by an Easter shift, as the holiday was in the first quarter a year ago, but was in the second quarter this year.

### Safe Harbor statement

Certain information in this news release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, is forward looking. Factors set forth in our Safe Harbor under the Private Securities Litigation Reform Act of 1995, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor statement at <http://www.wendys-invest.com/safeharbor>.

### Wendy's International, Inc. overview

Wendy's International, Inc. is one of the world's largest restaurant operating and franchising companies with more than 9,900 total restaurants and quality brands, including Wendy's Old Fashioned Hamburgers® and Baja Fresh Mexican Grill. The Company also has investments in three additional quality brands – Tim Hortons, Cafe Express and Pasta Pomodoro®. More information about the Company is available at [www.wendys-invest.com](http://www.wendys-invest.com).

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