



Wendy's Announces Strong and Improved 2007 Third-Quarter Results as Turnaround of the Business Continues

Excluding expenses related to the Board's Special Committee and restructuring charges:

- **Income from continuing operations increased 55.0% to \$38.6 million, up from \$24.9 million a year ago**
- **Diluted EPS from continuing operations were \$0.44, a 110% increase compared to \$0.21 a year ago**
- **Total EBITDA from continuing operations increased 57.5% to \$95.0 million, up from \$60.3 million a year ago**

Management expects to produce 2007 full-year EBITDA and EPS near the higher end of the guidance range, reflecting improving margins and cost controls

DUBLIN, Ohio (October 25, 2007) – Wendy's International, Inc. (NYSE: WEN) today announced strong financial results for the third quarter of 2007, reflecting the continuing turnaround of the business, significantly improving restaurant margins and cost controls.

Including third-quarter pre-tax expenses related to the Board's Special Committee of \$13.4 and \$2.4 million of pre-tax restructuring charges (as used throughout, restructuring charges include pension settlement charges), the Company reported income from continuing operations of \$28.8 million and diluted EPS of \$0.33 in the third quarter of 2007, compared to \$23.7 million and \$0.20 per share in the third quarter of 2006. Earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations were \$79.2 million in the third quarter of 2007, up 35.8% from \$58.3 million in the third quarter of 2006.

Excluding expenses related to the Board's Special Committee and restructuring charges, the Company reported for the third quarter of 2007 adjusted income from continuing operations of \$38.6 million and diluted earnings per share of \$0.44, compared to \$24.9 million and \$0.21 per share in the third quarter of 2006. Excluding expenses related to the Board's Special Committee and restructuring charges, adjusted EBITDA for the third quarter 2007 was \$95.0 million, up 57.3% from \$60.3 million in the third quarter of 2006.

	Including expenses		Excluding expenses*	
	3Q 2007	3Q 2006	3Q 2007	3Q 2006
Income from continuing operations	\$28.8 million	\$23.7 million	\$38.6 million	\$24.9 million
Diluted EPS from continuing operations	\$0.33	\$0.20	\$0.44	\$0.21
EBITDA from continuing operations	\$79.2 million	\$58.3 million	\$95.0 million	\$60.3 million

* Excluding expenses related to the Board's Special Committee and restructuring charges. See reconciliations below.

Margins increased significantly during quarter with the U.S. up 330 basis points

Company-operated restaurant EBITDA margins improved 270 basis points to 12.4% in the third quarter of 2007, compared to 9.7% one year ago. This includes U.S., Canada and International operations.

U.S. company-operated restaurant EBITDA margins improved 330 basis points to 12.6% in the third quarter of 2007, reflecting positive sales, including menu price increases tied to the Company's market-based pricing strategy and labor efficiencies. Without the impact of higher commodity costs, third-quarter U.S. company-operated restaurant EBITDA margins would have improved an additional 140 basis points to 14.0%.

"We continue to execute our strategic plan and delivered significantly improved results this quarter at both the corporate and store level despite a very tough competitive environment and commodity cost pressures," said Wendy's® Chief Executive Officer and President Kerri Anderson.

"Our EBITDA growth is encouraging and store operating margins continue to expand," said Anderson. "We're revitalizing Wendy's with a focus on connecting with the consumer, new products, more effective menu management, our market-based pricing strategy, breakthrough advertising and improving operations. That said, we have even greater opportunities to better meet the needs of our customers, grow same-store sales and further increase margins."

Management expects to produce 2007 full-year EBITDA near the higher end of the guidance range, which was \$295 million to \$315 million

The Company expects to report 2007 full-year EBITDA near the higher end of the outlook it provided to investors in June, which was a range of \$295 million to \$315 million. It also expects to report full-year EPS near the high end of the range provided earlier, which was \$1.09 to \$1.23. These ranges exclude expenses related to the Board's Special Committee activities and restructuring charges.

"Our progress on key elements of our business since June has been positive," Anderson said. "We are focused on building on this momentum in the fourth quarter and 2008."

Wendy's to feature Combo Choices and Jalapeno Cheddar Double Melt in fourth quarter

Wendy's is currently promoting its Combo Choices, allowing customers to mix-and-match their favorite sandwich, drink and choice of a side item – fries, chili, baked potato, side salad or Caesar side salad. In November, the Company will promote its Jalapeno Cheddar Double Melt premium hamburger.

"We are focused on driving same-store sales and transactions by improving our connection to the customer," said Chief Marketing Officer Ian Rowden. "The Jalapeno Cheddar Double Melt offers a unique way for customers to enjoy a 'hot 'n juicy' hamburger with toppings melted in the middle of two, 'fresh, never frozen', beef patties. Customers can't get this at the competition.

"In addition, for a limited time, customers can get a free music download when they upgrade a Jalapeno Cheddar Double Melt or any other sandwich to a Medium or Large Wendy's Combo Meal. We want to keep adding value so customers choose Wendy's more often."

Wendy's continues the roll-out of its new breakfast menu, now in more than 850 restaurants, of which 35% are franchise locations.

The Company's "Red Wig" marketing campaign made great strides in the third quarter and continues to break through with targeted younger customers who frequent quick-service restaurants. Of consumers who were aware of Wendy's advertising, nearly 25% recalled the "Red Wig" character top of mind, up from 4% recall in the prior quarter. In addition, Ameritest's Ad Appraiser, a leading advertising effectiveness syndicated provider, shows that Wendy's advertising ranks higher than key competitors based on attention, branding and motivation.

WENDY'S INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

(Unaudited)

	Third Quarter Ended			
	<u>9/30/2007</u>	<u>10/1/2006</u>	<u>\$ Change</u>	<u>% Change</u>
REVENUES				
Sales	\$554,808	\$556,681	(\$1,873)	-0.3%
Franchise revenues	76,339	73,427	2,912	4.0%
TOTAL REVENUES	<u>631,147</u>	<u>630,108</u>	<u>1,039</u>	<u>0.2%</u>
COSTS & EXPENSES				
Cost of sales	334,929	345,751	(10,822)	-3.1%
Company restaurant operating costs	148,577	155,251	(6,674)	-4.3%
Operating costs	6,323	8,323	(2,000)	-24.0%
Depreciation of property & equipment	27,989	31,515	(3,526)	-11.2%
General & administrative expenses	49,253	62,427	(13,174)	-21.1%
Restructuring and special committee related charges	15,862	2,002	13,860	n/m
Other (income) expense, net	(2,864)	(1,616)	(1,248)	77.2%
TOTAL COSTS & EXPENSES	<u>580,069</u>	<u>603,653</u>	<u>(23,584)</u>	<u>-3.9%</u>
OPERATING INCOME	51,078	26,455	24,623	93.1%
Interest expense	(10,355)	(8,872)	(1,483)	-16.7%
Interest income	2,891	14,632	(11,741)	-80.2%
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	43,614	32,215	11,399	35.4%
INCOME TAXES	<u>14,818</u>	<u>8,523</u>	<u>6,295</u>	<u>73.9%</u>
INCOME from continuing operations	\$28,796	\$23,692	\$5,104	21.5%
INCOME from discontinued operations¹	<u>\$1,114</u>	<u>\$45,476</u>	<u>(\$44,362)</u>	<u>-97.6%</u>
NET INCOME¹	<u>\$29,910</u>	<u>\$69,168</u>	<u>(\$39,258)</u>	
Diluted earnings per common share from continuing operations	<u>\$0.33</u>	<u>\$0.20</u>	<u>\$0.13</u>	
Diluted earnings per common share from discontinued operations ¹	<u>\$0.01</u>	<u>\$0.38</u>	<u>(\$0.37)</u> ¹	
Total diluted earnings per common share¹	<u>\$0.34</u>	<u>\$0.58</u>	<u>(\$0.24)</u> ¹	
Diluted shares	<u>88,407</u>	<u>118,290</u>		

n/m - not meaningful

¹Discontinued operations includes the results of Tim Hortons®, which was spun-off in September 2006, Baja Fresh® Mexican Grill, which was sold in November 2006, and Cafe Express, which was sold in July 2007. Because these three businesses are no longer owned by Wendy's International, Inc., the Company believes including the results of these businesses in a comparison of results between years does not provide a reasonable comparison of ongoing business results between years. In particular, income from discontinued operations and net income for the third quarter and year-to-date 2006 included \$42.4 million and \$159.8 million of income, respectively, from Tim Hortons® prior to its spin-off in September 2006.

WENDY'S INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

(Unaudited)

	Year-to-Date Ended			
	<u>9/30/2007</u>	<u>10/1/2006</u>	<u>\$ Change</u>	<u>% Change</u>
REVENUES				
Sales	\$1,636,064	\$1,627,887	\$8,177	0.5%
Franchise revenues	218,159	215,012	3,147	1.5%
TOTAL REVENUES	<u>1,854,223</u>	<u>1,842,899</u>	<u>11,324</u>	<u>0.6%</u>
COSTS & EXPENSES				
Cost of sales	996,167	1,021,278	(25,111)	-2.5%
Company restaurant operating costs	453,370	452,781	589	0.1%
Operating costs	15,110	42,497	(27,387)	-64.4%
Depreciation of property & equipment	84,790	94,199	(9,409)	-10.0%
General & administrative expenses	151,466	170,162	(18,696)	-11.0%
Restructuring and special committee related charges	27,498	31,000	(3,502)	-11.3%
Other (income) expense, net	(9,557)	(7,516)	(2,041)	27.2%
TOTAL COSTS & EXPENSES	<u>1,718,844</u>	<u>1,804,401</u>	<u>(85,557)</u>	<u>-4.7%</u>
OPERATING INCOME	135,379	38,498	96,881	251.7%
Interest expense	(33,460)	(26,753)	(6,707)	-25.1%
Interest income	10,858	27,654	(16,796)	-60.7%
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	112,777	39,399	73,378	186.2%
INCOME TAXES	<u>40,218</u>	<u>12,302</u>	<u>27,916</u>	<u>n/m</u>
INCOME from discontinued operations¹	<u>\$72,559</u>	<u>\$27,097</u>	<u>\$45,462</u>	<u>167.8%</u>
INCOME from discontinued operations	<u>\$1,271</u>	<u>\$64,188</u>	<u>(\$62,917)</u>	<u>-98.0%</u>
NET INCOME¹	<u><u>\$73,830</u></u>	<u><u>\$91,285</u></u>	<u><u>(\$17,455)</u></u>	
Diluted earnings per common share from continuing operations	<u>\$0.80</u>	<u>\$0.23</u>	<u>\$0.57</u>	
Diluted earnings per common share from discontinued operations ¹	<u>\$0.01</u>	<u>\$0.55</u>	<u>(\$0.54)</u> ¹	
Total diluted earnings per common share ¹	<u>\$0.81</u>	<u>\$0.78</u>	<u>\$0.03</u> ¹	
Diluted shares	<u>90,809</u>	<u>117,485</u>		

n/m - not meaningful

¹Discontinued operations includes the results of Tim Hortons®, which was spun-off in September 2006, Baja Fresh® Mexican Grill, which was sold in November 2006, and Cafe Express, which was sold in July 2007. Because these three businesses are no longer owned by Wendy's International, Inc., the Company believes including the results of these businesses in a comparison of results between years does not provide a reasonable comparison of ongoing business results between years. In particular, income from discontinued operations and net income for the third quarter and year-to-date 2006 included \$42.4 million and \$159.8 million of income, respectively, from Tim Hortons® prior to its spin-off in September 2006.

WENDY'S INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2007	December 31, 2006
	(Unaudited)	
	(Dollars in thousands)	
ASSETS		
Current assets		
Cash and cash equivalents	\$240,175	\$457,614
Accounts receivable, net	88,376	84,841
Deferred income taxes	13,229	29,651
Inventories and other	26,904	30,252
Advertising fund restricted assets	45,446	36,207
Assets held for disposition	11,635	15,455
Current assets of discontinued operations	0	2,712
	425,765	656,732
Property and equipment	2,088,064	2,024,715
Accumulated depreciation	(860,245)	(798,387)
	1,227,819	1,226,328
Goodwill	85,863	85,353
Deferred income taxes	5,786	4,316
Intangible assets, net	3,172	3,855
Other assets	85,959	82,738
Non current assets of discontinued operations	0	1,025
	\$1,834,364	\$2,060,347

WENDY'S INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2007	December 31, 2006
	(Unaudited)	
	(Dollars in thousands)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$89,502	\$93,465
Accrued expenses:		
Salaries and wages	34,288	47,329
Taxes	41,063	46,138
Insurance	60,509	57,353
Other	54,027	32,199
Advertising fund restricted liabilities	45,446	28,568
Current portion of long-term obligations	43,216	87,396
Current liabilities of discontinued operations	0	2,218
	<u>368,051</u>	<u>394,666</u>
Long-term obligations		
Term debt	521,302	537,139
Capital leases	18,799	18,963
	<u>540,101</u>	<u>556,102</u>
Deferred income taxes	50,514	30,220
Other long-term liabilities	77,439	66,163
Non current liabilities of discontinued operations	0	1,519
 Commitments and contingencies		
 Shareholders' equity		
Preferred stock, Authorized: 250,000 shares		
Common stock, \$.10 stated value per share, Authorized: 200,000,000 shares, Issued: 130,220,000 and 129,548,000 shares, respectively	13,022	12,955
Capital in excess of stated value	1,106,826	1,089,825
Retained earnings	1,285,114	1,241,489
Accumulated other comprehensive income (expense):		
Cumulative translation adjustments and other	27,572	9,100
Pension liability	(17,097)	(22,546)
	<u>2,415,437</u>	<u>2,330,823</u>
Treasury stock, at cost:		
42,844,000 and 33,844,000 shares, respectively	(1,617,178)	(1,319,146)
	<u>798,259</u>	<u>1,011,677</u>
	<u>\$1,834,364</u>	<u>\$2,060,347</u>

WENDY'S INTERNATIONAL, INC. AND SUBSIDIARIES
SYSTEMWIDE RESTAURANTS

	As of September 30 2007	As of July 1 2007	Increase/ (Decrease) From Prior Quarter	As of October 1 2006	Increase/ (Decrease) From Prior Year
<u>Wendy's</u>					
U.S.					
Company	1,288	1,297	(9)	1,320	(32)
Franchise	4,644	4,661	(17)	4,692	(48)
	5,932	5,958	(26)	6,012	(80)
Canada					
Company	141	145	(4)	148	(7)
Franchise	235	231	4	231	4
	376	376	0	379	(3)
Other International					
Company	2	2	0	5	(3)
Franchise	323	325	(2)	345	(22)
	325	327	(2)	350	(25)
Total Wendy's					
Company	1,431	1,444	(13)	1,473	(42)
Franchise	5,202	5,217	(15)	5,268	(66)
	6,633	6,661	(28)	6,741	(108)

WENDY'S INTERNATIONAL, INC.

Income Statement Definitions

Sales	Includes sales from company operated restaurants. Also included are sales of kids' meal toys and the sales to franchisees from Wendy's bun baking facilities.
Franchise Revenues	Consists primarily of royalties, rental income, gains from the sales of properties to franchisees and franchise fees. Franchise fees include charges for various costs and expenses related to establishing a franchisee's business.
Cost of Sales	Includes food, paper and labor costs for restaurants. Also included are the cost of kids' meal toys and cost of goods sold to franchisees from Wendy's bun baking facilities.
Company Restaurant Operating Costs	Consists of all costs necessary to manage and operate restaurants, except cost of sales and depreciation. These include advertising, insurance, maintenance, rent, etc., as well as support costs for personnel directly related to restaurant operations.
Operating Costs	Includes rent expense related to properties leased to franchisees and costs to operate and maintain Wendy's bun baking facilities.
General and Administrative Expenses	Costs that cannot be directly related to generating revenue.
Restructuring and Special Committee Related Charges	Includes restructuring costs and costs related to the Special Committee of the Board of Directors, which was formed to explore strategic alternatives for the Company.
Other Income and Expense	Includes expenses (income) that are not directly derived from the Company's primary businesses. This includes income from the Company's investments in joint ventures and other minority investments. Expenses include store closures, other asset write-offs, and sales of properties to non-franchisees.
Income from Discontinued Operations	Reflects net income from Tim Hortons Inc., Baja Fresh and Cafe Express.