

**The Wendy's Company and Subsidiaries**  
**Consolidated Statements of Operations**  
**Fiscal Year 2014 by Quarter<sup>1</sup>**  
(In Thousands Except Per Share Amounts)  
(Unaudited)

	<u>Three Months Ended March 30, 2014</u>	<u>Three Months Ended June 29, 2014</u>	<u>Three Months Ended September 28, 2014</u>	<u>Three Months Ended December 28, 2014</u>	<u>Twelve Months Ended December 28, 2014</u>
Revenues:					
Sales	\$ 418,071	\$ 407,651	\$ 393,444	\$ 389,289	\$ 1,608,455
Franchise revenues	90,379	98,428	103,226	98,014	390,047
	<u>508,450</u>	<u>506,079</u>	<u>496,670</u>	<u>487,303</u>	<u>1,998,502</u>
Costs and expenses:					
Cost of sales	363,365	335,141	332,645	323,935	1,355,086
General and administrative	69,611	66,433	65,173	59,515	260,732
Depreciation and amortization	40,580	37,998	34,873	40,431	153,882
System optimization (gains) losses, net	(72,977)	(1,418)	368	(17,483)	(91,510)
Reorganization and realignment costs	14,711	1,276	1,389	14,527	31,903
Impairment of long-lived assets	2,529	77	8,618	8,389	19,613
Other operating expense, net	3,357	5,403	9,360	8,088	26,208
	<u>421,176</u>	<u>444,910</u>	<u>452,426</u>	<u>437,402</u>	<u>1,755,914</u>
Operating profit	87,274	61,169	44,244	49,901	242,588
Interest expense	(12,942)	(13,083)	(13,148)	(12,821)	(51,994)
Other income, net	521	856	371	198	1,946
Income from continuing operations before income taxes	74,853	48,942	31,467	37,278	192,540
Provision for income taxes	(29,844)	(21,615)	(10,334)	(14,323)	(76,116)
Income from continuing operations	45,009	27,327	21,133	22,955	116,424
Net income from discontinued operations	1,294	1,680	1,697	339	5,010
Net income	<u>\$ 46,303</u>	<u>\$ 29,007</u>	<u>\$ 22,830</u>	<u>\$ 23,294</u>	<u>\$ 121,434</u>
Basic income per share:					
Continuing operations	\$ 0.12	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.31
Discontinued operations	-	-	-	-	0.01
Net income	\$ 0.12	\$ 0.08	\$ 0.06	\$ 0.06	\$ 0.33
Diluted income per share:					
Continuing operations	\$ 0.12	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.31
Discontinued operations	-	-	-	-	0.01
Net income	\$ 0.12	\$ 0.08	\$ 0.06	\$ 0.06	\$ 0.32
Number of shares used to calculate basic income per share	<u>381,551</u>	<u>366,712</u>	<u>366,880</u>	<u>365,497</u>	<u>370,160</u>
Number of shares used to calculate diluted income per share	<u>389,352</u>	<u>372,172</u>	<u>372,152</u>	<u>371,050</u>	<u>376,182</u>

<sup>1</sup> 2014 consolidated statements of operations reflect reclassifications to conform to the current year presentation.

**Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income**  
**Fiscal Year 2014 by Quarter**  
(In Thousands)  
(Unaudited)

	<u>Three Months Ended March 30, 2014</u>	<u>Three Months Ended June 29, 2014</u>	<u>Three Months Ended September 28, 2014</u>	<u>Three Months Ended December 28, 2014</u>	<u>Twelve Months Ended December 28, 2014</u>
Adjusted EBITDA from continuing operations	\$ 72,117	\$ 99,102	\$ 89,492	\$ 95,765	\$ 356,476
(Less) plus:					
Depreciation and amortization	(40,580)	(37,998)	(34,873)	(40,431)	(153,882)
System optimization (gains) losses, net	72,977	1,418	(368)	17,483	91,510
Reorganization and realignment costs	(14,711)	(1,276)	(1,389)	(14,527)	(31,903)
Impairment of long-lived assets	(2,529)	(77)	(8,618)	(8,389)	(19,613)
Operating profit	<u>87,274</u>	<u>61,169</u>	<u>44,244</u>	<u>49,901</u>	<u>242,588</u>
Interest expense	(12,942)	(13,083)	(13,148)	(12,821)	(51,994)
Other income, net	521	856	371	198	1,946
Income from continuing operations before income taxes	<u>74,853</u>	<u>48,942</u>	<u>31,467</u>	<u>37,278</u>	<u>192,540</u>
Provision for income taxes	(29,844)	(21,615)	(10,334)	(14,323)	(76,116)
Income from continuing operations	<u>45,009</u>	<u>27,327</u>	<u>21,133</u>	<u>22,955</u>	<u>116,424</u>
Net income from discontinued operations	1,294	1,680	1,697	339	5,010
Net income	<u>\$ 46,303</u>	<u>\$ 29,007</u>	<u>\$ 22,830</u>	<u>\$ 23,294</u>	<u>\$ 121,434</u>
Adjusted EBITDA margin	14.2%	19.6%	18.0%	19.7%	17.8%
Previously reported Adjusted EBITDA <sup>1</sup>	\$ 87,334	\$ 104,232	\$ 94,125	\$ 107,055	\$ 392,746
Updated to exclude net gain on disposal of assets	(12,051)	(970)	(581)	(8,346)	(21,948)
Updated to exclude Adjusted EBITDA from our bakery's discontinued operations	(3,166)	(4,160)	(4,052)	(2,944)	(14,322)
Adjusted EBITDA from continuing operations	<u>\$ 72,117</u>	<u>\$ 99,102</u>	<u>\$ 89,492</u>	<u>\$ 95,765</u>	<u>\$ 356,476</u>

<sup>1</sup> 2014 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  
Fiscal Year 2014 by Quarter  
(In Thousands Except Per Share Amounts)  
(Unaudited)**

	Three Months Ended March 30, 2014		Three Months Ended June 29, 2014		Three Months Ended September 28, 2014		Three Months Ended December 28, 2014		Twelve Months Ended December 28, 2014	
		Per share		Per share		Per share		Per share		Per share
Adjusted income and adjusted earnings per share from continuing operations	\$ 17,529	\$ 0.05	\$ 31,952	\$ 0.09	\$ 27,580	\$ 0.07	\$ 31,465	\$ 0.08	\$ 108,526	\$ 0.29
Plus (less):										
System optimization (gains) losses, net	43,625	0.11	(1,009)	(0.01)	94	0.00	5,535	0.02	48,245	0.13
Reorganization and realignment costs	(8,738)	(0.02)	(271)	(0.00)	(861)	(0.00)	(7,575)	(0.02)	(17,445)	(0.05)
Depreciation of assets that will be replaced as part of the Image Activation initiative	(5,897)	(0.02)	(3,369)	(0.01)	(728)	(0.00)	(1,946)	(0.01)	(11,940)	(0.03)
Impairment of long-lived assets	(1,510)	(0.00)	24	0.00	(5,073)	(0.01)	(4,524)	(0.01)	(11,083)	(0.03)
Gain on sale of investment, net	-	-	-	-	121	0.00	-	-	121	0.00
Total adjustments	27,480	0.07	(4,625)	(0.02)	(6,447)	(0.01)	(8,510)	(0.02)	7,898	0.02
Income from continuing operations	45,009	0.12	27,327	0.07	21,133	0.06	22,955	0.06	116,424	0.31
Net income from discontinued operations	1,294	0.00	1,680	0.00	1,697	0.00	339	0.00	5,010	0.01
Net income	\$ 46,303	\$ 0.12	\$ 29,007	\$ 0.08	\$ 22,830	\$ 0.06	\$ 23,294	\$ 0.06	\$ 121,434	\$ 0.32
Previously reported adjusted income and adjusted earning per share <sup>1</sup>	\$ 26,249	\$ 0.07	\$ 34,217	\$ 0.09	\$ 29,617	\$ 0.08	\$ 36,952	\$ 0.10	\$ 127,035	\$ 0.34
Updated to exclude net gain on disposal of assets	(7,435)	(0.02)	(598)	(0.00)	(358)	(0.00)	(5,151)	(0.02)	(13,542)	(0.04)
Updated to exclude adjusted income from our bakery's discontinued operations	(1,285)	(0.00)	(1,667)	(0.00)	(1,679)	(0.01)	(336)	(0.00)	(4,967)	(0.01)
Adjusted income and adjusted earning per share from continuing operations	\$ 17,529	\$ 0.05	\$ 31,952	\$ 0.09	\$ 27,580	\$ 0.07	\$ 31,465	\$ 0.08	\$ 108,526	\$ 0.29

<sup>1</sup> 2014 Adjusted income and adjusted earnings per share updated to conform to the current year presentation.