WENDYS INTERNATIONAL INC
Form S-4
August 28, 2009

As filed with the Securities and Exchange Commission on August 28, 2009

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WENDY S/ARBY S RESTAURANTS, LLC
(Exact name of Registrant as specified in its charter)

Delaware	**5812**	**38-0471180**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Nils H. Okeson
Senior Vice President, General Counsel and Secretary
Wendy s/Arby s Restaurants, LLC
1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
John C. Kennedy
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
212-373-3000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. £

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price (1)	Amount of registration fee (2)
10.00% Senior Notes Due 2016	$ 565,000,000	100 %	$ 565,000,000	$ 31,527
Guarantees of 10.00% Senior Notes Due 2016	N/A	N/A	N/A	N/A (3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933.

(2) The registration fee has been calculated pursuant to Rule 457(f) under the

Securities Act of 1933.

(3) No additional consideration is being received for the guarantees, and, therefore no additional fee is required.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Name	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Wendy s International, Inc.	Ohio	5812	31-0785108
The New Bakery Co. of Ohio, Inc.	Ohio	5812	58-1344157
Wendy s of Denver, Inc.	Colorado	5812	84-0692495
Wendy s of N.E. Florida, Inc.	Florida	5812	31-1300482
Wendy s Old Fashioned Hamburgers of New York, Inc.	Ohio	5812	31-0986349
BDJ 71112, LLC	Ohio	5812	31-1681356
Arby s Restaurant Holdings, LLC	Delaware	5812	38-0471180
Triarc Restaurant Holdings, LLC	Delaware	5812	34-1992713
Arby s Restaurant Group, Inc.	Delaware	5812	13-3760393
Arby s Restaurant, LLC	Delaware	5812	71-0898730
Arby s, LLC	Delaware	5812	13-3760393
Wendy s/Arby s Support Center, LLC	Delaware	5812	90-0256478
ARG Services, Inc.	Colorado	5812	20-5728240
Sybra, LLC	Michigan	5812	26-1552833
Arby s IP Holder Trust	Delaware	5812	13-3760393
RTM Acquisition Company, L.L.C.	Georgia	5812	58-2307207
RTM, LLC	Georgia	5812	13-3760393
RTM Partners, LLC	Georgia	5812	13-3760393
RTM Operating Company, LLC	Delaware	5812	26-1552790
RTM Development Company, LLC	Delaware	5812	13-3760393
RTMSC, LLC	South Carolina	5812	13-3760393
RTM Georgia, LLC	Georgia	5812	13-3760393
RTM Alabama, LLC	Alabama	5812	13-3760393
RTM West, LLC	California	5812	13-3760393
RTM Sea-Tac, LLC	Washington	5812	26-1539466
RTM Indianapolis, LLC	Ohio	5812	13-3760393
Franchise Associates, LLC	Minnesota	5812	13-3760393
RTM Savannah, LLC	Georgia	5812	13-3760393
RTM Gulf Coast, LLC	Alabama	5812	13-3760393
RTM Portland, LLC	Oregon	5812	26-1552697
RTM Mid-America, LLC	Indiana	5812	26-1552741
ARG Resources, LLC	Georgia	5812	26-1476024
Wendy s/Arby s International, Inc.	Delaware	5812	27-0353122

Wendy s/Arby s International Services, Inc.	Delaware	5812	27-0353174

The address of each of the additional registrants is c/o Wendy s/Arby s Restaurants, LLC, 1155 Perimeter Center West, Atlanta, Georgia 30338.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 28, 2009

PROSPECTUS

Wendy s/Arby s Restaurants, LLC

Exchange Offer for $565,000,000
10.00% Senior Notes due 2016

The Notes and the Guarantees

We are offering to exchange $565,000,000 of our outstanding 10.00% Senior Notes due 2016, which were issued on June 23, 2009 and which we refer to as the initial notes, for a like aggregate amount of our registered 10.00% Senior Notes due 2016, which we refer to as the exchange notes. The exchange notes will be issued under an indenture dated as of June 23, 2009.

The exchange notes will mature on July 15, 2016. We will pay interest on the exchange notes on January 15 and July 15 of each year, commencing on January 15, 2010, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.

The exchange notes will be jointly and severally guaranteed on a senior unsecured basis by most of our domestic restricted subsidiaries that guarantee our senior secured credit facilities.

The exchange notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior debt, will rank senior to all of our future subordinated debt, and will effectively rank junior to all secured debt to the extent of the value of the collateral and to all liabilities of non-guarantor subsidiaries.

Terms of the exchange offer

It will expire at 5:00 p.m., New York City time, on , 2009, unless we extend it.

If all the conditions to this exchange offer are satisfied, we will exchange all of the initial notes that are validly tendered and not withdrawn for exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled Risk Factors commencing on page 17.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Wendy s/Arby s Restaurants, LLC has agreed that, for a period of 90 days after the expiration date, it will make this prospectus available to any broker- dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is , 2009.

TABLE OF CONTENTS

INDUSTRY AND MARKET DATA

We obtained the market and competitive position data used throughout this prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data and we do not make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable but it has not been verified by any independent sources.

PROSPECTUS SUMMARY

This summary may not contain all of the information that may be important to you. You should read this prospectus carefully in its entirety before making an investment decision. In particular, you should read the section entitled Risk Factors included elsewhere in this prospectus and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

Unless otherwise specified or the context requires otherwise, (i) the term Wendy s/Arby s Group refers to Wendy s/Arby s Group, Inc., our parent company; and (ii) the terms we, us, our, Wendy s/Arby s Restaurants, a the Company refer collectively to Wendy s/Arby s Restaurants, LLC and its subsidiaries. The term initial notes refers to the 10.00% Senior Notes due 2016 that were issued on June 23, 2009 in a private offering. The term exchange notes refers to the 10.00% Senior Notes due 2016 offered with this prospectus. The term notes refers to the initial notes and the exchange notes, collectively.

Our Business

Wendy s/Arby s Restaurants, LLC is the parent company of Wendy s International, Inc. (Wendy s) and Arby s Restaura Group, Inc. (Arby s or ARG), two of the leading quick service restaurant (QSR) companies in the United States. We are a wholly owned subsidiary of Wendy s/Arby s Group, Inc., which is publicly listed on the New York Stock Exchange under the ticker symbol WEN. We are the 3rd largest QSR company in the United States based on systemwide sales and we franchise and/or operate more than 10,000 restaurants worldwide. Our revenues and EBITDA for the six months ended June 28, 2009 totaled $1.8 billion and $195.3 million, respectively.

Wendy s/Arby s Group was created in September 2008 through the combination of two leading restaurant brands, Wendy s® and Arby s®. We believe each brand is distinctly known for its longstanding tradition of product innovation and commitment to serving its customers high quality and freshly prepared food. On a combined basis, over 75% of our Wendy s and Arby s restaurant systems are franchised, which we believe provides for a recurring and profitable franchise royalty stream of revenues. As of June 28, 2009, we owned the land and buildings for over 750 of our 2,565 company-owned restaurants, and we utilized land and building leases for the remainder of our company-owned restaurants. We believe that our franchise business model, along with realized and future expected synergies from the Wendy s/Arby s merger integration, continued operational and margin improvement at our company-owned restaurants, efficient working capital management and relatively moderate levels of capital expenditure needs will result in attractive free cash flow generation. These capital expenditure needs include non-discretionary capital expenditures of approximately $70 million annually to maintain and remodel our restaurants.

Wendy s: It s Waaaay Better than Fast Food

Founded in 1969 by Dave Thomas, Wendy s is the 3rd largest U.S. restaurant franchising system specializing in the QSR hamburger sandwich segment based on system-wide sales, according to Technomic, a leading restaurant industry information provider. Wendy s is widely regarded as the quality leader among national QSR hamburger chains through its use of fresh ingredients, including Fresh, Never Frozen Beef. In 2009, the Zagat Survey named Wendy s No. 1 overall among QSR mega-chains as well as No. 1 in food quality and facilities. In addition to its reputation for serving high quality products, Wendy s has a strong history of innovation among QSR operators. Wendy s has continued to add to its iconic status through high-profile marketing campaigns such as Where s the beef? of the mid-1980 s, the Dave campaign of the 1990 s personified by Wendy s founder Dave Thomas and offering his commitment to quality products and service, and its current It s Waaaay Better than Fast Food campaign.

In addition to hamburgers, each Wendy s restaurant offers a distinctive menu featuring premium chicken breast sandwiches, wraps, chicken nuggets, chili, baked and French fried potatoes, freshly prepared salads, soft drinks, and Frosty desserts. Wendy s has also been able to participate in the

value segment of QSR with a number of affordable menu items such as its Value Trio, three sandwiches each for 99¢, which was offered during the second quarter of 2009.

The typical Wendy s restaurant is a free-standing, 3,000 square foot location with seating for approximately 70-85 people. The majority of our Wendy s locations feature a drive-thru window, which accounts for approximately 65% of our daily sales volume. Wendy s unit volumes for 2008 were approximately $1.5 million for company-owned restaurants and $1.4 million for franchised restaurants, primarily in the lunch and dinner dayparts, which together accounted for approximately 62% of our sales, while the snack and late night dayparts together accounted for approximately 37% of our sales. As of June 28, 2009, the Wendy s restaurant system was comprised of 6,608 restaurants, including 725 locations outside of the United States, 5,213 (79%) of which were franchised and 1,395 (21%) of which were company-operated.

Prior to the merger with Wendy s, company-owned Wendy s restaurant margins were underperforming those of Wendy s peers and franchisees. We believe there is a significant opportunity to improve profitability from our company-owned Wendy s restaurants by establishing a culture of store-level margin accountability and effectively managing food, labor and controllable costs at the restaurants. We believe we can improve the pre-merger margins of our company-owned Wendy s restaurants by approximately 500 basis points by the end of 2011, representing approximately $100 million of incremental annualized EBITDA. Our operating plan to date is already showing results as Wendy s company-owned restaurant margins increased by approximately 240 basis points year-over-year for the first half of 2009 (the third fiscal quarter since our merger with Wendy s).

I m Thinking Arby s

Arby s is the 2nd largest U.S. restaurant franchising system in the sandwich QSR segment, based on system-wide sales, according to Technomic. We believe that Arby s offers a unique, better tasting alternative to traditional fast food. The Arby s brand is recognized as an industry leader specialized in serving one-of-a-kind menu items such as its signature slow-roasted, thinly sliced roast beef sandwiches and Market Fresh® premium sandwiches, toasted subs, and salads made with wholesome ingredients and served with the convenience of a drive-thru.

Arby s has a longstanding history of menu innovation and quality products that originated when it was founded by the Raffel Brothers in July 1964. Arby s created menu favorites such as Beef n Cheddar, Curly Fries, Jamocha Shakes and signature sauces, such as Arby s BBQ sauce and Horsey Sauce®. In 2007, Arby s added Toasted Subs to its sandwich selections, which was Arby s largest menu expansion since the 2001 introduction of its Market Fresh line. Arby s initial lineup of Toasted Sub offerings included four varieties on toasted ciabatta rolls: the French Dip & Swiss, the Philly Beef, the Classic Italian and the Turkey Bacon Club. During March 2009, Arby s successfully launched its new Roastburger line of premium oven-roasted, thinly sliced roast beef sandwiches enhanced with a variety of fresh burger-style toppings.

Arby s restaurants in the United States and Canada are typically 2,500 to 3,000 square foot free-standing locations with seating for approximately 75 people. Almost all of the restaurants feature drive-thru window service which accounts for approximately 57% of our daily sales volume. Arby s unit volumes for 2008 were approximately $1.0 million for company-owned restaurants and $0.9 million for franchised restaurants, primarily in the lunch and dinner dayparts, which together accounted for approximately 71% of our sales, while the snack and late night dayparts together accounted for approximately 27% of our sales. As of June 28, 2009, the Arby s restaurant system was comprised of 3,745 restaurants, 2,575 (69%) of which were franchised and 1,170 (31%) of which were company-operated. Of the 2,575 franchisee-owned restaurants, 123 are operated outside the United States, principally in Canada.

Arby s quality products are generally sold at a premium price point. Combined with an efficient operating system and focus on costs, Arby s has historically generated strong restaurant-level margins. Over the last three fiscal years, Arby s restaurant margins averaged more than 18.5%. We believe that as we continue to leverage our brand equity in roast beef to increase visit frequency

among Arby s enthusiasts to drive same store sales growth, we can improve Arby s restaurant margins from current levels. For the six months ended June 28, 2009, Arby s restaurant margins have decreased by approximately 190 basis points to 14.6% as compared to the six months ended June 29, 2008.

Our Industry

We operate in the QSR segment, which is the largest segment of the restaurant industry and accounts for approximately 53% of total restaurant sales in the United States. According to Technomic, QSR restaurant industry sales were approximately $193 billion in 2008. QSR has generated attractive historical sales growth averaging 5% per year from 2004-2008.

Overall U.S. restaurant sales growth slowed in 2008 due to macroeconomic conditions and weakened consumer spending. According to Technomic, total restaurant sales increased by 0.4% in 2008 as compared to 3.9% in 2007. The QSR segment, however, outpaced the broader restaurant industry, growing 3.2% in 2008. We believe that during economic downturns, the QSR segment, as a whole, generally outperforms other restaurant segments because customers seek value and migrate to lower price points. Going forward, we believe that QSR growth is expected to be driven by continued consumer desire for quality food, product innovation, good customer service, value and convenience.

Our Competitive Strengths

Portfolio of Iconic Restaurant Brands: We believe our Wendy s and Arby s restaurant brands are two of the most recognizable restaurant brands in the industry. Combined, these iconic brands have over 10,000 restaurants and operate in 25 countries, with over $12 billion in system-wide sales. According to Technomic, we are the 3rd largest QSR company in the United States based on system-wide sales. Both Wendy s and Arby s were established in the 1960 s. We believe Wendy s and Arby s have created their strong brand recognition through high quality food, successful marketing and continuous product innovation.

Differentiated versus QSR Competition: We believe both Wendy s and Arby s are well positioned against their QSR competitors. Both brands maintain leading positions within their individual segments by offering high quality menu items and premium products. Wendy s and Arby s both maintain their relevance with their core customers through continued product innovation. While both brands are widely known for their premium menu offerings, Wendy s and Arby s also offer value-priced menu offerings such as Wendy s Value Trio and Arby s discounted meal combos and bundle promotions.

Attractive Cash Flow Generation: Both of our brands have a well-established base of franchisees. On a combined basis, over 75% of our Wendy s and Arby s restaurant networks are franchised, which we believe provides for a recurring and profitable franchise royalty stream of revenues. We believe our franchise business model increases the stability of our revenue stream and strengthens our profitability through attractive margin contribution. Franchise revenues were $187.3 million on a combined basis for the six months ended June 28, 2009. Combined with our low working capital requirements and moderate capital expenditure needs, we are able to convert a significant portion of our EBITDA to free cash flow. These capital expenditure needs include non-discretionary capital expenditures of approximately $70 million annually to maintain and remodel our restaurants. Additionally, we believe further free cash flow enhancement is possible as we continue to realize post-merger synergies and efficiencies, as well as restaurant level margin improvements.

Experienced Management Team: Our senior management team is led by Roland Smith. Mr. Smith has been the Chief Executive Officer (CEO) of Wendy s/Arby s Group since June 2007 and was CEO of Arby s from April 2006 to September 2008 and from 1997 to 1999. Our senior management team is comprised of experienced restaurant industry executives and former franchise operators. David Karam, recently appointed President of Wendy s, served as President of Cedar

3

Enterprises, a 133-unit franchisee of Wendy s, from 1989 to September 2008. Thomas Garrett, President and CEO of Arby s, joined the company in 2005 with the acquisition of RTM Restaurant Group (RTM), at the time the largest Arby s franchisee. Mr. Garrett served as president of RTM prior to the acquisition. Stephen Hare has served as Senior Vice President and Chief Financial Officer of Wendy s/Arby s Group since September 2007 and served as Chief Financial Officer of Arby s since June 2006. We believe that our senior management team s longstanding experience operating our restaurant brands, combined with significant franchise experience, provides us with the operational expertise to lead a turnaround of the business and increase profitability over the long term.

Our Business Strategy

We believe there are significant opportunities to grow our business, strengthen our competitive position and enhance our profitability through the execution of the following strategies:

Re-vitalize the Wendy s and Arby s Brands: Although both the Wendy s and Arby s brands are well-established with a strong base of loyal customers, for several years before the September 2008 merger (see Company Information), Wendy s product innovation and advertising campaigns became less effective in attracting customers. Additionally, Arby s recent sales performance has declined as a result of the weak economy and unprecedented discounting by its competitors. We believe that new, creative advertising campaigns focused on key target customer groups, supported by successful new premium product introductions, along with more effective value menu offerings by Arby s are critical elements of our strategy to re-vitalize the Wendy s and Arby s brands and increase sales over the long term. We intend to generate future same-store sales growth at our Wendy s and Arby s locations by:

Increasing traffic at Wendy s: We believe we can increase traffic at Wendy s by creating innovative menu items specifically targeting its two super segments : customers focused on quality and freshness and customers who are price/value driven. Our Premium Fish and Value Trio are recent examples of offerings designed to target these two groups.

Additionally, during the second quarter of 2009 we launched distinctive add-on items which we believe appeal to both groups such as our Frosty -Cino and Coffee Toffee Twisted Frosty and we have also recently launched our premium chicken product. Our product pipeline currently includes new premium hamburger menu items to be launched during the second half of 2009. With the introduction of new premium hamburger products later this year, we believe we can enhance the Wendy s brand reputation as having the highest quality food among national QSR companies.

Increasing traffic at Arby s: During March

2009, we offered a new line of premium sandwiches called Roastburgers to leverage our brand equity in roast beef and increase visit frequency among Arby s enthusiasts. We believe the launch of Arby s Roastburgers in March drove a significant improvement in same-store sales in March when compared to the previous two months. We also plan on targeting our large base of medium Arby s customers (which we define as customers who visit Arby s restaurants 1-3 times per month) by extending our menu to other oven-roasted premium sandwich offerings such as chicken and turkey and adding more affordable full-meal combos during the second half of 2009.

Expanding our Daypart Focus: We plan to increase our restaurant productivity by expanding our participation in the breakfast daypart at both Wendy s and Arby s. According to Consumer Report of Eating Share Trends (CREST), breakfast represents approximately 23% of QSR traffic and is the fastest growing QSR daypart segment. However, our participation in this important daypart is currently very limited at both brands. We are testing new breakfast offerings for Wendy s and plan to expand our test markets in 2010 for a national launch by late

2011.

Improve Wendy s Company-Owned Restaurant Profitability: One of our highest priorities since merging with Wendy s in September 2008 has been to generate an improved level of profitability from our company-owned Wendy s restaurants. We believe that by establishing a culture of store-level margin accountability and effectively managing food, labor and controllable costs at the restaurants, we can improve the pre-merger margins of our company-owned Wendy s restaurants by approximately 500 basis points by the end of 2011, representing approximately $100 million of incremental annualized EBITDA. Our operating plan to date is already showing results as our company-owned Wendy s restaurant margins increased by approximately 240 basis points year-over-year for the first half of 2009 (the third fiscal quarter since our merger with Wendy s).

Realize Cost Savings Related to the Wendy s/Arby s Integration: We are focused on effectively managing the integration of our brand support centers and building a shared services organization to achieve significant synergies and efficiencies across our brands. While Wendy s and Arby s will continue to operate as independent brands, we have launched a major initiative to improve profitability through corporate support function consolidation. As of December 28, 2008 (the end of the first fiscal quarter since our merger with Wendy s), we had already achieved approximately $25 million in annualized savings through budget efficiencies and top-level staffing reductions. We are seeking to generate a total of $60 million of annualized post-merger cost savings by the end of 2011. We also believe our combined corporate infrastructure will provide us with an attractive platform for possible future acquisitions and business combinations in the restaurant industry.

Strategically Grow our Franchise Base: As of June 28, 2009, we had 5,213 franchised Wendy s and 2,575 franchised Arby s locations. We believe our strong and well-established brands should lead to additional restaurant development among existing franchisees and attract new franchisees in North America. Additionally, we believe there are compelling opportunities to leverage our leading U.S. brands and expand into new international markets. Currently, our international franchise units represent approximately 8% of our total restaurant system, which is significantly lower than several of our peers. During the second quarter of 2009, we announced plans for new franchisees to build 135 dual branded Wendy s and Arby s restaurants in nine countries in the Middle East and North Africa and to build 35 Wendy s restaurants in Singapore. Franchise unit expansion generally requires a minimal capital requirement from us and further contributes to our recurring franchise revenue stream.

Company Information

We were formed in Delaware in October 2008 under the name Wendy s International Holdings, LLC and changed our company name to Wendy s/Arby s Restaurants, LLC on June 19, 2009 in connection with the offering of the initial notes. Our principal executive office is located at 1155 Perimeter Center West, Atlanta, Georgia 30338, telephone (678) 514-4100. Wendy s® and Arby s® are our registered trademarks. This prospectus also includes other trade names, trademarks and service marks of our company.

On September 29, 2008, a subsidiary of Triarc Companies, Inc. (Triarc) merged with and into Wendy s (the Wendy s Merger), Wendy s became a wholly owned subsidiary of Triarc and Triarc changed its name to Wendy s/Arby s Group, Inc.

Our fiscal year consists of 52 or 53 weeks ending each year on the Sunday closest to December 31. Each fiscal year generally is comprised of four 13-week fiscal quarters, although in the years with 53 weeks, including 2009, the fourth quarter represents a 14-week period.

SUMMARY OF THE EXCHANGE OFFER

In this subsection, we, us and our refer only to Wendy s/Arby s Restaurants, LLC, as issuer of the notes, and not its subsidiaries.

We are offering to exchange $565.0 million aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn.

Exchange Offer	We will exchange our exchange notes for a like aggregate principal amount at maturity of our initial notes.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on , 2009, unless we decide to extend it.
Conditions to the Exchange Offer	We will complete this exchange offer only if: there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer, there is no change in the current interpretation of the staff of the SEC which permits resales of the exchange notes, there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939, there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer, and we obtain all the governmental approvals we deem necessary to complete this exchange offer. Please refer to the section in this prospectus entitled The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under The Exchange Offer Exchange Agent. In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes.
Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should

	contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your notes by using the guaranteed delivery procedures described under the section of this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes Guaranteed Delivery Procedure.
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under The Exchange Offer Exchange Agent before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any initial note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled The Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging initial notes for exchange notes will not be a taxable event for holders of initial notes for U.S. federal income tax purposes. For more information, see Certain United States Federal Income Tax Considerations.
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled The Exchange Offer Fees and Expenses.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy certain of our obligations under our registration rights agreement entered into in connection with the offering of the initial notes.
Consequences to Holders Who Do Not Participate in the Exchange Offer	If you do not participate in this exchange offer: except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act,

you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and

the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

You will not be able to require us to register your initial notes under the Securities Act unless:

an initial purchaser requests us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or

you are prohibited by law or SEC policy from participating in the exchange offer or do not receive freely tradable exchange notes in the exchange offer.

In these cases, the registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled Risk Factors Your failure to participate in the exchange offer will have adverse consequences.

Resales It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under Obligations of Broker-Dealers below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto,

the exchange notes acquired by you are being acquired in the ordinary course of business,

you have no arrangement or understanding with any person to participate in a distribution of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes, you are not an affiliate, as defined in Rule 405 under the Securities Act, of ours, or you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable,

if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes, and

if you are a broker-dealer, initial notes to be exchanged were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes.

Please refer to the sections of this prospectus entitled The Exchange Offer Procedure for Tendering Initial Notes Proper Execution and Delivery of Letters of Transmittal, Risk Factors Risks Relating to the Exchange Offer Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes and Plan of Distribution.

Obligations of Broker-Dealers	If you are a broker-dealer (1) that receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuers in the initial offering and not as a result of market making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

Summary of Terms of the Exchange Notes

Issuer	Wendy s/Arby s Restaurants, LLC.
Exchange Notes	Up to $565.0 million aggregate principal amount of 10.00% Senior Notes due 2016. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Maturity	July 15, 2016.

Interest	10.00% per annum, paid every six months on January 15 and July 15, with the first payment on January 15, 2010, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.
Optional Redemption	On or after July 15, 2012, we may redeem some or all of the notes at any time at the redemption prices set forth in Description of the Notes Optional Redemption. In addition, prior to July 15, 2012, we may redeem the notes at a redemption price equal to 100% of the principal amount plus a make-whole premium. Before July 15, 2012, we may redeem up to 35% of the notes, including additional notes, with the

	proceeds of equity sales at a price of 110.00% of principal plus accrued interest, provided that at least 50% of the original aggregate principal amount of the notes remains outstanding after the redemption, as further described in Description of the Notes Optional Redemption.
Mandatory Offer to Repurchase	Upon the occurrence of certain change of control events described under Description of the Notes, you may require us to repurchase some or all of your notes at 101% of their principal amount plus accrued interest. The occurrence of those events may, however, be an event of default under our credit facility or other debt agreements, and those agreements may prohibit the

	repurchase. Further, we cannot assure you that we will have sufficient resources to satisfy our repurchase obligation. You should read carefully the sections called Risk Factors Risks Related to Our Substantial Indebtedness and the Notes We may be unable to make a change of control offer required by the indenture governing the notes which would cause defaults under the indenture governing the notes and our credit facilities and Description of the Notes.
Guarantors	All of our domestic restricted subsidiaries that guarantee our senior secured credit facilities are required to be guarantors of the notes, except as set forth below. Scioto Insurance Company, a Vermont captive

insurance company (Scioto), and Oldemark LLC (Oldemark), Scioto s wholly owned subsidiary, are subject to regulatory restrictions under Vermont insurance law that require governmental approval before they can incur guarantees. Each guarantee our senior secured credit facilities on a limited basis (limited to the lesser of (i) $200 million, or (ii) 90% of the excess of their total assets over their total liabilities (as determined in accordance with the terms of the guarantee)), but will not guarantee the notes. Oldemark owns substantially all of the U.S. trademarks and other intellectual property associated with the Wendy s brand. In addition, certain of our subsidiaries, including our foreign subsidiaries, do not guarantee our credit facilities and will not guarantee the notes. As of June 28, 2009, the non-guarantor subsidiaries had approximately $573 million of liabilities outstanding (which consists primarily of $425 million of deferred taxes principally related to intangible assets and also includes $2 million of long-term debt), and represented approximately 42.4% of our total combined assets (excluding intercompany balances) and 21.3% of our total combined liabilities, and would have contributed approximately 6.0% of our total combined revenue and did not contribute any EBITDA (excluding intercompany charges) for the six months ended June 28, 2009. Including intercompany charges, principally representing charges to operating entities for use of intellectual property owned by Oldemark, the non-guarantor subsidiaries would have contributed approximately 52.4% of our total combined EBITDA during that period and represented approximately 69.3% of our total combined assets as of June 28, 2009. Cash receipts from intercompany charges for the use of the intellectual property owned by Oldemark are used to settle intercompany balances with Wendy s International, Inc., our subsidiary and a guarantor of the notes, on a regular basis.

We currently intend eventually to cause Scioto to commute, transfer or otherwise eliminate its insurance obligations, relinquish its license to transact insurance, and take certain other actions that will result in no further restrictions on

Scioto and Oldemark guaranteeing indebtedness. Although there can be no assurance when or if we will be successful in removing those restrictions, Scioto and Oldemark will guarantee the notes when there are no restrictions imposed on them by the Vermont Department of Banking, Insurance, Securities and Health Care Administration (the Vermont Department of Insurance). So long as Scioto and Oldemark are regulated and do not guarantee the notes, they will not be permitted under the indenture governing the notes to incur any Debt (as defined under Description of the Notes) (other than the guarantee referred to above) and we will not be permitted to pledge their equity (other

	than to the credit facility lenders).
	Neither our parent company, Wendy s/Arby s Group, nor any of its subsidiaries that are not also owned by us will guarantee the notes.
Ranking	The notes and the subsidiary guaranties are unsecured and rank equally in right of payment with all of our and our guarantor subsidiaries other existing and future unsubordinated debt.
	The notes will effectively rank junior to all secured debt to the extent of the value of the collateral and to all liabilities of our subsidiaries that have not guaranteed the notes.

	At June 28, 2009: we and the guarantors had outstanding approximately $485 million of secured, unsubordinated debt; and our subsidiaries which have not guaranteed the notes had approximately $573 million of outstanding liabilities (which consists primarily of $425 million of deferred taxes principally related to intangible assets and also includes $2 million of long-term debt) that are effectively senior to the notes.
Certain Covenants	The indenture governing the notes contains covenants limiting our ability and our restricted subsidiaries ability to: incur additional debt or preferred or disqualified stock; pay dividends on our capital stock; redeem or repurchase capital stock or prepay or repurchase subordinated debt; make some types of investments and sell assets; create liens; engage in transactions with affiliates, except on an arms-length basis; and consolidate or merge with, or sell substantially all our assets to, another person. These covenants are subject to a number of important exceptions and qualifications, and certain of the covenants will be suspended at any time that the notes have an investment grade rating by both Moody s Investors Service, Inc. (Moody s) and Standard & Poor s Ratings Service (S&P). You shoul read Description of the Notes Certain Covenants for a description of these covenants.
Original Issue Discount	Because the initial notes were issued with original issue discount (OID), the exchange notes should be treated as having been issued with OID for U.S. federal income tax purposes. Thus, in addition to the stated interest on the exchange notes, U.S. Holders (as defined in Certain United States Federal Income Tax Considerations) will be required to include amounts representing the OID in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. For more information, see Certain United States Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes.

Absence of a Public Market for the Exchange Notes	The exchange notes are new securities with no established market for them. We cannot assure you that a market for these exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Relating to the Exchange Offer There may be no active or liquid market for the exchange notes.
Form of the Exchange Notes	The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company with U.S. Bank National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus

	entitled Description of the Notes Book Entry; Delivery and Form Exchange of Book Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants.
Risk Factors	See Risk Factors for a discussion of factors you should carefully consider before deciding to invest in the notes.

WENDY S/ARBY S RESTAURANTS, LLC SUMMARY FINANCIAL DATA

Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in Arby s and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s.

The summary historical combined statement of operations data presented below for each of the years in the three-year period ended December 28, 2008 have been derived from, and should be read together with, our audited combined financial statements and the accompanying notes included elsewhere in this prospectus.

The summary historical combined financial data presented below as of and for the six month periods ended June 28, 2009 and June 29, 2008 have been derived from, and should be read together with, our unaudited condensed combined financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

The following table also sets forth certain summary unaudited pro forma combined statement of operations data of Wendy s/Arby s Restaurants, LLC for the year ended December 28, 2008 and for the six months ended June 28, 2009. The summary pro forma combined statements of operations data have been prepared to illustrate the effect of the merger in which Wendy s became our wholly owned subsidiary as if the merger had taken place on December 31, 2007 (the first day of our 2008 fiscal year) and as if we had existed as a separate legal entity at the beginning of the earliest period presented. The summary pro forma combined statements of operations data also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering. All the data have been derived from our unaudited pro forma combined financial statements and the accompanying notes included elsewhere in this prospectus.

The financial statement data in the table below should be read in conjunction with the historical financial statements, Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are included elsewhere in this prospectus, the selected historical combined financial data contained in this prospectus and the unaudited pro forma combined statements of operation and accompanying notes to the unaudited pro forma combined financial statements included elsewhere in this prospectus. The unaudited pro forma combined financial statements are provided for informational purposes only and are not necessarily indicative of the combined operating results that would have occurred if the Wendy s Merger had been completed as of the dates set forth above, nor are they indicative of the future results or financial position of the combined company.

The summary combined financial data are qualified in their entirety by the more detailed information appearing in our combined financial statements and the related notes included elsewhere in this prospectus.

	Year Ended(1)				Six Months Ended(1)	
	December 31, 2006	December 30, 2007	December 28, 2008	Pro Forma Year Ended December 28, 2008 (Unaudited)	June 29, 2008	June 28, 2009
					(Unaudited)	
	(In millions)					
Combined Statement of Operations Data:						
Sales	$ 1,073.3	$ 1,113.4	$ 1,662.3	$ 3,279.5	$ 572.9	$ 1,589.
Franchise revenues	82.0	87.0	160.5	383.1	42.9	187.
Revenues	1,155.3	1,200.4	1,822.8	3,662.6	615.8	1,776.
Goodwill impairment			(460.1)	(460.1)		
Operating profit (loss)	95.3	108.7	(364.5)	(343.7)	34.6	86.
Income (loss) from continuing operations	25.4	32.8	(365.1)	(410.9)	4.3	18.
Loss from discontinued operations	(1.3)	(0.1)				
Net income (loss)	$ 24.1	$ 32.7	$ (365.1)	$ (410.9)	$ 4.3	$ 18.
Other Combined Financial Data:						
EBITDA (2)	$ 149.8	$ 168.2	$ 190.3	$ 310.7	$ 66.1	$ 195.
Capital expenditures	71.9	72.9	105.9	193.7	40.4	40.

	December 28, 2008	June 28, 2009
	(In millions)	(Unaudited)
		(In millions)
Combined Balance Sheet Data (at period end):		

Cash and cash equivalents	$ 63.1	$ 582.5
Working capital (deficit)	(143.7)	406.5
Total assets	4,502.3	4,994.6
Long-term debt	1,089.7	1,510.2
Deferred income	16.9	35.7
Deferred income taxes	526.7	551.7
Other liabilities	155.4	165.5
Total invested equity	2,254.8	2,297.8

(1) Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in ARG and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial

statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/ Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s. The financial position and results of operations of Wendy s and its subsidiaries are included commencing with the date of the Wendy s Merger, September 29, 2008. We report our combined results on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. In accordance with this method, each of our fiscal years presented above contained 52 weeks. All references to years relate to fiscal years rather than calendar years.

(2) Earnings before interest, taxes, depreciation and amortization (EBITDA) is used by us as a performance measure for benchmarking against our peers and competitors. We believe EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the restaurant industry. EBITDA is not a recognized term under accounting principles generally accepted in the United States of America (GAAP). Because all companies do not calculate EBITDA or similarly titled financial measures in the

same way, those measures as used by other companies may not be consistent with the way we calculate EBITDA or similarly titled financial measures and should not be considered as alternative measures of operating profit or net income (loss).

Our presentation of EBITDA below is not intended to replace the presentation of our financial results in accordance with GAAP.

The following table presents our reconciliation of EBITDA to net income (loss):

	Year Ended			Pro Forma Year Ended December 28, 2008 (Unaudited)	Six Months Ended	
	December 31, 2006	December 30, 2007	December 28, 2008		June 29, 2008	June 28, 2009
					(Unaudited)	
			(In millions)			
EBITDA	$ 149.8	$ 168.2	$ 190.3	$ 310.7	$ 66.1	$ 195.3
Depreciation and amortization	(50.5)	(56.9)	(85.1)	(183.3)	(30.1)	(95.1)
Goodwill impairment			(460.1)	(460.1)		
Impairment of other long-lived assets	(4.0)	(2.6)	(9.6)	(11.0)	(1.4)	(13.4)
Operating profit (loss)	95.3	108.7	(364.5)	(343.7)	34.6	86.8
Interest expense	(56.9)	(59.2)	(66.9)	(154.4)	(27.8)	(52.4)
(Loss) gain on early extinguishment of debt	(1.0)		3.7	3.7		
Other income (expense), net	6.5	3.3	(0.5)	2.2	0.4	(4.7)
Income (loss) before income taxes	43.9	52.8	(428.2)	(492.2)	7.2	29.7
(Provision for) benefit from income taxes	(18.5)	(20.0)	63.1	81.3	(2.9)	(11.5)
Loss from discontinued operations	(1.3)	(0.1)				
Net income (loss)	$ 24.1	$ 32.7	$ (365.1)	$ (410.9)	$ 4.3	$ 18.2

RISK FACTORS

Investing in the notes involves a high degree of risk. You should carefully consider the following factors in addition to the other information set forth in this prospectus before you decide to purchase the notes being offered for sale. The following risks could materially and adversely affect our ability to make payments with respect to the notes, our business or our financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect us. In any such case, you may lose all or part of your original investment.

Risks Related to Our Substantial Indebtedness and the Notes

We have a significant amount of debt outstanding. Our indebtedness, along with our other contractual commitments, could adversely affect our business, financial condition and results of operations, as well as our ability to meet any of our payment obligations under the notes and our other debt.

We have a significant amount of debt and debt service requirements. As of June 28, 2009, we had approximately $1,510.2 million of outstanding debt.

This level of debt could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under the notes and our other outstanding debt;

- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all of our debt becoming immediately due and payable;

reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;

subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit agreement;

limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and

placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

In addition, we also have significant contractual commitments for the purchase of supplies, which amounted to $532.8 million as of June 28, 2009, and we may enter into additional, similar agreements in the future. Wendy s has also provided loan guarantees to various lenders on behalf of franchisees entering into pooled debt facility arrangements for new store development and equipment financing, which amounted to $26.3 million as of June 28, 2009. Wendy s and Arby s also guarantee or are contingently liable for certain leases of their respective franchisees or affiliates for which they have been indemnified, which amounted to approximately $92.1 million and $12.4 million, respectively, as of June 28, 2009. In addition, Wendy s and Arby s also guarantee or are contingently liable for certain leases of their respective franchisees for which they have not been indemnified, which amounted to approximately $13.1 million and $2.8 million, respectively, as of June 28, 2009. These commitments could have an adverse effect on our liquidity and our ability to meet our payment obligations under the notes and other debt. Finally, we will likely be the principal source of cash to fund the needs of our parent company, including return of capital to its stockholders through repurchases of stock, repayment or refinancing of debt and/or dividends. See Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under the notes and our other debt and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including the notes, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the notes and our other debt and other obligations.

Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could exacerbate further the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the indenture and our existing credit agreement will restrict, but will not completely prohibit, us from doing so. In addition, the indenture will allow us to issue additional notes under certain circumstances, which will also be guaranteed by the guarantors. The indenture will also allow us to incur certain secured debt and will allow our foreign subsidiaries to incur additional debt, which would be effectively senior to the notes. In addition, the indenture will not prevent us from incurring other liabilities that do not constitute indebtedness. See Description of the Notes. If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

We and our subsidiaries are subject to various restrictions, and substantially all of our and their non-real estate assets are pledged subject to certain restrictions, under a Credit Agreement.

Under an amended and restated credit agreement we, Wendy s, Arby s Restaurant Holdings, LLC (Arby s Holdings) and ARG (collectively, the Borrowers) entered into as of March 11, 2009 (as amended from time to time, including by the amendment referred to in Description of Other Indebtedness Senior Secured Credit Facilities below, the Credit Agreement), substantially all of the assets of the Borrowers (other than real property) are pledged as collateral security. The Credit Agreement also contains financial covenants that, among other things, will require the Borrowers to maintain certain aggregate secured leverage, leverage and interest coverage ratios and restrict their ability to incur debt, pay dividends or make other distributions, make certain capital expenditures, enter into certain fundamental transactions (including sales of assets and certain mergers and consolidations) and create or permit liens. If the Borrowers are unable to generate sufficient cash flow or otherwise obtain the funds necessary to make required payments of interest or principal under, or are unable to comply with covenants of, the Credit Agreement, then they would be in default under the terms of the agreement, which would preclude the payment of dividends to Wendy s/Arby s Group, restrict access to their revolving lines of credit and, under certain circumstances, permit the lenders to accelerate the maturity of the indebtedness and foreclose on the collateral. See Description of Other Indebtedness Senior Secured Credit Facilities included elsewhere in this prospectus for further information regarding the Credit Agreement.

The current decline in the global economy and credit crisis may significantly inhibit our ability to reduce and refinance our current indebtedness.

As of June 28, 2009, within thirty-seven months we and our subsidiaries had approximately $253.5 million of indebtedness that is due under our existing senior secured term loan and $200.0 million of indebtedness due under the outstanding Wendy s 6.25% Senior Notes due 2011. Based on our current and expected cash flows, we expect that we will need to refinance a significant portion of this indebtedness. During the third quarter of 2008, the global credit markets suffered a significant contraction, including the failure of some large financial institutions. This has resulted in a

18

significant decline in the credit markets and the overall availability of credit. Although many governments, including the United States, have recently taken actions to ease the current credit crisis and make more credit available, no assurance can be provided that such efforts will be successful. Market disruptions, such as those currently being experienced, as well as our significant debt levels may increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. In addition, overall weakness in demand for food-away-from home services may decrease our cash flows and adversely affect our ability to meet our short-term and long-term obligations or refinance our obligations. If we are unable to refinance our indebtedness or access additional credit, or if our short-term or long-term borrowing costs dramatically increase, our ability to finance our current operations and meet our short-term and long-term obligations could be adversely affected.

The notes will be effectively subordinated to our and the guarantors secured debt.

The notes, and each guarantee of the notes, are unsecured and therefore will be effectively subordinated to any of our and the guarantors secured debt to the extent of the assets securing such debt. In the event of a bankruptcy or similar proceeding, the assets which serve as collateral for any secured debt will be available to satisfy the obligations under the secured debt before any payments are made on the notes. We had approximately $485.1 million of secured debt outstanding and $134.2 million of additional availability under our credit facilities as of June 28, 2009. The notes will be effectively subordinated to any borrowings under our credit facilities and other secured debt. The indenture governing the notes will allow us to incur a substantial amount of additional secured debt.

Not all of our subsidiaries will be required to guarantee the notes, and the assets of any non-guarantor subsidiaries may not be available to make payments on the notes.

On the issue date of the notes, all of our subsidiaries that guarantee our credit facilities, except for Scioto and Oldemark, will also guarantee the notes. All of our unrestricted subsidiaries, and any of our restricted subsidiaries that do not guarantee any of our other debt, will not guarantee the notes. Also, in the event an existing guarantor of the notes is released from its guarantee under our credit facilities, its guarantee of the notes will also be released.

Scioto, a Vermont captive insurance company, and Oldemark, Scioto s wholly owned subsidiary, are subject to regulatory restrictions under Vermont insurance law that require governmental approval before they can incur guarantees. Each guarantee our senior secured credit facilities on a limited basis (limited to the lesser of (i) $200 million, or (ii) 90% of the excess of their total assets over their total liabilities (as determined in accordance with the terms of the guarantee)), but will not guarantee the notes. Oldemark owns substantially all of the U.S. trademarks and other intellectual property associated with the Wendy s brand. In addition, certain of our subsidiaries, including our foreign subsidiaries, do not guarantee our credit facilities and will not guarantee the notes. As of June 28, 2009, the non-guarantor subsidiaries had approximately $573 million of liabilities outstanding (which consists primarily of $425 million of deferred taxes principally related to intangible assets and also includes $2 million of long-term debt), and represented approximately 42.4% of our total combined assets (excluding intercompany balances) and 21.3% of our total combined liabilities, and would have contributed approximately 6.0% of our total combined revenue and did not contribute any EBITDA (excluding intercompany charges) for the six months ended June 28, 2009. Including intercompany charges, principally representing charges to operating entities for use of intellectual property owned by Oldemark, the non-guarantor subsidiaries would have contributed approximately 52.4% of our total combined EBITDA during that period and represented approximately 69.3% of our total combined assets as of June 28, 2009. Cash receipts from intercompany charges for the use of the intellectual property owned by Oldemark are used to settle intercompany balances with Wendy s International, Inc., our subsidiary and a guarantor of the notes, on a regular basis. We currently intend eventually to cause Scioto to commute, transfer or otherwise eliminate its insurance obligations, relinquish its license to transact insurance, and take certain other actions that will result in no further restrictions on Scioto and Oldemark guaranteeing indebtedness. Although there can be no assurance when or if we will be successful in removing

those restrictions, Scioto and Oldemark will guarantee the notes when there are no restrictions imposed on them by the Vermont Department of Insurance. So long as Scioto and Oldemark are regulated and do not guarantee the notes, they will not be permitted under the indenture governing the notes to incur any Debt (as described under Description of the Notes) (other than the guarantee referred to above) and we will not be permitted to pledge their equity (other than to the credit facility lenders).

In the event that any of our non-guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of their debt, and their trade creditors generally, will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to us or any guarantors. Consequently, your claims in respect of the notes will be effectively subordinated to all of the liabilities of any of our subsidiaries that is not a guarantor, including trade payables. In addition, the indenture will, subject to certain limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that these subsidiaries may incur.

To service our debt and meet our other cash needs, we will require a significant amount of cash, which may not be available to us.

Our ability to make payments on, or repay or refinance, our debt, including the notes, and to fund planned capital expenditures, dividends and other cash needs will depend largely upon our future operating performance. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in our credit facilities and our other debt agreements, including the indenture governing the notes, and other agreements we may enter into in the future. Specifically, we will need to maintain specified financial ratios and satisfy financial condition tests. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our credit facilities or from other sources in an amount sufficient to enable us to pay our debt, including the notes, or to fund our dividends and other liquidity needs.

In addition, prior to the repayment of the notes, we will be required to refinance or repay our credit facilities and certain subsidiary debt. We cannot assure you that we will be able to refinance any of our debt, including our credit facilities, on commercially reasonable terms or at all. If we are unable to make payments or refinance our debt or, obtain new financing under these circumstances, we would have to consider other options, such as:

- sales of assets;
- sales of equity; and
- negotiations with our lenders to restructure the applicable debt.

Our credit facilities and the indenture governing the notes may restrict, or market or business conditions may limit, our ability to do some of these things.

We are dependent upon dividends from our subsidiaries to meet our debt service obligations.

We are a holding company and conduct all of our operations through our subsidiaries. Our ability to meet our debt service obligations is dependent on receipt of dividends from our direct and indirect subsidiaries. Subject to the restrictions contained in our credit facilities and indenture, future borrowings by our subsidiaries may contain restrictions or prohibitions on the payment of dividends by our subsidiaries to us. See Description of the Notes Certain Covenants. In addition, applicable state corporate law may limit the ability of our subsidiaries to pay dividends to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries, applicable laws or state regulation will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the notes when due.

Fraudulent conveyance laws may void the notes and/or the guarantees or subordinate the notes and/or the guarantees.

The issuance of the notes may be subject to review under federal bankruptcy law or relevant state fraudulent conveyance laws if a bankruptcy lawsuit is commenced by or on behalf of our or the guarantors creditors. Under these laws, if in such a lawsuit a court were to find that, at the time the notes are issued, we:

incurred this debt with the intent of hindering, delaying or defrauding current or future creditors; or

received less than reasonably equivalent value or fair consideration for incurring this debt, and the issuer:

was insolvent or was rendered insolvent by reason of the related financing transactions;

was engaged, or about to engage, in a business or transaction for which our remaining assets constituted unreasonably small capital to carry on our business; or intended to incur, or believed that we would incur, debts beyond our ability to pay these debts as they mature, as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes;

then the court could void the notes or subordinate the notes to our presently existing or future debt or take other actions detrimental to you.

Because a portion of the proceeds from the offering of the initial notes was used to fund a dividend to Wendy s/Arby s Group, our parent company, a court could conclude they were issued for less than reasonably equivalent value. The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, an entity would be considered insolvent if, at the time it incurred the debt:

it could not pay its debts or contingent liabilities as they become due;

the sum of its debts, including contingent liabilities, is greater than its assets, at fair valuation; or the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

We cannot assure you as to what standard a court would apply in order to determine whether we were insolvent as of the date the notes were issued, and we cannot assure you that, regardless of the method of valuation, a court would not determine that we were insolvent on that date. Nor can we assure you that a court would not determine, regardless of whether we were insolvent on the date the notes were issued, that the payments constituted fraudulent transfers on another ground.

Our obligations under the notes are guaranteed by all of our existing subsidiaries that are guarantors under our credit facilities except for Scioto and Oldemark, and the guarantees may also be subject to review under various laws for the protection of creditors. The analysis set forth above would generally apply, except that the guarantees could also be subject to the claim that, since the guarantees were incurred for our benefit, and only indirectly for the benefit of the guarantors, the obligations of the guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration. A court could void a guarantor s obligation under its guarantee, subordinate the guarantee to the other indebtedness of a guarantor, direct that holders of the notes return any amounts paid under a guarantee to the relevant guarantor or to a fund for the benefit of its creditors, or take other action detrimental to the holders of the notes. In addition, the liability of each guarantor under the indenture will be limited to the amount that will result in its guarantee not constituting a fraudulent conveyance, and there can be no assurance as to what standard a court would apply in making a determination as to what would be the maximum liability of each guarantor.

We may be unable to make a change of control offer required by the indenture governing the notes which would cause defaults under the indenture governing the notes and our credit facilities.

The terms of the notes will require us to make an offer to repurchase the notes upon the occurrence of a change of control at a purchase price equal to 101% of the principal amount of the notes, plus accrued interest to the date of the purchase. The terms of our credit facilities require, and other financing arrangements may require, repayment of amounts outstanding in the event of a change of control and limit our ability to fund the repurchase of your notes in certain circumstances. It is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in our credit facilities and other financing arrangements will not allow the repurchases. See Description of the Notes Certain Covenants Repurchase of Notes upon a Change of Control.

An active trading market may not develop for the notes, which may hinder your ability to liquidate your investment.

The notes are a new issue of securities with no established trading market and we do not intend to list them on any securities exchange. Certain of the initial purchasers have informed us that they intend to make a market in the notes. However, the initial purchasers are not obligated to do so and may cease their market-making at any time. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for fixed income securities and by changes in our financial performance or prospects or in the prospects for companies in our industry in general. As a result, we cannot assure you that an active trading market will develop for the notes. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all.

If a bankruptcy petition were filed by or against us, holders of notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing the notes.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of the notes may be limited to an amount equal to the sum of:

- the original issue price for the notes; and
- that portion of the original issue discount that does not constitute unmatured interest for purposes of the U.S. Bankruptcy Code.

Any original issue discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest. Accordingly, holders of the notes under these circumstances may receive a lesser amount than they would be entitled to receive under the terms of the indenture governing the notes, even if sufficient funds are available.

The exchange notes should be treated as issued with original issue discount for U.S. federal income tax purposes.

Because the initial notes were issued with OID, the exchange notes should be treated as having been issued with OID for U.S. federal income tax purposes. Thus, in addition to the stated interest on the exchange notes, U.S. Holders (as defined in Certain United States Federal Income Tax Considerations) will be required to include amounts representing the OID in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. For more information, see Certain United States Federal Income Tax Considerations.

Risks Related to the Exchange Offer

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences.

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under this act. We do not and will not assume, or indemnify you against, this liability.

Risks Related to Our Business

We may not be able to successfully consolidate business operations and realize the anticipated benefits of the Wendy s Merger.

Realization of the anticipated benefits of the Wendy s Merger, which was completed on September 29, 2008, including anticipated synergies and overhead savings, will depend, in large part, on our ability to continue to successfully eliminate redundant corporate functions and to continue to consolidate public company and shared service responsibilities. We will be required to devote significant management attention and resources to the consolidation of business practices and support functions while maintaining the independence of the Arby s and Wendy s standalone brands. The challenges we may encounter include the following:

- consolidating redundant operations, including corporate functions;

- realizing targeted margin improvements at company-owned Wendy s restaurants; and addressing differences in business cultures between Arby s and Wendy s, preserving employee morale and retaining key employees, maintaining focus on providing consistent, high quality customer service, meeting our operational and financial goals and maintaining the operational goals of each of the standalone brands.

In particular, our ability to realize the targeted margin improvements at company-owned Wendy s restaurants is subject to a number of risks, including general economic conditions, increases in food and supply costs, increased labor costs and other factors outside of our control.

The process of consolidating corporate level operations could cause an interruption of, or loss of momentum in, our business and financial performance. The diversion of management s attention and any delays or difficulties encountered in connection with the realization of corporate synergies and operational improvements could have an adverse effect on our business, financial results or financial condition. The consolidation and integration process may also result in additional and unforeseen expenses. There can be no assurance that the contemplated expense savings, improvements in Wendy s store-level margins and synergies anticipated from the Wendy s Merger will be realized.

A substantial amount of our parent company s common stock is concentrated in the hands of certain stockholders.

Our parent company, Wendy s/Arby s Group, owns our sole outstanding membership interest.

Nelson Peltz, our parent company s Chairman and former Chief Executive Officer, Peter W. May, our parent company s Vice Chairman and former President and Chief Operating Officer, and Edward P. Garden, a director of our parent company, beneficially own shares of our parent company s outstanding common stock that collectively constitute approximately 22% of our parent company s total voting power.

Messrs. Peltz, May and Garden and their affiliates may, from time to time, acquire beneficial ownership of additional shares of common stock. On November 5, 2008, in connection with the tender offer by Trian Fund Management, L.P. (Trian Partners), an asset management firm whose principals are Messrs. Peltz, May and Garden, and certain affiliates thereof (Trian) for up to 40 million shares of our parent company s common stock, Wendy s/Arby s Group entered into an agreement (the Trian Agreement) with Trian, Messrs. Peltz, May and Garden and several of their affiliates (the Covered Persons) in consideration for the granting of prior approval by the Board of Directors of Wendy s/Arby s Group pursuant to Section 203 of the Delaware General Corporation Law (Section 203) such that the consummation of the tender offer and the subsequent acquisition by the Covered Persons of beneficial ownership of up to 25% of the common stock of Wendy s/Arby s Group not be subject to the restrictions set forth in Section 203. The Trian Agreement provides, among other things, that: (i) to the extent the Covered Persons acquire any rights in respect of Wendy s/Arby s Group Class A common stock, par value $0.10 per share (the Wendy s/Arby s Group common stock) that would increase their aggregate beneficial ownership in Wendy s/Arby s Group common stock to greater than 25%, the Covered Persons may not engage in a business combination (within the meaning of Section 203) for a period of three years following the date of such occurrence unless such transaction would be subject to the exceptions set forth in paragraphs (b)(3) through (7) of Section 203 (assuming for these purposes that 15% in the definition of interested stockholder contained in Section 203 was deemed to be 25%); (ii) for so long as our parent company, Wendy s/Arby s Group, has a class of equity securities that is listed for trading on the New York Stock Exchange or any other national securities exchange, none of the Covered Persons shall solicit proxies or submit any proposal for the vote of Wendy s/Arby s Group stockholders or recommend or request or induce any other person to take any such actions or seek to advise, encourage or influence any other person with respect to Wendy s/Arby s Group common stock, in each case, if the result of such action would be to cause the Board of Directors of Wendy s/Arby s Group to be comprised of less than a majority of independent directors; and (iii) for so long as Wendy s/Arby s Group has a class of equity securities that is listed for trading on the New York Stock Exchange or any other national securities exchange, none of the Covered Persons shall engage in certain affiliate transactions with Wendy s/Arby s Group without the prior approval of a majority of the Audit Committee of Wendy s/Arby s Group or other committee of the board of directors that is comprised of independent directors. The Trian Agreement will terminate upon the earliest to occur of (i) the Covered Persons beneficially owning less than 15% of Wendy s/Arby s Group common stock, (ii) November 5, 2011 and (iii) at such time as any person not affiliated with the Covered Persons makes an offer to purchase an amount of Wendy s/Arby s Group common stock which when added to Wendy s/Arby s Group common stock already beneficially owned by such person and its affiliates and associates equals or exceeds 50% or more of Wendy s/Arby s Group common stock or all or substantially all of Wendy s/Arby s Group assets or solicits proxies with respect to a majority slate of directors.

On April 1, 2009, the parties entered into an amendment (the Trian Amendment) to the Trian Agreement. The Trian Amendment provides that Sections 3.1(a), 3.1(b) and Sections 6.1 through 6.10 of the Trian Agreement, which include the sections of the Trian Agreement that contractually replicate the anti-takeover restrictions of Section 203, will not automatically terminate,

if not earlier terminated, on November 5, 2011. Instead, such provisions will terminate on the earliest to occur of (i) the Covered Persons beneficially owning less than 15% of Wendy s/Arby s Group common stock and (ii) at such time as any person not affiliated with the Covered Persons makes an offer to purchase an amount of Wendy s/Arby s Group common stock which when added to Wendy s/Arby s Group common stock already beneficially owned by such person and its affiliates and associates equals or exceeds 50% or more of Wendy s/Arby s Group common stock or all or substantially all of Wendy s/Arby s Group s assets or solicits proxies with respect to a majority slate of directors.

The Trian Amendment became effective on May 28, 2009, simultaneously with the effectiveness of an amendment to the Wendy s/Arby s Group s certificate of incorporation providing for the repeal of Article VI of the Wendy s/Arby s Group s certificate of incorporation.

This concentration of ownership gives Messrs. Peltz, May and Garden significant influence over the outcome of actions requiring majority stockholder approval. Subject to the terms of the Trian Agreement, if in the future Messrs. Peltz, May and Garden and/or their affiliates were to acquire more than a majority of Wendy s/Arby s Group s outstanding voting power, they would be able to determine the outcome of the election of members of the board of directors and the outcome of corporate actions requiring majority stockholder approval, including mergers, consolidations and the sale of all or substantially all of Wendy s/Arby s Group s assets and would also be in a position to prevent or cause a change in control of us.

Our success depends substantially upon the continued retention of certain key personnel.

We believe that over time our success has been dependent to a significant extent upon the efforts and abilities of our senior management team. The failure by us to retain members of our senior management team could adversely affect our ability to build on the efforts we have undertaken to increase the efficiency and profitability of our businesses.

Acquisitions have been a key element of our business strategy, but we cannot assure you that we will be able to identify appropriate acquisition targets in the future and that we will be able to successfully integrate any future acquisitions into our existing operations.

On an on-going basis we evaluate potential acquisitions and business combinations in the restaurant industry which fit our long term corporate strategic goals. Acquisitions involve numerous risks, including difficulties assimilating new operations and products. In addition, acquisitions may require significant management time and capital resources. We cannot assure you that we will have access to the capital required to finance potential acquisitions on satisfactory terms or that management would be able to manage effectively the resulting business or that any such acquisition will be effected. Future acquisitions, if any, may result in the incurrence of additional indebtedness, which could contain additional restrictive covenants.

Growth of our restaurant businesses is significantly dependent on new restaurant openings, which may be affected by factors beyond our control.

Our restaurant businesses derive earnings from sales at company-owned restaurants, franchise royalties received from franchised restaurants and franchise fees from franchise restaurant operators for each new unit opened. Growth in our restaurant revenues and earnings is significantly dependent on new restaurant openings. Numerous factors beyond our control may affect restaurant openings. These factors include but are not limited to:

- our ability to attract new franchisees;

the availability of site locations for new restaurants;

the ability of potential restaurant owners to obtain financing, which has become more difficult due to current market conditions and operating results;

the ability of restaurant owners to hire, train and retain qualified operating personnel;

construction and development costs of new restaurants, particularly in highly-competitive markets;

the ability of restaurant owners to secure required governmental approvals and permits in a timely manner, or at all; and

adverse weather conditions.

Although as of June 28, 2009, franchisees had signed commitments to open 623 Wendy s or Arby s restaurants over the next seven years and have made or are required to make non-refundable deposits, we cannot assure you that franchisees will meet these commitments and that they will result in new restaurants. See Business The Wendy s Restaurant System Franchised Restaurants and Business The Arby s Restaurant System Franchised Restaurants.

Wendy s and Arby s franchisees could take actions that could harm our business.

Wendy s and Arby s franchisees are contractually obligated to operate their restaurants in accordance with the standards set forth in agreements with them. Each brand also provides training and support to franchisees. However, franchisees are independent third parties that we do not control, and the franchisees own, operate and oversee the daily operations of their restaurants. As a result, the ultimate success and quality of any franchise restaurant rests with the franchisee. If franchisees do not successfully operate restaurants in a manner consistent with required standards, royalty payments to us will be adversely affected and the brand s image and reputation could be harmed, which in turn could hurt our business and operating results.

Our success depends on franchisees participation in brand strategies.

Wendy s and Arby s franchisees are an integral part of our business. Each brand may be unable to successfully implement brand strategies that it believes are necessary for further growth if franchisees do not participate in that implementation. The failure of franchisees to focus on the fundamentals of restaurant operations such as quality, service, food safety and cleanliness would have a negative impact on our business.

Our financial results are affected by the operating results of franchisees.

As of June 28, 2009, approximately 79% of the Wendy s system and 69% of the Arby s system were franchised restaurants. We receive revenue in the form of royalties, which are generally based on a percentage of sales at franchised restaurants, rent and fees from franchisees. Accordingly, a substantial portion of our financial results is dependent upon the operational and financial success of our franchisees. Franchisee related accounts receivable and estimated reserves for uncollectability have increased recently and may continue to increase if the financial condition of some of our franchisees continues to deteriorate. If sales trends or economic conditions worsen for franchisees, their financial results may worsen and our royalty, rent and other fee revenues may decline. In addition, accounts receivable and related reserves may increase further. When company-owned restaurants are sold, one of our subsidiaries is often required to remain responsible for lease payments for these restaurants to the extent that the purchasing franchisees default on their leases. Additionally, if franchisees fail to renew their franchise agreements, or if we decide to restructure franchise agreements in order to induce franchisees to renew these agreements, then our royalty revenues may decrease.

Each brand may be unable to effectively manage acquisitions and dispositions of restaurants, which could adversely affect our business and financial results.

The ability of each brand to acquire restaurants from franchisees and eventually re-franchising these restaurants by selling them to new or existing franchisees is dependent upon the availability of sellers and buyers, the availability of financing, and the brand s ability to negotiate transactions on terms deemed acceptable. In addition, the operations of restaurants that each brand acquires may not be integrated successfully, and the intended benefits of such transactions may not be realized. Acquisitions of franchised restaurants pose various risks to brand operations, including:

- diversion of management attention to the integration of acquired restaurant operations;
- increased operating expenses and the inability to achieve expected cost savings and operating efficiencies;
- exposure to liabilities arising out of sellers prior operations of acquired restaurants; and
- incurrence or assumption of debt to finance acquisitions or improvements and/or the assumption of long-term, non-cancelable leases.

In addition, engaging in acquisitions and dispositions places increased demands on the brand s operational and financial management resources and may require us to continue to expand these resources. If either brand is unable to manage the acquisition and disposition of restaurants effectively, its business and financial results could be adversely affected.

ARG does not exercise ultimate control over advertising for its restaurant system, which could harm sales and the brand.

Arby s franchisees control the provision of national advertising and marketing services to the Arby s franchise system through the AFA Service Corporation (the AFA), a company controlled by Arby s franchisees. Subject to ARG s right to protect its trademarks, and except to the extent that ARG participates in the AFA through its company-owned restaurants, the AFA has the right to approve all significant decisions regarding the national marketing and advertising strategies and the creative content of advertising for the Arby s system. Although ARG has entered into a management agreement pursuant to which ARG, on behalf of the AFA, manages the day-to-day operations of the AFA, many areas are still subject to ultimate approval by the AFA s independent board of directors, and the management agreement may be terminated by either party for any reason upon one year s prior notice. See Business The Arby s Restaurant System Advertising and Marketing. In addition, local cooperatives run by operators of Arby s restaurants in a particular local area (including ARG) make their own decisions regarding local advertising expenditures, subject to spending the required minimum amounts. ARG s lack of control over advertising could hurt sales and the Arby s brand.

ARG does not exercise ultimate control over purchasing for Arby s restaurant system, which could harm sales and the Arby s brand.

Although ARG ensures that all suppliers to the Arby s system meet quality control standards, Arby s franchisees control the purchasing of food, proprietary paper, equipment and other operating supplies from such suppliers through ARCOP, Inc., a not-for-profit entity controlled by Arby s franchisees. ARCOP negotiates national contracts for such food, equipment and supplies. ARG is entitled to appoint one representative on the board of directors of ARCOP and participate in ARCOP through its company-owned restaurants, but otherwise does not control the decisions and activities of ARCOP except to ensure that all suppliers satisfy Arby s quality control standards. If ARCOP does not properly estimate the product needs of the Arby s system, makes poor purchasing decisions, or decides to cease its operations, system sales and operating costs could be adversely affected and the financial condition of ARG or the financial condition of Arby s franchisees could be hurt.

Shortages or interruptions in the supply or delivery of perishable food products could damage the Wendy s and/or Arby s brand reputation and adversely affect our operating results.

Each brand and its franchisees are dependent on frequent deliveries of perishable food products that meet brand specifications. Shortages or interruptions in the supply of perishable food products caused by unanticipated demand, problems in production or distribution, disease or food-borne illnesses, inclement weather or other conditions could adversely affect the availability, quality and cost of ingredients, which could lower our revenues, increase operating costs, damage brand reputation and otherwise harm our business and the businesses of our franchisees.

Instances of mad cow disease or other food-borne illnesses, such as bird flu or salmonella, could adversely affect the price and availability of beef, poultry or other meats and create negative publicity, which could result in a decline in sales.

Instances of mad cow disease or other food-borne illnesses, such as bird flu, salmonella, e-coli or hepatitis A, could adversely affect the price and availability of beef, poultry or other meats. Incidents may cause consumers to shift their preferences to other meats. As a result, Wendy s and/or Arby s restaurants could experience a significant increase in food costs if there are instances of mad cow disease or other food-borne illnesses.

In addition to losses associated with higher prices and a lower supply of our food ingredients, instances of food-borne illnesses could result in negative publicity for Wendy s and/or Arby s. This negative publicity, as well as any other negative publicity concerning types of food products Wendy s or Arby s serves, may reduce demand for Wendy s and/or Arby s food and could result in a decrease in guest traffic to our restaurants. A decrease in guest traffic to our restaurants as a result of these health concerns or negative publicity could result in a decline in sales at company-owned restaurants or in royalties from sales at franchised restaurants.

Changes in consumer tastes and preferences and in discretionary consumer spending could result in a decline in sales at company-owned restaurants and in the royalties that we receive from franchisees.

The quick service restaurant industry is often affected by changes in consumer tastes, national, regional and local economic conditions, discretionary spending priorities, demographic trends, traffic patterns and the type, number and location of competing restaurants. Our success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions and the availability of discretionary income. Accordingly, we may experience declines in sales during economic downturns. Any material decline in the amount of discretionary spending or a decline in consumer food-away-from-home spending could hurt our revenues, results of operations, business and financial condition.

In addition, if company-owned and franchised restaurants are unable to adapt to changes in consumer preferences and trends, company-owned and franchised restaurants may lose customers and the resulting revenues from company-owned restaurants and the royalties that we receive from franchisees may decline.

The recent disruptions in the national and global economies and the financial markets may adversely impact our revenues, results of operations, business and financial condition.

The recent disruptions in the national and global economies and financial markets, and the related reductions in the availability of credit, have resulted in declines in consumer confidence and spending and have made it more difficult for businesses to obtain financing. If such conditions persist, then they may result in significant declines in consumer food-away-from-home spending and customer traffic in our restaurants and those of our franchisees. Such conditions may also adversely impact the ability of franchisees to build or purchase restaurants, remodel existing restaurants, renew expiring franchise agreements and make timely royalty and other payments. There can be no assurance that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets or increase liquidity and the availability of credit. If we or our franchisees are unable to obtain borrowed funds on acceptable terms, or if conditions in the economy and the financial markets do not improve, our revenues, results of operations, business and financial condition could be adversely affected as a result.

Additionally, we have from time to time entered into interest rate swaps as described in Note 10 to the annual Combined Financial Statements included elsewhere in this prospectus. As of June 28, 2009, we did not have any interest rate swap agreements in place. We intend to enter into

$425.0 million (notional amount) of interest rate swap agreements during the third quarter of 2009 in order to hedge a portion of our fixed rate debt. Since June 29, 2009, we have entered into $186.0 million and $175.0 million of interest rate swap agreements on our 6.20% senior notes and our 6.25% senior notes, respectively.

Changes in food and supply costs could harm results of operations.

Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs. Any increase in food prices, especially those of beef or chicken, could harm operating results. Ethanol production has increased the cost of corn, which has raised corn oil prices and contributed to higher beef and chicken prices stemming from increased corn feed pricing. In addition, each brand is susceptible to increases in food costs as a result of other factors beyond its control, such as weather conditions, global demand, food safety concerns, product recalls and government regulations. Additionally, prices for feed ingredients used to produce beef and chicken could be adversely affected by changes in global weather patterns, which are inherently unpredictable. We cannot predict whether we will be able to anticipate and react to changing food costs by adjusting our purchasing practices and menu prices, and a failure to do so could adversely affect our operating results. In addition, we may not seek to or be able to pass along price increases to our customers.

Competition from other restaurant companies could hurt our brands.

The market segments in which company-owned and franchised Wendy s and Arby s restaurants compete are highly competitive with respect to, among other things, price, food quality and presentation, service, location, and the nature and condition of the restaurant facility. Wendy s and Arby s restaurants compete with a variety of locally-owned restaurants, as well as competitive regional and national chains and franchises. Several of these chains compete by offering high quality sandwiches and/or menu items that are targeted at certain consumer groups. Additionally, many of our competitors have introduced lower cost, value meal menu options. Our revenues and those of our franchisees may be hurt by this product and price competition. Arby s, in particular, has been adversely affected in recent periods as a result of discounting by its competitors.

Moreover, new companies, including operators outside the quick service restaurant industry, may enter our market areas and target our customer base. For example, additional competitive pressures for prepared food purchases have come from deli sections and in-store cafes of a number of major grocery store chains, as well as from convenience stores and casual dining outlets. Such competitors may have, among other things, lower operating costs, lower debt service requirements, better locations, better facilities, better management, more effective marketing and more efficient operations. Many of our competitors have substantially greater financial, marketing, personnel and other resources than we do, which may allow them to react to changes in pricing and marketing strategies in the quick service restaurant industry better than we can. Many of our competitors spend significantly more on advertising and marketing than we do, which may give them a competitive advantage through higher levels of brand awareness among consumers. All such competition may adversely affect our revenues and profits by reducing revenues of company-owned restaurants and royalty payments from franchised restaurants.

Current restaurant locations may become unattractive, and attractive new locations may not be available for a reasonable price, if at all.

The success of any restaurant depends in substantial part on its location. There can be no assurance that our current restaurant locations will continue to be attractive as demographic patterns change. Neighborhood or economic conditions where our restaurants are located could decline in the future, thus resulting in potentially reduced sales in those locations. In addition, rising real estate prices in some areas may restrict our ability and the ability of franchisees to purchase or lease new desirable locations. If desirable locations cannot be obtained at reasonable prices, each brand s ability to affect its growth strategies will be adversely affected.

Wendy s and Arby s business could be hurt by increased labor costs or labor shortages.

Labor is a primary component in the cost of operating our company-owned restaurants. Each brand devotes significant resources to recruiting and training its managers and hourly employees. Increased labor costs due to competition, increased minimum wage or employee benefits costs or other factors would adversely impact our cost of sales and operating expenses. In addition, each brand s success depends on its ability to attract, motivate and retain qualified employees, including restaurant managers and staff. If either brand is unable to do so, our results of operations could be adversely affected.

Each brand s leasing and ownership of significant amounts of real estate exposes it to possible liabilities and losses, including liabilities associated with environmental matters.

As of June 28, 2009, Wendy s leased or owned the land and/or the building for 1,395 Wendy s company-owned restaurants and ARG leased or owned the land and/or the building for 1,170 Arby s company-owned restaurants. Accordingly, each brand is subject to all of the risks associated with leasing and owning real estate. Wendy s also owned land and buildings for, or leased, 205 Wendy s restaurant locations which were leased or subleased to franchisees. ARG also owned 12 and leased 90 units that were either leased or sublet principally to franchisees. In particular, the value of our real property assets could decrease, and costs could increase, because of changes in the investment climate for real estate, demographic trends, supply or demand for the use of the restaurants, which may result from competition from similar restaurants in the area, and liability for environmental matters.

Each brand is subject to federal, state and local environmental, health and safety laws and regulations concerning the discharge, storage, handling, release and disposal of hazardous or toxic substances. These environmental laws provide for significant fines, penalties and liabilities, sometimes without regard to whether the owner, operator or occupant of the property knew of, or was responsible for, the release or presence of the hazardous or toxic substances. Third parties may also make claims against owners, operators or occupants of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such substances.

A number of our restaurant sites were formerly gas stations or are adjacent to current or former gas stations, or were used for other commercial activities that can create environmental impacts. We may also acquire or lease these types of sites in the future. We have not conducted a comprehensive environmental review of all of our properties. We may not have identified all of the potential environmental liabilities at our leased and owned properties, and any such liabilities identified in the future could cause us to incur significant costs, including costs associated with litigation, fines or clean-up responsibilities.

Each brand leases real property generally for initial terms of 20 years with two to four additional options to extend the term of the leases in consecutive five-year increments. Many leases provide that the landlord may increase the rent over the term of the lease and any renewals thereof. Most leases require us to pay all of the costs of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases. If an existing or future restaurant is not profitable, and we decide to close it, we may nonetheless be committed to perform its obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, as each lease expires, we may fail to negotiate additional renewals or renewal options, either on commercially acceptable terms or at all, which could cause us to close stores in desirable locations.

Complaints or litigation may hurt each brand.

Occasionally, Wendy s and Arby s customers file complaints or lawsuits against us alleging that we are responsible for an illness or injury they suffered at or after a visit to a Wendy s or Arby s restaurant, or alleging that there was a problem with food quality or operations at a Wendy s or Arby s restaurant. We are also subject to a variety of other claims arising in the ordinary course of our business, including personal injury claims, contract claims, claims from franchisees (which tend to

increase when franchisees experience declining sales and profitability) and claims alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters. We could also become subject to class action lawsuits related to these matters in the future. Regardless of whether any claims against us are valid or whether we are found to be liable, claims may be expensive to defend and may divert management s attention away from operations and hurt our performance. A judgment significantly in excess of our insurance coverage for any claims could materially adversely affect our financial condition or results of operations. Further, adverse publicity resulting from these allegations may hurt us and our franchisees.

Additionally, the restaurant industry has been subject to a number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers. Adverse publicity resulting from these allegations may harm the reputation of our restaurants, even if the allegations are not directed against our restaurants or are not valid, and even if we are not found liable or the concerns relate only to a single restaurant or a limited number of restaurants. Moreover, complaints, litigation or adverse publicity experienced by one or more of Wendy s or Arby s franchisees could also hurt our business as a whole.

Our current insurance may not provide adequate levels of coverage against claims that may be filed.

We currently maintain insurance we believe is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure, such as losses due to natural disasters or acts of terrorism. In addition, we currently self-insure a significant portion of expected losses under workers compensation, general liability and property insurance programs. Unanticipated changes in the actuarial assumptions and management estimates underlying our reserves for these losses could result in materially different amounts of expense under these programs, which could harm our business and adversely affect our results of operations and financial condition.

Changes in governmental regulation may hurt our ability to open new restaurants or otherwise hurt our existing and future operations and results.

Each Wendy s and Arby s restaurant is subject to licensing and regulation by health, sanitation, safety and other agencies in the state and/or municipality in which the restaurant is located. State and local government authorities may enact laws, rules or regulations that impact restaurant operations and the cost of conducting those operations. For example, recent efforts to require the listing of specified nutritional information on menus and menu boards could adversely affect consumer demand for our products, could make our menu boards less appealing and could increase our costs of doing business. There can be no assurance that we and/or our franchisees will not experience material difficulties or failures in obtaining the necessary licenses or approvals for new restaurants, which could delay the opening of such restaurants in the future. In addition, more stringent and varied requirements of local governmental bodies with respect to tax, zoning, land use and environmental factors could delay or prevent development of new restaurants in particular locations. We and our franchisees are also subject to the Fair Labor Standards Act, which governs such matters as minimum wages, overtime and other working conditions, along with the ADA, family leave mandates and a variety of other laws enacted by the states that govern these and other employment law matters. As described more fully under Business General Legal Proceedings, one of our subsidiaries was a defendant in a lawsuit alleging failure to comply with Title III of the ADA at approximately 775 company-owned restaurants acquired as part of the acquisition of RTM in July 2005 (the RTM Acquisition). Under a court approved settlement of that lawsuit, ARG estimates that it will spend approximately $1.15 million per year of capital expenditures over a seven-year period commencing in 2008 to bring these restaurants into compliance with the ADA, in addition to paying certain legal fees and expenses. We cannot predict the amount of any other future expenditures that may be required in order to permit company-owned restaurants to comply with any changes in existing regulations or to comply with any future regulations that may become applicable to our businesses.

Our operations are influenced by adverse weather conditions.

Weather, which is unpredictable, can impact Wendy s and Arby s restaurant sales. Harsh weather conditions that keep customers from dining out result in lost opportunities for our restaurants. A heavy snowstorm in the Northeast or Midwest or a hurricane in the Southeast can shut down an entire metropolitan area, resulting in a reduction in sales in that area. Our first quarter includes winter months and historically has a lower level of sales at company-owned restaurants. Because a significant portion of our restaurant operating costs is fixed or semi-fixed in nature, the loss of sales during these periods hurts our operating margins, and can result in restaurant operating losses. For these reasons, a quarter-to-quarter comparison may not be a good indication of either brand s performance or how it may perform in the future.

Due to the concentration of Wendy s and Arby s restaurants in particular geographic regions, our business results could be impacted by the adverse economic conditions prevailing in those regions regardless of the state of the national economy as a whole.

As of June 28, 2009, we and our franchisees operated Wendy s or Arby s restaurants in 50 states and 24 foreign countries. As of June 28, 2009 as detailed in Business General Properties, the six leading states by number of operating units were: Ohio, Florida, Texas, Michigan, Georgia and Pennsylvania. This geographic concentration can cause economic conditions in particular areas of the country to have a disproportionate impact on our overall results of operations. It is possible that adverse economic conditions in states or regions that contain a high concentration of Wendy s and Arby s restaurants could have a material adverse impact on our results of operations in the future.

We may not be able to adequately protect our intellectual property, which could harm the value of our brands and hurt our business.

Our intellectual property is material to the conduct of our business. We rely on a combination of trademarks, copyrights, service marks, trade secrets and similar intellectual property rights to protect our brands and other intellectual property. The success of our business strategy depends, in part, on our continued ability to use our existing trademarks and service marks in order to increase brand awareness and further develop our branded products in both existing and new markets. If our efforts to protect our intellectual property are not adequate, or if any third party misappropriates or infringes on our intellectual property, either in print or on the Internet, the value of our brands may be harmed, which could have a material adverse effect on our business, including the failure of our brands to achieve and maintain market acceptance. This could harm our image, brand or competitive position and, if we commence litigation to enforce our rights, cause us to incur significant legal fees.

We franchise our restaurant brands to various franchisees. While we try to ensure that the quality of our brands is maintained by all of our franchisees, we cannot assure you that these franchisees will not take actions that hurt the value of our intellectual property or the reputation of the Wendy s and/or Arby s restaurant system.

We have registered certain trademarks and have other trademark registrations pending in the United States and certain foreign jurisdictions. The trademarks that we currently use have not been registered in all of the countries outside of the United States in which we do business or may do business in the future and may never be registered in all of these countries. We cannot assure you that all of the steps we have taken to protect our intellectual property in the United States and foreign countries will be adequate. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States.

In addition, we cannot assure you that third parties will not claim infringement by us in the future. Any such claim, whether or not it has merit, could be time-consuming, result in costly litigation, cause delays in introducing new menu items or investment products or require us to enter into royalty or licensing agreements. As a result, any such claim could harm our business and cause a decline in our results of operations and financial condition.

32

Wendy s has re-focused its breakfast initiative on key markets and reduced the number of restaurants offering a breakfast menu from 1,070 to approximately 600 in 2008. The breakfast daypart remains competitive and markets may prove difficult to penetrate.

Wendy s roll out and expansion of breakfast has been accompanied by challenging competitive conditions, varied consumer tastes and discretionary spending patterns that differ from existing dayparts. In addition, breakfast sales could cannibalize sales during other parts of the day and may have negative implications on food and labor costs and restaurant margins. Wendy s has re-focused its breakfast initiative on key markets and reduced the number of restaurants offering a breakfast menu to approximately 600. Wendy s will need to reinvest royalties earned and other amounts to build breakfast brand awareness through greater investments in advertising and promotional activities. Capital investments will also be required at company-owned restaurants. As a result of the foregoing, breakfast sales and resulting profits may take longer to reach expected levels.

Our international operations are subject to various factors of uncertainty and there is no assurance that international operations will be profitable.

Each brand s business outside of the United States is subject to a number of additional factors, including international economic and political conditions, differing cultures and consumer preferences, currency regulations and fluctuations, diverse government regulations and tax systems, uncertain or differing interpretations of rights and obligations in connection with international franchise agreements and the collection of royalties from international franchisees, the availability and cost of land and construction costs, and the availability of experienced management, appropriate franchisees, and joint venture partners. Although we believe we have developed the support structure required for international growth, there is no assurance that such growth will occur or that international operations will be profitable.

We rely on computer systems and information technology to run our business. Any material failure, interruption or security breach of our computer systems or information technology may adversely affect the operation of our business and results of operations.

We are significantly dependent upon our computer systems and information technology to properly conduct our business. A failure or interruption of computer systems or information technology could result in the loss of data, business interruptions or delays in business operations. Also, despite our considerable efforts and technological resources to secure our computer systems and information technology, security breaches, such as unauthorized access and computer viruses, may occur resulting in system disruptions, shutdowns or unauthorized disclosure of confidential information. Any security breach of our computer systems or information technology may result in adverse publicity, loss of sales and profits, penalties or loss resulting from misappropriation of information.

We may be required to recognize additional asset impairment and other asset-related charges.

We have significant amounts of long-lived assets, goodwill and intangible assets and have incurred impairment charges in the past with respect to those assets. In accordance with applicable accounting standards, we test for impairment generally annually, or more frequently, if there are indicators of impairment, such as

- significant adverse changes in the business climate;
- current period operating or cash flow losses combined

with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with long-lived assets;

a current expectation that more-likely-than-not (e.g., a likelihood that is more than 50%) long-lived assets will be sold or otherwise disposed of significantly before the end of their previously estimated useful life; and

a significant drop in the Wendy s/Arby s Group stock price.

Based upon future economic and capital market conditions, as well as the operating performance of our reporting units, future impairment charges could be incurred.

Other Risks

Changes in environmental regulation may adversely affect our existing and future operations and results.

Certain of our current and past operations are or have been subject to federal, state and local environmental laws and regulations concerning the discharge, storage, handling and disposal of hazardous or toxic substances that provide for significant fines, penalties and liabilities, in certain cases without regard to whether the owner or operator of the property knew of, or was responsible for, the release or presence of such hazardous or toxic substances. In addition, third parties may make claims against owners or operators of properties for personal injuries and property damage associated with releases of hazardous or toxic substances. Although we believe that our operations comply in all material respects with all applicable environmental laws and regulations, we cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or interpreted. We cannot predict the amount of future expenditures that may be required in order to comply with any environmental laws or regulations or to satisfy any such claims. See Business General Environmental Matters.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and oral statements made from time to time by our representatives may contain or incorporate by reference certain statements that are not historical facts, including, most importantly, information concerning our possible or assumed future results of operations. Those statements, as well as statements preceded by, followed by, or that include the words may, believes, plans, expects, anticipates, or the negation thereof, or similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the Reform Act). All statements that address future operating, financial or business performance; strategies or expectations; future synergies, efficiencies or overhead savings; anticipated costs or charges; future capitalization; and anticipated financial impacts of recent or pending transactions are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are based on our expectations at the time such statements are made, speak only as of the dates they are made and are susceptible to a number of risks, uncertainties and other factors. Our actual results, performance and achievements may differ materially from any future results, performance or achievements expressed or implied by our forward-looking statements. For all of our 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 the forward-looking statements contained herein. 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, the following:

competition, including pricing pressures, aggressive marketing and the potential impact of competitors new unit openings on sales of Wendy s® and Arby s® restaurants;

consumers perceptions of the relative quality, variety, affordability and value of the food products we offer;

success of operating initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors;

development costs, including real estate and construction costs;

changes in consumer tastes and preferences, including changes resulting from concerns over nutritional or safety aspects of beef, poultry, French fries or other foods or the effects of food-borne illnesses such as mad cow disease and avian influenza or bird flu, and changes in spending patterns and demographic trends, such as the extent to which consumers eat meals away from home;

certain factors affecting our franchisees, including the business and financial viability of key franchisees, the timely payment of such franchisees obligations due to us, and the ability of our franchisees to open new restaurants in accordance with their development commitments, including their ability to finance restaurant development and remodels;

availability, location and terms of sites for restaurant development by us and our franchisees;

delays in opening new restaurants or completing remodels of existing restaurants;

the timing and impact of acquisitions and dispositions of restaurants;

our ability to successfully integrate acquired restaurant operations;

anticipated or unanticipated restaurant closures by us and our franchisees;

our ability to identify, attract and retain potential franchisees with sufficient experience and financial resources to develop and operate Wendy s and Arby s restaurants successfully;

availability of qualified restaurant personnel to us and to our franchisees, and the ability to retain such personnel;

our ability, if necessary, to secure alternative distribution of supplies of food, equipment and other products to Wendy s and Arby s restaurants at competitive rates and in adequate amounts, and the potential financial impact of any interruptions in such distribution;

changes in commodity costs (including beef and chicken), labor, supply, fuel, utilities, distribution and other operating costs;

availability and cost of insurance;

adverse weather conditions;

availability, terms (including changes in interest rates) and deployment of capital;

changes in legal or self-regulatory requirements, including franchising laws, accounting standards, payment card industry rules, overtime rules, minimum wage rates, government-mandated health benefits and taxation legislation;

the costs, uncertainties and other effects of legal, environmental and administrative proceedings;

the impact of general economic conditions on consumer spending, including a slower consumer economy particularly in geographic regions that contain a high concentration of Wendy s or Arby s restaurants, and the effects of war or terrorist activities; and other risks and uncertainties affecting us and our subsidiaries described in the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We assume no obligation to update any forward-looking statements after the date of this prospectus as a result of new information, future events or developments, except as required by federal securities laws. In addition, it is our policy generally not to make any specific projections as to future earnings, and we do not endorse any projections regarding future performance that may be made by third parties.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreements entered into in connection with the offering of the initial notes. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

The gross proceeds from the issuance of the initial notes were approximately $551.1 million. We used such proceeds to optionally prepay approximately $132.5 million in borrowings outstanding under our existing senior secured term loan (and to pay accrued interest with respect to such borrowings) and to pay the financing costs and other expenses in connection with the issuance of the initial notes. The remaining proceeds are currently invested in accordance with the terms of the notes. The remaining proceeds of $393.0 million can be distributed to our parent company, Wendy s/Arby s Group. Wendy s/Arby s Group may use the proceeds for general corporate purposes, which may include working capital, funding for key strategic growth initiatives, including new unit development, acquisitions of other restaurant companies, repayment or refinancing of indebtedness, and the return of capital to its stockholders, including through stock repurchases and/or dividends. In August 2009, the Wendy s/Arby s Group board of directors authorized a $50.0 million common stock repurchase program. The stock repurchase program will remain in effect through January 2, 2011 and will allow Wendy s/Arby s Group to make repurchases as market conditions warrant. In order to fund this stock repurchase program, Wendy s/Arby s Group would require a distribution of a portion of the proceeds from the issuance of the initial notes.

Our senior secured term loan and amounts borrowed under the revolving credit facility, as amended by an amendment dated as of June 10, 2009 (the Credit Agreement Amendment) and effective upon the issuance of the initial notes, bear interest at our option at either (i) Eurodollar Base Rate (as defined in the Credit Agreement), as adjusted pursuant to applicable regulations (but not less than 2.75%) plus 4.00%, 4.50%, 5.00% or 6.00% per annum, depending on our corporate credit rating or (ii) the Base Rate (as defined in the Credit Agreement), which is the higher of the interest rate announced by the administrative agent for the Credit Agreement as its base rate and the Federal funds rate plus 0.50% (but not less than 3.75%), in either case plus 3.00%, 3.50%, 4.00% or 5.00% per annum, depending on our corporate credit rating. The revolving credit facility expires not later than July 25, 2011. The senior secured term loan is due not later than July 25, 2012 and amortizes in the amount equal to approximately 1% per annum of the initial principal amount outstanding, as adjusted for any optional or mandatory prepayments, payable in quarterly installments through June 30, 2011, with the balance payable in the final year in four equal quarterly payments. Based on Wendy s/Arby s Restaurants corporate credit rating at the effective date of the amended credit agreement and as of June 28, 2009, the applicable interest rate margins available to us were 4.50% for Eurodollar Base Rate borrowings and 3.50% for Base Rate borrowings.

The following is a summary of the sources and uses of proceeds from the offering of the initial notes. You should read the following together with the information set forth under Prospectus Summary Summary of the Terms of the Exchange Notes, Capitalization and Description of Other Indebtedness.

Sources of funds (in millions)			**Uses of funds (in millions)**		
Initial notes(1)	$	551.1	Optional prepayment of our existing senior secured term loan(2)	$	134.6
			Financing costs and other expenses(3)		23.5
			Remaining proceeds		393.0

$	551.1	$	551.1

(1) The initial notes have a face value of $565.0 million, but were offered at a discount of approximately $13.9 million.

(2) Includes approximately $2.1 million of accrued interest from April 1, 2009 through June 23, 2009 with respect to the approximately $132.5 million in borrowings under our existing senior secured term loan optionally prepaid in connection with the offering of the initial notes. The effect of the $132.5 million repayment is not reduced by $2.9 million which was repaid to us in respect of the indebtedness under our existing senior secured term loan which we had previously repurchased (and accrued interest thereon).

(3) Financing costs and other expenses include the initial purchasers discount and fees and expenses

related to the
offering of the
initial notes.

CAPITALIZATION

The following table shows our capitalization as of June 28, 2009 (unaudited). You should read this table in conjunction with our condensed combined financial statements and the related notes included elsewhere in this prospectus.

	June 28, 2009 (In millions)
Cash and cash equivalents	$ 582.5
Long-term debt:	
Our long-term debt:	
Initial notes (1)	$ 551.1
Senior secured term loan (2)	253.5
Senior secured revolving facility (2)	
Our subsidiaries long-term debt:	
6.20% Senior Notes due 2014 (3)	201.4
6.25% Senior Notes due 2011 (4)	190.8
7% Debentures due 2025 (5)	79.5
Sale-leaseback obligations, excluding interest	124.6
Capitalized lease obligations, excluding interest (6)	103.1
Notes payable (7)	4.7
Other	1.5
Total long-term debt	$ 1,510.2
Invested equity:	
Member interest, $0.01 par value; 1,000 interests authorized, one issued and outstanding	$
Other capital	2,964.3
Accumulated Deficit	(488.3)
Advances to Wendy s/Arby s Group	(155.0)
Accumulated other comprehensive loss	(23.2)
Total invested equity	$ 2,297.8

(1) The initial notes have a face value of $565.0 million but were offered at a

discount of approximately $13.9 million. This discount is being accreted as of June 23, 2009 and is being included in interest expense through the maturity date of the notes.

(2) We, Wendy s, Arby s and certain other subsidiaries are the co-borrowers under the Credit Agreement. See Description of Other Indebtedness Senior Secured Credit Facilities included elsewhere in this prospectus.

The Credit Agreement includes a senior secured term loan facility (the Term Loan), which had $253.5 million outstanding as of June 28, 2009, and a senior secured revolving credit facility of $170.0 million. The revolving credit facility includes a sub-facility for the issuance of letters of credit up to $50.0 million. During the six months ended June 28, 2009, we borrowed a total of $51.2 million under the revolving credit facility; however, no amounts were outstanding as of June 28, 2009. The availability under the revolving credit facility as of June 28, 2009 was $134.2 million, which is net of $35.8 million for outstanding letters of credit.

(3) Unsecured debt assumed as part of the Wendy s Merger and is due June 2014 and redeemable prior to maturity at our option. The Wendy s 6.20% Senior Notes were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $225.0 million and an effective interest rate of 7.0%. These securities are obligations of Wendy s, our subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries. During the third quarter of 2009 we entered into $186.0 million (notional amount) of interest swaps in order to hedge a portion of this fixed rate debt.

(4) Unsecured debt assumed as part of the Wendy s Merger and is due November 2011 and is redeemable prior to maturity at our option. The Wendy s 6.25% Senior Notes were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $200.0 million and an effective interest rate of 6.6%. These securities are obligations of Wendy s, our subsidiary and a guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries. During the

third quarter of 2009 we entered into $175.0 million (notional amount) of interest swaps in order to hedge a portion of this fixed rate debt.

(5) Unsecured debt assumed as part of the Wendy s Merger and is due in 2025. The Wendy s 7% debentures are unsecured and were adjusted to fair value at the date of and in connection with the Wendy s Merger based on an outstanding principal of $100.0 million and an effective interest rate of 8.6%. These securities are obligations of Wendy s, our subsidiary and a

guarantor of the notes offered hereby, and are not guaranteed by us or any of our other subsidiaries.

(6) The capitalized lease obligations, which extend through 2036, include $30.1 million of capital lease obligations assumed as part of the Wendy s Merger. The Wendy s capital lease obligations were adjusted to fair value at the date of and in connection with the Wendy s Merger.

(7) This obligation represents notes payable assumed as part of the acquisition in 2008 of 41 franchised

Arby s restaurants in the California market (the California Restaurant Acquisition) which are due through 2014.

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The unaudited pro forma combined statements of operations are based upon our historical combined financial statements and upon the historical consolidated financial statements of Wendy s. They have been prepared to illustrate the effect of the merger in which Wendy s became our wholly-owned subsidiary (as a result of Wendy s/Arby s Group s contribution of its investment in Wendy s and its subsidiaries acquired in the Wendy s Merger) as if the merger had taken place on December 31, 2007 (the first day of our 2008 fiscal year) and as if we had existed as a separate legal entity at the beginning of the earliest period presented. The unaudited pro forma combined statements of operations also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering as if the notes had been issued on December 31, 2007.

We were formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Our sole asset at formation consisted of the contribution by Wendy s/Arby s Group of its investment in Wendy s and its subsidiaries, which had been acquired on September 29, 2008. In March 2009, Wendy s/Arby s Group contributed to us its long-standing investment in ARG and its subsidiaries. We have no assets or operations other than those of Wendy s and Arby s and their respective subsidiaries.

Our historical condensed combined financial statements present the results of Wendy s and Arby s as if we had existed as a separate legal entity at the beginning of the earliest period presented. The historical combined financial statements have been derived from the consolidated financial statements and historical accounting records of Wendy s/Arby s Group. Accordingly, the historical combined financial statements include the results of Wendy s and Arby s beginning from their time of ownership by Wendy s/Arby s Group. As a result, historical condensed combined financial results included in the pro forma information presented below for the year ended December 28, 2008 only includes Wendy s from September 29, 2008.

The unaudited pro forma combined statements of operations combine our historical combined statements of operations and the historical consolidated statement of operations of Wendy s and assume that the Wendy s Merger had been consummated on December 31, 2007. Our historical statements referred to above for the year ended December 28, 2008 and the six months ended June 28, 2009 are included elsewhere in this prospectus. The historical statements referred to above for Wendy s for the nine months ended September 28, 2008 are included elsewhere in this prospectus.

The unaudited pro forma combined statements of operations give effect to transactions and events that are (a) directly attributable to the merger and (b) factually supportable. The unaudited pro forma combined statements of operations also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering. Under the purchase method of accounting, the total estimated merger consideration, as described in the footnotes to our combined financial statements for each of the three years in the period ended December 28, 2008 included elsewhere in this prospectus, has been preliminarily allocated to Wendy s net tangible and intangible assets acquired and liabilities assumed based on their estimated fair values with the excess recognized as goodwill. Our management s preliminary allocation of the merger consideration still remains subject to finalization. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma combined financial statements.

The unaudited pro forma combined statements of operations do not reflect future events that may occur after the merger, including the potential realization of operating cost savings, margin improvements, general and administrative synergies or restructuring or other costs relating to the integration of the two companies nor do they include any other non-recurring costs related to the merger. The unaudited pro forma combined statements of operations are provided for informational purposes only and are not necessarily indicative of the financial position or results of operations that would have occurred if the Wendy s Merger had been completed on December 31, 2007 nor are they necessarily indicative of our future operating results. In addition, the unaudited pro forma financial information does not purport to indicate the results of operations as of any future date or

any future period. The pro forma adjustments are subject to change and are based upon currently available information which we believe is reasonable on this date.

The accompanying unaudited pro forma combined statements of operations should be read in conjunction with (i) the historical combined financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus and (ii) the historical consolidated financial statements for Wendy s, which are included elsewhere in this prospectus.

WENDY S/ARBY S RESTAURANTS, LLC
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
Year Ended December 28, 2008

	Historical		Pro Forma Adjustments		Pro Forma
	Wendy s/Arby s Restaurants, LLC Year Ended December 28, 2008	Wendy s Nine Months Ended September 28, 2008	Wendy s Merger (In Thousands)	Issuance of Senior Notes	Wendy s/Arby s Restaurants, LLC Year Ended December 28, 2008
Revenues:					
Sales	$ 1,662,291	$ 1,617,213	$	$	$ 3,279,504
Franchise revenues	160,470	222,740	(74)B		383,136
	1,822,761	1,839,953	(74)		3,662,640
Costs and expenses:					
Cost of sales	1,415,530	1,351,451	4,536 B		2,842,519
			(11,215)A		
			80,116 A		
			2,101 F		
Advertising		80,116	(80,116)A		
General and administrative	213,161	201,270	(76)B		419,245
			4,890 A		
Depreciation and amortization	85,058	96,369	(700)B		183,344
			(1,750)A		
			6,468 C		
			(2,101)F		
Goodwill impairment	460,075				460,075
Impairment of other long-lived assets	9,580		1,389 A		10,969
Facilities relocation and restructuring	3,221	2,523			5,744
Other operating expense (income), net	652	(9,186)	8,766 A		232
		84,231			84,231

Wendy s special committee expense					
	2,187,277	1,806,774	12,308		4,006,359
Operating (loss) profit	(364,516)	33,179	(12,382)		(343,719
Interest expense	(66,925)	(21,789)	(6,842)B	(54,117)G	(154,445
			(4,772)A		
Gain on early extinguishments of debt	3,656				3,656
Other (expense) income, net	(422)	(3,822)	(332)B		2,276
			6,852 A		
(Loss) income before income taxes	(428,207)	7,568	(17,476)	(54,117)	(492,232
Benefit from (provision for) income taxes	63,121	(13,359)	6,640 D	20,564 H	81,308
			4,342 E		
Net loss	$ (365,086)	$ (5,791)	$ (6,494)	$ (33,553)	$ (410,924

43

WENDY S/ARBY S RESTAURANTS, LLC
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
Six Months Ended June 28, 2009

	Historical Wendy s/Arby s Restaurants, LLC Six Months Ended June 28, 2009	Pro Forma Adjustments		Pro Forma Wendy s/Arby s Restaurants, LLC Six Months Ended June 28, 2009
		Wendy s Merger	Issuance of Senior Notes	
		(In Thousands)		
Revenues:				
Sales	$ 1,589,438	$	$	$ 1,589,438
Franchise revenues	187,233			187,233
	1,776,671			1,776,671
Costs and expenses:				
Cost of sales	1,362,404			1,362,404
General and administrative	213,063			213,063
Depreciation and amortization	95,059	(6,468)C		88,591
Impairment of other long-lived assets	13,404			13,404
Facilities relocation and restructuring	4,166			4,166
Other operating expense, net	1,732			1,732
	1,689,828	(6,468)		1,683,360
Operating profit	86,843	6,468		93,311
Interest expense	(52,363)		(26,485)G	(78,848)
Other (expense) income, net	(4,721)			(4,721)
Income (loss) before income taxes	29,759	6,468	(26,485)	9,742
(Provision for) benefit from income taxes	(11,584)	(2,458)D	10,064 H	(3,978)
Net income (loss)	$ 18,175	$ 4,010	$ (16,421)	$ 5,764

WENDY S/ARBY S RESTAURANTS, LLC
NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(Amounts in thousands)

PRO FORMA ADJUSTMENTS

1. Description of transaction and basis of presentation

The unaudited pro forma combined statements of operations are based upon our historical combined financial statements and upon the historical consolidated financial statements of Wendy s and have been prepared to illustrate the effect of the merger in which Wendy s became our wholly-owned subsidiary (as a result of Wendy s/Arby s Group s contribution of its investment in Wendy s and it subsidiaries acquired in such merger to us) as if the merger had taken place on December 31, 2007 (the first day of our 2008 fiscal year) and as if we had existed as a separate legal entity at the beginning of the earliest period presented. Our other acquisition or disposition transactions in 2008 and 2009 are not considered significant for pro forma presentation. The unaudited pro forma combined statements of operations also reflect the effects of the issuance of the initial notes and the application of the net proceeds of the offering (see Use of Proceeds) as if the notes had been issued on December 31, 2007.

2. Pro forma adjustments

The following pro forma adjustments are included in the unaudited pro forma combined statements of operations:

Wendy s Merger

A. Represents reclassification of amounts in the Wendy s historical condensed statements of operations to conform to our presentation.

B. Represents adjustments for the difference between the estimated fair value of the Wendy s net tangible and intangible assets acquired and liabilities assumed recorded as part of the preliminary purchase price allocation as further described in Note 2 to our unaudited combined financial statements for the quarter ended June 28, 2009. Our management s preliminary allocation of the merger consideration still remains subject to finalization.

	Year Ended December 28, 2008
Increase (decrease) in franchise revenue:	
Net favorable / unfavorable sublease amortization from purchase price allocation	$ (74)
Increase (decrease) in expense:	
Cost of sales:	
Reversal of historical straight line rent and landlord inducement	$ (2,122)
Straight line rent, other rent expense and landlord inducement from purchase price allocation	5,119
Net favorable / unfavorable lease amortization from purchase price allocation	1,539
Total	$ 4,536
General and Administrative:	
Other	$ (76)
Depreciation and amortization:	
Reversal of historical amounts for properties	$ (89,503)
Depreciation and amortization of properties from purchase price allocation	74,943
Amortization of computer software and hardware from purchase price allocation	1,253
Franchisee agreement amortization from purchase price allocation	12,607
Total	$ (700)
Interest:	
Interest expense related to the decrease in the fair value of debt from purchase price allocation	$ (6,842)
Other income, net:	
Interest income reduction related to the increase in the fair value of financing lease receivable from purchase price allocation	$ (332)

C. Represents the reversal of additional depreciation recorded in the first quarter of 2009 pertaining to the fourth quarter of 2008 as a result of refinements in 2009 to the Wendy s purchase price allocation (including long-lived assets).

D. Represents the tax effect of the pro forma adjustments described above at an assumed 38% statutory income tax rate. This rate is an estimate and does not take into account future tax strategies that may be applied to the consolidated entity.

E. Represents an increase in tax expense as a result of the non-deductibility of a portion of the Wendy s special committee costs. Wendy s had originally determined at the time of the 2007 tax accrual that, based on the then current status of any business combination in which it may have been involved, the full amount of the costs were deductible. The merger changed the deductibility of a portion of those costs.

F. Represents the reclassification of Arby s favorable lease amortization from depreciation and amortization to cost of sales.

Issuance of notes

G. Represents adjustments as if the notes were issued on the first day of fiscal 2008:

	Year ended December 28, 2008	Six months ended June 28, 2009
Interest expense:		
1) Notes	$ 56,500	$ 27,304
2) Amortization of the discount on the notes	1,544	674
3) Amortization of notes debt issuance costs	3,718	1,808
4) Effect of the prepayment of $132,500 of the existing senior secured term loan	(7,645)	(3,301)
	$ 54,117	$ 26,485

The unaudited pro forma combined statements of operations do not include any income from our investment of the net proceeds of the notes.

H. Represents the tax effect of the pro forma adjustments described above at an assumed 38% statutory income tax rate. This rate is an estimate and does not take into account future tax strategies that may be applied to

the
consolidated
entity.

SELECTED HISTORICAL FINANCIAL DATA

Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in ARG and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s.

The selected historical combined financial data presented below as of and for each of the years in the period ended December 28, 2008 have been derived from, and should be read together with, our audited financial statements and the accompanying notes included elsewhere in this prospectus. The selected historical combined financial and other data for the years ended January 2, 2005 and January 1, 2006 and as of January 2, 2005 and January 1, 2006 have been derived from our financial statements not included in this prospectus.

The selected historical combined financial data presented below as of and for the six month periods ended June 28, 2009 and June 29, 2008 have been derived from, and should be read together with, our unaudited condensed combined consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

The financial statement data in the table below should be read in conjunction with the historical combined financial statements, Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are included elsewhere in this prospectus.

	Year Ended(1)					
	January 2, 2005	**January 1, 2006(2)**	**December 31, 2006(3)**	**December 30, 2007(3)**	**December 28, 2008(4)**	**Ju[n] 2[0]**
	(In millions, except ratios)					
Combined Statement of Operations Data:						
Sales	$ 205.6	$ 570.8	$ 1,073.3	$ 1,113.4	$ 1,662.3	$
Franchise revenues	100.9	91.2	82.0	87.0	160.5	
Revenues	306.5	662.0	1,155.3	1,200.4	1,822.8	
Goodwill impairment					(460.1)	
Operating profit (loss)	59.2	52.9	95.3	108.7	(364.5)	
Income (loss) from continuing operations	17.0	(19.2)	25.4	32.8	(365.1)	
Loss from discontinued operations			(1.3)	(0.1)		
Net income (loss)	$ 17.0	$ (19.2)	$ 24.1	$ 32.7	$ (365.1)	$
Other Financial Data:						
EBITDA (5)	$ 72.1	$ 79.3	$ 149.8	$ 168.2	$ 190.3	$
Ratio of earnings to fixed charges (6)	1.9 x		1.6 x	1.6 x		
Capital expenditures	$ 12.1	$ 33.4	$ 71.9	$ 72.9	$ 105.9	$
Combined Balance Sheet Data (at period end):						
Cash and cash	$ 19.4	$ 53.0	$ 44.2	$ 44.1	$ 63.1	$

equivalents						
Working capital (deficit)	(24.5)	(37.4)	(37.5)	(41.5)	(143.7)	
Total assets	240.1	1,051.6	1,086.5	1,139.7	4,502.3	1,
Long-term debt	287.4	722.8	708.5	735.1	1,089.7	
Deferred income	4.7	3.0	10.8	6.7	16.9	
Deferred income taxes		4.5	15.6	8.6	526.7	
Other liabilities	18.5	48.1	60.1	65.1	155.4	
Total invested equity (deficit)	(134.2)	128.4	156.5	153.7	2,254.8	

(1) Wendy s/Arby s Restaurants, LLC was formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Wendy s/Arby s Group contributed its investment in Wendy s and its subsidiaries to us at our formation and its investment in ARG and its subsidiaries in March 2009. The combined financial statements present our historical results as if we had existed as a

separate legal entity by the beginning of the earliest period presented. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/ Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s. The financial position and results of operations of Wendy s and its subsidiaries are included commencing with the date of the Wendy s Merger, September 29, 2008. The financial position and results of operations of RTM are included commencing with its acquisition by us on July 25, 2005. We report our combined results on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. In accordance with this method, each of our fiscal years presented above contained 52 weeks except for the 2004 fiscal year, which ended on January 2, 2005 and contained 53 weeks. All references to years relate to fiscal years rather than calendar years.

(2) Reflects certain significant charges and credits recorded during 2005 as follows: $30.5 million charged to operating loss representing (1) a $17.2 million loss on settlements of unfavorable franchise rights representing the cost of settling franchise agreements acquired as a component of the acquisition of RTM with royalty rates below the 2005 standard 4% royalty rate that

we receive on new franchise agreements and (2) facilities relocation and corporate restructuring charges of $13.3 million; $39.7 million charged to loss from continuing operations and net loss representing the aforementioned $30.5 million charged to operating loss and a $35.8 million loss on early extinguishments of debt upon a debt refinancing in connection with the acquisition of RTM, both partially offset by $26.6 million of income tax benefit relating to the above charges.

(3) Selected financial data reflects the changes related to the adoption of the following accounting standards:

(a) We adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), Share-Based Payment (SFAS 123(R)), which revised SFAS No. 123, Accounting for Stock-Based Compensation (SFAS 123) effective January 2, 2006. As a result, we now measure the cost of employee services received in exchange for an award of equity instruments, including grants of employee stock options and restricted stock, based on the fair value of the award at the date of grant. We previously used the intrinsic value method to measure employee share-based compensation. Under the intrinsic value method, compensation cost for Wendy s/Arby s Group stock options was measured as the excess, if any, of the market price of Wendy s/Arby s Group Class A common stock, and/or Class B common stock, series 1, as applicable, at the date of grant, or at any subsequent measurement date as a result of certain types of modifications to the terms of its stock options, over the amount an employee must pay to acquire the stock. As we used the modified prospective adoption method under SFAS 123(R), there was no effect from the adoption of this standard on the financial statements for all periods presented prior to the adoption date.

(b) We adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48) as of January 1, 2007. FIN 48 clarifies how uncertainties in income taxes should be reflected in financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of potential tax benefits associated with tax positions taken or expected to be taken in income tax returns. FIN 48 prescribes a two-step process of evaluating a tax position, whereby an entity first determines if it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is then measured for purposes of financial statement recognition as the largest amount of benefit that is greater than 50 percent likely of being realized upon being effectively settled. There was no effect on the 2007 or prior period statements of operations upon the adoption of FIN 48. However, there was a net reduction of $2.5 million in invested equity as of January 1, 2007.

(4) Reflects certain significant charges and credits recorded during 2008 as follows: $460.1 million charged to operating profit consisting of a goodwill impairment for the Arby s

company-owned restaurant reporting unit; $391.8 million charged to income from continuing operations and net income representing the aforementioned $460.1 million charged to operating profit partially offset by $68.3 million of income tax benefit related to the above charges.

(5) Earnings before interest, taxes, depreciation and amortization (EBITDA) is used by us as a performance measure for benchmarking against our peers and competitors. We believe EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the restaurant industry. EBITDA is not a recognized term under accounting principles

generally accepted in the United States of America (GAAP). Because all companies do not calculate EBITDA or similarly titled financial measures in the same way, those measures as used by other companies may not be consistent with the way we calculate EBITDA or similarly titled financial measures and should not be considered as alternative measures of operating profit or net income (loss).

Our presentation of EBITDA below is not intended to replace the presentation of our financial results in accordance with GAAP.

The following table presents our reconciliation of EBITDA to net income (loss):

	Year Ended					Six Mo
	January 2, 2005	January 1, 2006(2)	December 31, 2006(3)	December 30, 2007(3)	December 28, 2008(4)	June 29 2008(3)
						(Una
				(In Millions)		
EBITDA (5)	$ 72.1	$ 79.3	$ 149.8	$ 168.2	$ 190.3	$ 66.1
Depreciation and amortization	(9.5)	(25.0)	(50.5)	(56.9)	(85.1)	(30.1)
Goodwill impairment					(460.1)	
Impairment of other long-lived assets	(3.4)	(1.4)	(4.0)	(2.6)	(9.6)	(1.4)
Operating profit (loss)	59.2	52.9	95.3	108.7	(364.5)	34.6
Interest expense	(26.2)	(36.8)	(56.9)	(59.2)	(66.9)	(27.8)
(Loss) gain on early extinguishment of debt		(35.8)			3.7	
Other (expense) income, net	(4.7)	(0.5)	5.5	3.3	(0.5)	0.4
Income (loss) before income taxes	28.3	(20.2)	43.9	52.8	(428.2)	7.2
(Provision for) benefit from income taxes	(11.3)	1.0	(18.5)	(20.0)	63.1	(2.9)
Loss from discontinued operations			(1.3)	(0.1)		
Net income (loss)	$ 17.0	$ (19.2)	$ 24.1	$ 32.7	$ (365.1)	$ 4.3

(6)

Earnings were inadequate to cover fixed charges by $29.3 million for the year ended January 1, 2006 and $328.6 million for the year ended December 28, 2008. On a pro forma basis for the issuance of the notes, pro forma earnings were inadequate to cover pro forma fixed charges by $328.6 million for the year ended December 28, 2008. On the same pro forma basis, the pro forma ratio of earnings to fixed charges for the six months ended June 28, 2009 was 1.0x.

51

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management s Discussion and Analysis of Financial Condition and Results of Operations of Wendy s/Arby s Restaurants, LLC should be read in conjunction with the combined financial statements and the related notes that appear elsewhere herein. Certain statements we make under this section constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. See Note Regarding Forward-Looking Statements included elsewhere in this prospectus. You should consider our forward-looking statements in light of the risks discussed under the heading Risk Factors above as well as our combined financial statements, related notes, and other financial information appearing elsewhere in this prospectus.

We were formed by Wendy s/Arby s Group as a wholly owned subsidiary in October 2008. Our sole asset at formation consisted of the contribution by Wendy s/Arby s Group of its investment in Wendy s and its subsidiaries. All of the outstanding common stock of Wendy s was acquired by Triarc on September 29, 2008 and at that same time Triarc changed its name to Wendy s/Arby s Group, Inc. In March 2009, Wendy s/Arby s Group contributed to us its long-standing investment in ARG and its subsidiaries. We have no assets or operations other than those of Wendy s and Arby s and their respective subsidiaries.

The combined financial statements present the historical results of Arby s and Wendy s as if Wendy s/Arby s Restaurants had existed as a separate legal entity by the beginning of the earliest period presented. The combined financial statements have been derived from the consolidated financial statements and historical accounting records of Wendy s/Arby s Group. Accordingly, the combined financial statements include the results of Arby s and Wendy s beginning from their time of ownership by Wendy s/Arby s Group. As a result, financial results for periods prior to September 29, 2008 include solely the financial results of Arby s.

The results of operations discussed below will not be indicative of future results due to the consummation of the Wendy s Merger as of the first day of the fourth quarter of 2008.

Introduction and Executive Overview

Wendy s Merger

On September 29, 2008, a subsidiary of Triarc merged with and into Wendy s and Wendy s became a wholly owned subsidiary of Triarc in an all-stock transaction in which Wendy s shareholders received a fixed ratio of 4.25 shares of Wendy s/Arby s Group common stock for each share of Wendy s common stock owned. We expect that the Wendy s Merger will better position us to deliver long-term value to Wendy s/Arby s Group stockholders through enhanced operational efficiencies, improved product offerings, and shared services. Wendy s operates, develops and franchises a system of distinctive quick service restaurants specializing in hamburgers.

Our Business

We are a wholly owned subsidiary of Wendy s/Arby s Group and the parent company of Wendy s and ARG, which are the owners and franchisors of the Wendy s® and Arby s® restaurant systems, respectively. We currently manage and internally report our operations as two business segments: the operation and franchising of Wendy s restaurants and the operation and franchising of Arby s restaurants. As of June 28, 2009, the Wendy s restaurant system was comprised of 6,608 restaurants, 1,395 of which we owned and operated. As of June 28, 2009, the Arby s restaurant system was comprised of 3,745 restaurants, 1,170 of which we owned and operated. All 2,565 Wendy s and Arby s company-owned restaurants are located principally in the United States and to a lesser extent in Canada (the North America Restaurants).

Restaurant business revenues for 2008 include: (1) $1,632.9 million recognized upon delivery of food to the customer, (2) $29.4 million from the sale of bakery items and kid s meal promotion items to our franchisees, (3) $149.5 million from royalty income from franchisees, (4) $7.6 million from rental income from properties leased to franchisees, and (5) $3.4 million from franchise and related fees. Restaurant business revenues for the first half of 2009 include: (1) $1,534.2 million of revenues from company-owned restaurants, (2) $55.2 million from the sale of bakery items and kid s meal promotion items to our franchisees, (3) $173.0 million from royalty income from franchisees and (4) $14.3 million of other franchise related revenue. Our revenues increased significantly in each period presented due to the Wendy s Merger. The Wendy s royalty rate was 4.0% for the year ended December 28, 2008 and the six months ended June 28, 2009. While over 80% of our existing Arby s royalty agreements and substantially all of our new domestic royalty agreements provide for royalties of 4% of franchise revenues, our average Arby s royalty rate was 3.6% for the year ended December 28, 2008 and for the six months ended June 28, 2009.

Business Highlights

We believe there are significant opportunities to grow our business, strengthen our competitive position and enhance our profitability through the execution of the following strategies:

Revitalizing the Wendy s and Arby s brands by creating innovative new menu items at Wendy s, increasing Arby s customer traffic by targeting our medium Arby s customers and expanding our breakfast daypart at both brands;

Improving Wendy s company-owned restaurant profitability;

Realizing cost savings related to the Wendy s/Arby s integration;

Strategically growing our franchise base by leveraging our brands to expand in North America as well as into new international markets with dual branded Wendy s and Arby s franchised restaurants; and

Acquisitions of other restaurant companies.

Key Business Measures

We track our results of operations and manage our business using the following key business measures:

Same-Store Sales

We report Arby s North America Restaurants same-store sales commencing after a store has been open for fifteen continuous months. Wendy s North America Restaurants same-store sales are reported after a store has been open for at least fifteen continuous months as of the beginning of the fiscal year. These methodologies are consistent with the metrics used by our management for internal reporting and analysis. Same-store sales exclude the impact of currency translation.

Restaurant Margin

We define restaurant margin as sales from company-owned restaurants (excluding sales from bakery items and kid s meal promotion items to franchisees) less cost of sales (excluding costs from bakery items and kid s meal promotion items), divided by sales from company-owned restaurants. Restaurant margin is influenced by factors such as restaurant openings and closures, price increases, the effectiveness of our advertising and marketing initiatives, featured products, product mix, the level of our fixed and semi-variable costs, and fluctuations in food and labor costs.

Restaurant Business Trends

Our restaurant businesses have recently experienced trends in the following areas:

Revenues

Continued lack of general consumer confidence in the economy and the effect of decreases in many consumers discretionary income caused by factors such as volatility in the financial markets and recessionary economic conditions, including high unemployment levels, a declining real estate market, continuing unpredictability of fuel costs, and food cost inflation;

Continued and more aggressive price competition in the QSR industry, as evidenced by (1) value menu concepts, which offer comparatively lower prices on some menu items, (2) the use of coupons and other price discounting, (3) many recent product promotions focused on lower prices of certain menu items and (4) combination meal concepts, which offer a complete meal at an aggregate price lower than the price of individual food and beverage items;

Competitive pressures due to extended hours of operation by many QSR competitors, including breakfast and late night hours;

Competitive pressures from operators outside the QSR industry, such as the deli sections and in-store cafes of major grocery and other retail store chains, convenience stores and casual dining outlets offering prepared and take-out food purchases;

Increased availability to consumers of product choices, including (1) healthy products driven by a greater consumer awareness of nutritional issues, (2) products that tend to offer a variety of portion sizes and more ingredients, (3) beverage programs which offer a wider selection of premium non-carbonated beverages, including coffee and tea products and

(4) sandwiches with perceived higher levels of freshness, quality and customization; and

Competitive pressures from an increasing number of franchise opportunities seeking to attract qualified franchisees.

Cost of Sales

Higher commodity prices which increased our food costs during 2008, with moderation in recent months;

Changes in fuel prices which, when at much higher than current levels, contributed to increases in utility, distribution, and freight costs;

Federal, state and local legislative activity, such as minimum wage increases and mandated health and welfare benefits which is expected to continue to increase wages and related fringe benefits, including health care and other insurance costs; and

Legal or regulatory activity related to nutritional content or menu labeling which result in increased operating costs.

Other

Dislocation and weakness in the overall credit markets and higher borrowing costs in the lending markets typically used to finance new unit development and remodels.

These tightened credit conditions are negatively impacting the renewal of franchisee licenses as well as the ability of a franchisee to meet their commitments under development, rental and franchise license agreements;

A significant portion of both our Wendy s and Arby s restaurants are franchised and, as a result, we receive revenue in the form of royalties (which are generally based on a percentage of sales at franchised restaurants), rent and fees from franchisees. Arby s franchisee related accounts receivable and estimated reserves for uncollectability have increased, and may continue to increase, as a result of the deteriorating financial condition of some of our franchisees; and

Continued competition for development sites among QSR competitors and other businesses.

We experience these trends directly to the extent they affect the operations of our company-owned restaurants and indirectly to the extent they affect sales by our franchisees and, accordingly, the royalties and franchise fees we receive from them.

Certain Transactions with Wendy s/Arby s Group

We, Wendy s, and Arby s have transactions with Wendy s/Arby s Group in the normal course of operations for matters principally related to stock compensation, income taxes and certain administrative services.

In addition, during the fourth quarter of 2008, Wendy s advanced an aggregate of $155.0 million to Wendy s/Arby s Group and Wendy s/Arby s Group used such advances to fund $150.2 million of capital contributions to Arby s. These advances do not bear interest and Wendy s/Arby s Group does not currently intend to repay such advances. Accordingly, the $155.0 million of advances are reflected as a reduction of Invested equity in the accompanying combined balance sheet.

We receive certain management services from Wendy s/Arby s Group, including legal, accounting, tax, insurance, financial and other management services. In connection with the RTM Acquisition in July 2005, ARG entered into a new management services agreement with Wendy s/Arby s Group effective July 25, 2005 that provided for an initial annual fixed fee of $4.5 million plus annual cost of living adjustments beginning January 1, 2006.

For the 2008 fiscal year, we provided certain services, such as legal, accounting, tax, insurance, financial and other management services, to Wendy s/Arby s Group. Costs of the services that are allocated to Wendy s/Arby s Group are based on actual direct costs incurred. In the first quarter of 2009, Wendy s/Arby s began charging the restaurant segments for support services based upon budgeted segment revenues. Prior to that date, the restaurant segments had directly incurred such costs. Commencing with the second quarter of 2009, Wendy s/Arby s Restaurants established a shared service center in Atlanta and allocated its operating costs to the restaurant segments based on budgeted segment revenues.

Advisory Fees

Approximately $5.4 million in fees for corporate finance advisory services were paid to a management company, which was formed by certain directors of the Wendy s/Arby s Group including its Chairman of the Board of Directors, who is its former Chief Executive Officer, its Vice Chairman of the Board of Directors, who is its former President and Chief Operating Officer, and another director, who is also its former Vice Chairman of the Board of Directors in connection with the issuance of the notes and the amendment of the Credit Agreement.

Presentation of Financial Information

We report on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. All quarters presented contain 13 weeks. Because our 2009 fiscal year ending on January 3, 2010 will contain 53 weeks, our fourth quarter of 2009 will contain 14 weeks. All references to years relate to fiscal periods rather than calendar periods.

COMBINED RESULTS OF OPERATIONS

2008 Compared to 2007

Presented below is a table that summarizes our combined results of operations and compares the amount of the change between 2008 and 2007.

	2008	2007	Change
	(In Millions Except Percentages and Restaurant Count)		
Revenues:			
Sales	$ 1,662.3	$ 1,113.4	$ 548.9
Franchise revenues	160.5	87.0	73.5
	1,822.8	1,200.4	622.4
Costs and expenses:			
Cost of sales	1,415.5	894.5	521.0
General and administrative	213.2	136.8	76.4
Depreciation and amortization	85.1	56.9	28.2
Goodwill impairment	460.1		460.1
Impairment of other long-lived assets	9.6	2.6	7.0
Facilities relocation and corporate restructuring	3.2	0.6	2.6
Other operating expense, net	0.6	0.3	0.3
	2,187.3	1,091.7	1,095.6
Operating (loss) profit	(364.5)	108.7	(473.2)
Interest expense	(66.9)	(59.2)	(7.7)
Gain on early extinguishments of debt	3.6		3.6
Other income, net	(0.4)	3.3	(3.7)
(Loss) income from continuing operations before income taxes	(428.2)	52.8	(481.0)
Benefit from (provision for) income taxes	63.1	(20.0)	83.1
(Loss) income from continuing operations	(365.1)	32.8	(397.9)
Loss from discontinued operations, net of income taxes:		(0.1)	0.1
Net (loss) income	$ (365.1)	$ 32.7	$ (397.8)

Restaurant Statistics:

Wendy s same-store sales (a):	**Fourth Quarter 2008**
North America Company-owned restaurants	3.6 %
North America Franchise restaurants	3.8 %
North America Systemwide	3.7 %

Arby s same-store sales:	**2008**	**2007**
North America Company-owned restaurants	(5.8)%	(1.3)%
North America Franchised restaurants	(3.6)%	1.1 %
North America Systemwide	(4.3)%	0.3 %

Restaurant Margin:	**Fourth Quarter 2008**
Wendy s	11.7 %

	2008	**2007**
Arby s	16.1 %	19.7 %

Restaurant count:	**Company-owned**	**Franchised**	**Systemwide**
Wendy s restaurant count (a):			
Restaurant count at September 29, 2008	1,404	5,221	6,625
Opened since September 29, 2008	6	32	38
Closed since September 29, 2008	(5)	(28)	(33)
Net purchased from (sold by) franchisees since September 29, 2008	1	(1)	
Restaurant count at December 28, 2008	1,406	5,224	6,630
Arby s restaurant count:			
Restaurant count at December 30, 2007	1,106	2,582	3,688
Opened in 2008	40	87	127
Closed in 2008	(15)	(44)	(59)
Net purchased from (sold by) franchisees in 2008	45	(45)	
Restaurant count at December 28, 2008	1,176	2,580	3,756
Total restaurant count at December 28, 2008	2,582	7,804	10,386

Company-owned average unit volumes:	**2008**	**2007**
	(In Thousands)	
Wendy s North America	$ 1,452.9	$ 1,436.7
Arby s North America	$ 966.9	$ 1,016.0

(a) Wendy s data, other than average unit volumes, is only for the period commencing with the September 29, 2008 merger date through the end of the fiscal year.

Sales

Our sales, which were generated primarily from our company-owned restaurants in both periods, increased $548.9 million, or 49.3%, to $1,662.3 million for 2008 from $1,113.4 million for 2007. The increase in sales is primarily due to the Wendy s Merger, which added 1,406 net company-owned restaurants to the Wendy s and Arby s restaurant systems and generated $530.8 million in sales during the fourth quarter. Excluding Wendy s, sales increased $18.0 million, which is attributable to the $80.0 million increase in sales from the 70 net Arby s company-owned restaurants added since December 30, 2007 and substantially offset by a $62.0 million decrease in sales due to a 5.8% decrease in Arby s company-owned same-store sales. Of the 45 net restaurants acquired from franchisees, 41 are in the California market (the California Restaurants) and were purchased from a franchisee in the California Restaurant Acquisition on January 14, 2008. The California Restaurants generated approximately $36.0 million of sales in 2008. Same store sales of our Arby s company-owned restaurants were primarily impacted by the effect of deterioration of economic conditions in 2008 which resulted in decreases in consumers discretionary income, reduced consumer confidence in the economy, continued discounting by our competitors, and high unemployment levels. As a result of these factors, we have experienced an escalating decline in customer traffic and lower sales volumes. In addition, when compared to the prior year, Arby s executed marketing campaigns that were not as effective in reinforcing consumers perception of our value position in the QSR marketplace.

Franchise Revenues

Total franchise revenues, which were generated entirely from franchised restaurants, increased $73.5 million, or 84.5%, to $160.5 million for 2008 from $87.0 million for 2007. The increase was due to the Wendy s Merger, which added 5,224 franchised restaurants to the Wendy s and Arby s restaurant systems and generated $74.6 million in additional franchise revenue during the 2008 fourth quarter. Excluding Wendy s, franchise revenues decreased $1.1 million, which is primarily attributable to the effect of the California Restaurant Acquisition whereby previously franchised restaurants are now company-owned and the 3.6% decrease in same-store sales for Arby s franchised restaurants. Same-store sales of our franchise restaurants decreased primarily due to the same negative factors discussed above under Sales, but the use of incremental national media advertising initiatives in the 2008 first and third quarters had a greater positive effect on franchised restaurants than company-owned restaurants due to the increased exposure in many markets in which our franchisees operate.

Restaurant Margin

Our restaurant margin decreased to 14.8% for 2008 from 19.7% for 2007. We define restaurant margin as sales from company-owned restaurants (excluding sales from bakery items and kid s meal promotion items to franchisees) less cost of sales, divided by sales. In addition to the fourth quarter impact of lower average restaurant margins of 11.7% generated by Wendy s, total restaurant margin was negatively impacted by the decline in Arby s margin to 16.1% from 19.7% last year, stemming from (1) a decline in Arby s same-store sales which negatively impacted its operational leverage of fixed and semi-variable costs as a percentage of sales, (2) higher utilities and fuel costs under new distribution contracts that became effective in the third quarter of 2007, (3) increased advertising which was anticipated to generate additional customer traffic but did not, (4) an increase in labor costs primarily due to the effect on payroll and related costs from Federal and state minimum wage increases in 2008 and (5) higher food and paper costs primarily due to fluctuations in the cost of beef and other commodities.

General and Administrative

Our general and administrative expenses increased $76.4 million, or 55.8%, principally due to $79.5 million of Wendy s general and administrative expenses added during the 2008 fourth quarter as a result of the Wendy s Merger. Excluding Wendy s, general and administrative expenses decreased $3.2 million primarily due to (1) a $6.9 million decrease in incentive compensation in 2008 as compared to 2007, (2) a $6.5 million charge to Wendy s/Arby s Group for services provided in 2008, and (3) a $2.2 million decrease in relocation costs principally attributable to additional costs in the prior year related to estimated declines in market value and increased carrying costs for homes we purchased for resale from relocated employees. These decreases were partially offset by a (1) $4.5 million increase in salaries and wages as a result of the increase in employees at our corporate and regional offices as well as increases in existing employee salaries, (2) a $2.9 million increase in fringe benefits expenses primarily due to an increase in our 401K Plan match percentage, (3) a $1.9 million increase in professional fees and (4) a $1.0 million increase due to the reduction of the credit we received from the AFA for services we provided to them.

Depreciation and Amortization

	2008	2007	Change
		(In Millions)	
Arby s restaurants, primarily properties	$ 61.2	$ 56.9	$ 4.3
Wendy s restaurants, primarily properties	23.9		23.9
	$ 85.1	$ 56.9	$ 28.2