



The Best
Stuff is
Still Inside

TRIARC

Press On:

Nothing in the world can take the place of persistence.

Talent will not:

Nothing is more common than unsuccessful men with talent.

Genius will not:

Unrewarded genius is almost a proverb.

Education will not:

The world is full of educated derelicts.

Persistence and determination alone are omnipotent.

—Calvin Coolidge

1997:

DEAR FELLOW STOCKHOLDERS, WE ARE HAPPY TO REPORT THAT

1997 was the year that completed Triarc's transformation into a consumer products company and a year that saw our stock price more than double. With the sale of C.H. Patrick and the deconsolidation of our National Propane investment, we have focused Triarc on increasing the value of our beverage and restaurant businesses. ● In 1997, our beverage business was punctuated by the acquisitions of the Snapple® and Stewart's® premium beverage businesses, a significant number of new product introductions across all our brands and the resultant growth in sales and cash flow. The Triarc Restaurant Group completed the sale of its company-owned Arby's® restaurants, making it now exclusively a franchisor, signed several substantial Arby's development agreements and, most important, became a strong generator of cash.



Nelson Peltz, Chairman and Chief Executive Officer (right), and
Peter W. May, President and Chief Operating Officer

OF COURSE, THE BIGGEST STORY TO COME OUT OF TRIARC IN 1997 WAS OUR PURCHASE OF THE SNAPPLE brand for \$300 million, which made us the market leader in the premium beverage category. Even more significant, though, has been the Triarc Beverage Group's success at reversing the sales decline that had plagued Snapple over the preceding three years. ☼ Snapple's year-over-year case volumes had dropped by 22 percent through May 1997, when we acquired the brand. For the second half of 1997, the Triarc Beverage

We've put Snapple on a growth track again

Group, led by CEO Mike Weinstein, succeeded in bringing volume back to its 1996 levels. ☼ A number of factors contributed to this tremendous turnaround, but most important among them was Triarc's steps to improve Snapple's distributor relationships. The prior owner's marketing focus on selling Snapple through supermarkets had left the brand's traditional distribution network wondering about its role in Snapple's future. We convinced them of our renewed commitment to the sales

model that had made Snapple such a success in the first place. Our job was made a little easier by the reputation we had earned among our Mystic® distributors. ☼ Snapple is largely a product that is sold cold, one bottle at a time, through smaller retail channels. We have put the "snap" back into Snapple through a renewed focus on promoting Snapple's quirky brand image and on product innovation. For example, we have brought Snapple spokeswoman Wendy "The Snapple Lady" back into the fold and begun advertising again on such former Snapple strongholds as Howard Stern's and Rush Limbaugh's syndicated radio shows. ☼ On the product-innovation front, we brought a new flavor, Orange Tropic—Wendy's Tropical Inspiration™, to market only two weeks after the acquisition. We then introduced three exotic-tea flavors and a line of Snapple Farms™ 100 percent juice products. Snapple has also announced the introduction of WhipperSnapple™, a smoothie-like beverage in six flavors, which is a proprietary blend of fruit juices and purees, dairy and other natural ingredients packaged in a new swirl-shaped 10-ounce bottle.



The Revolutionary Snapple® Patch!

Triarc spent its first months as Snapple's new owner introducing new products and dramatically increasing sales. In its latest tongue-in-cheek ad campaign, Snapple suggests using a time-release patch to maintain your body's Snapple level when a bottle isn't close at hand.



Mistic® Brings the Rain Forest Home to You

1997 witnessed the successful launch of Mystic Rain Forest Nectars™, a line of juice drinks in exotic flavors. At the end of the year we introduced a carafe-shaped bottle for Mystic teas and lemonades and in 1998 brought to market Mystic Potions™ herbal-enhanced fruit drinks.

INNOVATION IN PRODUCT DEVELOPMENT IS A THEME THAT RUNS THROUGH ALL OUR BEVERAGE BRANDS. In early 1997, Mystic successfully introduced a new line of 15 percent juice products called Rain Forest Nectars™, and we'll add a number of new flavors to the line this year. Through a tie-in with the Washington, D.C.-based Nature Conservancy®, an organization that helps protect the Latin American rain forests, we're making a donation for every case of Rain Forest Nectars we sell. ❀ In addition, Mystic has been rolling out nationally a stunning, carafe-shaped bottle for its tea and lemonade products. This 16-ounce bottle features a wide-mouthed opening as well as an embossed medallion and a die-cut label. We are also using it to introduce four new Mystic 100 percent juice blends. The carafe-shaped bottle has been very well received. Mystic's product offerings will be further enhanced by the recent introduction of Mystic Potions™ beverages. These beverages contain herbal additives such as ginseng, ginko biloba and echinacea. ❀ Snapple may have been the big story of 1997, but we are also excited about this year's other beverage acquisition. In November we added Denver-based Cable Car Beverage Corp., the maker of

Product innovation distinguishes all our premium beverages

Stewart's Root Beer and other flavors, to Triarc's premium beverage business. Cable Car represents the kind of purchase that we're always interested in making. Aggressive, entrepreneurial management had driven annual sales to over 2 million cases, but Cable Car needed a better distribution system to continue growing. By purchasing the Stewart's brand and giving it access to the Snapple/Mystic distribution network, we've already increased sales and provided the means for Stewart's to continue its growth. In 1997, Stewart's introduced Lemon Meringue, a new flavor, and has just announced its latest offering, Creamy Style Draft Cola, which is an old-fashioned, soda fountain-style cola to be

introduced in April 1998. ❀ Although Cable Car is part of the Triarc Beverage Group, which is based in White Plains, New York, its headquarters will remain in Denver. We believe that maintaining Cable Car's Rocky Mountain location will give us a window on what's happening in premium beverage development in the western half of the United States. Cable Car president Sam Simpson and his management team remain at the company's helm. ❀ Our main beverage focus domestically centers on growing our premium

brands, but Royal Crown® continues to be a solid contributor to our bottom line. The RC Cola® and Diet Rite® brands currently have a combined 2 percent share of the domestic cola market, a relatively small but profitable niche. While we have no pretensions about going head-to-head with our major cola competitors, we do believe that there is room for RC to grow. As part of this domestic growth strategy, we've completely redesigned the look of RC Cola for 1998. It now features a dynamic new logo in red, white and blue packaging. We've also reformulated Cherry RC® and have introduced two new Diet Rite flavors: Lemon Sorbet and Iced Mocha. In addition, RC Cola will return to television for the first time in several years

Royal Crown has significant international growth opportunities

with a national advertising campaign built around a "freedom to choose" theme. RC is also the exclusive worldwide supplier of cola concentrates to Cott Corporation, the world's largest private-label soft drink company, and supplies Cott with non-cola concentrates as well. ✱ We believe that Royal Crown's largest growth opportunity lies outside of the United States, where it has the potential to capture two or three times its share of the U.S. cola market. Over the past five years, RC's international concen-

trate business has enjoyed an annual compound growth rate of 20 percent. We anticipate continued growth in 1998 as the world's per-capita cola consumption increases. Available in 63 countries, RC's major markets include Argentina, Australia, Brazil, Israel, Mexico, the Philippines, Russia, Tunisia and the Ukraine. We are focusing our energies on building RC's market share in less developed countries, where we think its growth potential is greatest. ✱ Triarc has also relaunched Snapple internationally and will return to 14 countries in 1998. Snapple's brand recognition abroad is particularly strong in areas where a higher percentage of people have visited the United States. We have reestablished many of the foreign-distribution relationships that had lapsed under prior ownership, and have signed agreements with bottlers in Italy and the United Kingdom to have Snapple produced locally for the first time.

Be Free... Drink RC

RC Cola® returns to television
this spring with a bold
new look and an
ad campaign based on
America's freedom to choose.
Two new Diet Rite® flavors,
Lemon Sorbet and Iced
Mocha, were also introduced
at the beginning of 1998.





"Love Food, Think Arby's®"

Arby's restaurants and T.J. Cinnamons® Classic Bakeries have proved to be a "picture-perfect" combination that has increased average unit sales and positioned Arby's as the "cut above" choice for quick service dining.

IT WAS A BUSY AND SUCCESSFUL YEAR FOR TRIARC'S RESTAURANT ACTIVITIES AS WELL. GUIDED BY ITS president, Roland Smith, the Triarc Restaurant Group completed its transformation into a franchising business, continued to grow the T.J. Cinnamons® brand and refined the p.t. Noodle's® pasta concept. 🌀 By completing the sale of the 355 company-owned Arby's units to the RTM Restaurant Group last May, Triarc no longer operates restaurants. We now focus our energies exclusively on building the Arby's brand and helping our franchisees increase their sales and profits. The franchising strategy creates more value for our stockholders by increasing our bottom line. We have reduced our annual capital expenditures to virtually zero and dramatically improved our cash flow. We're reaping enormous savings from the reduction in our workforce from 10,000 people—most of whom subsequently became employees of our franchisees—to approximately 140. We did this while keeping substantially all of the members of our core management team. 🌀 Today we are working hard to cultivate new and strengthened relationships in our franchise community. These efforts have led to a renewed commitment to the Arby's brand by our franchisees. For example, Atlanta-based RTM, our largest franchisee, has contracted to open 400 additional Arby's. SYBRA, another major franchisee, has agreed to open 150 units. In all, Arby's has commitments for 600 new stores over the next decade. During 1997, 124 new Arby's restaurants were opened by franchisees. In addition, a record number of remodelings took place in 1997, further evidencing the confidence our franchisees have in the potential of the brand. 🌀 We think that there is a real opportunity to expand Arby's from its current 3,000 U.S. locations to more than 5,000 over the next several years. Arby's is an underpenetrated brand compared to our largest competitors, which have anywhere from 5,000 to 10,000 units operating in North America. 🌀 Improving average unit sales, currently about \$700,000 annually, will drive that growth. It will make Arby's a more attractive investment to both new and existing franchisees and give them the financial strength to open restaurants in the most coveted locations.

Franchising is the hallmark of our restaurant business

ONE OF THE WAYS TO INCREASE AVERAGE UNIT SALES IS BY ADDING OTHER BRANDS TO ARBY'S locations that complement their existing business. We've been very successful at this approach; our franchisees opened 120 T.J. Cinnamons Classic Bakeries in 1997 with 250 more scheduled for 1998. T.J. Cinnamons, with its gourmet cinnamon rolls, premium coffees and related products, is a great fit for

T.J. Cinnamons will help Arby's sales grow even faster

Arby's because it generates most of its traffic at breakfast and snack hours, traditionally off-peak times. 🌀 We also hope to add other brands to Arby's that can further increase the profitability of the individual units—not to mention enhance our franchise fees and royalties. For example, we continue to test and refine the p.t. Noodle's pasta concept. This past

year, our franchisee RMI opened p.t. Noodle's franchises in eight Arby's locations in Cincinnati and Chattanooga, and results to date have been excellent. In addition, we continue to add new menu items, including a number of high-quality chicken items and Panini Grilled Sandwiches, which are consistent with Arby's positioning as "cut-above" adult fast food. We also continue to look for acquisitions that can complement our restaurant franchising philosophy. 🌀 As you can see, it has been an exciting year for Triarc, and we are very optimistic about the growth potential of our businesses. We are executing our strategies well and continue to look for ways to further improve earnings and cash flow. Triarc's management believes that these efforts will translate into increased value for all our stockholders.



Nelson Peltz
Chairman and Chief Executive Officer



Peter W. May
President and Chief Operating Officer

March 25, 1998

Gourmet Root Beer & Much, Much More

Denver-based Cable Car Beverage Corp. joined Triarc in 1997, adding the popular Stewart's® Root Beer brand, among others, to our product line. The latest Stewart's flavor introductions include Lemon Meringue and Creamy Style Draft Cola.



Board of Directors

Hugh L. Carey^{3,5}

Former Governor of the State of New York and member of Congress and currently Chairman, Board of Advisors, Cambridge Partners, L.L.C.

Clive Chajet^{2,4}

Chairman, Chajet Consultancy, L.L.C.

Stanley R. Jaffe^{1,4}

Owner, JAFFILMS, L.L.C.

Joseph A. Levato^{2,3}

Former Executive Vice President and Chief Financial Officer of the Company

Peter W. May^{4,5}

President and Chief Operating Officer

Nelson Peltz^{4,5}

Chairman and Chief Executive Officer

David E. Schwab II^{1,2}

*Senior Counsel
Cowan, Liebowitz & Latman, P.C.
(a law firm)*

Raymond S. Toubh^{1,2}

Financial Consultant and Director of various public companies

Gerald Tsai, Jr.^{1,3}

Private Investor

¹ Member of Audit Committee

² Member of Compensation Committee

³ Member of ERISA Committee

⁴ Member of Executive Committee

⁵ Member of Nominating Committee

Senior Officers

Nelson Peltz

Chairman and Chief Executive Officer

Peter W. May

President and Chief Operating Officer

John L. Barnes, Jr.

*Executive Vice President and
Chief Financial Officer*

Eric D. Kogan

*Executive Vice President,
Corporate Development*

Brian L. Schorr

*Executive Vice President and
General Counsel*

Francis T. McCarron

Senior Vice President, Taxes

Barry N. Shufeld

*Senior Vice President,
Information Services and Technology*

Jarrett Posner

Vice President, Corporate Finance

Stuart I. Rosen

*Vice President and Associate
General Counsel and Secretary*

Fred H. Schaefer

*Vice President and Chief
Accounting Officer*

Note

Certain statements in this Annual Report constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. See "Special Note Regarding Forward-Looking Statements and Projections" appearing in Triarc's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, included.

Locations & Senior Officers

Triarc Beverage Group

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Chairman

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*Senior Vice President
and Chief Financial Officer*

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Chief Information Officer*

Ken W. Gilbert

*Senior Vice President, Marketing
Snapple/Mistic*

Gary Lyons

Senior Vice President and General Counsel

Joseph McDonald

Senior Vice President, Sales

James Smith

*Senior Vice President,
Company Operations and Franchising*

Charles Zimmermann

Senior Vice President, Operations

Jeffrey Spencer

*Senior Vice President, Marketing
Royal Crown*

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Chief Executive Officer*

Curtis S. Gimson

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Michael Howe

Senior Vice President, Operations

Ken Johnston

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Business Development*

Kenneth A. Thomas

*Senior Vice President and
Chief Financial Officer*

Jon May

Vice President, Concept Development

John T. A. Vanderslice

*Vice President and General Manager
T.J. Cinnamons*

Stockholder Information

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Common Stock Listing

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