

2003



Annual Report

T R I A R C

About the Company

Triarc Companies, Inc. is a holding company and, through its subsidiaries, the franchisor of the Arby's® restaurant system and owner of approximately 235 Arby's restaurants located in the United States.

With approximately 3,400 restaurants worldwide, Arby's is the largest restaurant franchising system specializing in the roast beef sandwich segment of the quick service restaurant industry in the United States. According to *Nation's Restaurant News*, Arby's is the tenth largest quick service restaurant chain in the United States.

In addition to various oven-roasted roast beef sandwiches, Arby's offers an extensive menu of chicken, turkey and ham sandwiches, side dishes and salads, including its Market Fresh® premium

sandwiches. Arby's also offers franchisees the opportunity to multi-brand at Arby's locations with T.J. Cinnamons® gourmet cinnamon rolls and coffees.

In 2004, Arby's plans to introduce several new products, including Market Fresh salads and wraps and other low carbohydrate offerings.

We are reviewing our options to deploy our substantial liquidity through acquisitions, additional share repurchases and investments, with the goal of further increasing stockholder value.

We have two classes of common stock: Class A Common Stock and Class B Common Stock, Series 1. Our common stock is listed on the New York Stock Exchange under the ticker symbols: TRY (Class A) and TRY.B (Class B, Series 1).

Selected Financial Highlights¹

	2002	2003
(In thousands except per share amounts)		
Revenues	\$ 97,782	\$ 293,620
Loss from continuing operations	(9,757)	(13,083)
Income from discontinued operations	11,100	2,245
Net income (loss)	1,343	(10,838)
Basic and diluted income (loss) per share ²		
Continuing operations	\$ (0.16)	\$ (0.22)
Discontinued operations	0.18	0.04
Net income (loss)	\$ 0.02	\$ (0.18)
Cash, cash equivalents and investments ³	\$667,867	\$ 759,880
Total assets	967,383	1,042,965
Long-term debt	352,700	483,280
Stockholders' equity	332,742	287,606
Weighted average common shares outstanding ²		
Class A Common Stock	20,446	20,003
Class B Common Stock	40,892	40,010

1. You should refer to Selected Financial Data and the Consolidated Financial Statements and related notes thereto contained elsewhere in this Annual Report for discussion of the factors that impacted Triarc's results.
2. The calculations of income (loss) per share and weighted average common shares outstanding reflect the effect of Triarc's September 2003 stock distribution of two shares of a newly designated series of Class B, Series 1, Common Stock for each issued share of Class A Common Stock. For the years presented above, the income (loss) per share of Class A and Class B Common Stock were equal. You should refer to Note 4 to the Consolidated Financial Statements contained elsewhere in this Annual Report for further discussion of the per share calculations.
3. Includes restricted cash and cash equivalents as well as both current and non-current investments and is net of both securities sold with an obligation to purchase and investments held in deferred compensation trusts. You should refer to the Consolidated Balance Sheets and Notes 6, 8 and 23 to the Consolidated Financial Statements contained elsewhere in this Annual Report for the amounts of these items.

Our Team

In this year's annual report, we highlight our team and its strategies and objectives for strengthening Arby's® and deploying our substantial liquidity.

We have an outstanding team of people here at Triarc. Some of them have worked with us for many years and have been the facilitators of key business turnarounds, complex financings and other corporate transactions.

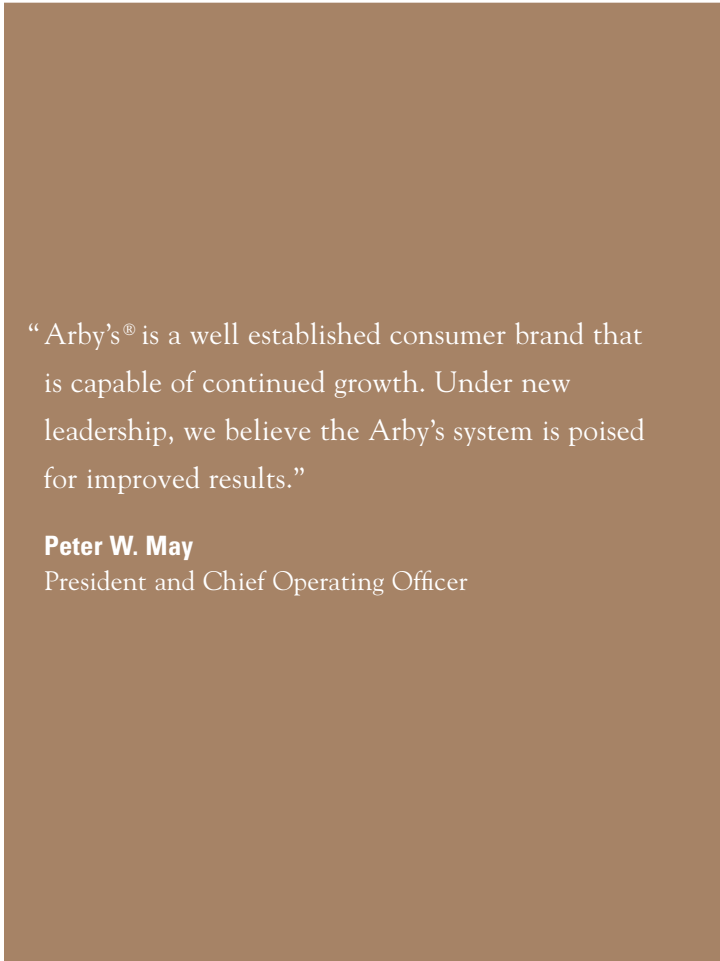
We have also recently welcomed some new professionals to Triarc. They bring to our company excellent skill sets and a collective enthusiasm, which integrate well with our existing management strengths.

2003 was a busy and rewarding year at Triarc, with our equity value reaching a new five-year high in the fourth quarter. As we look ahead to 2004 and beyond, we believe our team is well equipped to maximize stockholder value.



“Triarc has a bright future and we are well positioned to maximize stockholder value. In 2003, we significantly improved our capacity and flexibility to respond to acquisition opportunities.”

Nelson Peltz
Chairman and Chief Executive Officer



“Arby’s® is a well established consumer brand that is capable of continued growth. Under new leadership, we believe the Arby’s system is poised for improved results.”

Peter W. May
President and Chief Operating Officer



Dear Stockholders

We were busy in 2003:

- ♦ Arby's® weathered a challenging year and gained new leadership.
- ♦ We executed several capital markets transactions, which increased our financial resources and flexibility.
- ♦ We distributed a stock dividend and initiated a quarterly cash dividend.
- ♦ We strengthened our corporate development team.
- ♦ We reviewed a number of potential acquisitions.
- ♦ We continued to buy back our common stock as market conditions permitted.
- ♦ Our stock price continued to improve on both an absolute and relative basis.

Despite a difficult 2003, we are excited about what the future holds at Arby's. As we enter 2004, we are also continuing to review our options to deploy our substantial liquidity through acquisitions, additional share repurchases and investments, with the goal of further increasing stockholder value.

Arby's 2003 Performance

In 2003, industry discounting and increasing competition combined to depress overall results at Arby's.

Systemwide same store sales decreased (2.3)%, following six consecutive years of comparative store improvement, reflecting the factors described above as well as strong same store sales comparisons for the 2002 first nine months. We expect systemwide same store sales to be positive in the 2004 fiscal year.*

In 2003, 121 new Arby's units were opened and 74 units (generally, underperforming stores) were closed, resulting in a total of approximately 3,400 Arby's units in operation worldwide at year-end 2003. As of December 28, 2003, Arby's had commitments from franchisees to build approximately 468 new units through 2011.

2003 fiscal year operating results were also impacted by a \$(22.0) million non-cash goodwill impairment charge at our subsidiary Sybra, which currently owns and operates approximately 235 Arby's restaurants, that we purchased at year-end 2002. The goodwill impairment charge at Sybra was recorded in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," was based upon an analysis of expected cash flows for Sybra, reflecting increased competition and higher than expected beef costs, and was independent of our strategic reasons for owning restaurants. Although we operate our restaurant business as one segment, Arby's, Inc. and Sybra are considered separately under SFAS 142 when evaluating goodwill.

The Sybra transaction was a strategic acquisition that we believe will strengthen and increase the value of the Arby's brand. The Sybra stores provide Arby's with test markets for its new products and remodeling initiatives. We are also evaluating the longer-term benefits of investing in the Sybra restaurants and selectively re-franchising them to both new and existing franchisees, which, in turn, could result in new development agreements. Our goal is to increase the value of Arby's so as to enhance Triarc stockholder value.

Doug Benham became the new President and Chief Executive Officer of Arby's in early January 2004. Doug was previously the Chief Financial Officer and a member of the Board of Directors of the RTM Restaurant Group, Arby's largest franchisee, where he held positions of increasing responsibility since 1989. Doug has been an important

Despite a difficult 2003, we are excited about what the future holds at Arby's. As we enter 2004, we are also continuing to review our options to deploy our substantial liquidity...with the goal of further increasing stockholder value.

Given Triarc's strong balance sheet and the mid-2003 reduction in taxes on dividends, we began, for the first time, to pay a quarterly cash dividend on our common stock.

...As we look ahead, we continue to see a steady stream of acquisition opportunities for Triarc. We are also prepared to play an "activist" role in potential acquisitions...

force in the Arby's system for a long time. He brings a wealth of operating, financial and development experience to our organization and we are confident that the Arby's restaurant system will greatly benefit from Doug's leadership.

Arby's is building its new product development resources and adding several appealing products, including low carbohydrate offerings. We expect to introduce a new line of Market Fresh® salads on a nationwide basis in mid-2004. In response to the recent trend toward offering menu choices low in carbohydrates, Arby's has already introduced two new Market Fresh wrap sandwiches. In addition, some franchisees have begun offering Low Carbys™—the ingredients of our popular Market Fresh sandwiches served in a bowl, without the bread.

In 2004, Doug and his team will also be focusing on expanding Arby's unit development pipeline, improving its advertising effectiveness and continuing to work with the franchisees in growing the brand in an increasingly competitive industry.

Capital Markets Transactions

In May 2003, we issued \$175 million aggregate principal amount of 5% Convertible Notes due 2023 and used a portion of the proceeds to repurchase approximately 1.5 million shares of our Class A Common Stock. This was an opportunistic transaction that resulted in net cash proceeds of approximately \$126.6 million, after giving effect to the stock repurchase.

In August 2003, our board approved a dividend of two shares of newly designated Class B Common Stock, Series 1, for each share of our Class A Common Stock. The stock dividend was distributed on September 4, 2003 to all holders of record as of August 21, 2003. We believe that a capital structure utilizing two classes of common stock can enhance our flexibility as we respond to future acquisition opportunities.

Given Triarc's strong balance sheet and the mid-2003 reduction in taxes on dividends, we began, for the first time, to pay a quarterly cash dividend on our common stock. Although we currently intend to continue to declare and pay regular quarterly cash dividends, future dividends will be made at the discretion of our board.

In December 2003, the SEC declared effective a Triarc "shelf" registration statement, providing us with the ability from time to time to sell up to \$2 billion of our common stock, preferred stock, debt securities and warrants.

Combined, these actions significantly enhance our ability to pursue business acquisitions and other corporate transactions in order to maximize stockholder value.

Acquisition Opportunities

Our principal objective with any acquisition is significant value creation. Also, we strongly believe that we must be disciplined buyers to achieve superior performance.

In 2003, we reviewed a number of acquisition opportunities with continued focus on consumer products, including restaurants, as well as service companies, where we believe opportunities exist for Triarc to add significant value. We also evaluated undervalued companies in other industries and companies where assets and businesses have great potential but leadership and/or corporate governance have been sub-par.

While the equity markets strengthened considerably in the last half of 2003, as we look ahead, we continue to see a steady stream of acquisition opportunities for Triarc. We are also prepared to play an "activist" role in potential acquisitions where we believe management or other circumstances inhibit the creation of stockholder value.

Corporate Development Team

Ed Garden joined us as Executive Vice President in August 2003, assuming the leadership of our corporate development team. Ed brings to Triarc excellent “deal making” and risk assessment skills as well as strong sourcing networks and a terrific energy, which he honed over the years, most recently at CS First Boston where he was a senior investment banker in their Financial Sponsors Group.

In addition, we added several other professionals to our corporate development team who have strong skill sets in mergers and acquisitions, capital markets and corporate finance. These professionals will allow us to pursue a wider range of business acquisitions in order to enhance stockholder value.

Stock Repurchases

Since 1998, we have repurchased approximately \$340 million of our common stock. In 2003, we repurchased approximately 1.6 million shares of our Class A Common Stock, for approximately \$43 million, pursuant to our \$50 million stock repurchase program. We also replenished in full the stock repurchase program and amended it to allow for the repurchase of our Class B Common Stock, Series 1.

Our stock repurchase program is an important tool that allows us to respond when we believe the market is undervaluing our stock. Looking ahead, we will continue to repurchase our stock when and if market conditions warrant and to the extent legally permissible.

2003 Triarc Stock Price Performance

In 2003, we saw our overall equity value improve to a five-year high. This follows absolute and relative improvement in Triarc’s stock price in both 2002 and 2001.

We believe that our decision to issue a Class B Common Stock, Series 1, dividend as well as the initiation of quarterly cash dividends on both classes of our common stock further improved the liquidity of our stock and attracted new stockholders to our company.

Looking Ahead

As we look ahead, we believe that the actions we took in 2003 of changing leadership at Arby’s, adding talent to our corporate team, seizing opportunities in the capital markets, improving our flexibility and remaining disciplined in our acquisition strategies have positioned us well for the future.

We believe we can build substantially more stockholder value at Triarc and we look forward to updating you on our progress.

Sincerely,



Nelson Peltz
Chairman and Chief Executive Officer



Peter W. May
President and Chief Operating Officer

April 5, 2004

* Systemwide same store sales represent sales at all company-owned and all franchised stores. We believe that reviewing the increase or decrease in systemwide same stores sales compared with the same period in the prior year is useful to investors in analyzing the growth of the Arby’s brand and assessing trends in our restaurant operations.

In 2003, we saw our overall equity value improve to a five-year high. This follows absolute and relative improvement in Triarc’s stock price in both 2002 and 2001.



“I have been associated with the Arby’s® brand for many years. I am honored to now be leading our system as President and CEO of Arby’s. I believe that we have an excellent brand, a strong and supportive franchisee community and a growing pipeline of new products and marketing concepts, which should spur continued growth.”

Douglas N. Benham
President & Chief Executive Officer
Arby’s, Inc.



Arby's is the largest restaurant franchising system specializing in the roast beef sandwich segment of the quick service restaurant industry. We are also the owner of approximately 235 Arby's restaurants located in the United States.

Arby's has a strong brand identity, with many loyal consumers. Arby's has been a consistent performer for Triarc over the years. As consumers' tastes have become more sophisticated and quality-conscious, Arby's has responded to these trends with the introduction of its Market Fresh® premium sandwiches. Several new product

offerings, including some under the Market Fresh banner, are slated for 2004.

We believe that Arby's has good prospects for future growth. It is an established brand that offers both traditional favorites as well as satisfying new offerings for today's increasingly sophisticated and discerning consumer. With approximately 3,400 units worldwide, a pipeline of approximately 460 restaurants and attractive unit economics for franchisees, Arby's also has room to grow geographically. Under the new leadership of Doug Benham, working with the Arby's franchisee system, we expect Arby's to continue to deliver solid results.

“We continue to evaluate a wide array of consumer products acquisition candidates, especially restaurant companies. Fallen angels, neglected brands and niche brands that are expanding rapidly are often the most interesting to us.”

Jonathan P. May

Senior Vice President, Corporate Development & Chairman, Arby's, Inc.



“We are committed to finding companies that meet our acquisition criteria. We have a great development team and excellent corporate resources. We are confident that we can buy and grow businesses that will significantly increase Triarc stockholder value over time.”

Edward P. Garden

Executive Vice President



“We are focused on capital markets transactions that enable us to enhance internal growth as needed and to respond quickly to acquisition opportunities when they arise.”

Alexander L. Lemond

Vice President, Corporate Development



Corporate Development

It has been over ten years since Nelson Peltz and Peter May assumed control of Triarc in April 1993 and a lot has happened in our corporate development since then.

Early on, we disposed of a number of non-core businesses. We then built a world class premium beverage company, which was sold in 2000. And, more recently, we have positioned Arby's for continued growth in the quick service restaurant industry.

Today, our corporate development team is focused on evaluating potential acquisitions. In 2003, we added both capacity and flexibility to our corporate organization, which should allow us to pursue acquisitions of various sizes and complexity and to play an activist role in potential transactions.

What has stayed constant over the years is how we evaluate potential acquisitions and how we manage

businesses once they have been acquired. We are strong believers in the importance of free cash flow. Every potential acquisition is carefully evaluated to determine its ability to generate and grow cash flow. In addition, we have been disciplined buyers, believing that acquiring control positions in businesses at reasonable entry valuations drives superior performance.

After businesses are acquired, we develop detailed operating plans, with significant emphasis on ways to maximize revenue, EBITDA and margin growth. We are hands-on. We are active in: evaluating performance and making changes to strategy as needed; targeting and pursuing add-on acquisitions; ensuring cost reduction and productivity enhancements; and sourcing additional capital, as needed, to maximize stockholder value.

“We work closely with the management of our businesses to maintain strong financial controls and to help them achieve their financial goals. Frequent interaction allows us to respond quickly to any changes in their resources or outlook.”

Francis T. McCarron
Senior Vice President &
Chief Financial Officer



“We believe that transparency is critically important. A key objective in Triarc’s corporate disclosures is to provide our stockholders with an understanding of both the strengths and risks inherent in our businesses and our overall corporate strategy.”

Brian L. Schorr
Executive Vice President &
General Counsel

Governance and Controls

We manage our businesses for the long term. Transparency, good governance, strong financial controls and open dialogue with our stockholders are the most important corporate standards set by our board and senior officers.

One of Triarc's hallmarks has been the successful turnaround of businesses that many may find problematic. To fund growth, we have also frequently used the capital markets in new and creative ways. To achieve this success, our culture has demanded a disciplined, thorough and conservative approach to due diligence, disclosure and the ongoing management of our businesses.

Our legal, tax and accounting teams are composed of seasoned professionals who are well versed in the increasingly demanding and complex rules that govern publicly traded companies in the United States. They are also key facilitators in our efforts to evaluate potential acquisitions and in our ongoing corporate affairs.

Note Concerning Forward-Looking Statements

Certain statements in this Annual Report that are not historical facts constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on our current expectations, speak only as of the date of this Annual Report 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 such forward-looking statements. For those statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. See “Special Note Regarding Forward-Looking Statements and Projections” and “Item 1. Business—Risk Factors,” appearing in our Annual Report on Form 10-K for the fiscal year ended December 28, 2003, included herein.

Note Concerning Intellectual Property

Arby's®, T.J. Cinnamons®, Arby's Market Fresh®, Market Fresh®, Sidekickers®, Low Carbys™ and related logos are registered or pending trademarks of Arby's, Inc. or its subsidiaries. We also have other registered marks, trademarks and tradenames, trademark applications and other phrases related to our brands' products, services and concepts that are used in this Annual Report.

Board of Directors

Hugh L. Carey^{3,4,5}

Former Governor of the State of New York and member of Congress and currently Senior Partner of Harris Beach LLP

Clive Chajet^{2,4,6}

Chairman, Chajet Consultancy, L.L.C.

Joseph A. Levato^{1,2,3,5}

Former Executive Vice President and Chief Financial Officer, Triarc Companies, Inc.

Peter W. May⁴

President and Chief Operating Officer, Triarc Companies, Inc.

Nelson Peltz⁴

Chairman and Chief Executive Officer, Triarc Companies, Inc.

David E. Schwab II^{1,2,5,6}

Senior Counsel
Cowan, Liebowitz & Latman, P.C.

Raymond S. Troubh¹

Financial Consultant and Director of various public companies

Gerald Tsai, Jr.^{3,5}

Private Investor

Jack G. Wasserman

Attorney-at-Law

1. Member of Audit Committee
2. Member of Compensation Committee
3. Member of ERISA Committee
4. Member of Executive Committee
5. Member of Nominating and Corporate Governance Committee
6. Member of Performance Compensation Subcommittee

Senior Officers

Nelson Peltz

Chairman and Chief Executive Officer

Peter W. May

President and Chief Operating Officer

Edward P. Garden

Executive Vice President

Brian L. Schorr

Executive Vice President and General Counsel

Jonathan P. May

Senior Vice President, Corporate Development

Francis T. McCarron

Senior Vice President and Chief Financial Officer

Stuart I. Rosen

Senior Vice President and Associate General Counsel, and Secretary

Fred H. Schaefer

Senior Vice President and Chief Accounting Officer

Anne A. Tarbell

Senior Vice President, Corporate Communications and Investor Relations

Robert J. Crowe

Vice President, Taxes

Greg Essner

Vice President, Treasury Services and Financial Planning

Alexander L. Lemond

Vice President, Corporate Development

Arby's, Inc.

1000 Corporate Drive
Ft. Lauderdale, FL 33334
(954) 351-5100

Jonathan P. May

Chairman

Douglas N. Benham

President and Chief Executive Officer

Curtis S. Gimson

Senior Vice President and General Counsel, and Assistant Secretary

Kenneth A. Thomas

Senior Vice President and Chief Financial Officer

Michael T. Welch

Senior Vice President, Operations

Stockholder Information

Transfer Agent and Registrar

If you require assistance with your account, such as change of address, changes in registration or lost stock certificates, please contact:

American Stock Transfer & Trust Company

59 Maiden Lane

Plaza Level

New York, NY 10038

Telephone: (800) 937-5449 or (718) 921-8124

Fax: (718) 236-2641

E-mail: info@amstock.com

Website: www.amstock.com

Independent Auditor

Deloitte & Touche LLP

2 World Financial Center

New York, NY 10281-1414

Corporate Counsel

Paul, Weiss, Rifkind, Wharton & Garrison LLP

1285 Avenue of the Americas

New York, NY 10019-6064

Common Stock Listings

Class A Common Stock

(NYSE: TRY)

Class B Common Stock, Series 1

(NYSE: TRY.B)

Investor Inquiries

Stockholders, securities analysts, investment managers and others seeking information about the Company may either go to the Company's website, www.triarc.com, or contact the Company directly, as follows:

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New York, NY 10017

Telephone: (212) 451-3000

E-mail: investor-relations@triarc.com

