



Franchise Capital Requirements

Traditional Restaurants

GENERAL BREAKDOWN FOR :	LOWER COST	MODERATE COST	HIGHER COST	METHOD/ WHEN DUE
INITIAL FRANCHISE FEE	\$ 15,000	\$ 15,000	\$ 15,000	LUMP SUM Upon signing Franchise Agreement
REAL PROPERTY **	\$ 6,000	\$ 9,000	\$ 15,000	LUMP SUM Upon signing Intent to Sublease
LEASEHOLD IMPROVEMENTS	\$ 103,000	\$ 123,000	\$ 143,000	AS INCURRED Pro rata during construction
EQUIPMENT HIRE-PURCHASE SECURITY DEPOSIT ***	\$ 3,000	\$ 3,000	\$ 3,000	LUMP SUM Before equipment is ordered
SECURITY SYSTEM <i>(Not including monitoring costs)</i>	\$ 2,500	\$ 4,000	\$ 7,500	LUMP SUM When you place order
FREIGHT CHARGES <i>(Varies by location)</i>	\$ 3,000	\$ 4,500	\$ 6,000	LUMP SUM When you place order or on delivery
OUTSIDE SIGNS	\$ 10,000	\$ 15,000	\$ 21,000	LUMP SUM When you place order
OPENING INVENTORY	\$ 6,000	\$ 8,000	\$ 10,000	LUMP SUM Within one week of opening
INSURANCE	\$ 2,500	\$ 3,500	\$ 4,000	AS INCURRED Before opening
SUPPLIES	\$ 500	\$ 2,000	\$ 3,500	AS INCURRED Before opening
TRAINING EXPENSES <i>(Including travel and lodging)</i>	\$ 2,500	\$ 3,000	\$ 5,000	AS INCURRED During training
LEGAL & ACCOUNTING	\$ 3,500	\$ 5,000	\$ 8,000	LUMP SUM Before opening
OPENING ADVERTISEMENT	\$ 1,000	\$ 2,000	\$ 2,500	LUMP SUM Around opening
MISC. EXPENSES <i>(Business licenses, utility deposits, small equip. & surplus capital)</i>	\$ 10,000	\$ 17,000	\$ 20,000	AS INCURRED As required
ADDITIONAL FUNDS - 3 MONTHS	\$ 10,000	\$ 25,000	\$ 50,000	LUMP SUM As required
ESTIMATED TOTAL INVESTMENT ***	\$178,500	\$239,000	\$313,500	

** This amount is the estimated deposit of 2 months rent payable upon signing the Intent to Sublease (Does not include "key" money).

*** If you do not select the equipment leasing program or it is not available, you should substitute the costs for Equipment Hire-Purchase Security Deposit with \$55,000 to \$75,000 Australian (including buffer 5%). The amount of Additional Funds for the 3 months operating expenses would also be adjusted to reflect that you will not have to make 3 monthly equipment lease payments. This will cause your total initial investment to be substantially higher. (Refer to graph below.)

The costs, which do not include any taxes, sales taxes/GST, are estimated at:		Lower Cost	Moderate Cost	Higher Cost
	Australia	\$230,500	\$301,000	\$385,500

THESE FIGURES ARE ESTIMATES OF THE COMPLETE INVESTMENT IN SETTING UP A SUBWAY® RESTAURANT AND OPERATING IT FOR 3 MONTHS. IT IS POSSIBLE TO EXCEED COSTS IN ANY OF THE AREAS LISTED ABOVE.

Some costs will vary in relation to the physical size of the restaurant. A lower cost restaurant is one that would require fewer leasehold improvements, less seating and fewer equipment expenditures. Moderate and higher costs restaurants may require extensive interior renovations, extensive seating and additional equipment. If you are purchasing a franchise for another location opportunity, such as a non-traditional, satellite or school lunch program location, the above listed capital requirements may vary and could be substantially lower depending upon the necessary equipment you must acquire or changes in leasehold improvements you must make. The above figures do not include extensive exterior renovations.