



The Number One  
Franchise Opportunity<sup>+</sup>

<sup>+</sup> Refer to inside cover for clarification

## Thank you for your interest in the SUBWAY® system

At Doctor's Associates Inc. (DAI)\*, we take great pride in the exceptional franchise opportunity we offer. We strive to provide our franchisees with the tools and knowledge to run a great local business, and we encourage owners to learn the skills that will allow them to own and operate multiple locations.

Here's where the SUBWAY® franchise system stands today:

- More than 24,000 restaurants operating in 84 countries.<sup>1</sup>
- **Number 1** in the United States for over a decade.<sup>2</sup>
- **Number 1** in Europe.<sup>3</sup>
- **Number 1** in restaurant counts in 1 out of 7 countries we're in.<sup>4</sup>

What gives the SUBWAY® franchise system the edge in the sandwich category?

- Great food. Our varied menu selection provides customers with endless options.
- Simplicity. We have an easy-to-run operation.
- Support. We have systems in place to assist our franchisees.
- Control. We teach owners to use exceptional control methods to help them run their business efficiently.

The SUBWAY® franchise system is a strong and growing brand that's known for great tasting sandwiches that are a healthier alternative to traditionally fatty fast food. Why are the sandwiches so good?

- Bread baked on premises. Every restaurant bakes its own pre-frozen bread daily.
- Gourmet sandwiches. The flavored breads and select sauces taste delicious.
- Made to order. Each sandwich is made to order in front of the customer.

We also take great pride in our people, especially our growing team of franchise owners. Here's why franchisees embrace the SUBWAY® franchise system :

- Quality of our product
- Location flexibility
- Lower investment
- Operational support

At DAI we work very closely with our franchisees. There are support structures in place to assist franchisees with their advertising, supply ordering and other operational needs. We have a great organization, and if you are interested in bringing the SUBWAY® franchise system to your area or town, we would love to speak to you about the SUBWAY® system.



Frederick A. DeLuca  
President and Co-Founder

P.S. Since we receive more than 1,000 brochure requests each week, we ask that you fill out the enclosed application form to let us know of your interest. As soon as we receive it, we will send you a disclosure document with detailed information about the SUBWAY® franchise. You can also apply online at [www.subway.com/apply](http://www.subway.com/apply)



Dr. Peter Buck and Fred DeLuca,  
Co-founders.

\*Doctor's Associates Inc. (DAI) is the registered owner of the SUBWAY® trademark. Franchise may be offered by prospectus, through affiliate companies. <sup>1</sup>Numbers subject to change. Please visit [www.subway.com](http://www.subway.com) for the latest restaurant and country counts. <sup>2</sup>The SUBWAY® franchise was ranked the number one franchise for 13 out of the last 17 years by Entrepreneur Magazine in 2005, based on research and surveys of franchises located in the United States. <sup>3</sup>The SUBWAY® franchise was ranked the number one food franchisor by Total Business Magazine in 2004, based on research and surveys of franchises located in 16 countries in Europe. <sup>4</sup>There are more operating SUBWAY® restaurants in 11 countries, than any other franchised restaurant concept.



# The History

It was the summer of '65 and the future looked bright. But it was that very future that concerned 17-year-old Fred DeLuca. The thought of being able to afford a college education seemed almost impossible.

On a fateful Sunday afternoon in July of that year, a business relationship was forged that would forever change the fast food industry. Hoping that family friend, Dr. Peter Buck, would have advice for him, young DeLuca explained how badly he wanted to study to become a medical doctor.



Fred and Pete's first submarine sandwich store.

"You should open a submarine sandwich shop," said Buck. "What? What an odd thing to say to a seventeen-year-old kid," thought Fred. Before Fred could respond or express surprise, he heard himself say, "How does it work?"

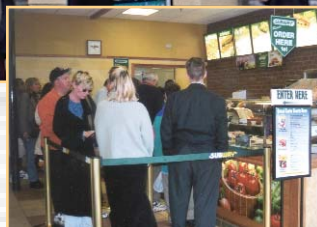
To Pete Buck it was simple. Rent a store, build a counter, buy some food, open for business, and Fred would soon have enough money to pay for college. If Fred was willing to do it, Pete would be his partner and presented him with a check for \$1,000—his investment in their new venture.

Within a month, on August 28, 1965, the entrepreneurs opened their very first sandwich shop in Bridgeport, Connecticut. In 1974, the duo turned to franchising as a way to grow the business, and today, there are more than 22,000 restaurants in 76 countries.

The SUBWAY® franchise system provides a healthier alternative to traditionally fatty fast food.



Clockwise from top -  
Zagreb, Croatia;  
Florida, USA;  
Schwenningen-aussen, Germany;  
Cardiff, Wales;  
San Cristobal, Venezuela



# Your Investment

## Keeping Costs Low

The initial investment in a SUBWAY® franchise is low. Here are some of the reasons that costs are so low:

- The SUBWAY® franchise fee is exceptionally low for a chain of our size. (\$15,000 (*Local currency*) in the United States & Canada, \$12,500 in Australia; \$10,000 (*US dollars*) for all other international countries). Where qualified, additional franchises may be purchased at a reduced price.
  - Compact facilities. The operation is efficient and flexible.
  - Simple décor. The flexible décor minimizes leasehold improvements.
  - Streamlined operation. A detailed operation manual guides you through every possible scenario.
  - Factory-direct equipment. You buy equipment direct from the factories.
- (See the Capital Requirements sheet in this brochure for more details.)

## Financing

- Financing through outside loans is available in the United States, Canada, Australia, New Zealand, Puerto Rico, and the United Kingdom.
- Equipment leasing is available through us for every qualified franchisee in the United States, Canada, Australia, New Zealand, South Africa, Taiwan, Venezuela, Puerto Rico, Peru, Netherlands, Germany, France, El Salvador, Denmark, Costa Rica, Ireland, Singapore, Guadalupe, Martinique and the United Kingdom.

## Expansion by our Franchisees

DAI is proud that many of our SUBWAY® franchisees become multi-unit owners, which indicates their satisfaction with the system. In fact, in 2004 more than 70% of our new franchises were purchased by existing franchisees!

## Restaurant Performance

DAI encourages you to learn more about the performance of our restaurants by speaking with our franchisees. Generally, the most important factors are:

- The location of the restaurant
- How well the restaurant is run

Since we don't know where your restaurant will be or how well you will run it, we can't predict your results. In fact, to eliminate possible misunderstandings, we have a policy that no employee or agent of ours can provide you with projections as to your potential sales, earnings and profitability. The best way to get this information is to follow these steps:

1. Fill out an application. We will send you a disclosure document with the names and phone numbers of our franchisees.
2. Call as many owners as you like. Ask them how they like being franchisees, how long they've been franchisees of the company, how many stores they own and how they are doing.

You'll enjoy talking to the owners, and you'll learn first-hand from the people who once did exactly what you're doing now—investigating our franchise program.

## More About Our Goals

Our goals are to be number one in location count and number one in customer satisfaction in every market we serve.

# Support

DAI is proud of the excellent support systems available to our SUBWAY® franchisees. Ongoing support is provided before and after you open your store.

Here's how it works:

## Before You Open

As soon as you join our team, we begin working with you to help you get started.

- Training. You will take part in our intensive two-week program that takes place at SUBWAY® World Headquarters in Milford, CT, USA or in one of our other training facilities in Miami, FL, USA *(In Spanish)*, Australia, Germany, India, and China.
- Site selection. We work with you to secure a location for your business. (Training and video provided)
- Restaurant design. We provide you with floor plans for your specific location.
- Equipment ordering. We help you order your equipment package for timely delivery. Our manufacturers can even consolidate equipment, in some instances, so you receive equipment in one big shipment.

## After You Open

Once your restaurant opens, we have systems in place to help you operate your business effectively.

- Operations Manual. Our in-depth manual covers a full range of topics important to running your business.
- Field support. You will be assisted by a representative who will help you get started and provide ongoing operational evaluations.
- Franchisee services. You will be assigned a coordinator who will serve as your main contact person, who is just a phone call or e-mail away.
- Research and development. Our executive chef, baking specialists, staff nutritionist and product development team continually strive to make our excellent food even better.
- Continuing education. You'll receive periodic newsletters, e-mails and voicemails. Videos, DVD's and additional training classes are also available.

## Here is a summary of our franchise program:

### The franchisee is responsible for :

- Initial franchise fee
- Finding locations
- Leasehold improvements
- Leasing or purchasing equipment
- Hiring employees and operating the restaurant
- Paying 8% royalty
- Paying 3.5% advertising fee into the advertising fund (4.5% in the United States, Canada and Australia)

### The company provides :

- Access to product formulas & operational systems
- Location assistance
- Store design guidance
- Equipment ordering guidance
- Training program
- Operations Manual
- Representative on-site during opening
- Periodic evaluations and ongoing support
- Informative publications

# Testimonials

"I've been in the restaurant business for more than 30 years, owning several different franchises. However, SUBWAY® has been the greatest way to expand my corporation. I have enjoyed being a part of the SUBWAY® franchise's growth over the past 20 years. It's been a great ride."



**Terry LaVallie - Upper Peninsula of Michigan - 20 stores**

"My wife and I have done a lot of things in our lifetime but SUBWAY® has been THE best. We worked for other people and built their businesses, but now we are working for ourselves-plus enjoying life to the fullest. We meet and work with people that have the true entrepreneurial spirit, and their enthusiasm gives us added fuel. The SUBWAY® system has truly been the best business decision we have ever made-one that gives us a freedom we never thought possible."



**Rock Irving - Marshfield, Wisc. - 4 stores**

"I have a convenience store called Hilltop Farms. My grandfather opened our store in 1955 as a way to sell milk and eggs from our local farm to the public. Since the day we first opened until the present, we have constantly looked for ways to provide better service to our existing customer base while trying to find new and creative ways to expand that base. I decided to incorporate a branded food-service concept into our operation. After exhaustively investigating all of the co-branding options, I bought a SUBWAY® franchise. I was attracted by its ease of operation, low start-up cost and wide variety of offerings, which include healthy, low-fat menu choices that no one else offered. We opened in January 1997, and I was floored by the results. The traffic count in our store increased by more than 1,000 customers per week. The SUBWAY® restaurant in and of itself has been a tremendous success but the effect it has had on my convenience store has been equally incredible. Virtually every category in the store has seen dramatic increases due to the added traffic generated by the SUBWAY® restaurant. I look forward to more great years in the future partnered with this fantastic franchise, and I take my hat off to all of the headquarters staff and family of franchisees who work so hard to keep the company moving in the right direction."



**Steve Gurwitz - Bellingham, Mass. - 1 store**



## Find out what established franchisees have to say about the SUBWAY® franchise system.

"I started working for SUBWAY® right after college. As a recent graduate I knew only what I had learned from books in business and management classes. Those lessons were a good foundation, but they did not prepare me for the hard work I would encounter as a woman entrepreneur. Business practices in the Philippines are very different from those in America. Here most of the owners do not get involved in the day-to-day operations. However, from the time I passed the franchisee training and opened my restaurant, I ran my restaurant myself--I trained the staff and managers and I did everything I asked them to do. SUBWAY® made it considerably easier for me to accomplish all this through its simplified operations and business concepts. SUBWAY® has helped to mould me and showed me how to be aggressive in reaching my ambitions. Who knows, someday I could be one of the people who 'started small and finished big!' "



**Tiffany del Rosario - Southern Metro Manila, Philippines - 4 stores**

"We both had an urge to start our own business after working for years for others. In 2000 we brought the first SUBWAY® restaurant to Finland only to realize how well known the SUBWAY® brand was here already under the surface. At this point we have to admit that it has been very rewarding to bring this new concept of franchising to Finland. The first SUBWAY® restaurant has been a tremendous success at the downtown location in Annankatu. Encouraged by this, we set up the second restaurant in the biggest shopping mall in Scandinavia"



**Erkki Lempiainen and Arto Pelander - Helsinki, Finland - 3 stores**

"We have gotten what we have always wanted: To operate our own business and to use our skills and hard work to make a profit for ourselves. The operation of the SUBWAY® restaurant requires an investment of intensive work, love and care, but it pays back as the restaurant becomes better and more profitable. We could not succeed in operating our own successful business without the support and the know-how of the SUBWAY® system and the knowledge-sharing with the SUBWAY® staff and colleagues."



**Yael and Eitan Berenblum - Brisbane, Australia - 12 stores**

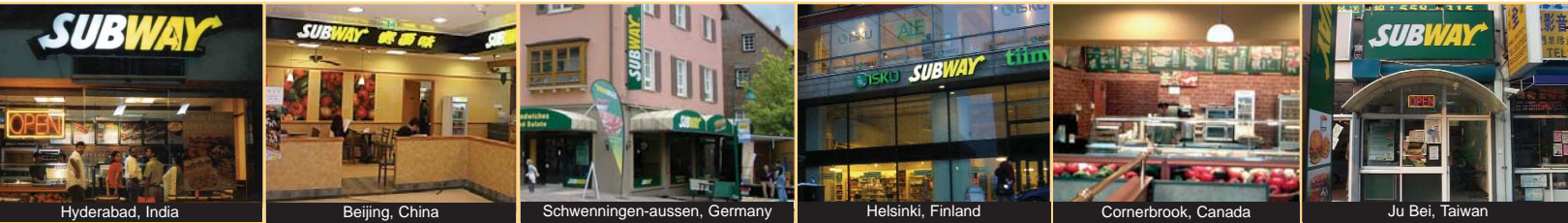
"After working in the SUBWAY® system for seven years as an employee - first as a sandwich artist and eventually a store manager, all while in college - I had the chance to work as an Area Supervisor for a multi-unit owner. I witnessed firsthand how the SUBWAY® franchise is such a great opportunity. When I was offered the chance to buy five restaurants and become a multi-unit owner myself, it was a dream come true. Eight years later I own twelve restaurants and am the chairman of the local FAF board. The SUBWAY® system has been a very lucrative and exciting business to be part of. It has made all of my financial and personal goals a reality, while at the same time enjoying a quality lifestyle."



**Brad Harris - Denver, Colo. - 12 stores**

# Worldwide Opportunities and Successes

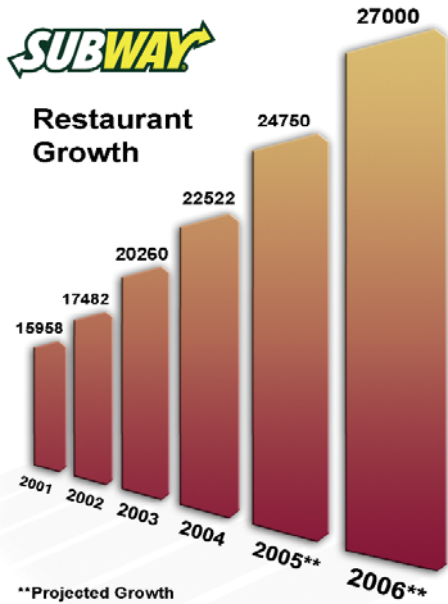
ARUBA · AUSTRALIA · AUSTRIA · BAHAMAS · BAHRAIN · BELGIUM · BOLIVIA · BRAZIL · BRITISH WEST INDIES · BULGARIA · CANADA · CHINA · COLOMBIA · COSTA RICA · CROATIA · DENMARK · ECUADOR · EGYPT · EL SALVADOR · FINLAND · FRANCE · FRENCH WEST INDIES · GERMANY · GUAM · GUATEMALA · HONDURAS C.A. · ICELAND · INDIA · ISRAEL · ITALY · JAMAICA · JAPAN · KUWAIT · LEBANON · MALAYSIA · MALTA · MEXICO · NETHERLANDS · NETHERLANDS ANTILLES · NEW ZEALAND



NICARAGUA · NORTHERN MARIANA ISLANDS · NORWAY · OMAN · PAKISTAN · PANAMA · PHILIPPINES · POLAND · PORTUGAL · PUERTO RICO · QATAR · REPUBLIC OF IRELAND · RUSSIA · SAUDI ARABIA · SINGAPORE · SOUTH AFRICA · SOUTH KOREA · SPAIN · SWEDEN · SWITZERLAND · TAIWAN · TANZANIA · TURKEY · UNITED ARAB EMIRATES · UNITED KINGDOM · UNITED STATES · URUGUAY · US VIRGIN ISLANDS · VENEZUELA · WEST INDIES · ZAMBIA

## A Business of Your Own

If you are looking to start your own business, the SUBWAY® sandwich franchise offers you the opportunity and a formula that works. Thanks to 4 decades of experience in building the largest worldwide fast-food sandwich franchise, the SUBWAY® system provides you access to a well-structured and effective system. We feel that the investment is low, and the operation is simple and efficient.



## Exceptional Growth

With the SUBWAY® franchise system's outstanding support and operational history, it's no surprise that it continues to break records. Having the highest number of restaurants in the United States and over 3000 international locations is a true testament to the growing popularity of the SUBWAY® franchise.

Investigate. Do your homework - check out the numbers, check out our restaurants, meet our franchisees, and consider this - more than 70% of new SUBWAY® franchises are sold to existing owners. That should say it all.

## Making Headlines

The SUBWAY® franchise continues to make headlines worldwide, being featured in various food and trade publications. The strength of the brand continues to grow while customers and potential franchisees are introduced to a concept that works.

Product Spotlight in *Convenience Store Decisions* July 2004



Regional Office Tradeshow Article in *Franchise International* Summer 04



Total Business June 2004 Magazine Feature



# International Development Agent Opportunities

The SUBWAY® system is looking for Development Agents around the world to help fulfill our vision, our mission and embrace our philosophy to achieve success in the franchise industry.



**Paul Heyes - United Kingdom**

"I had been in food service for 30 years, and when I decided to set up my own business I was impressed with the strength and security offered by a recognized franchise. The quality of the SUBWAY® product, the heritage and strong brand recognition all attracted me, but perhaps more so was the fact that the chain is still growing and I could grow with it. The company is privately owned by its co-founder Fred DeLuca and he is a living, breathing example of the entrepreneurial spirit. I would describe the company's approach as "hands off" from home office but with the opportunity to ask for help if you need it."

**Nick Dimas - Australia**



"I became a Development Agent because I saw a great concept that would be keenly embraced by Australian consumers. I saw this fantastic opportunity to become a significant part of that process, one that would give me great job satisfaction, and the opportunity to learn and practice many skills. No two days are alike! The process of becoming a DA was a reasonably easy one, probably because I focused on the "bigger picture" and took it step by step. I can honestly say that my SUBWAY® experience continues to be the most exciting ride of my personal and professional life. My partner, Jim Dimas, agrees that we are living our dream."



**Karen Eidsvik - Singapore**

"The best thing about being a SUBWAY® Development Agent is that the learning never stops! I love my job! Every day I face new and exciting challenges that I need to address so that I can continue to build a successful SUBWAY® territory in Singapore. I get to work on everything from store design to promotion plans, training and sales. It is never boring or dull. I get tremendous support from everyone at SUBWAY® headquarters. I feel that they want to help me succeed. Plus I get to meet and work with excellent franchisees who are building, through persistence and hard work, toward making their dreams come true."

**Christian Tuerke - Germany**



"In 1990 while working in the United States for a year as a software technician, I tried my first SUBWAY® sandwich - a meatball sub, which I remember as if it were yesterday! After returning to Germany, I started my own software company, but I made many visits back to the U.S. and always looked forward to the SUBWAY® experience. I also introduced many friends to it as well. I finally got tired of them saying, "Why don't we have SUBWAY® restaurants back in Germany?" and I made the decision to invest in a SUBWAY® franchise. In 1999 I bought my franchise, and subsequently became a Development Agent so that I could be part of the team developing Germany. I found the DA program so challenging and rewarding that I sold my software company and have concentrated on building the brand in my market area."

## Our Company Vision

Are you ready to join us in accomplishing our mission of being ranked number 1 by consumers and to be number 1 in restaurant count in every market we serve? Can you motivate others to become part of a winning team? We're looking for people like you to become a SUBWAY® DA, working to build restaurants, build sales and build an internationally recognized brand.

## Our Company Mission

The mission is to provide tools to entrepreneurs, like you, to compete in the Quick Service Restaurant industry worldwide. We will train you to operate restaurants, help others to open their own businesses, evaluate locations and negotiate leases, and provide marketing advice and operational guidance.

## Our Company Philosophy

It is based on remembering that our success depends on the initiative we take individually and our ability to work as a team. We will expect you to take the initiative in running your territory under our Development Agent Agreement and to work with us as a member of a world-class team to make the SUBWAY® system number one in your area.

## What It Takes

With 6 months of experience in a SUBWAY® restaurant and having attended our franchisee training class, you could be on your way to helping us grow the SUBWAY® franchise in an available territory.

To find out more about our Development Agent program visit [www.subway.com](http://www.subway.com), click on > Franchise Opportunities, then on > DA Opportunities.

If you have additional questions, please contact Danielle Dumont, at ext 1700 or by e-mail at [dumont\\_d@subway.com](mailto:dumont_d@subway.com)

Note: There is no fee to become a Development Agent!



## Our Tuscany Décor

Throughout our growth we've strived to keep our brand image fresh. This includes the look of our restaurants, which has evolved into our most recent design, Tuscany décor.

We set out to develop a décor that would reinforce the fact that SUBWAY® food is healthy and great tasting. We also needed a décor that would convey to customers that SUBWAY® restaurants are family dining destinations: warm and inviting – fast casual, not fast food.

### Welcome to Tuscany

To find the "feel" we were looking for, we turned to the family background and Italian heritage of our co-founder Fred DeLuca, and the Tuscany region of Italy.

The Tuscan region of Italy is known for its earthy tones, and vibrant flora. Vines of tomatoes and green shrubbery grace the sides of the brown stone and brick structures. The scents and flavors in the air complement the cultural and artistic variety that is truly Tuscany.

Although many Tuscan structures were built as far back as the 15th century, they have stood the test of time because of the quality materials such as stone, marble and brick used to build them. This beauty, warmth and resilience embodied in those materials, were the inspiration of Tuscany décor.

After building new Tuscany restaurants in Calgary and Quebec, Canada, Florida and Illinois, USA, we conducted customer surveys. The participants in this research confirmed that we had achieved our main objectives with Tuscany, to create a warm yet fun and casual dining experience.

Seventy-one percent said they would be much more likely or somewhat more likely to visit a SUBWAY® restaurant with Tuscany décor. When asked about specific aspects of the new décor, customers consistently ranked Tuscany higher than our existing décor.

## What do Franchisees Think About the New Tuscany Décor?

### Tuscany Décor Hits the United Kingdom



Development Agent (DA) and multi-unit owner Deirdre Anderson opened a new SUBWAY® restaurant in Bury, England with

Tuscany décor. Deirdre opted to install Tuscany because, she said, "I love the look, it's a terrific improvement over previous décor packages."

"As a DA, I wanted to be able to show off the future look of the company," Deirdre continued. "The décor has a more upscale, café type feel, and less of a fast food restaurant look to it. And the functionality of the tile, tables and seating areas is very good."

### Relocation Wows Customers of Quebec Franchisee!

"Our regular customers noticed the new décor right away, and we've been receiving very positive comments!" That's how franchisee Daniel Schoolcraft explained his recent remodel to Tuscany décor.



"The new décor package makes people want to hang out and rest their heads." Daniel made the switch to Tuscany when he relocated one of his eight restaurants from a strip mall to a freestanding location. "Customers really appreciate the warm, inviting atmosphere. People have said that the new décor makes it less like a store, more like a restaurant."



# The Next Steps

Just follow this easy guide to let us know you're interested.

## Step 1 - Apply

Simply complete the enclosed application, and mail it in the enclosed envelope. You will then receive a disclosure document that includes more information about the franchisor. To speed up the process, you can also fill out the application online at - [www.subway.com/apply](http://www.subway.com/apply)

## Step 2 - Research

Talk to our franchise owners to learn more about us. Ask them why they chose the SUBWAY® franchise. Visit the restaurants, enjoy the great food and imagine what it would be like to join our terrific team.

## Step 3 - Join the Team

It's as easy as that. Once you have finished your investigation and have secured approval to become a SUBWAY® franchise owner, don't wait. There's a world of opportunity waiting for you once you make your decision. We're really looking forward to hearing from you soon!

## Questions?

Phone: +1-203-877-4281 - Fax: +1-203-876-6688 (All Areas)

### Toll Free Numbers

U.S & Canada	1-800-888-4848	Mexico	001-800-514-8069
Australia	1-800-553-660	Netherlands	0-800-7324-7324
Austria	0-800-7324-7324	New Zealand	00-800-7324-7324
Belgium	0-800-73-247(324)	Norway	800-7324-7324
China	10-800-140-0251	Philippines	1-800-1110-0449
Costa Rica	0-800-015-0198	Poland	00-800-111-4498
Denmark	00-800-7324-7324	Singapore	800-7324-7324
Finland	00-800-7324-7324	South Africa	0-800-996-688
France	0-800-7324-7324	South Korea	00-3-7324-7324
Germany	00-800-7324-7324	Spain	900-961-513
Hong Kong	800-7324-7324	Sweden	02-7324-7324
Israel	1-800-7324-7324	Switzerland	0-800-7324-7324
Italy	800-7324-7324	Taiwan	00-801-263-89
Japan	00-531-16-0077	UK	0-800-169-7712
Malaysia	1-800-803-834	Venezuela	0-800-100-5247

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