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NEWS

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Contact Information:

**SUBWAY® Public Relations
(203) 877-4281
Kevin Kane Ext.1329
kane_k@subway.com
Les Winograd Ext. 1683
winograd_l@subway.com**

**SUBWAY® Restaurants Launch F.R.E.S.H. Steps Initiative
with Washington, DC Event**

**Raises National Awareness of Childhood Obesity
and Encourages Prevention Effort
Supports and Empowers Kids to Make Healthier Choices**

Milford, Conn. (July 14, 2004) — SUBWAY® restaurants announced today in Washington, DC, the launch of F.R.E.S.H. Steps, a multi-layered national campaign to raise awareness and educate communities on the need to prevent and treat childhood obesity. The SUBWAY® F.R.E.S.H. Steps initiative empowers kids and adults to Feel Responsible, Energized, Satisfied and Happy by seeking healthy choices in their menus and in their overall lifestyle. Also announced today is SUBWAY® restaurants expanded relationship with the American Heart Association, as the first-ever sponsor of their Jump Rope for Heart program.

Independent research, commissioned by the SUBWAY® chain, revealed 80 percent of children age 5 to 12 know someone who is “very overweight,” while only 55 percent identify obesity as dangerous; the study confirmed the need to educate consumers and generate awareness about the dangers of obesity.

“SUBWAY® restaurants cares about kids and their well-being, and we want children to lead long and healthy lives,” said Fred DeLuca, President and Co-founder of SUBWAY® restaurants. “As an industry leader, we feel a responsibility to do our part to encourage healthy habits in children involving increased physical activity and nutritious food choices, essential components to prevent childhood obesity.”

In an effort to help educate kids about the importance of healthy eating and increased physical activity for a heart-healthy lifestyle, SUBWAY® restaurants, a long-time supporter of the American Heart Association’s Heart Walks, is now the first-ever sponsor of the American Heart Association’s Jump

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Rope For Heart program, a school site childhood physical activity and nutrition program. Celebrating its 25th anniversary, Jump Rope For Heart raises funds for American Heart Association education and research programs and develops fun rope-jumping skills for more than 4 million kids annually while promoting the life-long values of physical activity and proper nutrition in fighting heart disease and stroke.

“Obesity is a serious threat to the well-being of future generations,” said M. Cass Wheeler, Chief Executive Officer of the American Heart Association. “Prevention programs and education are critically important to controlling what many have called an obesity epidemic. We applaud the SUBWAY® F.R.E.S.H. Steps initiative in drawing attention to this issue and helping parents and children understand the importance of making healthful choices and leading active lifestyles in the fight against childhood obesity and related conditions including heart disease, diabetes and stroke.”

The SUBWAY® F.R.E.S.H. Steps multi-layered initiative — launched in the nation’s capital among government officials, the American Heart Association, health leaders and hundreds of kids — includes a groundbreaking public awareness television campaign, a F.R.E.S.H. Steps Pledge with healthy lifestyle tips, a school-based curriculum and activity-based toys in Subway Kids’ Pak™ meals that include a fresh deli-style sandwich and 100% fruit juice. Full nutrition information for sandwiches is available at restaurants and online so consumers can choose the food that fits their lifestyle. SUBWAY® restaurants are committing 20 percent of their national advertising budget to increase national attention to this important issue.

“For nearly 40 years, the franchisees in communities across the country have offered our customers great tasting choices and healthier options, and the F.R.E.S.H. Steps initiative is an extension of SUBWAY® restaurants’ core values and philosophy,” said Jim Hansen, Chairperson Chainwide Board of Trustees for the Subway Franchisee Advertising Fund Trust. “We encourage industry peers and support organizations to address the childhood obesity crisis by encouraging informed food choices and promoting active lifestyles among kids and their families.”

An Inspirational Public Awareness TV Campaign

The cornerstone of the SUBWAY® F.R.E.S.H. Steps initiative is multi-million dollar public awareness television advertising campaign — the first of its kind by a major advertiser — that highlights the importance of taking steps to make healthier choices and lead active lifestyles. Inspirational in tone, the spots celebrate three children (Cody, 12; Isaac, 11; and Madison, 10) who made

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decisions to improve the quality of their lives by incorporating balance and moderation in their diets and increasing physical activity.

The motivational ads were inspired by the hundreds of letters the SUBWAY® brand receives from kids (and parents) describing similar stories of personal success in achieving a healthier lifestyle. The 30-second spots will run on national network and cable TV starting this month.

A Pledge to Take Fresh Steps To Improve Health... with Tips On How To Start

The F.R.E.S.H. Steps Pledge, a key element of the campaign, is a tool to help kids and their families to commit to living healthier lives. By signing the F.R.E.S.H. Steps Pledge, kids and adults promise to be more active, eat a variety of good foods and be proactive in creating a healthy lifestyle. The F.R.E.S.H. Steps Pledge will be available online at www.subway.com, and in restaurants, along with tips and guidelines on how to incorporate healthy choices into daily life.

“Kids who make balanced healthy food choices and are physically active are at lower risk for being overweight and have improved overall health,” said Lanette Kovachi, Corporate Dietician at SUBWAY® restaurants. “The F.R.E.S.H. Steps program will provide the information children and parents need to make healthier choices.”

Research Underscores the Need for Awareness and Education

An independent survey commissioned by SUBWAY® restaurants and conducted by Strotzman Consulting Group, a division of Strotzman International, Inc., probed the perceptions of more than 2500 kids ages 5-12 regarding wellness and healthy behaviors, and underscored the need for an outreach campaign like SUBWAY® F.R.E.S.H. Steps. Among the key findings: obesity is something that kids are generally not concerned about; while kids understand the importance of eating healthy, few actually do so; and parents can do a better job as role models for healthy behaviors.

SUBWAY® Restaurants' Heritage of Promoting Healthy Lifestyles

The F.R.E.S.H. Steps initiative is the latest effort in SUBWAY® restaurants' longstanding wellness platform, including providing nutritious menu options and distributing educational information about eating right and staying fit. The brand will continue its in-school curriculum, “One Body! One Life! Eat Fresh! Get Fit!” which was developed in conjunction with Weekly Reader, the largest and oldest educational magazine for students. The popular “Jared & Friends School Tour,” featuring weight loss hero Jared Fogle who appears in the chain's

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ads, has reached more than 32,000 school children with messages about the importance of healthy eating and regular exercise. WNBA star Lisa Leslie joined Jared on recent tours talking about the importance of exercise and sports as a fun way to stay healthy.

About SUBWAY® Restaurants

The SUBWAY® chain is the largest submarine sandwich franchise in the world, with more than 21,000 restaurants in 75 countries. The SUBWAY® brand was named the number one franchise opportunity in all categories by *Entrepreneur* magazine in its Annual Franchise 500 ranking for 2004 — for the 12th time in 16 years. Headquartered in Milford, Conn., the SUBWAY® chain was co-founded by Fred DeLuca and Dr. Peter Buck in 1965. For more information on SUBWAY® restaurants, please visit www.subway.com.

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