

Franchise Capital Requirements

Traditional Restaurants

General Breakdown for:	Lower Cost	Moderate Cost	Higher Cost	Method/When due
Initial Franchise Fee	INR 650,000	INR 650,000	INR 650,000	Lump sum upon signing Franchise Agreement
Real Property	200,000	450,000	800,000	Lump sum upon signing intent to Sublease
Leasehold Improvements	600,000	850,000	1,000,000	As incurred Pro rata during construction
Equipment	3,000,000	4,060,000	5,000,000	Lump sum when you place order
Security System (Not including monitoring costs)	40,000	60,000	60,000	Lump sum when you place order
Freight Charges (Varies by location)	45,000	50,000	55,000	Lump sum when you place order or upon delivery
Outside Signs	75,000	75,000	75,000	Lump sum when you place order
Opening Inventory	120,000	170,000	170,000	Lump sum within one week of opening
Insurance	20,000	25,000	30,000	As incurred before opening
Supplies	20,000	25,000	50,000	As incurred before opening
Training Expenses (Including travel and lodging)	100,000	100,000	100,000	As incurred during training
Legal & Accounting	40,000	50,000	70,000	Lump sum before opening
Opening Advertisement	80,000	100,000	150,000	Lump sum around opening
Miscellaneous Expenses (Business licenses, utility deposits, small equip. & surplus capital)	50,000	50,000	200,000	As incurred As required
Additional Funds 3 months	350,000	350,000	500,000	Lump sum as required
Estimated Total Investment	INR 5,390,000	INR 7,065,000	INR 8,910,000	

We have recently unveiled a new restaurant décor design, "Fresh Forward". The "Fresh Forward" décor will be the required décor and equipment package for all new restaurants and relocations. The cost of construction and all décor elements and the cost of its installation in the restaurant shall be at your sole expense. This estimate does not include costs to ship required décor elements. We are currently in the process of assessing costs to build-out a non-traditional location in accordance with the Fresh Forward décor, but as we are in the initial stages of this process, costs cannot be estimated at this time. We anticipate that these costs will be higher than those indicated in the chart above in this Item 7 but lower than the additional costs incurred in connection with the build-out of a traditional location in accordance with the Fresh Forward décor. In the future, you will be required to remodel all of your existing locations to "Fresh Forward" décor and equipment package. We exclusively reserve the right to modify any element of the SUBWAY® restaurant décor and equipment package.