



THE MARKET

SUBWAY is the undisputed submarine sandwich leader and the world's largest restaurant chain. Offering a healthful alternative to traditionally fatty fast food makes SUBWAY a popular destination for health-conscious consumers. Advertising for SUBWAY in the United States and Canada features the weight-loss success of Jared Fogle, an American college student who lost 245 pounds by including SUBWAY sandwiches in a diet and exercise program that he designed himself.

ACHIEVEMENTS

In addition to its usual annual best-in-class marks for franchise opportunity and customer experience, SUBWAY received recognition in 2014 from the Produce for Better Health Foundation as a food Industry Champion for its efforts in increasing fruit and vegetable education, awareness, and consumption. Even hospitals recognize SUBWAY's commitment to healthier eating options. Of the more than 2,700 new locations that SUBWAY opened in 2013, 39 were hospital sites.



SUBWAY has 250 restaurants in hospitals and health-care facilities worldwide.

Children's health is always an issue, and SUBWAY is a true standout in this field. According to the Center for Science in the Public Interest, a consumer advocacy group, 97 percent of kids' meals at top U.S. restaurant chains do not meet its nutritional criteria. SUBWAY is the only chain that passed the center's tests; all of its Fresh Fit for Kids meal combos met CSPI's standards.

HISTORY

Fred DeLuca was concerned about the future in the summer of 1965. He just finished high school



and had no money for college. Fred thought of asking Dr. Peter Buck, a family friend, for some advice. The young DeLuca half expected Dr. Buck to offer to loan him the money. After all, they had known each other for years.

Something else happened.

"I think you should open a submarine sandwich shop," Dr. Buck suggested.

What? What an odd thing to say to a 17-year-old kid, thought Fred. Before Fred could respond or express his surprise, he heard himself say, "How does it work?"

Pete explained the submarine sandwich business, and as the DeLucas were getting ready to leave, Dr. Buck pulled out his checkbook and wrote a check for \$1,000. That was his investment in their new venture. On the drive back home, little did Fred know that eventually this new venture would grow to employ tens of thousands of people worldwide.

In 2014 the SUBWAY chain entered its 49th year of operation. Through its highly successful franchising model, SUBWAY operates more units in the United States, Canada, and Australia than does McDonald's.

THE PRODUCT

SUBWAY is always enhancing its menu offerings, providing consumers a wide choice of subs, salads,

side items, and breakfast sandwiches. All the subs are made right in front of the purchaser, according to each customer's exacting specifications.

The SUBWAY menu includes favorites that please the palate through the day and the year; featured, limited-time products are often available, too.

To help make choosing SUBWAY part of an overall approach to healthy living, the SUBWAY website offers an array of tools and advice for its customers, including informative tips on nutrition, fitness, and health. SUBWAY's experts



address topics such as making the right food and meal choices, eating from the rainbow, and the correlation between food and mood.

RECENT DEVELOPMENTS

Franchise Direct — a leading online resource for global franchise opportunities — in 2014 named SUBWAY as the number-one franchise opportunity for the fourth year in a row. According to Franchise Direct, the annual Top 100 Global Franchises list ranks the best franchises from around the globe: "This definitive and exclusive list details the franchises which are performing best on an international level. These findings were reached using an objective, detailed methodology that considered a host of factors including financial performance and corporate

GREEN FOCUS

SUBWAY has spent the past several years switching to products and business practices that use less energy and resources and generate less waste. The global restaurant leader has discovered that, put together, small changes can make quite a difference — as is true with the move toward healthful living. Some highlights of SUBWAY's environmental leadership are as follows:

- All new and remodeled stores now use energy-efficient lighting to save electricity. Low-flow water faucets conserve an estimated 182.1 million gallons of water annually.
- The majority of the packaging used in SUBWAY restaurants in North America is made with recycled content; 100 percent can be recycled or

composted. SUBWAY is in the process of moving to these packaging specifications globally.

- Fourteen SUBWAY Eco Restaurants are open and operating. These stores are designed and built to be more energy efficient, conserving water and reducing waste. Three of the Eco Restaurants are LEED-certified from the U.S. Green Building Council Leadership in Energy & Environmental Design. The remaining Eco Restaurants are certified using an internal process similar to LEED's. The first eco store in Europe was built in France in 2011 and has obtained the French ecological labels HQE (High Environmental Quality) and HPE (High Environmental Protection).

- SUBWAY's plants and distribution centers are



strategically located to significantly reduce transportation costs, fuel usage, and carbon emissions, eliminating an estimated 21.8 million truck miles and saving more than 3.6 million gallons of diesel in the United States and Canada annually. In the United Kingdom alone, SUBWAY has cut more than 400,000 road miles by adding new depots to the distribution network for food and produce, and bringing them closer to stores.



- Ryan Howard, Major League Baseball star: Roast Beef
- Mike Lee, light-heavyweight boxer: Six-inch Turkey Breast on Whole Wheat
- Pelé, all-time-great soccer legend: Tuna

SUBWAY offers for its fans SubGear, the official source for SUBWAY merchandise. Demon-

strating that it's never too early to get on board with the SUBWAY message, one of the top-selling SubGear items is a onesie for babies featuring the tagline, "Baked Fresh . . . Right Out of the Oven."

PROMOTION

Healthy living is serious business, and when your livelihood depends on maintaining peak physical condition, eating the right foods is crucial to keeping that edge.

World-class athletes are among the millions worldwide who enjoy what SUBWAY brings to the table. SUBWAY's famous fans and their favorite sandwiches include

- Torah Bright, champion Australian snowboarder: Turkey Breast
- Carl Edwards, top NASCAR driver: Sweet Onion Chicken Teriyaki



With the American College of Cardiologists (ACC), a national sponsor of the American Heart Association's Start! Movement, SUBWAY encourages men and women to walk and live a more active lifestyle. Of all physical activities, walking has the lowest dropout rate, and when it comes to heart health, beginning a walking plan is the simplest change that someone can take toward moving down the path toward health and wellness.

SUBWAY's commitment in this area expands internationally. Community groups in the United Kingdom can apply to Heart Research UK for a SUBWAY/HRUK Healthy Heart Grant for projects that strongly promote heart health and healthy lifestyles.

SUBWAY is also a proud sponsor of the American Heart Association's Jump Rope for Heart and Hoops for Heart programs. These national programs engage children in and educate them about the importance of physical activity while raising funds to support lifesaving heart and stroke research.

BRAND VALUES

Doctor's Associates Inc. (DAI), the franchisor of the SUBWAY restaurant chain, is an affirmative-action, equal-opportunity employer. DAI is committed to taking positive steps toward increasing the representation of women and minorities in business and the workforce in

general. In addition, members of the SUBWAY restaurant chain take great pride in knowing that the organization and the individuals within it are



opposed to any type of discrimination against employees on the basis of race, sex, sexual orientation, gender identity, creed, religion, color, or national origin.

THINGS YOU DIDN'T KNOW ABOUT SUBWAY

- The number and location of SUBWAY restaurants are updated daily on the SUBWAY website. When this piece was being written, there were 41,491 restaurants in 104 countries.
- When the company was founded, Dr. Peter Buck, cofounder, was a scientist with a doctoral degree, and Fred DeLuca had aspirations of becoming a medical doctor. Hence the name Doctor's Associates.
- SUBWAY's most popular sandwiches are the Italian B.M.T., Tuna, and the Subway Club. Meatball Marinara and the Chicken & Bacon Ranch subs are the top-two Fresh Toasted favorites.
- The first restaurant opened in Bridgeport, Connecticut, in 1965 and was called Pete's Super Submarines. The first franchised SUBWAY unit opened in Wallingford, Connecticut.