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Quiznos Kicks Off 2003 Media Plan with Super Bowl Commercial

O: What has 174 million eves and ears and 87 million hungry stomachs?

A: A Super Bowl audience watching a Quiznos commercial

Yes, it's true. Quiznos will be making a repeat performance in the daddy of all televised sports events, the SUPER BOWL! Franchise Owners across the country saw their sales jump after Quiznos ad ran in last year's Super Bowl. This year, our commercial will run once in the first quarter. Over 87 million viewers are expected to tune in and when they do, we'll hit 'em once again with new, groundbreaking creative. The new campaign is sure to get laughs and build awareness of our brand. More importantly, it puts a greater emphasis than ever on our great products which will bring customers through your door with their mouths watering for Quiznos quality ingredients and oven-toasted subs.

More details on our new creative will arrive via Blast Fax the week before the Super Bowl. In the meantime, prepare to stock up and staff up. January 26th is right around the corner.

JUST THE BEGINNING!

Though there is nothing quite like the Super Bowl, our advertising on this big event is a small part of Quiznos comprehensive marketing plan for 2003. Funds have also been set aside for other high impact programming to launch each of the other LTOs. In fact, the media budget is up 25% from last year and

MORE SUPER BOWL ON PG. 4

Mark your Calendars! Prepare your Questions!

The Franchise Gathering will be held March 8th and 9th (Saturday and Sunday) at the beautiful Mandalay Bay Resort and Convention Center in Las Vegas. This is your chance to hear first-hand the information that was discussed by the Franchise Advisory Council, to learn the "why's" behind Quiznos business plan and to share your thoughts with fellow Franchise Owners. A packet with more details will

be mailed out the week of January 20th. Hope to



(March 8th & 9th) will be held at the Mandalay Bay Resort in Las Vegas.

FROM BROOKSY SMITH, EXEC. VP OF CUSTOMER EXPERIENCE & RESTAURANT PERFORMANCE

Chicken Carbonara Makes Encore Performance

First, there was the Return of the Pink Panther. Then the Return of the Jedi. Now comes a sequel of another kind: The Return of Quiznos Chicken Carbonara Sub! This old favorite, originally introduced in the first quarter of 2002, is back to kick off the New Year as our first LTO.



"When the Chicken Carbonara Sub went away, we were swamped with calls and e-mails from guests and Franchise Owners," said Help Desk Associate, Melanie Moon. In total, the Help Desk received 154 comments from people across the

country clamoring for their Chicken Carbonara.

"Please don't take my Chicken
Carbonara away!!!" pleaded Seth
Quillen of Houston TX.

"That was honestly the BEST sandwich I've ever had in my entire life," e-mailed Leah Miscavage of Ocean Springs MS.

"I want you to bring (the Chicken Carbonara) back. Please put it on the menu as a regular menu sandwich and not just as a special. I promise you will make millions off this sandwich!!!" wrote Gale Robbins of Loxley, AL.

There you have it. A promise. In writing. (Apparently no one ever warned Ms. Robbins that you should never promise *anything* in writing!) We can't, of course, guarantee you'll make millions by bringing back the Chicken Carbonara Sub. We can, however, promise that the return of the Chicken Carbonara will be a hit with these and many other guests.

CHANGES REDUCE FOOD COST

There are a few variations to the sub this time around. Changes were made to improve the flavor even more and to reduce food costs. The sub still contains a delicious blend of all white meat chicken strips, mozzarella cheese, bacon, mushrooms, Creamy Bacon Alfredo Sauce, and spices. However, this time the sub is served on Quiznos Italian White Bread instead of Sweet Basil Bread, the mushrooms are fresh instead of sautéed and the portion of bacon chips is reduced to balance out the flavors in the sub.

Point of purchase materials for this LTO include a bragger stand poster, table tents, a sneeze-guard or chip rack POP card, and a translight. On the back side of the POP for the Chicken Carbonara LTO is a soup promotion (see page 3 for details). Recommended pricing for the sub is \$4.29 for a small, \$5.29 for a regular and \$7.29 for a large. See your Rollout Guide for food cost and penny profit information.



Quiznos Frequent Diner Card Cets Mention on Jay Leno

What timing! Just as Quiznos is about to roll out a new Frequent Diner card, Cameron Diaz searches through Jay Leno's wallet on national television and pulls out the one and only item in it—a Quiznos Frequent Diner Card! Quiznos PR department couldn't have planned it better if they tried.

"I'll take you to lunch there some time," Leno told Diaz after they discussed his usual order (a large meatball sub). "On the 9th (stamp), I'll take you to lunch."

Apparently even Leno likes a deal. He called up John Fitchett, EVP of Franchise Support, to request the return of the card. When the decision to bring back the Frequent Diner Card was made, a card was sent to Leno—the very one Diaz pulled from his wallet (totally unsolicited).



Leno and Diaz discussed Quiznos on the Tonight Show December 20th.

Franchise Owner Capitalizes on Free, Low Effort Marketing

Randy Zaine (store #3026), a Franchise Owner in Gaithersburg, Maryland won a weeklong marketing campaign at his local bank. Randy was voted business of the month at his local Sandy Spring National Bank. The bank set up a table for Randy with a Quiznos/Coke neon sign and gave out coupons on Fridays. All the employees in the bank wore Quiznos pins.

Good job Randy! Keep up the good work.



Frequent Diner Cards help build guest loyalty and increase store traffic.

Jay Leno isn't the only one who likes the Frequent Diner Card. Guests, Franchise Owners and your Franchise Advisory Council have all requested the return of the card. As a result, you will find a thousand Q-cards and a Q-stamp in your LTO box. The new cards should be stamped once for every five dollars the guest spends. After accumulating ten stamps, the guest will receive five dollars off their next purchase. The discount is good at any Quiznos location.

Frequent Diner cards are a great way to help build guest loyalty and increase store traffic. They're also apparently a great way to get free plugs for our product on national television!

Tis the Season for Soup



Seinfeld's "Soup Nazi" lost out on penny profits.

Remember the Soup Nazi on Seinfeld, who used to kick people out of line in his Soup Kitchen if they violated his rules? He obviously knew nothing about customer service or penny profits. We at Quiznos, of course, are much more savvy. We know soup is a great way to increase check averages.



Register toppers remind guests to add a cup of soup to their order.

During the winter, soup is particularly popular and thus winter is a prime time to increase customer awareness of the product. Accordingly, you'll find soup promotion POP in your LTO box this quarter. Our soups and chili are shown in delicious detail on the back of the bragger stand and advertised on the back of the table tents. They are also promoted on the register topper. Be sure to display these materials and, unlike the Soup Nazi, encourage your guests to have a cup of soup. You'll find that you not only warm up your quests but also your bottom line.



MMMM...TOASTY!

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FROM PHIL SANDERS, SVP INTERNATIONAL OPERATIONS

Mayor, Governor Attend Quiznos Grand Opening in Mexico

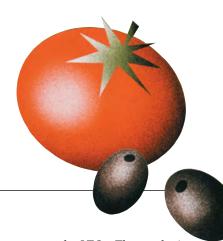
The opening of the Mexican market in Monterrey was filled with excitement as both the local governor and mayor joined master Franchise Owner Richard Eisenberg, multi-unit Franchise Owner Daniel Ruiz and his family, Phil Sanders and Patrick Pons from Quiznos International Operations department,

at the grand opening in October. Eager to experience a Quiznos signature toasted sub, more than 200 guests lined up outside the restaurant on its first day of sales.



International

PHIL SANDERS, SYP International Operations, DANIEL RUIZ, multi-unit Franchise Owner for Monterrey, Mexico, PATRICK PONS, Sr. Director International Operations, RICHARD EISENBERG, Master Franchisee for Central America at the grand opening of store #3704 in Monterrey.



MORE FROM MARKETING

SUPER BOWL FROM PG. 1

programming to launch each of the other LTOs. In fact, the media budget is up 25% from last year and plans have been made to maximize our reach by having a strong national presence on 13 cable networks.

LOCAL MEDIA SUPPORT SYNERCISTIC WITH NATIONAL PLAN

Each market will also have customized local media support that will go hand in hand with the

national plan to promote the LTOs. The marketing team at Quiznos, along with Media Consultant Mary Kay Eschbach, evaluated individual markets to come up with a minimum spending level for local support in each market. "The approach we took was fair and equitable," said Ms. Eschbach. "It is the strongest system-wide media plan we've ever had with a fair distribution of media dollars." Details regarding the support for your market can be found in your LTO box.

These are a few of the cable networks Quiznos commercials will be airing on this year.













ESPN

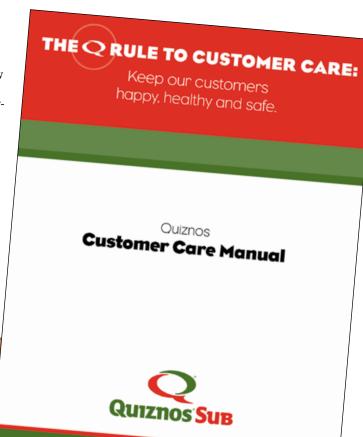
Customer Care Kits Designed to Increase Guest Satisfaction

A satisfied guest is one that will come back again and again. It is vital to the success of your franchise that your guests' needs are met. By now, you should have received a revised Customer Care Kit with tools and guidelines aimed at satisfying your guests when their experience falls short of their expectations. If you currently have a Customer Care Kit, please make sure to discard it and replace it with the new kit. The kit has been redesigned to reflect Quiznos new look and contains information not found in the old kit.

As you can see from the Guest Satisfaction Scorecard (below), poor service is still one of the top five reasons our guests call into the customer service line. Many of these calls can be avoided by utilizing the items included in the kit. It contains a variety of useful tools from Holy Pepperoncini cards that can be given to a guest whose order is late, to guidelines on how to handle a crisis that could grow into a legal or PR problem.

Be sure to familiarize yourself with this kit and to train your team members on its contents. How you and your team handle a complaint can make the difference between making a loyal guest out of a customer or losing his or her business forever.

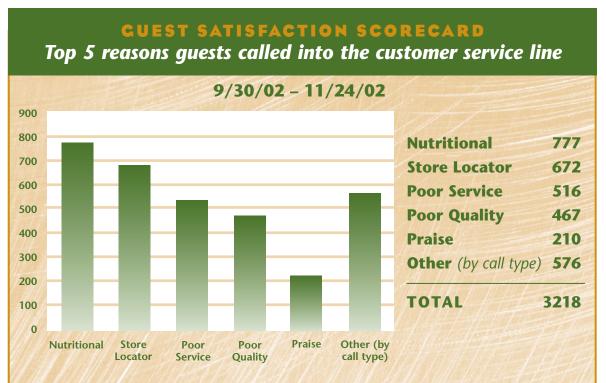
The Customer Care Manual contains new information not found in the previous kit.



Guest Satisfaction

Satisfying guests is key to a profitable business. Below is an update on how we are doing as a chain regarding guest satisfaction.







OPERATIONS HONOR ROLL

SAME STORE SALES STARS

Top 25 Quiznos Restaurants in Same Store Sales Increases

The Operations Honor Roll applauds the top 25 restaurants that are setting the pace for the entire chain in growth in their own same store sales. Kudos for achieving outstanding results!

OCTOBER REPORTING PERIOD

No.	Owner	Store Name	Location	Percentage change
1185	Randy Reed	Airline/Bossier City	Bossier City, LA	132%
1426	Jay Naziri	Sherman Oaks Galleria	Sherman Óaks, CA	110%
1674	Mark Makowski	Gaylord	Gaylord, MI	88%
1838	Jerry Sham	Citrus Center	Walnut Creek, CA	80%
791	Terry Ens	Webb and Central	Wichita, KS	77%
193	Christopher Jardis	St. Peters	Saint Charles, MO	76%
1233	Jeffrey Kneebusch	Railroad Canyon	Lake Elsinore, CA	64%
114	Harry Cozakos	Franklin Road	Boise, ID	63%
1935	Thomas Fischer	Knapp's Corner	Grand Rapids, MI	60%
2364	Rex Keller	Jefferson Plaza	Sioux Falls, SD	58%
1124	Michael Pease	Plymouth	Plymouth, MN	58%
1170	Ronald Haller	Regency Square S/C	Brandon, FL	58%
2377	John Schodron	Slinger Amoco	Slinger, WI	58%
1698	Larre Schlarmann	Independence Square	San Diego, CA	57%
1775	Sang & Myung Jeong	Centreville Square	Centreville, VA	57%
136	Cameron Rooke	Encinitas	Encinitas, CA	56%
615	Brian Ognian	Maples Place Center	Novi, MI	53%
1065	Charles McKay	Puyallup Chevron	Puyallup, WA	52%
1616	Tina Ellertson	Mt. Pleasant Com. Ctr.	Sturtevant, WI	51%
1482	Douglas McCall	Woodland Hills	Jackson, MS	50%
1422	Michael Pease	University Village	Minneapolis, MN	50%
1307	Larre Schlarmann	Promenade	Temecula, CA	49%
415	Tim Dietiker	Anamosa	Anamosa, IA	48%
1594	Michael Roper	Olympia Fields	Olympia Fields, IL	47%
1733	Jeff Garrett	Shasta Crossroads	Redding, CA	46%

NOVEMBER REPORTING PERIOD



и.					
	1185	Randy Reed	Airline/Bossier City	Bossier City, LA	112%
	1765	Juan Garcia	Professional Park	Rio Piedras, PR	95%
i	1233	Jeffrey Kneebusch	Railroad Canyon	Lake Elsinore, CA	81%
	1422	Michael Pease	University Village	Minneapolis, MN	81%
	1191	Michael Moser	The Park Shops	Houston, TX	78%
	1116	Larre Schlarmann	Rosecrans	San Diego, CA	71%
ď,	1838	Jerry Sham	Citrus Center	Walnut Creek, CA	67%
Ì	295	Jon Wood	Mormon Trek	Iowa City, IA	67%
P	415	Tim Dietiker	Anamosa	Anamosa, IA	63%
á	385	Thien Tam Tran	Parks at Arlington	Arlington, TX	61%
ij	482	Jarnail Singh	Marion Court	Seattle, WA	60%
ij	90	John Ahalt	Danada Square	Wheaton, IL	59%
į	1777	Rosalie Garcia	Crystal Park III	Arlington, VA	59%
f	1772	Tikva Magril	Coral Springs Trade Ctr.	Coral Springs, FL	59%
1	1775	Sang & Myung Jeong	Centreville Square	Centreville, VA	58%
	1545	David Easterling	Richmond	Richmond, TX	55%
Ņ	1002	Pamela Clark	Northwestern Hwy	Farmington Hills, MI	55%
ú	1531	Jorge E. Jerez	West End of Miami S/C	Miami, FL	54%
2	885	Jamie Shin	Worldgate Center	Herndon, VA	54%
Q Q	2097	Jayesh Amin	Kingfarm	Rockville, MD	53%
	1503	Marcelo Bottini	Pavilions of Kendall	Miami, FL	52%
ğ	1411	Rasik Patel	Murfreesboro	Murfreesboro, TN	52%
ğ	1287	Larry Wright	Irvine	Irvine, CA	51%
	1045	Sophia Ding	Newmark Tower	Seattle, WA	50%
	1729	Eldad Israel	Las Olas Centre	Fort Lauderdale, FL	49%
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Percentage changes are determined by comparing same store sales for a specified month to same store sales the same month one year earlier (e.g. November 2002 to November 2001). To be considered, a store must be open for at least one year.

MORE FROM OPERATIONS

Fresh Bread Quality Assurance Report

As of December 24th, Speedmark Information Services Representatives have visited 3,581 stores to ensure that all cut bread is being thrown away every night in compliance with Quiznos Fresh Bread Quality Assurance Program. Year to date, 2,870 stores (80.1%) passed the visit. Thank you all for following this very important procedure.

For the 19.9% (711 visits) who failed the inspection (and received a default of your Franchise Agreement notice), please realize that serving a stale sub to our guests is of benefit to no one. When a guest isn't as satisfied as he could be, he is less likely to come back to your store or to any other franchise in the chain.

Fresh bread tastes better and is of vital importance in serving the best sub on the market.. Be sure to throw away all cut bread every night to ensure that our guests are getting the freshest and tastiest product possible.

Speedmark

A great tasting Quizno's Sub starts with fresh bread.

Quizno's Fresh Bread Quality Assurance Program:

This Speedmark Representative is here to ensure that you are following Quizno's fresh bread procedures. They will make the inspection, fill out a questionnaire and require a signature from the Franchise Owner or Store Manager.

7

YEAR-TO-DATE RESULTS

2,870 Passed (80.1%)

711 Failed (19.9%)

Bake Job Aide Available

Do you need a new Bake Job Aide for your Holman Oven?

To order: Call Holman at 800-225-3958 x 686

- Replacement cost for the magnet job aide only is \$13.00 plus shipping/handling
- Replacement cost for magnet job aide and metal support bracket is \$26.50 plus shipping/handling.







Remember, "PROPERLY" Toasted Tastes even Better!

The following is a letter e-mailed to Quiznos customer service department from Douglas Newbill, an 11 year old boy in Simi, California, who wrote about Quiznos for a school project.

Quiznos — My Favorite Place Regarding Store 832 *First & Easy * FO: Sid Rehka

Crunch! My Sandwich yells every time I bite it. Crunch! Crunch! Crunch! My taste buds screaming for more. The sensation of juicy ham, toasty bread, hot turkey, and crunchy lettuce was too tempting for my mouth to handle. I start tearing at the sandwich madly. Before I realize it, my sandwich is gone. My favorite Quiznos toasted sandwich, gone. I sit in my seat content and full of happiness, at Quiznos the best place in the world. However, as I walk out I think to myself, how did I first come to this place.

I remember the beginning. I was sitting in the car starving. Then I saw a place called Quiznos. I asked if we could go there, so we stopped. Before we even went in, I could smell the oven and the sandwiches contained within it. We walked in and instantly my nose was invaded with an infinite amount of smells. I smelled their soup, their herbs, their food, everything! Once we got in line, I heard an employee singing to a 40's song on the radio. I heard the oven heaters chugging ever so hard. I heard the constant sound, Crunch! Crunch! Crunch! Coming from a nearby sandwich.

Finally, after what seemed like hours of waiting it was our turn to order. I thought for a while and chose the chicken mesquite. To see my sandwich go through the oven was too much for me to bear, I felt like

drooling. I saw an employee giving me my food while I was starving. While we walked to the table, I noticed that the room was colored in different ways. I looked at the wall and noticed the posters. I noticed they were colored very bold. Each one seemed to advertise Quiznos in its own unique way. I feel the rough feeling of the tray on my fingers as I carry the tray. We find somewhere to sit and we talk. I felt the smooth feeling of my chip bag in one hand, and my rough yet tasty-looking sandwich in the other hand. I also feel the greasy feeling of the chicken that fell out that I put back in.

At last the time to eat has come. I bite my sandwich and my tastebuds go off in alarm screaming and exploding begging for more. My chips satisfy my want for something salty. My drink quenched my ever-aching thirst. My cookie just sent my tongue through the roof of my mouth, with a wonderful sensation of chocolatey cookie dough. I finished my meal and went home happy.

I came back to myself in the doorway. I thought to myself, yeah that was the best day of my life. I walked out the door got in the car and sat down, still hearing those everlasting words. Crunch! Crunch!

TRAINING FROM SANDY MULLER, MANAGER OF CORPORATE COMMUNICATIONS

Quiznos Launches Franchise Support Training Team

New Team looks to share Best Practices and aims for consistency in guest experience



Quiznos Franchise Support Team aims to make every Franchise Owner more successful.

Quiznos is proud to announce the launching of its Franchise Support Team. The purpose of this team is to lead, motivate and train Franchise Owners, managers and team members to consistently provide the best quality product and experience to our guests. Forty trainers in four regions will visit every franchise 4 to 5 times a year to conduct hands-on, in-store training for LTO launches and team member development. The training will include anything from making and rolling out the new sub to demonstrating new operational procedures and sharing feedback from customer surveys.

The Franchise Support Team's goal is to make every Franchise Owner more successful.

The average Trainer has 14 years of industry experience. However, as a conduit between all Franchise Owners the Franchise Support Team will have the unique opportunity to accelerate their experiences as they work with many different Franchise Owners. This will lead to identifying Best Practices.

SHARING BEST PRACTICES IS KEY

The entrepreneurial spirit is one of the great strengths of Quiznos. One goal of the Franchise Support Training Team is to tap into the entrepreneurial spirit by identifying Best Practices and sharing them with all Franchise Owners. A Best Practice in training, marketing, guest experience or any other part of the business is great for that one Franchise Owner who discovered it. When shared with everyone, all Franchise Owners win and the Quiznos brand grows stronger.

CONSISTENCY IS VITAL TO GUEST EXPERIENCE

As you know, consistently delivering the best guest experience is vitally important to the success of our chain. The training team will assist Franchise Owners by motivating team members on the importance of their role and training team members to consistently provide a great guest experience.

Whether a guest steps into a Quiznos along a quiet back road in Tennessee or is rushing to get something to eat in a busy airport in Denver, he has an expectation that he will receive the same quality food and service he's experienced at another Quiznos—the same quality food and service that brought him back in the first place.

This consistency of food and service is not only comforting to the guest, it is also of great benefit to you as a Franchise Owner. If the expectation of a guest is met routinely in a positive way, then each unit offers support to the others in the chain by driving traffic into those other units. The same can also be said for lack of consistency. If a guest never gets the same experience when he walks into a Quiznos or is periodically met with a negative experience, he will eventually lose his expectation, lose his comfort level, and stop going to Quiznos altogether.

We believe that by having a central point of contact for training, we will be able to support our Franchise Owners in offering our guests the most consistent experience possible. This consistency in product and service will not only be of benefit to your guests but of benefit to all the franchises in the chain. Each franchise is an integral part of the chain and has the ability to develop the comfort level in our guests that will bring them back again and again, no matter which part of the city or country they are in.

AN UNSTOPPABLE COMBINATION

Entrepreneurial spirit, consistency of restaurant experience and sharing of best practices are important ingredients in a successful franchise. Any one of them by themselves will help a franchise to grow and become more profitable. When all three are interwoven together, the possibilities are boundless.



As I'm sure you've noticed, the Q-Municator is now in color! We wanted to make the look of the newsletter as exciting and up-to-date as the new look in our restaurants. The re-design incorporates many elements of our new look including the exciting color scheme, poster graphics and wall bubbles as well as the drybrush design in the wall-paper.

In the future, there will also be changes to the content of the Q-Municator based on your feedback to the Questionnaire included in the October issue. We are currently reviewing your responses to determine what content is of most value to you and your team. Thanks to all those who took the time to fill out and return the Questionnaire. Your feedback will be extremely helpful in determining articles that will (or will not) appear in future newsletters.

WE NEED YOU...

One item that is immediately apparent when reviewing your responses is your desire for information from fellow Franchise Owners. Shared information gives everyone a greater chance at success and requires participation on everyone's part. If you have a tip on how you solved a particular problem or improved a process, please send it to the address below so we can share it in future issues. (Include your name and phone number so we can follow up if necessary.) These tips can be anything from how you won over an angry guest or built team morale to how you increased profits or solved an operational problem. Here are a few examples:

I was having trouble finding employees for the day shift so I went to the schools and recruited bus drivers who have time in the day between driving the children to and from school.

I bought an electric knife sharpener and saved \$300 a year that I was spending for a knife sharpening service.



I put a coupon into the bulletin of a nearby church and increased my Sunday sales.

If you have any questions or particular subjects you would like addressed in the Q-Municator, send them in. Though it will be impossible to publish every question, we will work to address common questions and aid you in any way we can in building a successful franchise.

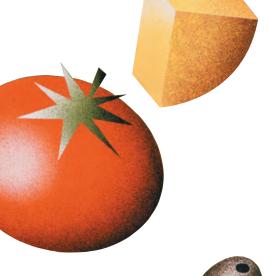
Mail questions or tips to:
Quiznos
Attn: Corporate Communications
1475 Lawrence St.
Suite 400
Denver, CO 80202

or email to: smuller@quiznos.com

And the Winner is...

The winner of the Questionnaire drawing for the \$1,000 cash prize is... (drumroll please...) BARBARA **FRANKLIN** from store #1126 in Sevierville, Tennessee. In her randomly drawn Questionnaire, Barbara commented that she likes the newsletter because it provides her with current information at the corporate level. She also commented that she felt there was too much emphasis on LTO information because it is "old news" by the time the Q-Municator hits the stores. The latter is a complaint shared by other Franchise Owners and one we will work to improve in the future.

Thanks for your comments, Barbara, and congratulations!



Training





1475 Lawrence Street Suite 400 Denver, CO 80202 PRESORTED
FIRST CLASS MAIL
US POSTAGE
PAID
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DENVER, CO



We've moved

to one location!

Like the O-Municator?

MAIL your comments and suggestions to:

Quiznos
Attn: Corporate
Communications
1475 Lawrence St.
Suite 400
Denver, CO 80202

Or EMAIL to: smuller@ quiznos.com

Quiznos corporate employees are now housed under one roof.

Our new address, as of December 16th is:

1475 Lawrence Street Suite 400 Denver, Colorado 80202

All direct dial numbers for corporate staff members have remained the same. Our central phone and facsimile numbers are also the same:

(720) 359-3300 phone (720) 359-3399 facsimile

If you need to send a facsimile and do not wish to use the central facsimile number, please contact us to obtain specific facsimile numbers for each department.

M...TOASTY! MMMM...TOASTY! MMMM...TOASTY! MMMM...T