



## FREQUENTLY ASKED QUESTIONS FOR QUIZNOS SUPPLIERS

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### **1. What did Quiznos announce?**

- We announced that the Company's senior lenders have voted overwhelmingly in favor of a "pre-packaged" restructuring plan that will reduce our debt by more than \$400 million.
- The plan is also intended to increase the Company's flexibility as it executes operational enhancements designed to strengthen performance, revitalize the Quiznos brand and reinforce its promise as a fresh, high-quality and great-tasting alternative to traditional fast food.
- In order to implement this plan, the Company has voluntarily filed to reorganize under Chapter 11 in the U.S. Bankruptcy Court in Wilmington, Delaware.

### **2. What does it mean to file for Chapter 11 protection?**

- Chapter 11 is the section of the United States Bankruptcy Code that regulates corporate restructurings.
- A Chapter 11 reorganization is a legal process designed to help companies continue to operate while they develop plans to restructure their finances.
- Chapter 11 permits, and even encourages, daily business operations to continue as usual.
- Many companies have successfully utilized Chapter 11, including United Airlines, Six Flags, Macy's, and MGM.

### **3. What does Quiznos hope to accomplish through this Chapter 11 reorganization?**

- The actions we are taking are intended to enable Quiznos to reduce our debt by more than \$400 million, execute a comprehensive plan to further enhance the customer experience, elevate the profile of the brand and help increase sales and profits for our franchise owners.
- The Company will continue working with its franchisees in the U.S. and internationally to strengthen the brand, build momentum and improve growth and profitability.

### **4. How will the filing affect day-to-day operations at Quiznos?**

- Quiznos is open for business.
- All but seven of Quiznos' nearly 2,100 restaurants are independently owned and operated by franchisees in the U.S. and 30 other countries around the world.
- As separate businesses, these restaurants are not a part of the Chapter 11 proceedings; they are open and operating as usual.
- The Company expects to continue operating in the ordinary course of business throughout the restructuring process.

### **5. Does Quiznos have the liquidity to meet its obligations to suppliers?**

- In conjunction with the restructuring plan, Quiznos has received a commitment for \$15 million in debtor-in-possession ("DIP") financing from its senior lenders, which, subject to Court approval, will be available to support its ongoing operations during the Chapter 11 proceedings.
- The Company believes that it has sufficient liquidity to meet its operational needs and intends to pay suppliers for goods and services provided after the filing under customary terms.



**6. What is DIP financing?**

- Debtor-in-possession (DIP) financing is a specialized type of financing designed to fund the operating needs of companies that have filed for Chapter 11 protection.
- Upon approval by the Bankruptcy Court, the new financing, combined with cash generated from the Company's ongoing operations, will be used to support the business during the reorganization process during the Chapter 11 proceedings.

**7. Will suppliers be paid for goods and services they provide to Quiznos on or after the filing date?**

- The Company intends to order and pay for goods and services provided after the March 14, 2014, filing date under our customary terms.

**8. Will suppliers be paid for goods and services they provided to Quiznos before the filing date?**

- U.S. bankruptcy law mandates that unpaid debts for goods and services provided to Quiznos prior to our Chapter 11 filing, also known as "pre-petition claims," cannot be paid without specific Bankruptcy Court authorization.
- Quiznos will provide suppliers with additional information about any such payments they may be owed.

**9. Is Quiznos going out of business?**

- The Company expects to continue operating in the ordinary course of business throughout the restructuring process.
- The Company will continue working with its franchisees in the U.S. and internationally to strengthen the brand, build momentum and improve growth and profitability.

**10. How long will Quiznos be in Chapter 11?**

- While it is premature to speculate on an exact timeline, because the Company has already received the requisite approvals for its "pre-packaged" restructuring plan from the necessary creditor groups, we expect to execute the plan and emerge from the court-supervised process on an accelerated basis.

**11. What is a "pre-packaged" restructuring plan?**

- When a Company files a "pre-packaged" restructuring plan in a Chapter 11 proceeding, it has already solicited and obtained the approvals it needs from the requisite creditor groups. This enables the Company to move through the legal process on an expedited basis. In this case, the Company's senior lenders have voted overwhelmingly in favor of the "pre-packaged" restructuring plan.

**12. Why should suppliers continue supplying Quiznos with goods and/or services?**

- We intend to order and pay for goods and services provided on or after the Chapter 11 filing date under our customary terms. Our distribution centers are open and are fulfilling orders and receiving deliveries.
- The U.S. Bankruptcy Code requires that a debtor pay for goods and services delivered post-petition as "administrative expenses," which are paid ahead of most other claims.
- We are continuing to work with our suppliers in the normal course of business and remain committed to our continued relationship.



**13. How will this affect Quiznos' Canadian and other international operations?**

- Our international operations are conducting business as usual.

**14. How can I get updates and additional information?**

- Quiznos has established a Restructuring Information Hotline for interested parties at (855) 388-4579 in North America or internationally at (646) 795-6978.
- Additional information can be found on the Quiznos website at [www.quiznos.com/restructuring](http://www.quiznos.com/restructuring).
- Court documents and claims information can be found at a website maintained by Quiznos' claims agent, PrimeClerk, at <http://cases.primeclerk.com/quiznos>.