



Astoria was founded in 2009 in Concecpion Chile, and the focus was to offer traditional Chilean Sandwiches made to order using well-loved Chilean recipes. 2009 was the 1st year of operation and the company had incredible sales and everything looked rosy however destiny had a different road planned for us.

#### **Brief History of Perseverance**

In February 2010 the company had to face unexpected challenges starting with an earthquake measuring 8.8 on the Richter scale with its epicenter in Concepcion that destroyed the 1st store. After recovering from the aftermath of the earthquake, Astoria worked hard to open a new store and in 2010 a new location was opened in a shopping mall. The success of the brand and the products was immediate from day 1 however in February 2011 just one year after reopening; the shopping center was destroyed by a fire. Once again after all the hard work and effort it semmed that fate was working against our success and discouraging our entrepreneurial spirit.

In July 2011 we reopened for the 2nd time in 3 years at the same shopping mall, the response of the customers was incredible and after the previous disasters we were 3rd time lucky.















## DEFERENCIATION IS THE KEY TO SUCCESS



#### QUALITY

Fresh products, all the Fresh products made to order when purchased



#### **PRODUCT**

Chilean Sandwiches have been identified as mong the 10 best types of sandwiches worldwide.



#### **FAST**

It takes less then 7 minutes, to have the products prepared fresh.



#### **COST SAVING**

Our cost structure is 10% more efficient that any competitor in the market



#### **MANAGEMENT SYSTEM**

We give a customized system that gives our franchisees full control of their inventory.



#### INNOVATION

We are constantly updating our systems to create a differentiation from the competitors.



#### **ENVIRONMENTALLY FRIENDLY**

We don't use plastic; everything is served to the customer using glasses, silverware and plates.



#### **CUSTOM SYSTEM**

Most of the suppliers are tracked in terms of quantity of products purchase, invoices, credit and delivery etc.



#### **AVANT-GARDE DESIGNS**

All of or locations are designed to show the customers how we prepare the products, involving them in the experience of seeing how we make the food that they haver order.



#### **FRANCHISE SUPPORT**

Our team has more than 25 years`experience in the food insdustry and give full support in all areas 24/7.

# INA COMPENIATIVE WORLD THE INNOVATION IS MANDATARY TO IMPROVE DAILY









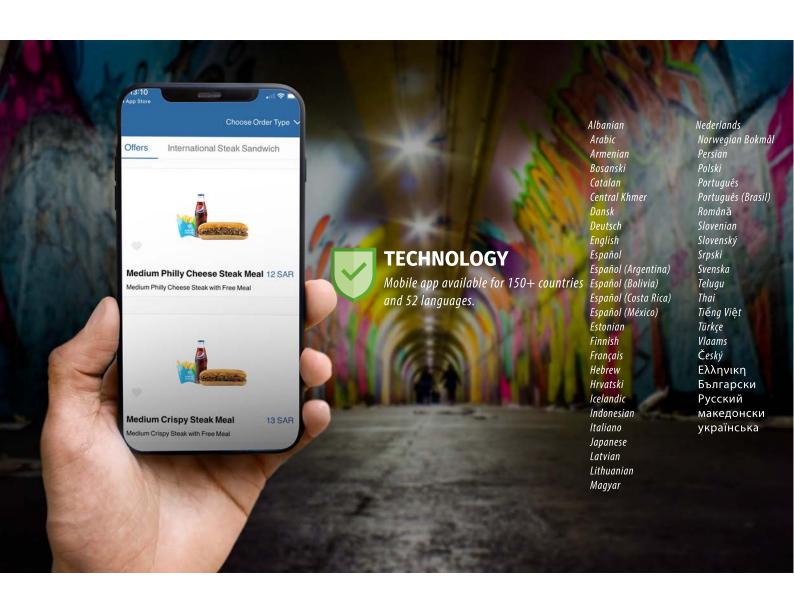


























## SUYMARY OF KEY COMMERCIAL TERMS

#### **ASTORIA MASTER FRANCHISE**

#### **Development Term**

10 Years with 10-year renewal term subject to performance of Master Franchise Agreement (MFA) and 1) execution of then current MFA and 2) agreement to a new Development Schedule for the new term and 3) payment of a renewal fee which will not be more than 50% of the Master Franchise fee for the initial

#### **Sub-Franchise Rights**

After 2nd year of Development Term and subject to Master Franchisee meeting development schedule and other infrastructure and performance related criteria (e.g. operations and training team to support franchise development, distribution & logistics, marketing fund etc.) and compliance with local

#### **Exclusive Master Franchise Fee**

\$US150K - \$US15K deposit (10%), \$US135K on

## Outlet Franchise Fees (per store/kiosk)

A)10K paid to Franchisor prior to the opening of each company owned Outlet starting from the 3rd Outlet B) The greater of \$US10K or 50% of sub-franchise fee charged for sub-franchised outlets paid to Franchisor prior to the opening of each sub-franchised owned Outlet.

#### Royalties

A) 5% of Gross Sales paid to Franchisor for each company owned Outlet.

#### Minimum Marketing Expenditure

A) \$US20K allocated for initial launch in the Development Area during 6-month period leading up to and following the opening of the 1st outlet in the Development Area
B) 2% of Gross Sales allocated for on-going advertising in the Development Area.

## Minimum Development schedule

B)MFE must meet the Minimum Annual and Cumulative Development Schedule targets to maintain exclusivity, development rights and conditional sub-franchise rights however if MFE fails to meet the Cumulative Development Schedule targets at the end of any Development Year MFE will not lose exclusivity, development rights and conditional sub-franchise rights if it catches up on the Cumulative

#### **Training Requirements**

4 weeks training for up to 4 MFE personnel at Franchisor HQ & outlets in Chile. MFE responsible for own

#### **Opening Support**

A)2 weeks pre-opening/opening support in the Development Area by up to 2 Franchisor employees. B) MFE responsible for Franchisor personnel travel / accommodation related costs.

#### **Ongoing Support**

A minimum of 2 visits to the Development Area annually during the 1st year of the Development Term and a minimum of 1 visit to the Development Area annually each year thereafter.

#### **Proprietary Products**

MFE must purchase certain proprietary products from Franchisor or suppliers approved by Franchisor.

#### **Approval of Locations**

Final location selection for the 1st 2 Outlets in the Development Area must be approved by Franchisor.

#### Other Requirements

Other requirements as per Franchisor standard LOI with additional require -

Development Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Minimum # of Outlets	1	2	1	2	1	2	1	2	1	2	15
Cumulative # of Outlets	1	3	4	6	7	9	10	12	13	15	15





# ASTORIA NEW OUTLET DEVELOPMENT COST ESTIMATE

#### **CONSTRUCTION COST**

Total CONSTRUCTION COST	\$US 90,000
Signage & Menu Board	\$US 5,000
Renovation - Mechanical & Electrical	\$US 25,000
Renovation - Structural & Carpentry	\$US 60,000

#### **EQUIPMENT COST**

Kitchen Equipment	\$US 42,000
Furniture & Fixtures	\$US 8,000
POS System	\$US 7,000
Security System	\$US 3,000

#### **Total EQUIPMENT COST**

\$US 60,000

# TOTAL NEW STORE DEVELOPMENT \$US150,000 COST

#### Notes:

1 The above estimate represents the typical costs to set up 110 s.q.m. Astoria store in Chile. Construction costs will vary depending on the type of outlet (i.e.mall, in-line, free standing etc.). Construction cost and some equipment costs will also vary depending in the size of the outlet.

2 the above estimate is provided for potential Astoria Master Franchisee candidates for discussion purposes only. It should in no way be relied upon as a basis for decision making as the franchisor has not yet made a detailed study of the specific country or the potential Master Franchisee candidate may be interested pursuing.

3 The above estimate does not include Franchise fees, rental and security deposits, administrative costs, architects and consultants fees or other pre-operating costs which will vary from store to outlet.











#### **ASTORIA PRO-FORMA P & L**

Gross Sales	100%	
Total food and Packaging cost	34%	
GROSS PROFIT	66%	
Labor Cost	15%	
Other operating costs	5%	
Rent	15%	
Total OPERATING EXPENSE	35%	
Advertising	2%	
Royalty	5%	
Total ROYALTY	7%	

Notes:

NET INCOME (■-■)

 $1 \, The \, above \, Pro-forma \, P \, \& \, L \, is \, based \, on \, information \, from \, the \, Astoria \, outlet \, At \, Chile \, While \, the \, pro-forma \, is \, based \, on \, actual \, results \, it \, should \, be \, noted \, it \, is \, only \, a \, pre-operating \, projection \, and \, does \, not \, predict \, the \, actual \, performance \, of \, a \, outlet.$ 

2 The above Pro-forma P & L is provided for discussion purposes only. It should in no way be relied upon as a basis for decision marking as the franchise or has not conducted a detailed study. country that the potential master franchisee candidate may be interested in pursuing and the costs of constructing and operating outlets in that country.

3 A potential master franchisee candidate must always apply independent consideration and due diligence to such factors and should obtain advice and input from independent advisors as necessary.





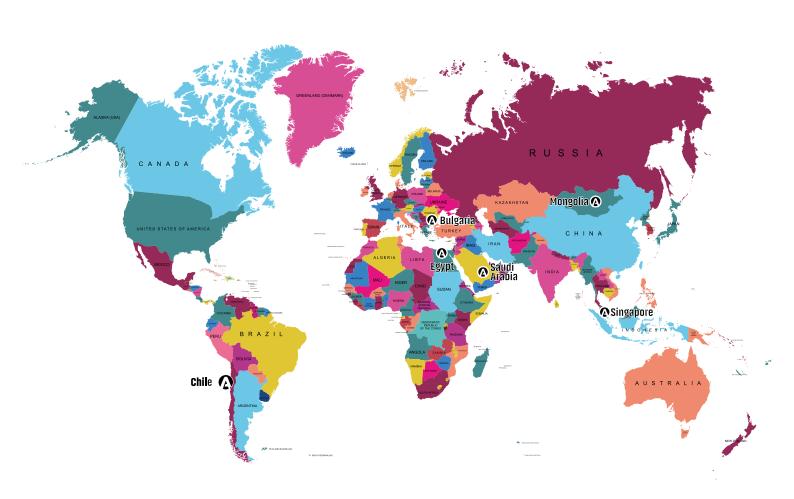




24% (ebidta)



We are expanding in the Asia Pacific and M.E.N.A regions through our Astoria Franchise programme and looking for established and committed partnets.



### Chile / Saudi Arabia / Singapore / Mongolia / Bulgaria / Egypt

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