

franchise capital investment

Effective as of Jan 2008 CDN

The Franchise Capital Investment required to purchase and operate a Cupcakes Retail Bakery will vary by location, size, landlord leasehold improvements and contractor pricing for each market. The following chart is a general breakdown from low to high build out costs. Please note that any applicable taxes are not included. Please note all figures listed below are estimates.

Estimated Breakdowns For:	Low	High
Initial Franchise Fee	\$ 50,000.00	\$ 50,000.00
Build Out Costs		
Leasehold Improvements & Fixtures	100,000.00	150,000.00
Contractor & Handling Fees	15,000.00	22,500.00
Equipment & Small Wares	50,000.00	75,000.00
Computer/POS Terminal Package	5,000.00	10,000.00
Design/ Permits/ Disbursements	8,000.00	16,000.00
Total Build Out Costs	\$ 178,000.00	\$ 273,500.00
Opening Costs		
First & Last Month or Lease Deposit	11,000.00	20,000.00
Opening Supplies Inventory	8,000.00	12,000.00
Advertising & Promotion	2,500.00	5,000.00
Additional Training Expenses (excl. travel and lodging)	6,500.00	6,500.00
Legal & Accounting	1,500.00	4,000.00
Total Opening Costs	\$ 29,500.00	\$ 47,500.00
Estimated Franchise Capital Investment *	\$ 257,500.00	\$ 371,000.00

* This estimated total may not include all costs. A complete breakdown will be provided specifically for every franchised location once all quotes/costs are acquired.

Cupcakes Franchisee Requirements

Owning and operating a Cupcakes Retail Bakery can be exciting and very rewarding. Your passion, drive and perseverance are necessary prerequisites as a franchisee, particularly during the start up period. Your success will depend upon your personal involvement, commitment and ability to follow the standards and philosophy created at Cupcakes.

Cupcakes considers the hiring process for potential franchisee's a very serious step. In order to maintain the culture that Cupcakes and its brand are so well recognized for, Cupcakes has established the following minimum franchisee requirements:

- ❖ You must have a minimum of 2 years business and/or management experience
- ❖ You must be prepared to work full time in your store(s) with eagerness and enthusiasm
- ❖ You must be in good health; operating your own business can be physically and mentally demanding
- ❖ You must be willing to follow the systems and manuals provided to you by Cupcakes

In addition, every Franchisee must have, at a minimum, a satisfactory financial rating and the ability to finance the total capital investment, ongoing operating costs and working capital for the store as required.

