

franchise PROGRAM



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"Coffeehouses are where we fuel up, exchange ideas, people watch, and hopefully get a little warmth. With coffee, all things are possible."

– Jean Bernstein, co-founder



Welcome to Where You Belong

Satellite Coffee believes in the power of coffee to enhance lives and create community. We warm hearts and souls by creating outposts for coffee seekers hungry for food and comfort – wherever we may be.

"Life without coffee is like trying to ride a bicycle without wheels."

 Christine Kiser, long time Satellite Coffee employee and coffee fanatic

The Satellite Story

It all began in 1987 with a desire for a place to go. We imagined one place where simple, great food, homemade desserts – together with better coffee brewed right – would be served all day and late into the night. We dreamed of friendly people serving up this comfort in an inspired, welcoming café. This was a place that did not exist at the time, so we had to create it ourselves. We hired the best, most passionate, and skilled artisans around, carefully trained friendly serving staff, and set out to create our vision.

Twenty six years (and counting) later the vision has evolved into a business model that responds to the marketplace by using change as fuel for sustained inspiration and continued growth. With 8 growing Satellite Coffee locations thriving – and a solid plan for expansion – the sky, quite literally, is the limit.



What is a Satellite?

A satellite is often defined as a small celestial body orbiting around a larger body in space. We prefer the definition of a satellite as an "independent community," or "outpost." Satellite Coffees are designed to be part of our customer's daily routines – whether those routines involve coffee on the run or taking time to relax. People need their personal routines, to cope with their busy schedules and commitments. Coffee is the most powerful daily enabler. Built on the structural integrity of two powerful elements – great coffee and fresh food – Satellite Coffee has created its own unique niche of cafés and products that our customers have come to trust, appreciate, and depend upon. We have created little outposts of excellence which draw people in again and again.



WHAT WE DO:

- Build a daily connection with every customer by defining and delivering the best customer experience possible
- Invest in our employees so they become consummate coffee professionals and share that knowledge and passion with a community of those seeking an enhanced coffee experience

HOW WE DO IT:

- Micro-roast hand-selected coffee beans to their highest flavor potential, grind them fresh, then brew and craft them into delicious drinks
- Bake from scratch with only quality ingredients and signature recipes
- Make delicious, healthful foods fresh to order
- Contribute to our communities
- Design stylish, warm cafés welcoming customers to stay as long as they like

WHAT OUR CUSTOMERS EXPERIENCE:

- Exceptional coffee and artisan foods
- Service excellence
- Comfortable, friendly café space to be used in as many ways as customers can imagine



"For the past few weeks, I have been going to your location on Wyoming and Montgomery regularly in the mornings. Let me tell you, I have continually received the best service! You have gained a life-long customer. I don't think I will go anywhere ever again... and my day gets better just waiting in line to get my frothy drink. Thank you!" – via Facebook

Coffee and Culinary Artisans

We have been perfecting our craft for more than 26 years. Selecting coffee beans and roasting them to exacting standards, crafting signature drinks, breads and pastries from scratch and cooking up healthful, natural foods is at the core of our business.



"The story of Coffee is a long and colorful one with many chapters. It is a story about a raw, green seed grown in the most remote parts of the world. It is also the story of the complex journey that will transform this raw seed into a roasted bean capable of making an infinite variety of delicious, satisfying beverages adored by millions everywhere."

– Jean Bernstein, co-founder



"Albuquerque's local coffee chain, Satellite Coffee, has some of the best coffee I've ever had. They roast their own beans, have some of the best tea blends I've ever had, and always have something sweet to nibble on. Fantastic!" – Huffington Post User



Fresh Thinking



As much as we love our coffee, we do understand that our customers cannot live on coffee alone. At Satellite Coffee, we have done the extraordinary: we have hand-crafted a menu that fuses our passion for great coffee with our love of unique and fresh food. And we didn't stop there! We complement our coffees with artisan teas, fresh-baked goods, an array of healthy and delicious breakfast items, handcrafted soups and sandwiches. All of Satellite Coffee's food is produced in-house without added trans fats, preservatives, or artificial flavors. And with a keen understanding of food allergies and gluten-sensitivities, we offer our own line of "Gluten-Not" bakery and menu items – delicious temptations featuring ingredients that do not contain gluten.



Satellite Coffee – An Opportunity Ready to Take Off

Coffee is the new Fresh Casual. It's also the new QSR. Based on 2012 predictions, coffee consumption growth is in the forecast. According to a recent <u>Nation's Restaurant News</u> report, the coffeehouse segment is on track for sustainable (and likely double-digit) growth in the coming years. **"The habitual nature of the occasion and the affordable-luxury aspect of the experience continue to drive sales opportunities, both in retail coffeehouses as well as in the (consumer packaged goods) channel."**

Shifts in socio-economic classes and the work force are changing the way people eat, work, and live. Our society is evolving and coffee houses are at the heart of the change.

Satellite Coffee has always been at the heart of what's next. Through the years we have done our share of trendsetting and embracing issues as they unfold. Talking and listening to our large and loyal following is part of how we stay current and embedded into our customer's choices.

¹Andy Barish, equity analyst for Jefferies & Company, as cited in <u>Nation's Restaurant News</u>, "Analyst: Coffee segment set for strong 2012," by Mark Brandau, January 6, 2012.

Conversations begin with coffee so let's talk. We'd like to offer you the opportunity to grow with us.

Satellite Coffee's 8 units have continued to demonstrate steady growth and consistent/increasing traffic. Designed to work well in a variety of settings and configurations, a typical Satellite Coffee layout is a compact and efficient 2,600 to 2,800 square feet of space. Franchise locations will include a full production kitchen and bakery area to bake off desserts and bakery products.

Our footprint is completely optimized by design. Operations run smoothly so that each location can focus on providing an excellent customer experience. Architecture and interior design are composed of signature elements to make sure that each Satellite Coffee location is instantly recognizable. Free Wi-Fi, a variety of seating choices and outdoor patios, where possible, make Satellite Coffee a comfortable choice for customers with different needs.

Franchise Support

At Satellite Coffee, when you invest in our vision — we invest in you. Our passion to build your operation into a thriving, growing business begins immediately with a full suite of services and tools. Here is some of the great support you will receive when you join the Satellite Coffee family:

- Comprehensive Training at both an established corporate location and on-site at your new Satellite Coffee location. This training includes detailed classroom sessions designed to make even the novice franchisee a coffee expert, followed by hands-on training all the way through to your own Grand Opening.
- Start-up Guidance including advice on site selection, specifications on layout, décor, kitchen and technology packages and equipment, required inventory, and more.
- A Complete Operations Manual providing the details, guidance, and recipes you need to run your Satellite Coffee location. Also included are detailed processes to assist you with effectively managing staff and customer service.
- Exclusive and Proprietary Products Satellite Coffee Signatures. This includes our signature recipes, coffee roasts and blends, specialty teas, hot cocoa, bakery products, prepared soups, and more.
- Access to Strategic Alliances and Relationships with established and approved vendors for key ingredients and supplies you will need for your Satellite Coffee location.
- Ongoing Franchise Support including assistance by phone, email, and online, in addition to periodic visits to your own location.
- Local Marketing and Advertising Tools. Our team will provide advertising templates, in-store promotional materials, customer loyalty programs and other key marketing elements with a proven track record of building awareness and sales of the Satellite Coffee brand.

Satellite Coffee's Sky-High Accolades

"What's the Best Coffee Shop in the Country?" HuffPost Taste Poll, 2012. Finalist

"Best Coffee Shop," IQ Smart List, 2010

"Best Place for a Coffee Fix," Albuquerque the Magazine, 2007, 2008, 2009, 2010, 2011

"Best Coffee," Alibi's Best of Burque, 2006, 2008, 2009

"Best Coffee," 1st and 2nd place, Daily Lobo, 2006, 2008

...also featured in New Mexico Business Weekly, KOB.com/local NBC affiliate, Albuquerque the Magazine, Good Morning America (ABC) national promo spot, and other media!

Coffee Consumption is Up²

40% of 18-24 year olds drink coffee daily, up from 31% in the previous year.

54% of adults age 25-39 drink coffee daily, up from 44%.

Consumers want to maintain coffee quality no matter what the economy brings; gourmet coffee continues to be a significant portion [37%] of total coffee consumed.

² National Coffee Association, NCA 2011 National Coffee Drinking Trends Study, as cited on http://www.ncausa.org/i4a/pages/index.cfm?pageid=731

Brewing up Opportunity... Come Join Us!

We are seeking motivated restaurant/franchising professionals who can demonstrate they have the right blend of passion, skills, and finances to join us. To become part of the Satellite Coffee family, we expect the franchise owner or operating partner to have demonstrated experience in the restaurant industry.

Whether you are interested in opening a single location or have the resources to open multiple units, we have the program structure and the operational tools you need to build an efficient, well-thought-out, and highly appealing coffee shop business.

Ready to take flight?

To continue the mutual evaluation process, complete our Confidential Information Request Form, and submit it to us. If we feel there is a good match, we will contact you to set up a meeting to discuss the necessary steps and requirements for becoming a Satellite Coffee franchise owner. We'd welcome the chance to meet with you and discuss owning and operating a franchise in greater detail.

Thank you for your interest in the Satellite Coffee Franchise Program! We look forward to sharing a cup of coffee soon.









Conversations begin with coffee.

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This advertisement is not an offer to sell a franchise. An offer can only be made by a disclosure document filed first with appropriate agencies of the respective filing states. Such filing does not constitute approval by such agencies.

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