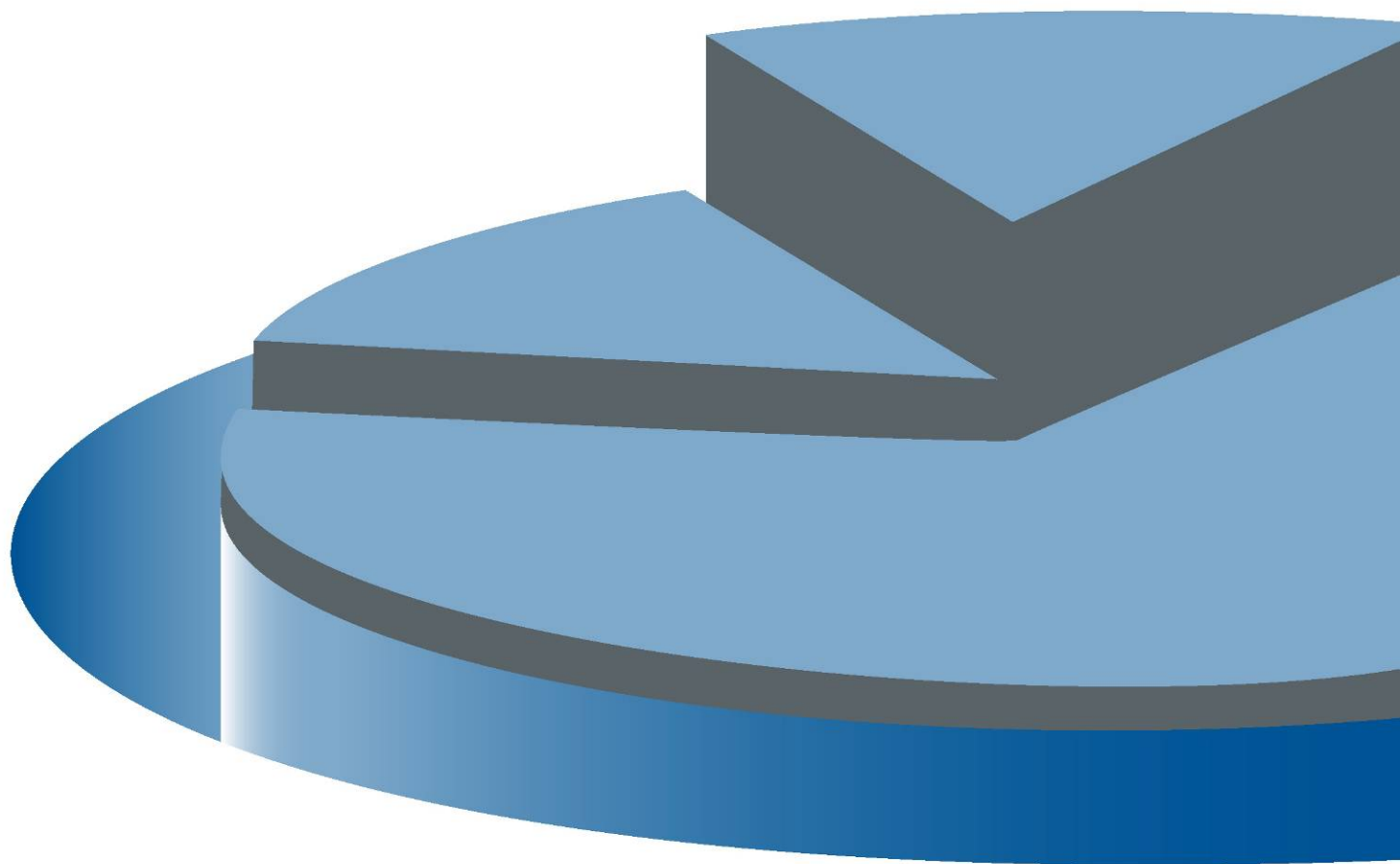


Prospective Franchisee Exit Survey Results

Attendees at the Spring 2009 International Franchise Expo,
Washington, DC

April 2009



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INTRODUCTION

MFV Expositions engaged FRANdata to conduct a survey of its attendants at the International Franchise Expo, March 2009.

The survey examines the following topics:

1. Prospective Franchisee Profile
2. Brand Selection Criteria
3. Brand Representative Assistance at the Booths
4. Additional Research Support from Brand Representatives
5. Franchisor Follow-Up Activities
6. Unplanned Booth Visits
7. Unpleasant Experiences at the Booths

Participation Level

MFV provided FRANdata with access to attendants as they exited the show. Surveyors approached the attendants with the survey questions and recorded their answers.

FRANdata collected 77 written surveys. Each question was answered by a different number of people. The table below shows the number of respondents for each question.

Question	Respondents
1	77
2	77
3	73
4	77
5	26
6	76
7	12
8	76
9	76
10	74

Survey Outcomes

Almost ten percent of the Expo attendants were current franchisees looking into further franchise opportunities. Eighteen percent of the attendants were absolutely certain that they would invest in a franchise in the coming year. More than half of the attendants evaluated the probability to make such commitment in the coming year as a four or five on a scale of one to five, one being unlikely and five being absolutely sure.

The profitability potential of a brand was the leading factor for over a third of respondents in how they focused on specific brands prior to visiting the Expo. This was followed by the brands' unique characteristics and reputation.

Eighty-seven percent of the attendants indicated that they received a general introduction to the brand from the representatives at the booth. Seventy percent of the attendants also received more detailed information about the brand, while 42% learned about the particular business operations of the franchise.

Over a quarter of the attendants expressed a need for additional assistance at the booths. Half of these attendants requested further financial information from the franchisors in terms of the gross revenues and profit potential of the franchise. A third of the respondents asked for initial investment details.

About 60% of the attendants were going to receive additional brand information via email. About a fifth of the attendants scheduled a call with a brand representative.

If attendants visited a booth that had not been on their target list, they were mostly attracted by an interesting looking concept. Nearly a third of the attendants were attracted to a booth by a brand representative who caught their attention.

Over half of the attendants indicated that free samples gave them an incentive to inquire about a brand in more details. Generally, the attendants interested in food sectors were more attracted by free samples at the booths than attendants interested in other sectors were.

Two thirds of the attendants did not have any negative experiences at all. Nine percent shared that they were unsatisfied with the small number of brands who attended the Expo. The majority of the attendants' negative experiences at the booths were connected to the brand representatives. Twenty-two percent of the negative experiences at the booths resulted from the representatives' aggressive behavior.

The International Franchise Expo Questionnaire

Thank you for your attendance at the International Franchise Expo! In order to better understand how could franchisors better meet your needs at such Expos, we would like to ask you a few questions. This survey is **COMPLETELY ANONYMOUS** and you will in no way be contacted again about your answers.

1) Are you currently a franchisee?

- Yes No

2) On a scale of 1 to 5, how likely is it that you will invest in a franchise in the coming year, 1 being unlikely, 5 being absolutely sure.

- 1 2 3 4 5

3) If you had planned to visit specific brands at the Expo, what factors made you choose these brands?

- | | |
|---|---|
| <input type="checkbox"/> Their reputation
<input type="checkbox"/> Profitability potential
<input type="checkbox"/> Unique characteristics <u>Specify</u> _____ | <input type="checkbox"/> Other _____
<input type="checkbox"/> I had not focused on specific brands |
|---|---|

4) While at the booths, how did the brand representatives help you in your research?

- | | |
|--|---|
| <input type="checkbox"/> Gave me a general introduction to the brand
<input type="checkbox"/> Details about the brand
<input type="checkbox"/> Details about the franchise business operations
<input type="checkbox"/> Led me to a purchase decision | <input type="checkbox"/> Other _____
<input type="checkbox"/> They did not help me |
|--|---|

5) What else could the representatives have done to help you?

6) How is the franchisor going to follow up with your needs?

- | | |
|---|--|
| <input type="checkbox"/> Took my contact information
<input type="checkbox"/> Going to email/mail to me additional information
<input type="checkbox"/> Scheduled a personal meeting with a rep | <input type="checkbox"/> Invited me to a brand presentation/event
<input type="checkbox"/> Invited me to a tour at the brand premises
<input type="checkbox"/> Other _____ |
|---|--|

7) What else could the franchisor do to follow up with your needs?

8) Did you visit any booths you had not planned to visit? If yes, why?

- | | |
|--|--|
| <input type="checkbox"/> The brand representative caught my attention
<input type="checkbox"/> The concept looked interesting
<u>Specify</u> _____
<input type="checkbox"/> The booth was visually impressive | <input type="checkbox"/> Free samples
<input type="checkbox"/> I was familiar with the brand
<input type="checkbox"/> Other _____
<input type="checkbox"/> No, I did not visit any booths I had not planned |
|--|--|

9) Did free samples give you an incentive to inquire about a brand in more details?

- Yes No

10) If you had any negative experiences visiting any brands, what were they?

- | | |
|---|--|
| <input type="checkbox"/> Unfriendly brand representatives
<input type="checkbox"/> The representatives were not at the booth
<input type="checkbox"/> The booth was too crowded | <input type="checkbox"/> Other _____
<input type="checkbox"/> I did not have any negative experiences |
|---|--|

Thank you for your participation!

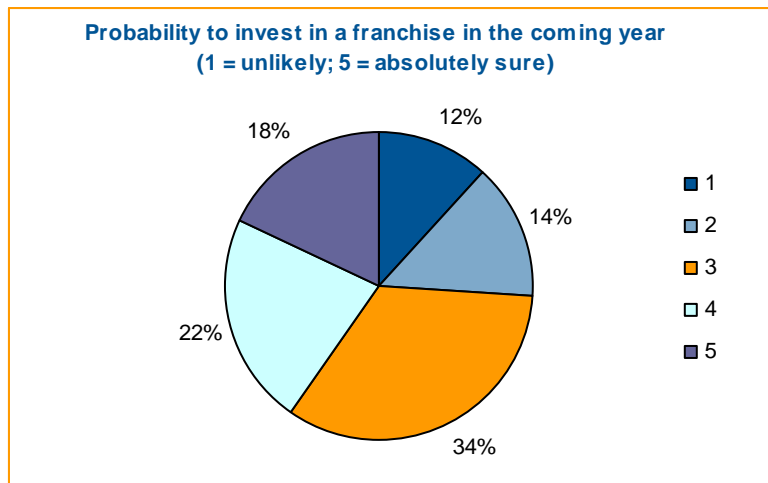
ANALYSIS

Prospective Franchisee Profile

Almost 10% of the attendants at the Expo, 9%, were current franchisees looking into further franchise opportunities. These attendants were looking to leverage their franchise experience by developing franchises in sectors with similar characteristics to the current sectors in which they operate.

Eighteen percent of the attendants were absolutely certain that they would invest in a franchise in the coming year. More than half of the attendants, 56%, evaluated the probability to make such a commitment in the coming year as a four or five on a scale of one to five, one being unlikely and five being absolutely sure.

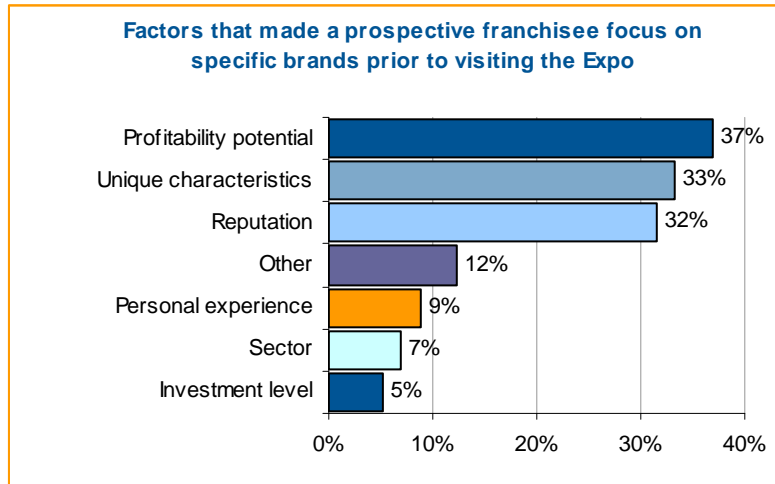
The graph below shows how likely the respondents were to invest in a franchise in the coming year.



Brand Selection Criteria

The profitability potential of a brand was the leading factor for over a third of the attendants in how they focused on specific brands prior to visiting the Expo. This was followed by the brands' unique characteristics and reputation.

The graph below shows the factors that influenced the attendants in selecting specific brands to research the Expo.



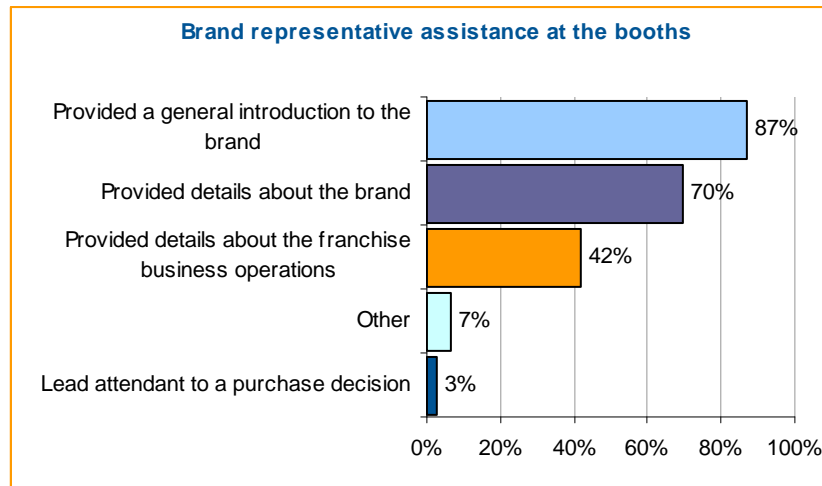
Other factors included:

- Veterans-related
- Ease of use
- Recession proof
- Location
- Marketability

Nearly a quarter of the respondents, 23%, had not focused on specific brands prior to visiting the Expo. These respondents were not included in the analysis above.

Brand Representative Assistance at the Booths

Eighty-seven percent of the attendants indicated that they received a general introduction to the brand from the representatives at the booth. Seventy percent of the attendants also received detailed information about the brand, while 42% learned about the particular business operations of the franchise. Seven percent of the attendants did not receive such information but were given brochures and samples. These were listed as "other" in the chart below. Three percent of the attendants were led to a purchase decision at the booth.

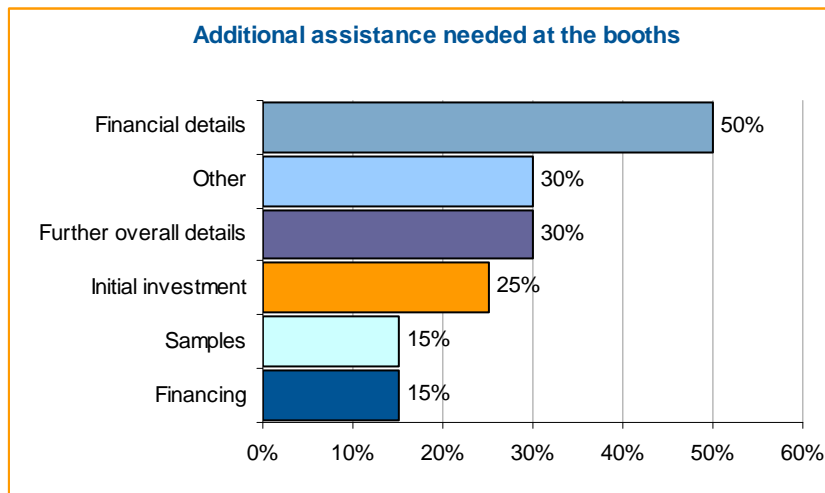


One person indicated that he/she did not receive any help at the booth. That person is not included in the analysis above.

Additional Research Support from Brand Representatives

Over 25% of the attendants expressed a need for additional assistance at the booths. Half of these attendants needed further financial information from the franchisors in terms of the gross revenues and profit potential of the franchise. The next most needed specific information was the level of initial investment of the franchise, pointed out by 30% of the respondents. Fifteen percent thought that the availability of product samples at the booths would help them acquire a “better feel of the product”. Also fifteen percent needed more information on financing options.

The graph below lists the types of additional assistance requested by the Expo attendants.



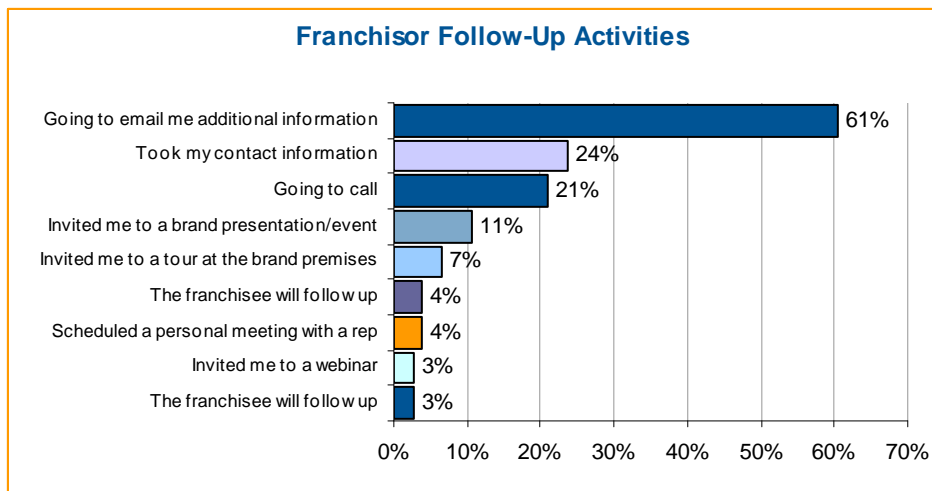
The category “other” included:

- Financial Disclosure Document (FDD) availability
- Personal qualifications
- International possibilities
- Royalties
- Training

Franchisor Follow-Up Activities

About 60% of the attendants are going to receive additional brand information via email. Twenty-one percent scheduled a call with a brand representative. About 25% of the attendants had their contact information recorded at the booth but did not schedule a specific follow-up activity.

The table below presents the follow-up activities scheduled by the attendants with the brand representatives.

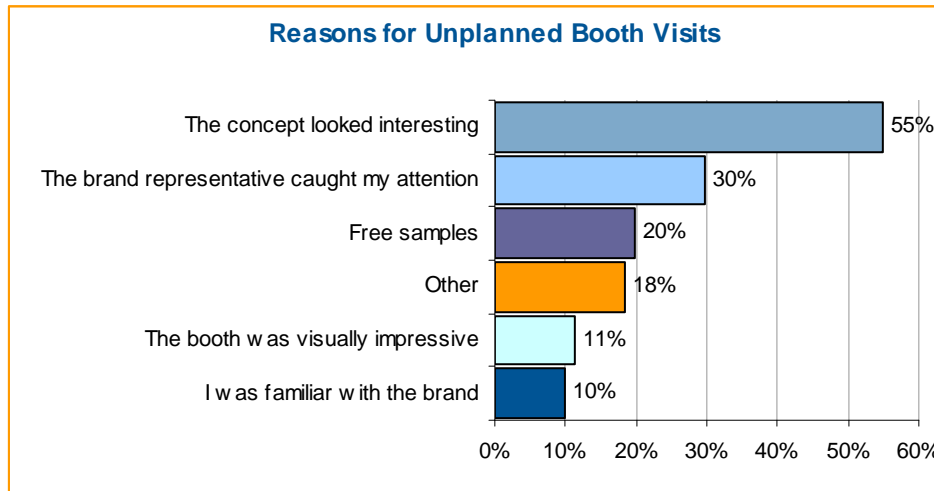


Attendants were also asked to suggest further ways in which the franchisor could meet their follow-up needs. The suggestions included:

- Visit possible sites in which businesses could be developed
- Meet investors with franchisees
- Provide more detailed information

Unplanned Booth Visits

If attendants visited a booth that had not been on their target list, they were mostly attracted by an interesting looking concept – 55%. Nearly a third of the attendants were drawn to a booth by a brand representative who caught their attention. Free samples were an incentive for a fifth of the respondents.



The attendants who specified “other” reasons for visiting a booth they had not planned to visit mentioned the following:

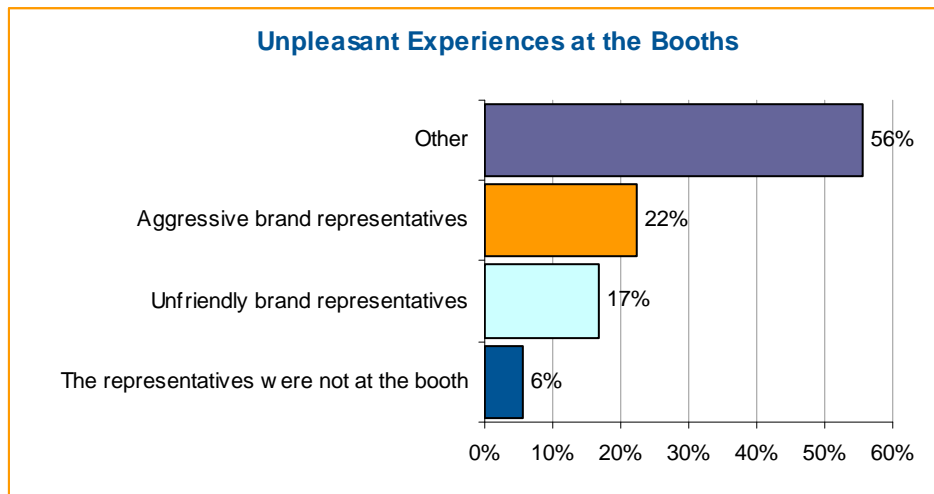
- The concept looked profitable
- Height of display
- Sector
- Personal interest
- Interesting presentation
- Logos
- Friends
- Pretty women

The attendants were further asked whether free samples gave them an incentive to inquire about a brand in more detail. Fifty-five of the respondents answered “yes”. Generally, the attendants interested in food sectors were more attracted by free samples at the booths.

Unpleasant Experiences at the Booths

Two thirds of the attendants did not have any negative experiences at all. Nine percent of the attendants shared that they were unsatisfied with the small number of brands who attended the Expo.

The majority of the attendants' negative experiences at the booths were connected to the brand representatives. Twenty-two percent of those negative experiences resulted from the representatives' aggressive behavior.



The attendants who specified "other" unpleasant experiences at the booths mentioned the following:

- The representative gave me false information
- Not much enthusiasm
- Personal interactions need to improve
- Long presentation

For the past twenty years, FRANdata has been the primary source for information products and analysis about franchising in the United States. FRANdata provides franchisors with data, information, analysis and other services that help them to understand the changes going on in franchising and to compete more effectively. FRANdata also helps companies that provide financial, legal and other products and services to the franchising community with information and access. FRANdata receives no advertising or other fee arrangements that might influence its objectivity.