

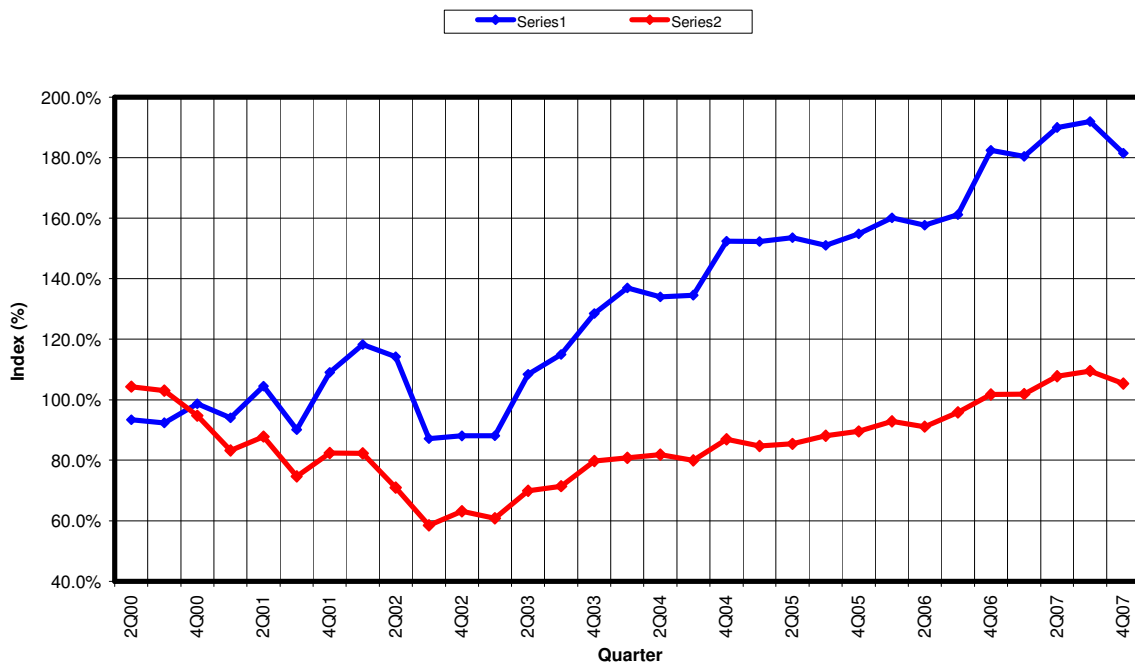
## ECONOMIC WOES WEIGH ON THE RCF 50 INDEX IN 4th<sup>d</sup> QUARTER 2007

The Rosenberg Center Franchise 50 Index fell 5.5 percent in the 4<sup>th</sup> quarter 2007 amid a broad market decline. The economic outlook worsened this quarter with continued real estate weakness, tight credit conditions, oil prices hitting a \$100 a barrel in November, and the dollar dropping to record lows. The risks of a slide into recession grew significantly. Higher gas prices, falling home values and stock prices, and uncertain job prospects stoked the increasing pessimism about future consumer spending.

RCF 50 Index and S&P 500 Index

Period	Rosenberg Center Franchise 50 Index	S&P 500 Index
4th Quarter 2007	-5.5%	-3.8%
Full Year 2007	-0.5%	+3.5%
2000-2007	+81.5%	+5.3%

Rosenberg Center Franchise 50 Index  
2000 - 2007



Many of the components of the RCF 50 Index are in business sectors (restaurants, lodging, etc.) that are highly correlated with the economy and the economic woes have negatively impacted them. Also, a number of the components are mid- and small-cap companies with no international presence, and contrary to many of the large cap global companies in the S&P 500 Index, did not benefit from the still robust global economy and appreciation of foreign currencies relative to the U.S. dollar. Forty three of the 50 component firms experienced a loss of value this quarter.

Ruby Tuesday (RT), the developer, operator and franchisor of casual dining restaurants, was hardest hit this quarter, losing 45 percent of its market value. Not only did it produce lower than expected financial results during its most recent fiscal quarter, it also warned that it was expecting a loss next quarter as a result of falling same-store sales and increased costs due to store remodeling. Ruby Tuesday is facing a tough business environment where a large number of similar concept restaurants are fiercely competing in a difficult economic environment. Many of its customers are shifting to cheaper fast food restaurants. Its same-store sales fell 10.8 percent at company-owned restaurants this year compared to a 0.2 percent drop last year.

Bucking the trend, Jackson Hewitt Tax Service (JTX), the provider of computerized preparation of tax returns and other financial services, gained 13 percent in market value this quarter. JTX's stock price recovered from the large drop it suffered in early 2007 after it was disclosed that one of its franchisees was being investigated by the IRS and the Justice Department for filing fraudulent tax returns. JTX settled with the IRS and terminated the employment of its CEO and chairman of the board of directors.

The RCF50 Index fell slightly in 2007 (-0.5 percent). It is up over 81.5 percent since its inception in 2000.

Note:

The Rosenberg Center Franchise 50 Index, developed by the University of New Hampshire's Rosenberg International Center of Franchising, is an index that tracks the market performance of a portfolio of 50 US public franchise companies that are representative of the US business format franchising sector. For more information on the RCF 50 Index, contact Dr. E. Hachemi Aliouche ([Hachemi.Aliouche@unh.edu](mailto:Hachemi.Aliouche@unh.edu)) or Dr. Udo Schlenrich ([Udo.Schlenrich@unh.edu](mailto:Udo.Schlenrich@unh.edu)). For more information on the Rosenberg International Center of Franchising, please visit the Center's web site at <http://franchising.unh.edu>.