

# FRANdata Findings

## Financial Performance Representations

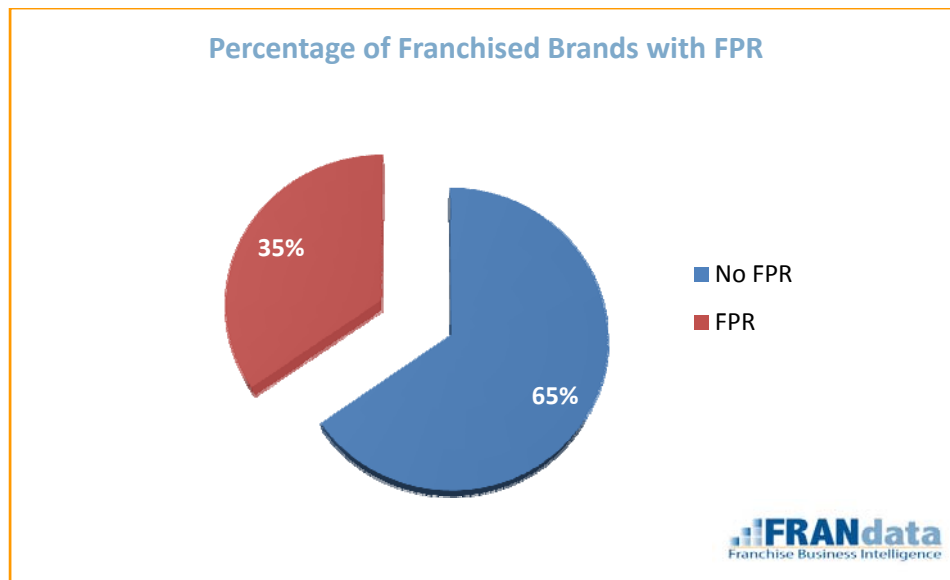
August 2009

In Item 19 of the Franchise Disclosure Document, franchisors are given the opportunity to present Financial Performance Representations (FPR) concerning the units of the business they are franchising. Most franchisors do not make these representations, though more are doing so every year. The data provided in the FPR vary widely from franchise to franchise. Nearly all give some idea about unit revenue. Fewer give information concerning unit expenses.

FRANdata tracks all franchise brands actively franchising in the United States. We examined the most current FDD for these brands and are able to provide the following findings.

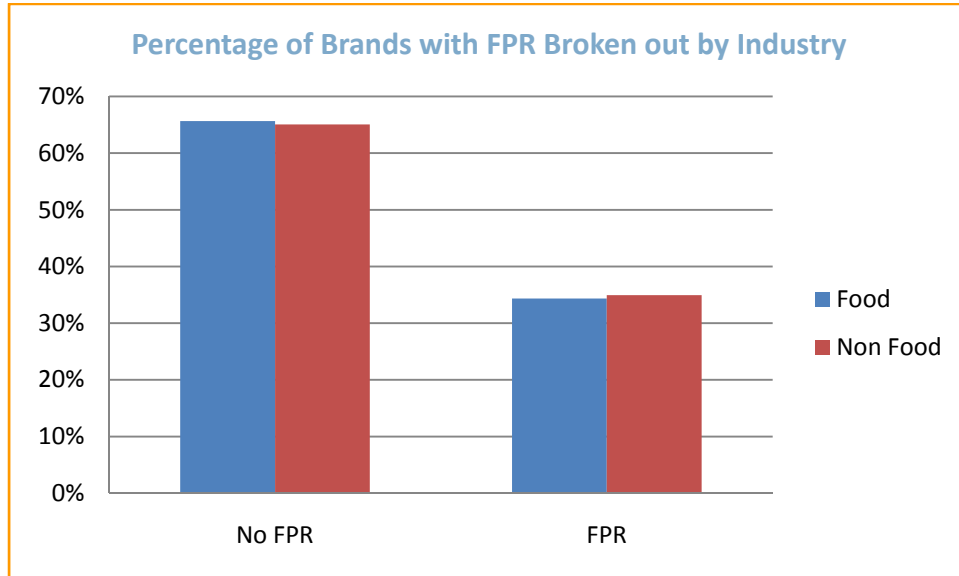
### Incidence

35% of franchisors provided Financial Performance Representations (FPR) in their Franchise Disclosure Document.



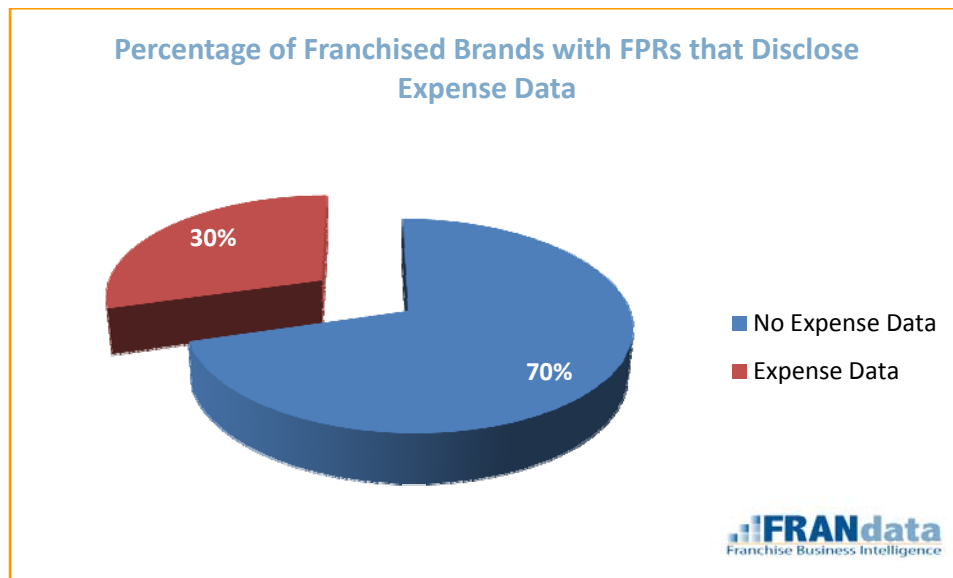
## Industry

The use of Financial Performance Representations is not tied to major industry groups. Food brands and non-food brands were equally likely to make FPRs.



## Expense Information

Of the brands that do provide Financial Performance Representations, 30% included expense information.



## Franchisor Experience

One factor that contributes to the likelihood that a franchisor will make Financial Performance Representations is the number of years of experience operating units.

Brands that have been operating for more than 5 years are more than 13% more likely to make FPRs.

