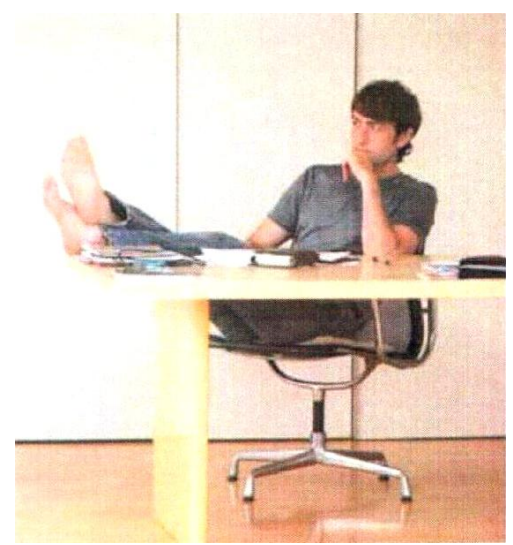


# Back to basics

Value. Affordability. Service. That's the winning combination for success in this year's Franchise 500®.



*Entrepreneur's* 32<sup>nd</sup> Annual Franchise 500® is full of shake-ups and surprises. For starters, more than 10 percent of the top 500 franchises are companies that have never ranked before; some are relatively new to the scene, while others have been working their way up for years. Evolving industries led us to make some changes to our categories, such as the addition of "Apparel & Accessories" under Retail and the transformation of previous years' "Pub-Style Restaurants" category into "Sports Bars." And then, of course, there's our new No. 1: Hampton Hotels.

But the overall message of this year's ranking remains the same: It's all about the economy.

More important, it's all about how consumers and entrepreneurs alike perceive the economy. Some experts may insist that the recession ended more than a year ago, but the recession mentality is still holding strong---which means that franchises offering value-priced products or services that people can't live without continue to be the ones at the head of the pack. Even Hampton owes much of its success to travelers choosing the midpriced hotel chain over its more expensive competitors.

The good news is, whether you think we're still deep in the recession or believe the worst is over, franchises could play a key role in finally lifting us out of the quagmire for good. The companies in our Franchise 500® added more than 12,000 franchise units from 2009 to 2010. That translates to a lot of entrepreneurial dreams coming true---and a lot of jobs being created by those entrepreneurs, too. Just take a look at the 2007 Economic Census Franchise Report released this year, the first of its kind. It revealed that franchises accounted for \$153.7 billion in total payroll and 7.9 million jobs.

Here's a glimpse of the trends making the biggest impact on franchising---and the economy at large---as revealed by this year's Franchise 500®.

## franchise 500®

K: Thousands (\$) M: Millions (\$) \$ U.S.: U.S. dollars N/A: Not Applicable  
 REGIONS: NE: Northeast S: South SE: Southeast MW: Midwest SW: Southwest W: West  
 C: Canada F: Other Foreign  
 \* Selling multiple units/master licenses only  
 \* Selling int'l. master licenses only

HOME IMPROVEMENT												
Rank	Franchise	Year Began/ Franchising Since	Available U.S. Regions	Seeking Foreign?	2008 No. of Franchises/ Company-Owned	2009 No. of Franchises/ Company-Owned	2010 No. of Franchises/ Company-Owned	Startup Costs / Franchise Fee	Franchise Royalty	Financing Offered?	Homebased Opportunity?	Kiosk/ Express Unit Available?
<b>SURFACE REFINISHING &amp; RESTORATION</b>												
140	Re-Bath LLC	1979/1991	All	C*	207/0	231/0	237/0	\$42.8K - 217.2K / \$7K - 100K	Varies	Yes	Yes	Yes
366	Miracle Method Surface Restoration	1977/1980	All	C*	140/0	132/0	130/0	\$78K - 116K / \$30K	5%	Yes	Yes	No
393	Get A Grip Franchising LLC	1999/2007	All	No	12/1	15/1	15/1	\$25K - 70K / \$25K - 70K	0	Yes	Yes	Yes
469	Granite Transformations	1995/1997	All	C,F	152/0	154/0	150/0	\$131.5K - 346K / \$25K - 75K	2%	Yes	No	No

