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## UNH Franchise Index Booms Back Amid Strong Rally

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**EDITORS AND REPORTERS: Associate Director Hachemi Aliouche is available to discuss the latest Rosenberg Center Franchise 50 Index analysis. He can be reached at 603-862-1884 or [hachemi.aliouche@unh.edu](mailto:hachemi.aliouche@unh.edu).**



Associate Director Hachemi Aliouche

DURHAM, N.H. - The Rosenberg Center Franchise 50 Index recovered most of its losses in 2009 as it climbed 11.1 percent by the end of the second quarter 2009 with widespread gains in 40 of 50 components, some in excess of 100 percent.

"The tentatively positive economic signs that started to appear by the end of March 2009 were confirmed by a number of economic reports suggesting that the worst of the deepest economic crisis since the Great Depression was behind us. These include improved credit flows, a stabilizing housing market, and a slowing rate of layoffs," said Hachemi Aliouche, associate director of the Rosenberg International Center of Franchising at the University of New Hampshire Whittemore School of Business and Economics.

The Rosenberg Center Franchise 50 Index tracks a representative set of 50 US publicly traded companies engaged in business format franchising. The index is down 1.8 percent over the year, compared to an increase of 1.8 percent for the S&P 500. Since its inception in 2000, the index is up 41.2 percent, compared to a drop of 34.1 percent for the S&P 500 over the same period.

The best performer in the second quarter of 2009 was Dollar Thrifty Automotive Group (DTG), with an astounding 1,106.2 percent gain. DTG rents and leases vehicles under the Dollar and Thrifty brand names. Although still incurring losses in early 2009, DTG's overall performance improved compared with a year ago, according to Aliouche. Also, it took measures to reduce its exposure to Chrysler, its principal supplier.



"By the end of the second quarter 2009, it became apparent that rental car companies would face no long term negative impacts from the severe problems of the U.S. automakers and that in fact they may benefit from the improving economic prospects. These developments propelled the stocks of the rental car companies, and more particularly that of DTG," Aliouche said.

Burger King (BKC), the operator and franchisor of fast food hamburger restaurants, was the worst performer this quarter, dropping 24.6 percent in market value, Aliouche said. Investors sold off its shares after it announced larger than expected declines in March traffic across many of its markets, particularly Germany and Mexico. Additionally, it warned of weaker than expected margins

and lower third quarter profits. Its stock price plunged 17.7 percent the day of the announcement.

For more information on the Rosenberg International Center of Franchising or the RCF 50 Index, please visit the center's Web site at <http://franchising.unh.edu>.

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 11,800 undergraduate and 2,400 graduate students.

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