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Franchised Units: 4,500

Company-owned Units: 0

Total Units: 4,500

ITEM 19. EARNINGS CLAIMS

Introduction

One question you are probably asking yourself is, "How much money can I expect to earn as a Dunkin' Donuts, Baskin-Robbins and/or Togo's Franchisee?" There is no simple, definitive answer to that question. There are many variables that make it impossible to predict future results with any certainty. For these reasons, ADQSR does not project sales, costs or profits of stores or networks it may offer you. No employee or representative of ADQSR is authorized to make such projections. ADQSR cannot predict whether or to what extent you may succeed at any particular location. We do provide, however, certain sales and costs statistics as described below.

You and your accountant should make an independent evaluation and build a business plan for the opportunity you are pursuing, taking into account such independent information as may be available at the time. While we are not able to review or comment on your plan, the plan should help you in making your investment decision, and in getting underway if you enter the ADQSR system. The average new franchisee generally finds the first 12 months of operation of each store to be the most challenging. There are numerous factors that may affect a store's sales and costs. Below are notes regarding some of those factors. There may be some factors not listed below.

We encourage you to discuss our business with existing franchisees and to retain a competent attorney and accountant to assist you in evaluating our franchise(s). If you are considering purchasing an existing unit from ADQSR, we may provide historical financial statements for the unit, if they are available.

A NEW FRANCHISEE'S FINANCIAL RESULTS ARE LIKELY TO DIFFER FROM THE RESULTS STATED HEREIN.

THE SALES AND COST INFORMATION PROVIDED HEREIN IS NOT INTENDED AS A REPRESENTATION OF THE LEVEL WHICH YOU ARE LIKELY TO ACHIEVE IN THE FUTURE. THE FIGURES STATED HEREIN RELATE TO SALES AND CERTAIN COSTS ONLY AND NOT PROFITS. SALES AND THE COSTS PROVIDED ARE NOT NECESSARILY INDICATIVE OF PROFITS.

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SUBSTANTIATION OF THE DATA USED IN PREPARING THESE SALES AND COST CLAIMS ARE AVAILABLE FOR INSPECTION BY YOU AT OUR HEADQUARTERS IN RANDOLPH, MA, UPON REASONABLE REQUEST AND NOTICE.

CAUTION: SOME STORES HAVE HAD SALES AND COSTS IN THESE AMOUNTS. THERE IS NO ASSURANCE YOU WILL DO AS WELL. IF YOU RELY UPON OUR FIGURES, YOU MUST ACCEPT THE RISK OF NOT DOING AS WELL.

ANNUALIZED SALES DATA FOR THE PERIOD JULY 1, 2001 to JUNE 30, 2002
BASKIN-ROBBINS SINGLE BRAND STORES

	Avg. Sales	% at or Above Avg. ⁽¹⁾	Percentile Benchmarks ⁽²⁾			
			25 th	50 th	75 th	100 th
National	290,554	45%	220,435	279,939	342,698	861,181
Market						
Baltimore/Washington/Philadelphia	299,165	42%	242,224	278,585	349,785	527,109
New England, Upstate New York, NY Metro	294,471	46%	241,556	286,898	330,078	561,469
Market						
Southeast	186,906	46%	130,393	178,740	228,308	382,311
Midwest	236,090	44%	176,023	221,694	279,563	467,417
Central	266,777	51%	195,429	267,625	308,454	667,912
Total Market	233,840	45%	169,957	221,970	283,230	667,912
Market						
Frontier	264,603	48%	214,759	258,565	303,442	529,113
Golden West	344,587	43%	274,909	330,019	392,557	861,181
Total Market	314,764	44%	247,921	299,030	361,120	861,181

- (1) "% at or above Avg." means the percentage of stores reporting who have actually attained or surpassed the stated average.
- (2) "Percentile" means a value on a scale of one hundred that indicates the percent of distribution that is equal to or below it. Therefore, the above Percentile Benchmarks are used as follows:

25th percentile means that 25% of the stores included in the data are less than (or equal to) the stated amount and 75% are greater (or equal to) the stated amount.

50th percentile means that 50% of the stores included in the data are less than (or equal to) the stated amount and 50% are greater (or equal to) the stated amount.

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75th percentile means that 75% of the stores included in the data are less than (or equal to) the stated amount and 25% are greater (or equal to) the stated amount.

The 100th percentile sales figure refers to the highest sales figure in the category.

For more information regarding the "markets" used in the Sales Data, refer to the map following this page and the description of the markets in Appendix V at the end of this Offering Circular. The boundary lines and the market descriptions are approximations. Some store locations included in this sales data may not precisely follow the market descriptions contained in Appendix V. (For example, some stores near the boundary of another market may be included in that other market's sales data.)

NOTES REGARDING SALES DATA

A. ALL BRANDS

(1) ADQSR provides you sales data that includes average sales, the percentage of stores reporting who have actually attained or surpassed the stated average, and percentile benchmarks. This sales data does not include sales tax or discounts. The vast majority of ADQSR stores that comprise this data are franchised, although ADQSR may have a small number of company owned stores at any given time (see Item 20).

(2) The sales data does not include Non-Traditional Outlets, also referred to as Alternative Points of Distribution, which may not follow the standard prototype for a store. These locations may be found within sports arenas, airports, schools, hospitals, military bases, service stations, transportation centers, supermarkets and other non-traditional venues.

(3) The sales figures from franchised stores are compiled by using sales that are reported to us by franchisees. We have not audited or verified the reports.

(4) The reports include sales data from the period July 1, 2001 to June 30, 2002 for all stores reporting a minimum of eight weeks. The sales figures are annualized. If a store reported all 52 weeks (or all 12 months as the case may be), the actual annual figure was used. If any particular store did not report for the entire year, the figures reported were annualized, which includes a seasonality factor. This seasonality factor is a calculation that takes into consideration the effect the seasons have on sales and is based upon our experiences nationwide. Thus, the seasonality factor may be more accurate in some regions than others. Overall, our data indicates that the seasonality factor does not cause the sales figures to be overstated. The figures provided include annualized figures for partial years, and stores open less than one year. Reported stores may not have

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been open, or had sales reported, for all weeks during the current period because of remodels, emergencies, loss of location or for other reasons. Stores included in the figures may have experienced the "grand opening effect," which causes a store to experience higher sales when first open. We have not adjusted sales downward to exclude the grand opening effect.

(5) Sales in states or regions with a higher concentration of stores that have been in operation for a substantial period of time tend to have higher sales than states or regions with a lower concentration of stores that have been in operation for a lesser time period. These higher concentration states or regions significantly increase the overall average due to both their higher sales and their larger numbers. Therefore, the sales performance of stores outside of these higher concentration areas may not be commensurate with the overall average sales. Please see Item 20 of this UFOC for the number of stores per state. We have not been able to draw conclusions regarding the role longevity may have played in achieving preeminence in a market, or whether the lack of longevity in a market may be a barrier to achieving preeminence. For example, competitors' customers may resist changing their buying habits. It is possible that preeminence may not be achieved in some higher concentration areas due to other reasons.

(6) Many of the stores included in this data have been open and operating for several years. These franchisees have achieved their level of sales after spending many years building customer goodwill at a particular location.

(7) Your sales will be affected by your own operational ability, which may include your experience with managing a business, your capital and financing (including working capital), continual training of you and your staff, customer service orientation, product quality, your business plan, and the use of experts (e.g., an accountant) to assist in your business plan.

(8) Your sales may be affected by store location and site criteria, including traffic count and which side of the street your store is located on (i.e., whether your store is on the morning drive side or afternoon drive side of traffic), local household income, residential and/or daytime populations, ease of ingress and egress, seating, parking, the physical condition of your store, the size of your site, and the visibility of your exterior sign(s). Additionally, many of the stores included in the sales figures are freestanding stores or located at the end of a strip center, and if your store is not, your sales could be negatively affected. Your sales may be negatively affected by not adhering to our standards and system, including the above, and proper equipment layout, design and construction criteria, customer queuing and flow, and local store marketing.

(9) Individual locations may have layouts and seating capacities which vary from the typical suburban location.

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(10) Other matters affecting your sales may be competition (national and local), inflation, and federal, state and local government regulations.

(11) Your sales may be affected by changes in the menu and regional differences in products including whether there are products not available to you or your region but sold in other regions. Franchisees who do not meet our standards may not be eligible for new products. Menus are continually being revised, both adding and discontinuing products and product line extensions. Not all stores may have these new products. New products may not be successful for all stores. Marketing activity associated with new products may be at higher than normal levels and, therefore, sales increases may not be maintained after this temporary marketing activity is completed.

(12) Sales may be affected by fluctuations due to seasonality (particularly in colder climates), weather and periodic marketing and advertising programs. Inclement weather may cause temporary store closings in some areas.

(13) The store with the highest sales for the applicable category may have characteristics that are not available to you.

(14) The above data reflects historical sales. There is no assurance that future sales will correspond to historical sales.

(15) There are numerous factors that may affect sales at your store. The factors listed above and below are not an all-inclusive list of those factors.

THE ABOVE FIGURES RELATE ONLY TO SALES, AND DOES NOT INCLUDE COSTS OR OPERATING EXPENSES. WE PROVIDE FOOD AND LABOR COSTS (AND NO OTHER COST INFORMATION) FOR SOME BRANDS LATER IN THIS DOCUMENT, AND FOR OTHER BRANDS WE DO NOT PROVIDE ANY COST INFORMATION. YOU SHOULD PERFORM ADDITIONAL DUE DILIGENCE FOR THE COST INFORMATION THAT IS NOT PROVIDED BY US.

B. BRAND-SPECIFIC NOTES

Below are some notes that are specific to each category of store.

Baskin-Robbins - Notes

Many Baskin-Robbins franchisees actively pursue cake sales opportunities. If you do not, your sales may be negatively affected. Additionally, seasonality and weather may significantly affect sales of ice cream and related products.

NATIONAL AVERAGES OF FOOD AND LABOR COST AS A PERCENTAGE OF GROSS SALES

FOR THE PERIOD JULY 1, 2001 to JUNE 30, 2002

Brand	Food Cost Avg.	% At/ Below Avg.		Labor Cost Avg.	% At/ Below Avg.
Baskin-Robbins Single Brand Stores	COSTS ONLY PROVIDED FOR GOLDEN WEST REGION (See below)				

GOLDEN WEST REGION ONLY

Brand	Food Cost Avg.	% At/ Below Avg.		Labor Cost Avg.	% At/ Below Avg.
Baskin-Robbins Single Brand Stores	27%	54%		21%	52%

"Food" means food and beverages. (It does not include "paper" items served or associated with the food or beverage, such as cups, napkins, straws, bags, plastic utensils and wrapping paper.)

"Labor" means salaries, payroll, benefits, and similar related expenses.

"% At/Below Avg." means the percentage of stores included in the data whose applicable costs are at or below the stated average.

The above Food and Labor costs are stated as a percentage of gross sales (excluding sales tax and discounts).

NOTES REGARDING COST DATA

A. NOTES FOR BOTH FOOD AND LABOR COSTS:

(1) ADQSR provides you average food and labor cost data stated as a percentage of gross sales. Additionally, the data includes the percentage of stores whose applicable costs are at or below the stated average. The vast majority of ADQSR stores that comprise this data are franchised, although ADQSR may have a small number of company owned stores at any given time (see Item 20).

(2) The term "cost" as used herein refers to cost as a percentage of gross sales. The cost figures from franchised stores are compiled by using cost data that are reported to us by franchisees. We have not audited or verified the reports, nor have franchisees confirmed that the reports are prepared in accordance with generally accepted accounting principles.

(3) Your costs will be affected by your own operational ability, which may include your experience with managing quick service restaurant operations, your experience building and managing an organization, continual training of you and your staff, your business plan, and using experts (e.g., an accountant) to assist in

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your business plan. Your costs may be negatively affected by not adhering to our standards and system.

(4) Many of the stores included in this data have been open and operating for several years. Those franchisees may have lower cost percentages due to years of experience managing costs. For new franchisees, food and labor cost percentages may initially exceed those of experienced operators.

(5) The above data reflects historical costs. There is no assurance that future costs will correspond to historical costs because of factors such as inflation, changes in menu and other variables.

(6) There are numerous factors that may affect food and labor costs at your store. The factors listed above and below are not an all-inclusive list of those factors.

(7) Stores with higher sales may have lower food and labor cost percentages because of efficiencies, economies of scale and less waste.

B. NOTES FOR FOOD COSTS:

(1) Factors affecting your food costs include, but are not limited to, the price of raw materials; your ability to manage and implement proper controls of waste, ruin, loss, theft and the portion sizes served to the public; regional differences; temporary shortages; seasonal and weather fluctuations; and fluctuations due to periodic marketing and advertising programs. Additionally, freight charges may be higher in some areas.

(2) The food cost data above reflects average aggregate cost. Different food items have different food cost percentages. Customer demand for products varies among stores and if your store sells a high percentage of high cost food items, your food cost percentage will be higher than if you have a lower percentage of higher cost food items. Your food costs may be affected by changes in the menu and regional differences in products including whether there are products not available to you or your region but sold in other regions. Franchisees who do not meet our standards may not be eligible for new products. Menus are continually being revised, both adding and discontinuing products and product line extensions. New products may not have been successful for all stores.

(3) The retail sales price will also affect the food cost percentage.

C. NOTES FOR LABOR COSTS:

Factors affecting your labor costs include, but are not limited to, the local labor market and any applicable federal or state minimum wage law; employee turnover and your

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operational abilities, including your ability to train and retain employees; your compensation that may be included in labor, which varies among franchisees; menu, product mix, store layout, your salary and benefits programs, and scheduling. Stores must be staffed in accordance with our standards.

**IF APPLICABLE, HISTORICAL SALES AND PROFIT DATA
FOR EXISTING STORE TO BE SOLD BY ADQSR**

If the subject store is an existing store being sold by us, we may provide to you unaudited historical sales and profit data for the store. Statements prepared by us are prepared in accordance with generally accepted accounting principals. Statements prepared by past franchisee(s) of the store, if any, were submitted to us by franchisee(s) who we require to prepare statements in accordance with generally accepted accounting principals. We cannot assure you that in all cases they were so prepared.

Historical costs do not correspond to future costs because of such factors as inflation, changes in minimum wage laws, the local labor market, financing, real estate related costs and other variables. For example, actual costs such as rent, taxes, depreciation, amortization interest, insurance, payroll, and utilities may vary from historical costs. Historical sales may also not correspond to future sales because of such factors as the duration, if any, that the store was closed, changes in store management and employees, remodel or refurbishment, if any, over or under reporting of sales, changes in competition and other variables.

Your accountant should develop your own data for these accounts based on your particular financing and other costs. All information should be evaluated in light of current market conditions including such cost and price information as may then be available.

SUCH ACTUAL SALES, INCOME, GROSS OR NET PROFITS RELATE TO THE PERFORMANCE OF THE FRANCHISEE(S) OR COMPANY OPERATIONS FOR THIS STORE DURING THE TIME PERIOD(S) REPORTED AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE SALES, INCOME, GROSS OR NET PROFITS THAT YOU WILL REALIZE. ADQSR DOES NOT REPRESENT THAT YOU CAN EXPECT TO ATTAIN SUCH SALES, INCOME, GROSS OR NET PROFITS.