



Financial Performance Representations

We use financial information submitted by our franchisees to compile the information contained in Item 19 of our Franchise Disclosure Document. This information is not intended as an offer to sell, or the solicitation of an offer to buy, a franchise. It is for information purposes only.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We use historical financial information submitted by our franchisees to compile the information contained in these Tables. The financial information submitted by our franchisees is also used for calculating the Royalty described in Item 6. We did not independently verify the accuracy of the information. Franchised Businesses did not typically submit copies of all of the invoices for each customer or list each customer in their period reports to us. The information contained in these Tables is based upon the financial information and other data entered by each Franchised Business into the software system described in Item 11.

Table A

Statement of the Average Revenue Per Customer for Calendar year 2008 for 67 Franchised Businesses in Operation for Two Full Calendar Years or More as of December 31, 2008, Categorized by Quartiles in Descending Order

Category	Average	Number and Percentage of Franchised Businesses in the Quartile That Attained or Surpassed the Average
Top Quartile of Franchisees ²	\$592	8 of 17 (47%)
Second Quartile of Franchisees ²	\$387	8 of 17 (47%)
Third Quartile of Franchisees ²	\$321	9 of 16 (56%)
Lowest Quartile of Franchisees ²	\$256	6 of 17 (35%)
All Quartiles	\$349	33 of 67 (49%)

Notes to Table A:

(1) We compiled information contained in Table A from information for 67 Franchised Businesses that were in business for two full calendar years or more as of December 31, 2008. To compute the average per customer we totaled all invoices for all services for each Franchised Business for 2008 calendar year that was in business for two full calendar years or more for calendar year ended December 31, 2008 and divided by the number of customers invoiced during the 2008 calendar year for a spring lawn care service application. Each Franchised Business reports its revenue on an aggregate basis for all franchise territories covered by the Franchised Business. Thus, in this Table A we do not include financial information for franchise territories.

(2) The lowest average revenue per customer and the highest average revenue per customer in each quartile are as follows: Top Quartile - \$437 and \$1039; Second Quartile - \$348 and \$418; Third Quartile - \$290 and \$348; and Lowest Quartile - \$217 and \$285.

Table B
Statement of the 2008 Average Annual Gross Sales Results for 67 Franchised Businesses consisting of 106 Franchise Territories in Operation for Two Full Calendar Years or More as of December 31, 2008, Categorized by Quartiles in Descending Order

Category	Average Gross Sales per Franchise Business	Number and Percentage of Franchised Businesses in the Quartile That Attained or Surpassed the Average
Top Quartile of Franchisees ^{2,3}	\$1,209,306	5 of 17 (<u>29%</u>)
Second Quartile of Franchisees ^{2,4}	\$349,854	8 of 17 (<u>47%</u>)
Third Quartile of Franchisees ^{2,5}	\$164,279	10 of 17 (<u>59%</u>)
Lowest Quartile of Franchisees ^{2,6}	\$97,364	8 of 16 (<u>50%</u>)
All Quartiles^{7,8}	\$460,542	18 of 67 (<u>27%</u>)

Notes to Table B:

(1) We compiled information contained in Table B from information for 67 Franchised Businesses consisting of 106 franchise territories that were in business for two full calendar years or more as of December 31, 2008. Each Franchised Business reports its revenue on an aggregate basis for all franchise territories covered by the Franchised Business. A Franchisee may own and operate multiple franchises as one Franchised Business each under a separate franchise agreement with us. Due to various demographic factors such as population changes, differences in climate, and the need for the services in the territory, the Gross Sales among territories will vary. Further, the number of franchise territories within a Franchised Business does not necessarily correlate with the Gross Sales of that Franchised Business.

(2) To compute Average Gross Sales per Franchised Business, we totaled the Gross Sales for each Quartile and divided by the number of Franchised Businesses in the Quartile. The lowest Gross Sales of a Franchised Business and the highest Gross Sales of a Franchised Business in each quartile is as follows: Top Quartile - \$508,109 and \$3,984,732; Second Quartile - \$248,407 and \$481,609; Third Quartile - \$129,550 and \$220,271; and Lowest Quartile - \$57,083 and \$126,364.

(3) The 17 Franchised Business in the First Quartile operated 47 franchise territories. The average Gross Sales per franchise territory, which we calculated by taking Gross Sales per Franchised Business and divided it by the number of franchise territories operated by such business, was \$437,409. 16 of 47 franchise territories (34%) achieved or exceeded this average.

(4) The 17 Franchised Business in the Second Quartile operated 22 franchise territories. The average Gross Sales per franchise territory, which we calculated by taking Gross Sales per Franchised Business and divided it by the number of franchise territories operated by such business, was \$270,342. 10 of 22 franchise territories (45%) achieved or exceeded this average.

(5) The 17 Franchised Business in the Third Quartile operated 21 franchise territories. The average Gross Sales per franchise territory, which we calculated by taking Gross Sales per Franchised Business and divided it by the number of franchise territories operated by such business, was \$132,988. 9 of 21 franchise territories (43%) achieved or exceeded this average.

(6) The 16 Franchised Business in the Fourth Quartile operated 16 franchise territories. The average Gross Sales per franchise territory, which we calculated by taking Gross Sales per Franchised Business and divided it by the number of franchise territories operated by such business, was \$97,364. 8 of 16 franchise territories (50%) achieved or exceeded this average.

(7) The 67 Franchised Businesses (all quartiles) operated 106 franchise territories. The average Gross Sales per franchise territory, which we calculated by taking Gross Sales per Franchised Business and divided it by the number of franchise territories operated by such business, was \$291,097. 36 of 106 franchise territories (34%) achieved or exceeded this average. The lowest Gross Sales of a franchise territory and the highest Gross Sales of a franchise territory in each quartile is as follows: Top Quartile - \$188,791 and \$1,044,652; Second Quartile - \$130,895 and \$454,684; Third Quartile - \$72,190 and \$220,271; and Lowest Quartile - \$57,083 and \$126,364.

(8) This information is based upon the Gross Sales of Franchised Businesses for each Franchised Business that was in business for two full calendar years or more for the calendar year ended December 31, 2008. Franchisees pay us royalty based on Gross Sales. Franchised Businesses typically use the accrual method of accounting.

Table C
Statement of 2008 Gross Profit Margin Results as a Percentage of Gross Sales for 52
Franchised Businesses in Operation One Full Year or More
As of December 31, 2008

Line Item	Average %	Number and Percentage of Franchised Businesses That Attained or Surpassed the Average
Material Costs (See Note 3)	18.07%	27 of 52 (52%) had lower than average Material Costs
Direct Labor Costs (See Note 4)	11.00%	19 of 52 (37%) had lower than average Direct Labor Costs
Cost of Sales (See Note 5)	29.07%	22 of 52 (42%) had lower than average Cost of Sales
Gross Profit Margin (See Note 6)	69.01%	28 of 52 (54%) had higher than average Gross Profit Margin

Notes to Table C:

(1) As of December 31, 2008, 118 franchise territories were in operation, 112 of which had been in operation for at least the full calendar year. These 112 franchise territories were owned by 73 Franchised Businesses (including 5 Franchised Businesses operated by Superior Lawns, Incorporated, our affiliate) which for reporting purposes, consolidated their financial information for all franchise territories operated by such Franchised Business. As of December 31, 2008, Superior Lawns, Incorporated operated 5 Franchised Businesses, and there were 26 franchise territories covered by those 5 Franchised Businesses. Certain franchisees also own multiple franchise territories, but aggregate the reporting of their financial information as one Franchised Business.

(2) We included data from 52 Franchised Businesses of the 73 Franchised Businesses in Table C. These 52 Franchised Businesses operated 84 of the 112 franchise territories that were operational during the 2008 calendar year. Data concerning the remaining 21 Franchised Businesses that were in operation for at least one full year as of December 31, 2008 was not included in Table C due to insufficient information from the franchisees that owned them. We do not know whether the inclusion of such data, if available, would have a material effect on the gross profit margin percentages.

(3) We attribute variances in material costs to franchisee variances in pricing of lawn and tree care applications. Additionally, we believe that inconsistency in the manner in which franchisees account for their inventory purchases may contribute to the variances. Some franchisees use the “last in first out” method of accounting for inventory, and others use the “first in first out” method.

(4) Direct Labor includes compensation (excluding payroll taxes, medical insurance, and fringe benefits) for employees who perform lawn and tree care services and excludes compensation for franchisee and other administrative and office personnel. We attribute the variance in Direct Labor primarily to the extent to which franchisees employed others to perform application services. Franchisees who performed all application services themselves incurred no direct labor costs and franchisees that employ others to perform some or all of the application services incurred higher Direct Labor cost. We also believe that some franchisees may have employees who perform administrative functions as well as application functions, but charged those employees’ entire payroll to Direct Labor rather than splitting out that portion more appropriately charged to administration.

(5) Cost of Sales is the Sum of Material Costs and Direct Labor Costs. However, in the High Percentage column, the Material Costs percentage added to the Direct Labor Costs percentage will not equal the Cost of Sales because the franchisee who reported the highest Material Costs is different than the franchisee who reported the highest Direct Labor Cost. The stated High Percentage Cost of Sales is based on the number reported by the franchisee with the highest combined Material Costs and Direct Labor Costs.

(6) We obtained the stated Gross Profit Margin percentages by subtracting the Cost of Sales from the 100% Gross Sales.

(7) **THE RESULTS DESCRIBED IN TABLE C INCLUDE CERTAIN COST INFORMATION FOR 52 OUT OF 73 FRANCHISED BUSINESSES OPEN FOR AT LEAST FULL YEAR AS OF DECEMBER 31, 2008. THE RESULTS ARE FOR CALENDAR YEAR 2008. FRANCHISED BUSINESSES TYPICALLY USE THE ACCRUAL METHOD OF ACCOUNTING.**

Table D
Statement of Average Gross Sales for the First Year of Operation for 11 Franchised Businesses

First Full Year of Operation	Average	Number and Percentage of Franchised Businesses That Attained or Surpassed the Average	Number of Franchise Territories that Attained or Surpassed the Average
Average Gross Sales	\$58,227	4 of 11 (36%) had higher gross sales than the average group	4 of 11

Notes to Table D:

(1) Table D contains information regarding the first year of full time operation for 11 Franchised Businesses that had one full calendar year of full time operations during 2007 or 2008. Each of these 11 Franchised Businesses only operates 1 franchise territory. Due to the Flex Start® Program 8 of the 11 Franchised Businesses included in Table D began operating part time before their first full calendar year of full time operation.

Table E		Table F	
System Revenue Growth		System Average Revenue Per Customer Growth	
2007	14%	2007	2%
2008	9%	2008	7%

Notes to Table E and Table F:

(1) We compiled information contained in Table E from information for 63 Franchised Businesses (including 5 Franchised Businesses operated by Superior Lawns, Incorporated, our affiliate) consisting of 101 franchised territories (The 5 Franchised Business operated by Superior Lawns, Incorporated consisted of 26 franchise territories) that operated during the fiscal years of 2006, 2007, and 2008. Each Franchised Business reports its revenue on an aggregate basis for all franchise territories covered by the Franchised Business. The growth percentage represents the increase in aggregate Gross Sales of these Franchised Businesses during each fiscal year as compared to the aggregate Gross Sales of the previous fiscal year.

(2) We compiled information contained in Table F from information for 63 Franchised Businesses (including 5 Franchised Businesses operated by Superior Lawns, Incorporated, our affiliate) consisting of 101 Franchised Territories (The 5 Franchised Business operated by Superior Lawns, Incorporated consisted of 26 franchise territories) that operated during the fiscal years of 2006, 2007, and 2008. Each Franchised Business reports its revenue on an aggregate basis for all franchise territories covered by the Franchised Business. To compute the 2007 System Revenue Per Customer Growth we took the total 2006 average revenue by customer and divided by the total 2007 average revenue per customer. To compute the 2008 System Revenue Per Customer Growth we took the total 2007 average

revenue per customer and divided by the total 2008 average revenue per customer. To compute the average revenue per customer we totaled all invoices for all services for each Franchised Business for each calendar year 2006, 2007 and 2008 and divided by the number of customers invoiced during each calendar year for a spring lawn care service application.

A NEW FRANCHISEE'S FINANCIAL RESULTS MAY DIFFER FROM THE RESULTS STATED IN THE FINANCIAL PERFORMANCE REPRESENTATION.

UPON REASONABLE REQUEST, WE WILL PROVIDE YOU WITH WRITTEN SUBSTANTIATION FORM THE FINANCIAL PERFORMANCE REPRESENTATION CONTAINED IN THIS ITEM 19.