



**New York Stock Exchange &
Prudential Equity Growth Conference
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Chairman and
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01/15/2007

Important Disclosure



Certain statements in this presentation including, but not limited to, those relating to office growth, territory sales, share repurchase programs, financial estimates and future growth opportunities are “forward-looking” statements within the meaning of Federal securities laws. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, without limitation:

- The Company’s ability to achieve the same level of growth in revenues and profits that it has in the past;
- Government initiatives that simplify tax return preparation or reduce the need for a third party tax return preparer, improve the timing and efficiency of processing tax returns or decrease the number of tax returns filed or reduce the size of tax refunds;
- Government legislation and regulation of the tax preparation industry and related financial products and services offered or facilitated, including refund anticipation loans;
- The Company’s exposure to litigation;
- The success of the Company’s franchise operations;
- Changes in the Company’s relationships with financial product providers that could affect our ability to facilitate the sale of financial products;
- Changes in the Company’s relationships with retailers that could affect our growth and profitability;
- The seasonality of the Company’s business and its effect on our stock price
- The Company’s compliance with revolving credit facility covenants; and,
- The effect of market conditions, general conditions in the tax return preparation industry or general economic conditions.

Additional information concerning these and other risks that could impact the Company’s business can be found in the Company’s Annual Report on Form 10-K for the fiscal year ended April 30, 2006 and other public filings with the Securities and Exchange Commission. Copies are available from the SEC or the Jackson Hewitt website. The Company assumes no obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation provides certain financial information which has been adjusted from the Company’s historical financial statements prepared in accordance with generally accepted accounting principles. Management believes this presentation is important to help the reader understand the underlying trends of the business and the impact on the Company’s results of significant items affecting income from operations.

The information contained herein is not disclosed in connection with an offer to sell or the solicitation of an offer to buy a franchise. Any such offer or solicitation is made only through our uniform franchise offering circular and only in jurisdictions where such offers are lawful.



Company Background



- Leading nationwide franchisor of full-service, individual federal and state income tax preparation

2006 Highlights

2006 Growth

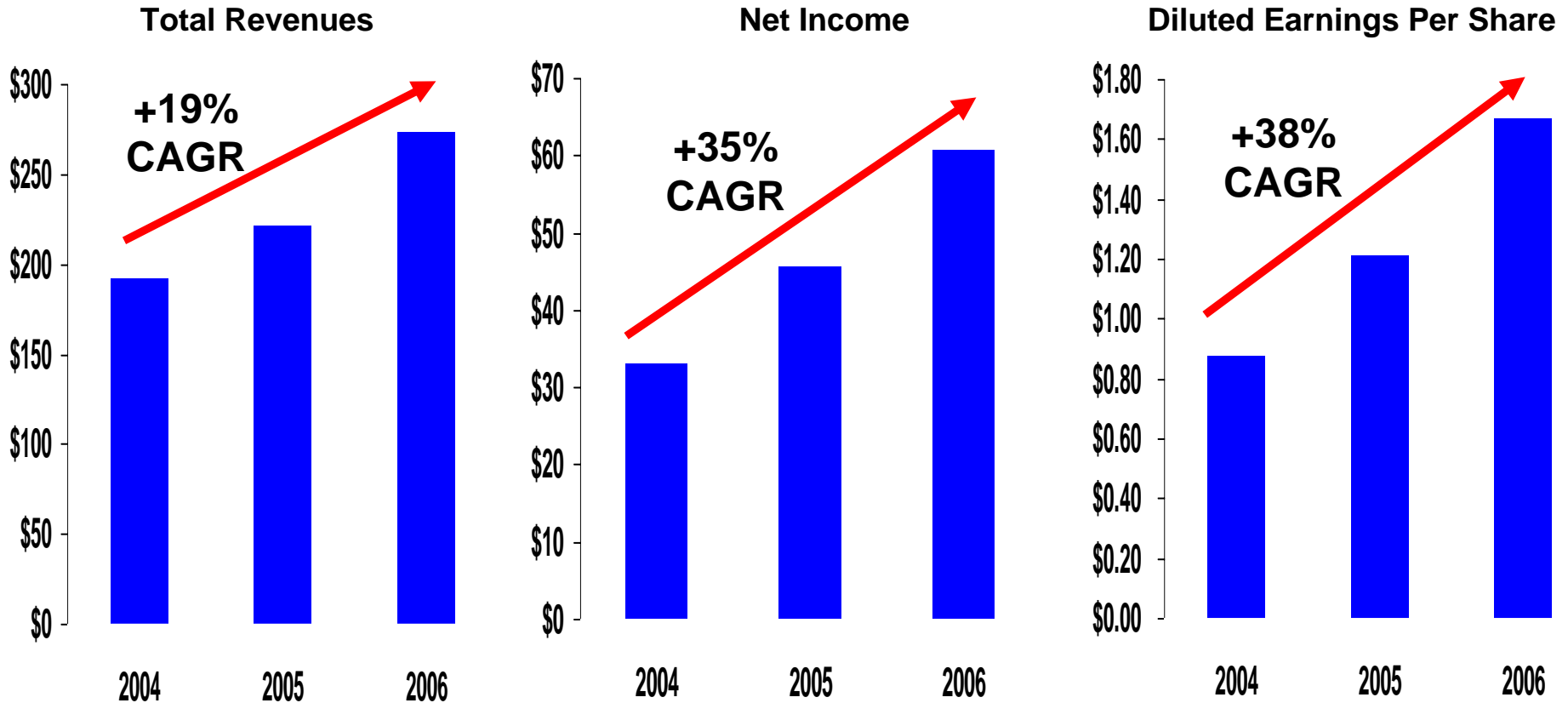
- | | |
|---|------|
| ■ Over 6,000 offices (89% franchised) | +10% |
| ■ 3.7 million customers | +10% |
| ■ Total revenues of \$273.7 million* | +23% |
| ■ Net income of \$60.8 million* | +32% |
| ■ Diluted earnings per share of \$1.67* | +37% |

*Total revenues, net income and diluted earnings per share as adjusted. Full reconciliation of adjustments provided in Appendix.



Company Performance Since 2004 Initial Public Offering

Consistently Strong Financial Performance



All figures in millions (except diluted earnings per share) and as adjusted. Full reconciliation of adjustments provided in Appendix.

Commitment To Shareholder Value

- June 2004 IPO at \$17.00 per share (\$638 million equity value)
- Dividend increased in each of first two years since IPO (cumulative increase of 71%)
- Share repurchase programs:
 - \$61 million repurchased in calendar year 2005
 - \$75 million repurchased in calendar year 2006
 - \$200 million multi-year program announced October 2006

Jackson Hewitt has returned to shareholders over \$160 million since its IPO in 2004, delivering over 100% of the prior year net income in each of the past two years



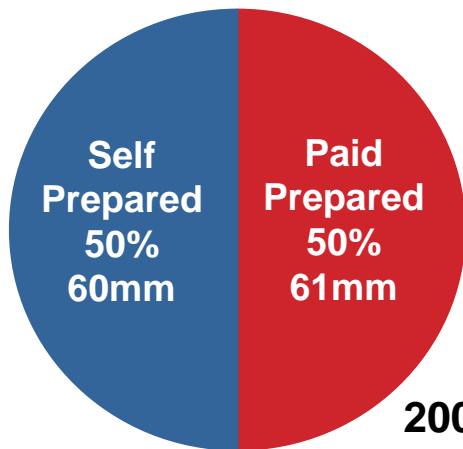
Competitive Landscape

A Leading Player in Large Market

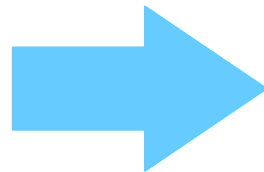
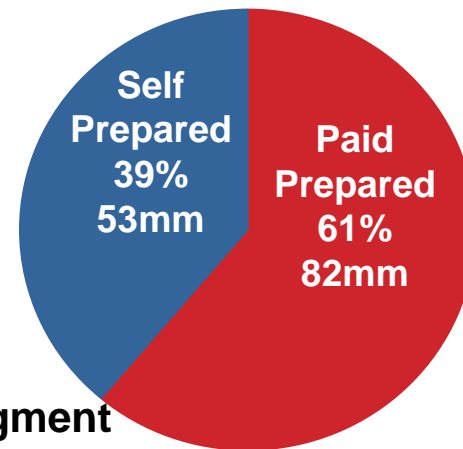
U.S. Tax Return Market



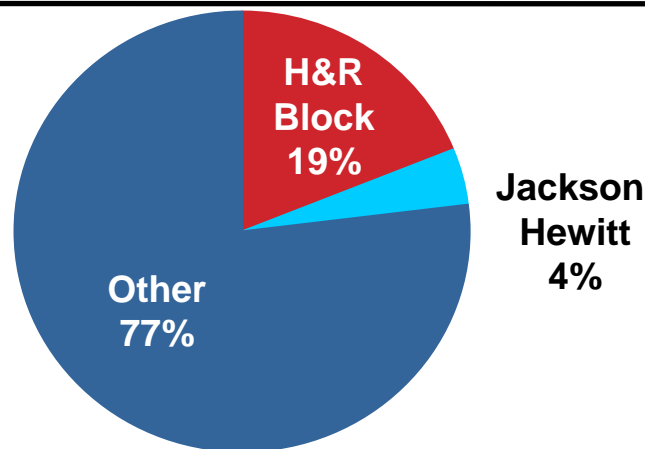
1997 - Total U.S. Market
121 Million Tax Returns



2006 - Total U.S. Market
135 Million Tax Returns (Est.)



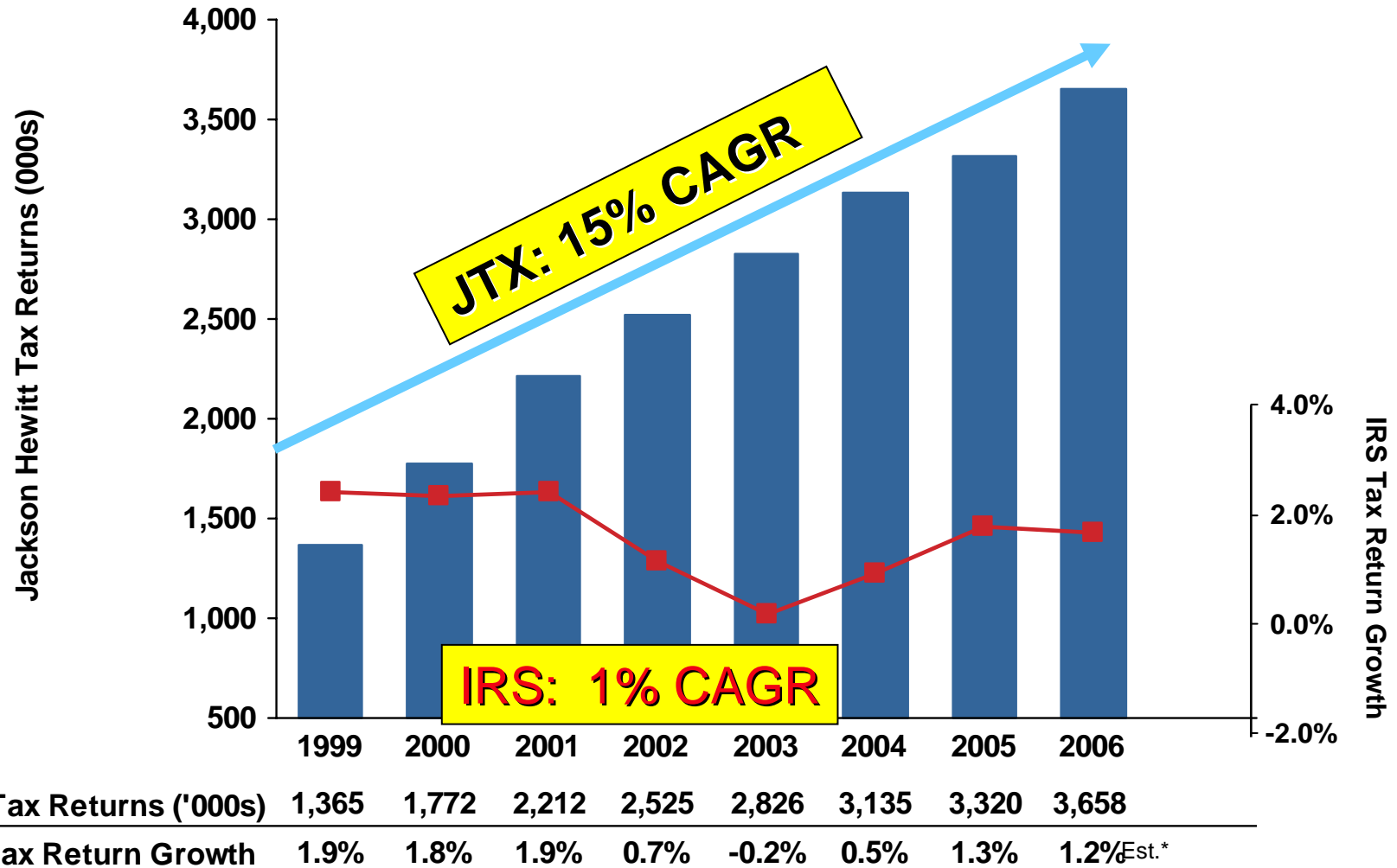
2006 - Total Paid Preparer Segment
82 Million Returns



Sources: Total paid preparer segment percentage based on IRS data as of May 5, 2006. H&R Block percentage based on 15.7 million total retail operations clients served per June 7, 2006 H&R Block press release.

Profitable and High-Growth Business Model

Tax Return Growth



*Jackson Hewitt estimate based on IRS published data



2006 Tax Season Review

2006 Tax Season

Drivers of Growth



- Targeted location expansion in under-penetrated territories
- Refocused marketing strategy with new advertising campaign
- Enhanced products and services

**Tax Return Volume Growth of 10% and
Same Store Volume Growth of 6% in 2006**





Growth Opportunities for 2007 and Beyond

Multiple Opportunities for Growth

Drivers of Growth

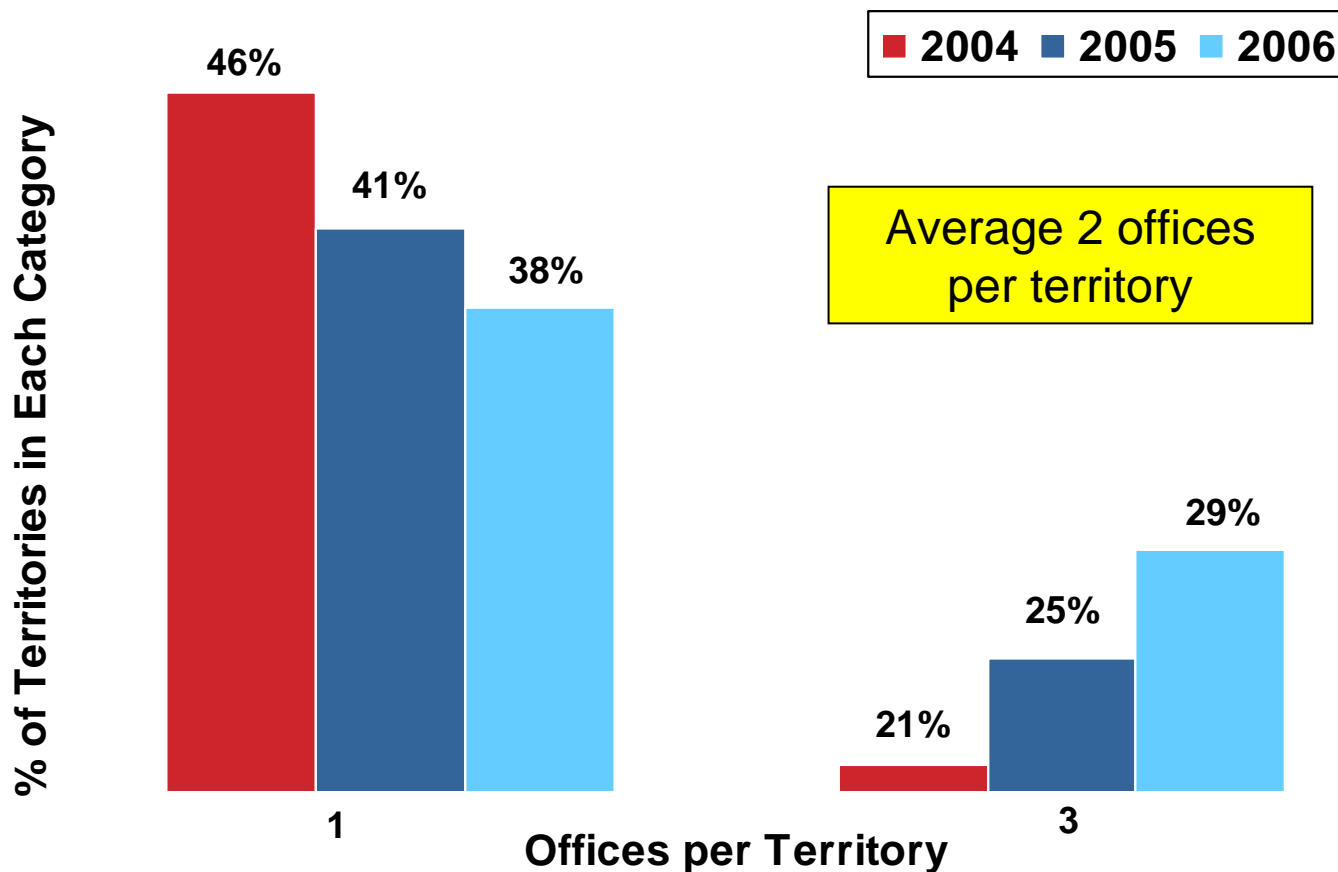


- Increase the number of offices in existing territories
- Increase the number of tax returns per office as offices mature
- Increase the number of offices through the sale of new territories



Multiple Opportunities for Growth

Further Penetration of Existing Territories



Company penetrates deeper into existing territories while expanding into new territories

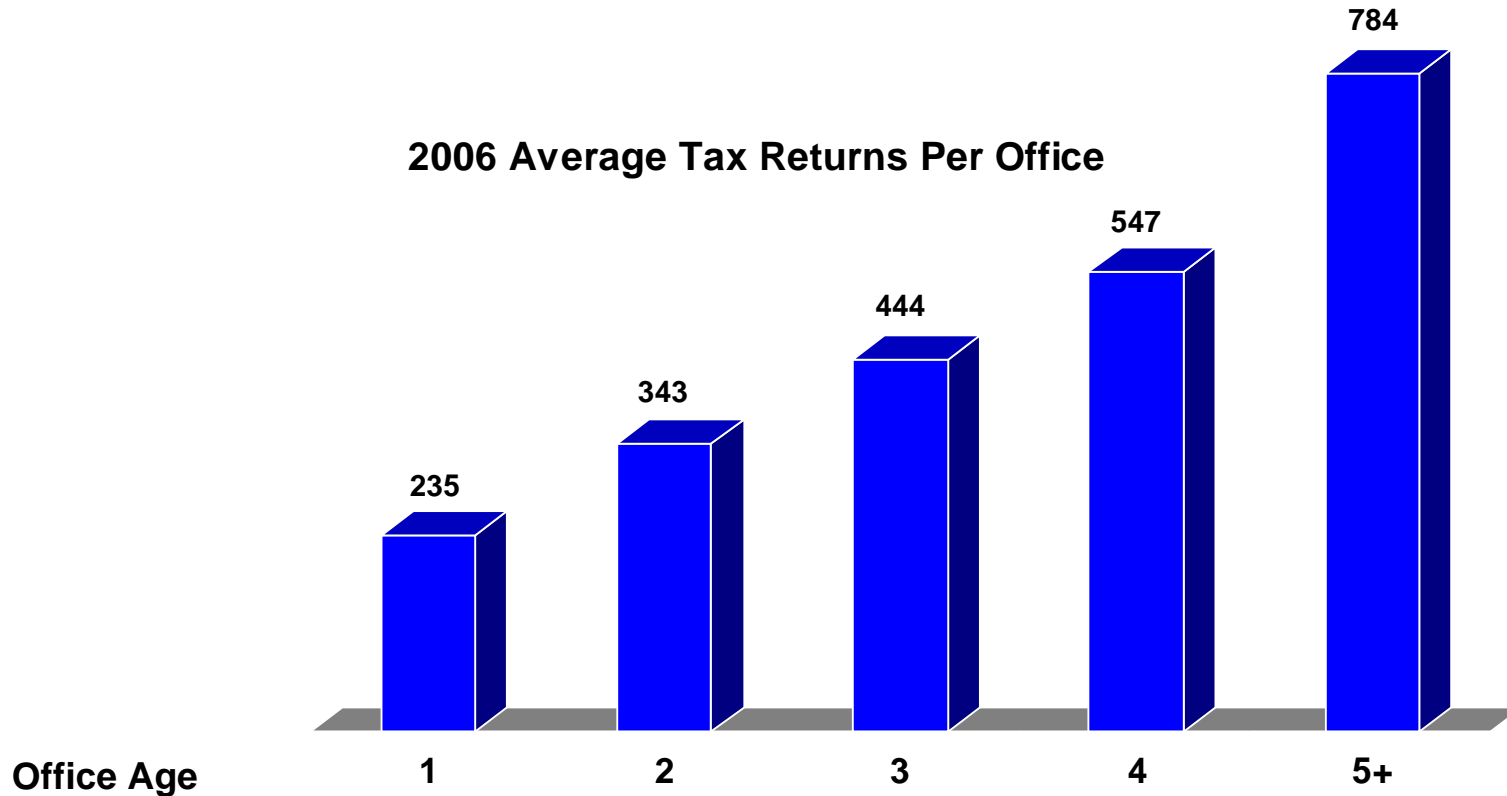
*% of territories with 2 offices were 33%, 34% and 33% in 2004, 2005 and 2006, respectively.

Multiple Opportunities for Growth

Office Maturation



2006 Average Tax Returns Per Office



Average Number Of Tax Returns By Type Of Location

	1	2	3	4	5+
Storefront Location	260	392	547	611	882
Retail-Partner Location	154	245	305	371	440

**Average number of tax returns increases as office matures;
More than 50% of offices are less than 5 years old.**

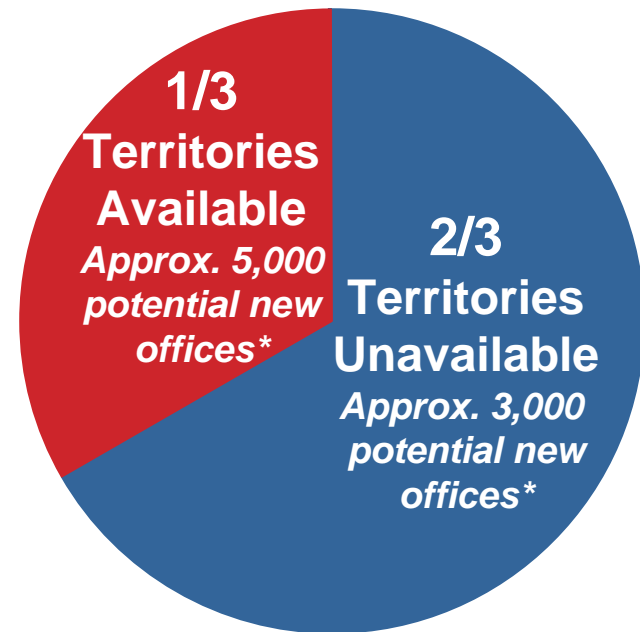


Multiple Opportunities for Additional Growth

Expanding Our Franchise Network



- 1/3 of territories remain available, including populous states such as: New York, California, Michigan, Massachusetts, and Pennsylvania
- 200+ territories sold in each of past several years
- About 75% of territories historically sold to existing franchisees
- New entrepreneurs attracted to franchise business model



**Ranked within Top 5 Best Franchise Overall 7 out of 9 years
- *Entrepreneur Magazine's* "Annual Top 500 Franchises"**

*Assuming 3 offices per territory.



Fiscal 2007 Year-To-Date Review

Year-To-Date Review

Prepare for tax season and continue return to shareholders

- Sold 151 territories in first six months of year
 - +14% over prior year
 - On target for approximately 200 territory sales in 2007 and in line with prior experience (affirmed as of Q2 earnings call)
- Announced and completed \$75 million share repurchase program
- Announced new \$200 million, multi-year share repurchase program



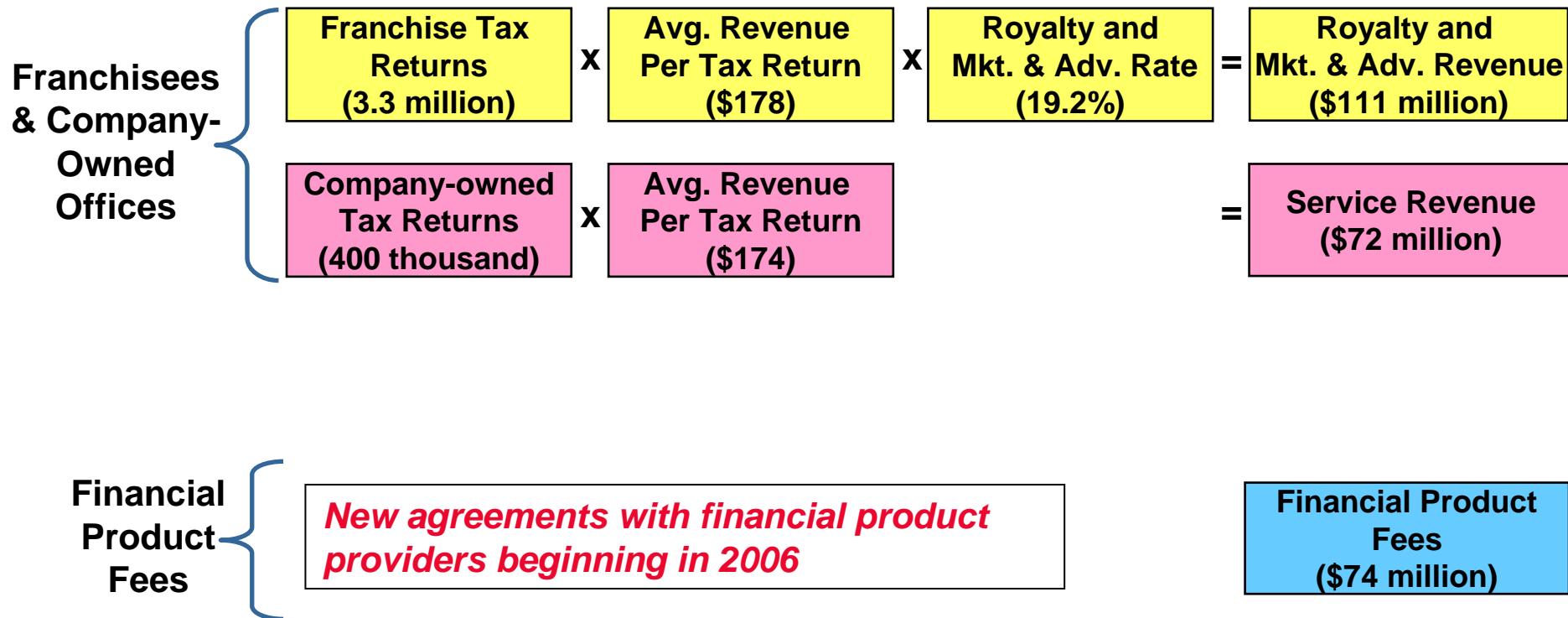
Financial Drivers That Have Driven Success

Profitable & High-Growth Business Model

Simple Business Model



A x B x C = D



Note: Numbers are based on FY 2006 financial results and may not sum due to rounding.

Business Drivers

Several Levers To Drive Revenue Growth

	2004	2005	2006
Same store tax return growth (volume only)	5%	2%	6%
Revenue per tax return growth	6%	7%	13%
New locations	4%	5%	3%
<u>Conversions & acquisitions</u>	<u>3%</u>	<u>1%</u>	<u>1%</u>
Total revenue growth	18%	15%	23%
<u>GAAP Reconciliation</u>			
Other financial product revenue variability impact	2%	(2)%	(5)%
Annual historical GAAP revenue growth	20%	13%	18%

All figures are as adjusted. Full reconciliation of adjustments provided in Appendix.

3-5 Year Financial Targets*



- Total Revenues Growth 14% - 19% / year
- Income from Operations Margin Growth 50 - 100 bps / year
- EPS Growth 20% - 25% / year

These long-term targets have been in place since the IPO and are reaffirmed as of June 28, 2006

*Financial targets based on FY 2006 financial results, as adjusted. Full reconciliation of adjustments provided in Appendix. The Company intends to update its 3-5 year financial targets after the next fiscal year-end.



- Profitable Financial Model
- Large and Growing Market
- Commitment to Shareholder Value





For more information, please contact:

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Appendix

Revenue, Net Income and Diluted EPS

(FY 2004, 2005 and 2006 - As adjusted reconciliations)

<i>(Amounts in millions)</i>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total revenues, as reported	\$ 205.6	\$ 232.5	\$ 275.4
Adjustment:			
2005 SBB&T agreement (a)	(13.2)	(10.1)	(1.7)
Total revenues, as adjusted	<u>\$ 192.4</u>	<u>\$ 222.4</u>	<u>\$ 273.7</u>
Net income, as reported	\$ 43.0	\$ 50.0	\$ 58.0
Adjustments:			
Change in SBB&T agreement (a)	(13.2)	(10.1)	(1.7)
Stock-based compensation related to IPO	-	4.5	-
Write-off of deferred financing costs (b)			2.7
Litigation settlement charge/(recovery)	10.4	(0.6)	-
Litigation related costs	-	-	3.8
Bad debt reserve adjustment	(2.0)	-	-
Independent public company costs (c)	(4.9)	-	-
Interest expense (c)	(6.3)	-	-
Adj. to as reported provision for (benefit from) income taxes	6.3	2.4	(1.9)
Rounding adjustment	(0.1)	-	-
Net income, as adjusted	<u>\$ 33.2</u>	<u>\$ 46.2</u>	<u>\$ 60.8</u>
Weighted Avg. Shares Outstanding (assumed 2004 at IPO level)	37.5	37.8	36.4
Diluted Earnings Per Share, as reported	\$ 1.15	\$ 1.32	\$ 1.59
Diluted Earnings Per Share, as adjusted	\$ 0.88	\$ 1.22	\$ 1.67

Management believes the above presentation of total revenues, net income and earnings per share on an "as adjusted basis", which are non-GAAP financial measures, is necessary to reflect the impact of the agreement with Santa Barbara Bank & Trust for the 2005 tax season as if such agreement was in effect for all periods presented as well as to reflect the impact of adjusting certain significant items in the results of operations in order to help investors compare, on an equivalent basis, the Company's financial results for the current periods presented to its financial results for prior periods presented.

- (a) Adjusted to reflect the impact of the Company's agreement with SBB&T that was effective for the 2005 tax season.
- (b) Non-cash charge associated with repayment of \$175 million five-year floating rate notes and termination of \$100 million five-year credit facility.
- (c) Such costs incurred in 2005 (subsequent to the IPO) were included in 2004 results for comparative purposes.

