

FOR IMMEDIATE RELEASE

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. ANNOUNCES 5 PERCENT STOCK DIVIDEND

COMPANY'S THIRD STOCK DIVIDEND FOLLOWS NINE INCREASES IN QUARTERLY CASH DIVIDEND SINCE SEPTEMBER 2003

DURANGO, Colorado (July 10, 2007) -- Rocky Mountain Chocolate Factory, Inc. (Nasdaq/GM: RMCF) (the "Company"), which franchises gourmet chocolate and confection stores and manufactures an extensive line of premium chocolates and other confectionery products, today announced that its Board of Directors has approved the distribution of a 5 percent stock dividend that will be payable July 31, 2007 to shareholders of record at the close of business July 20, 2007.

"As an ongoing part of our philosophy of allowing our shareholders to participate directly in the success of our Company, we announced a quarterly cash dividend policy in May 2003 and paid our first stock dividend in May 2004," commented Frank Crail, Chairman and Chief Executive Officer of the Company. "We have raised the quarterly cash dividend nine times since September 2003, and I am pleased to announce that our Board has approved another stock dividend in addition to our quarterly cash dividends."

Rocky Mountain Chocolate Factory, Inc., headquartered in Durango, Colorado, is an international franchiser of gourmet chocolate and confection stores and a manufacturer of an extensive line of premium chocolates and other confectionery products. As of June 30, 2007, the Company and its franchisees operated 319 stores in 38 states, Canada and the United Arab Emirates. The Company's common stock is listed on The NASDAQ Global National Market under the symbol "RMCF".

Certain statements in the press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. This press release contains forward-looking information that involves risks and uncertainties, and the Company undertakes no obligation to update any forward-looking information. Risks and uncertainties that could cause actual results to differ materially include, without limitation, seasonality, consumer interest in the Company's products, general economic conditions, consumer trends, costs and availability of raw materials, competition, the effect of government regulations, and other risks. Readers are referred to the Company's periodic reports filed with the SEC, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The information contained in this press release is a statement of the Company's present intentions, beliefs or expectations and is based upon, among other things, the existing business environment, industry conditions, market conditions and prices, the economy in general and the Company's assumptions. The Company may change its intentions, beliefs or expectations at any time and without notice, based upon any changes in such factors, in its assumptions or otherwise. The cautionary statements contained or referred to in this press release should be considered in connection with any subsequent written or oral forward-looking statements that the Company or persons acting on its behalf may issue.

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