Franchise Opportunity

Open your franchise today.
Welcome

Thank you for your interest and for considering a franchise opportunity with us. Now more than ever, a real need exists for center-based, weight-loss programs that are substantive, medically proven, safe, effective, and backed by the power of a trusted, national brand. Medifast Weight Control Centers:

- A clinically proven and tested program
- A market affecting up to ⅔ of Americans
- The brand recommended by over 20,000 doctors since 1980
- The added advantage of one-on-one counseling
- Flexible location choices: in-office, storefront, medical plaza, etc.

This booklet outlines our commitment to helping you succeed as an entrepreneur. By partnering with Medifast Weight Control Centers, you not only have the opportunity to make a significant impact on your life, but also the chance to positively change the life of every client who walks through your door.
The need is growing
Marketplace conditions are right for the weight-management industry.

According to the National Health and Nutrition Examination Survey, over 68% of adults in the U.S. are overweight, and over 34% of those are obese. That’s more than two out of three.

The U.S. Surgeon General says obesity will soon take over as the number one cause of preventable death in the U.S.—surpassing smoking.

The U.S. Surgeon General and the Harvard School of Public Health say that each year, obesity and overweight contribute to an estimated 112,000 to 216,000 preventable deaths, respectively.

According to the journal *Health Affairs*, being obese increases health care costs by 36% and increases medication costs 77%.

A research report from The George Washington University School of Public Health and Health Services stated that the annual cost of being obese for men and women is $2,646 and $4,879, respectively.

The Centers for Disease Control and Prevention states that obesity is linked to type 2 diabetes, coronary heart disease and other potentially serious diseases.

Opportunity

Owning a Medifast Weight Control Center will allow you to capitalize on the growing momentum of this market. Clients seek us out not only to achieve fast, safe, and effective weight loss, but also because we monitor significant improvements in their health and teach them how to successfully sustain long-term results. Their success fuels your franchise success.

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Your franchise

Medifast Weight Control Centers is built upon the healthy foundation of Medifast, a brand that has been recommended by over 20,000 doctors and used by over one million people since 1980. Our products are manufactured to exacting specifications in our FDA-inspected, U.S. manufacturing facilities. Many of our programs have been clinically proven in studies conducted by researchers from major university teaching hospitals.

No previous medical experience is required.

You will employ professionals to monitor and support clients on the Medifast weight-loss plan. Your staff will measure weight and inches, take blood pressure readings, and provide one-on-one counseling.

A state-of-the-art comprehensive body composition analysis is completed on each client.

Lasting weight loss is more than simply losing weight. It’s about cultivating healthy habits. At Medifast Weight Control Centers, personal support and one-on-one counseling provides each client with practical education on behavior modification and nutrition for lasting change.
Why we’re right for you

Opportunities rarely present themselves within multi-billion dollar-per-year industries. Medifast Weight Control Centers provides you with a tremendous opportunity to prosper. We are leaders within our industry because we have taken the time to get it right.

Medifast is a nationally recognized brand, supported annually by $35M+ in brand exposure.

With some of the lowest investment requirements within our industry, you will have the opportunity to get started quickly.

Medifast Weight Control Centers promotes lifestyle change in addition to weight-loss solutions. We succeed by delivering superior products and programs based on clinical data and research.

Here for You Before, During, and Beyond
Franchise support

System support can be the “make or break” point when considering a potential franchise opportunity. Take pride in knowing the Medifast Weight Control Centers offers exceptional levels of support to every franchisee. You benefit from our leadership training program, which attracts the highest qualified staff. Medifast Weight Control Centers is fully backed by the financial resources and experience of Medifast Inc. as well as our unwavering commitment to your success.

Just some of the ways Medifast supports your business:

**Demographic analysis**
As a subscriber to DemographicsNow.com, Medifast Weight Control Centers offers franchises access to that service’s data as you select your site. We can help you make critical location decisions using our analytical tools. Typical demographical attributes considered include, but are certainly not limited to, population, income, housing, and competition.

**Center construction**
Medifast is well connected in this part of the process. We can provide everything from general guidance and resources to a dedicated construction manager who works one on one with selected vendors to ensure your center is outfitted with all necessary equipment and furnishings at a competitive price.

**Procurement**
If it fits inside your center, than we can help you acquire it. Medifast will give you access to their preferred vendors and volume discounts for office supplies, furniture, fixtures, signs, artwork, and technology hardware, just to name a few.

**Information technology**
Our corporate IT team can provide assistance with everything from general email setup to helping you develop a robust technology infrastructure. We can help you secure and optimize the technology necessary to set up and run a successful multi-unit business.

**Human resources**
Medifast’s corporate Human Resources provides everything you need to recruit, and support a first-rate team, with guidance on building out and developing an employee base for a multi-center market. You’ll have access to a variety of documentation such as formal job descriptions, interview questions, profiles of successful MWCC employees, employee evaluation forms, and even general employee handbooks.

**Legal support and compliance**
Our corporate lawyers can play a key role in assisting with such items as lease reviews and marketing collateral compliance reviews in order to make sure your business and our brand are kept safe.

**Training**
Everyone learns in different ways. At Medifast we have a variety of methods for helping you get your
managers and staff up and running as quickly as possible. We offer a variety of training methods from manuals and quizzes to formal face-to-face classroom training. We also recently added a strong online learning management system. This allows you and your staff to stay up to date on all things Medifast. These learning resources will continue to expand to support your success and growth.

**Nutrition support**
Medifast is proud to have a nutrition support team dedicated to keeping you and your employees informed on all matters related to our products and how they help your clients achieve weight loss. In addition to their monthly nutrition update calls, they are available to help answer all of those peculiar questions clients ask.

**Marketing**
Medifast is your partner in driving your business’s success through building the brand, investing in lead generation programs, tactical support, and strategic planning. Capabilities include media planning and buying; integrated campaign development; public relations; outbound and inbound contact center support; and customizable collateral such as flyers, emails, print ads, and website templates.

**General operations**
Behind the Medifast Weight Control Center name is an entire support team dedicated to the success of our centers. Since we have corporately owned Centers as well, chances are good we’ve already encountered the problem and found a solution. Reach out to us whenever needed, and we’ll be here to support you.

**Accounting**
Planning for, and closely monitoring your financials plays a big role in the ultimate success of your franchise. Our corporate accounting team can assist you with a variety of financial matters such as building out a P&L and financial quality control audits. As a franchisee, you will have an assigned corporate accountant that will be there to help you along the way.
NEW FOR 2013:

RemedyMD® member tracking system
This software gives you the power to collect and track data relating to your members’ demographic trends, weight loss, improving health metrics, and participation, all in a system that’s HIPAA-compliant to safeguard your members’ privacy.

Franchise Software Systems (FSS)
FSS is an integrated suite of scalable Web-based tools for franchise corporations that save you time, energy, and risk:

• A dynamic back office, Franchise Resource Center (FRC) connects you with Medifast’s corporate staff and eliminates busywork
• Easy, consistent print advertising with our corporate-compliant Ad Builder application
• Automatic Web site branding with enhanced SEO capabilities
• Easy-to-use content management for updates, including flexible administrative access, and much more

*Sallie lost 45 lbs* at a Medifast Weight Control Center

*Results vary. Clients can expect to lose 2-5 lbs per week for the first two weeks and 1-2 lbs per week thereafter."
Investment analysis

The estimated investment to open a Medifast Weight Control Centers franchise depends on factors such as size, location, landlord requirements, local and state conditions, and your own preferences.

This investment analysis is not an offering. An offering may be made only by delivery of a Franchise Disclosure Document (FDD.) All costs listed here are estimates and no guarantee is provided that they will be the actual costs. Subject to periodic changes based on actual costs experienced by new stores.

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Low estimate</th>
<th>High estimate</th>
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<tbody>
<tr>
<td>Initial franchise fee</td>
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<td>$75,000</td>
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<td>Real estate / rent</td>
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<td>Utility deposits</td>
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<td>Leaseholder improvements</td>
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<td>Furniture, fixtures, &amp; equipment</td>
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<td>Computer hardware &amp; software</td>
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<td>Signage</td>
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<td>Initial inventory</td>
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<td>Office equipment &amp; supplies</td>
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<td>Training</td>
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<tr>
<td>Licenses &amp; permits</td>
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<tr>
<td>Professional fees</td>
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<td>$3,000</td>
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<td>Additional funds (3 months)</td>
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<td><strong>TOTAL INITIAL INVESTMENT (estimate)</strong></td>
<td><strong>$166,500</strong></td>
<td><strong>$301,500</strong></td>
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Get on the right side of change

The weight-loss industry needs new kinds of heroes who can change lives. Owning a Medifast Weight Control Center ensures that although you are in business for yourself, you are not in business by yourself. You are supported by a company on a mission to enrich lives by providing choices for lasting health. Medifast, Inc. has been recognized and honored as:
We are looking for a special few who have what it takes to make a difference in the lives of many. If you are ready for this kind of challenge and responsibility, please proceed to Step 1.

**Step 1**
Visit MedifastCenters.com or call (443) 379-5031 for more information and to download a preliminary application.

**Step 2**
Return your completed application to Jodi Johnson or Chris Kelleher at Medifast Weight Control Centers, 11445 Cronhill Drive, Owings Mills, MD 21117.

**Step 3**
Review and sign FDD Agreement and return to Chris Kelleher at the address listed above.

**Step 4**
Discuss the territories you’re interested in franchising.

**Step 5**
Request a Franchise Agreement for specific locations.

**Step 6**
Schedule training and start transforming your clients’ lives—and your own.
Results vary. Clients can expect to lose 2-5 lbs per week for the first two weeks and 1-2 lbs per week thereafter.

Amy lost 98 lbs* at a Medifast Weight Control Center

*Results vary. Clients can expect to lose 2-5 lbs per week for the first two weeks and 1-2 lbs per week thereafter.