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Investor Fact Sheet September 2007

NutriSystem provides weight loss programs based on quality foods and nutritionally balanced meal plans; individualized counseling is the core of the Company's commitment that customers always have the privacy, support and knowledge needed to successfully reach and maintain their goal weight.

Company Background

Founded in 1972, NutriSystem is a leading marketer and provider of weight management products and services. Originally operating company-owned and franchised weight loss centers, NutriSystem now sells its products primarily through its direct-to-consumer channel using the Internet and telephone and also through QVC, a television shopping network and other sales channels, including two legacy channels. The Company offers a systematic weight loss program based on portion-controlled prepared meals. The program has no membership fees and provides free online and telephone counseling.

For more information, see: www.nutrisystem.com



Ticker Symbol (NasdaqGS)

NTRI

Share Price (as of 09/17/07)

\$56.95

52-Week Range

\$40.82 - \$76.20

Shares Outstanding

35.11 million

Market Capitalization

\$2.00 billion

Fiscal Year End

December 31

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Recent News

09/05/07 NutriSystem Signs on as Sponsor for Westwood One's Leading Sports Programming

08/10/07 NutriSystem, Inc. Announces Planned Departure of Executive Vice President and Chief Financial Officer James D. Brown

08/07/07 NutriSystem, Inc. Names Joe Redling President and Chief Operating Officer

07/24/07 NutriSystem Reports Results for Second Quarter 2007; Reports Q2 Revenues of \$214 Million; Q2 fully-diluted EPS of \$0.96; Company revises Fiscal 2007 guidance upwards; Expects Revenues of \$810 Million to \$820 Million and EPS of \$3.46 to \$3.52 for Fiscal 2007; Repurchased 2.0 million shares for \$98 million year-to-date

07/20/07 NutriSystem Announces Appointment of Michael F. Devine, III to Board of Directors

04/25/07 NutriSystem Reports Results for First Quarter 2007; Reports Q1 Revenues of \$238 Million; Q1 fully-diluted EPS of \$1.04; Company revises Fiscal 2007 guidance upwards; Expects Revenues of \$770 Million to \$790 Million and EPS of \$3.30 to \$3.40 for Fiscal 2007

02/14/07 NutriSystem Reports Results for Fourth Quarter and Year End 2006; Reports Q4 Revenues of \$133 Million and Full Year 2006 Revenues of \$568 Million; Q4 EPS of \$0.59 and Full Year 2006 EPS of \$2.29; Expects EPS of \$3.00 to \$3.10 for 2007; Announces \$200 Million Share Repurchase Program

02/01/07 Chris Terrill Joins Horsham-Based NutriSystem as Senior VP of eCommerce

01/30/07 NutriSystem Provides First Quarter 2007 Outlook, Full Year 2006 Revenues Expected to be between \$566 and \$568 Million

01/22/07 NutriSystem Launches New Seniors' Weight Loss Program Former NFL Coach Don Shula Named as Spokesperson for NutriSystem Silver

10/24/06 NutriSystem Reports Results for Third Quarter 2006; Reports Q3 Revenues of \$155 Million; EPS of \$0.63; Raises Full Year Guidance

08/01/06 NutriSystem Announces Stock Repurchase Program

Market Opportunity

It is a well-known fact that weight loss is an ongoing challenge to a large portion of the American population. According to a study published in the Journal of the American Medical Association, approximately 218 million Americans are overweight. The U.S. Department of Health and Human Services adds that weight loss for overweight or obese individuals may reduce their risk of developing certain diseases, such as diabetes, heart disease, breathing problems and depression. With obesity continuing to rise at an alarming rate over the years, it has only intensified the focus on weight loss and dieting. As a result, the demand for weight loss programs, diet foods and diet related books and other information has created a large market for diet and weight management-related products. For instance the Gallup Organization estimates that 62 million Americans were on some form of diet in 2006. Of that number approximately 6 million Americans participated in a commercial weight loss program, with an additional 49 million involved in a self-directed diet.

The NutriSystem Program: Value, Convenience and Success

NutriSystem offers customers a complete weight management system that includes 28 days of portion-controlled prepared meals and snacks as well as access to assigned weight management counselors through the Internet or over the telephone.

The NutriSystem Nourish product line offers a menu of over 100 food selections designed to rank low on the glycemic index that provide dieters with a balanced intake of "good" carbohydrates. In addition, NutriSystem also offers customized diet programs geared towards women, men, diabetics and vegetarians. With no membership fee requirements, a full day's supply of entrees and snacks is affordably priced at about \$10 per day.

NutriSystem's Competitive Strengths

- ❖ Demonstrated product efficacy, which helps attract and retain new customers;
- ❖ Strong brand recognition, which can be leveraged to add new customers;
- ❖ A low cost, highly scalable business model, which allows the Company to grow the business without large investments in infrastructure;
- ❖ A superior customer value proposition so NutriSystem can effectively compete in the weight-loss industry; and
- ❖ Favorable industry demographics, which create increasing demand for NutriSystem products and services.



Business Strategy

In 2003, NutriSystem adopted an aggressive strategy combining innovative new products and a targeted marketing approach to re-launch a brand that had been under-marketed for years. With a strong brand name and a solid core product line, 2005 experienced impressive revenue growth of 459% over the previous year. 2006 saw even higher revenue growth of 167% year over year as the NutriSystem brand continued to gain greater acceptance through an expanding product line and effective brand marketing strategy. Ongoing initiatives for 2007 include:

1. Continue to grow and evolve each market segment through new product offers and persistent advertising;
2. Improve reactivation of ex-customers;
3. Invest and launch in new markets and new channels in international, corporate solutions group and retail; and
4. Constant innovation. In January 2007, NutriSystem introduced several dozen new foods, and by January 2008, the Company expects to launch another new diet platform.

Marketing Strategy

NutriSystem uses a combination of online and traditional offline advertising and promotional strategies to build sales primarily through its direct channel. NutriSystem has actively expanded its efforts to generate visibility in the brand via targeted print, television and Internet outlets.

Financial Highlights

In the second quarter of 2007, revenues increased 61% to \$213.6 million compared to \$132.6 million in the second quarter of 2006. Operating income in the second quarter of 2007 was \$52.7 million compared to \$31.0 million in the second quarter of 2006. Net income in the second quarter of 2007 increased 70% to \$33.5 million or \$0.96 per diluted share compared to net income of \$19.8 million or \$0.53 per diluted share in the second quarter of 2006. Cash, cash equivalents and marketable securities at the end of the second quarter of 2007 stood at \$82.6 million.



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Management Team

Michael J. Hagan, Chairman & Chief Executive Officer

Mr. Hagan was appointed Chairman of the Board of Directors and CEO of the Company on December 20, 2002. He is also a director of Verticalnet, Inc. (Nasdaq: VERT), a trustee of American Financial Realty Trust (NYSE: AFR), and a trustee of Saint Joseph's University. Prior to joining the Company, Mr. Hagan was the co-founder of Verticalnet, Inc., a business-to-business internet and software company, holding a number of senior executive positions since its founding in 1995 including President and CEO. Mr. Hagan was a CPA in the State of Pennsylvania (license has since lapsed).

Joseph M. Redling, President & Chief Operating Officer

Mr. Redling is President and Chief Operating Officer of NutriSystem, joining the company in September 2007. Mr. Redling spent the previous 8 years in senior management positions at AOL. Most recently, he served as Chairman and CEO of AOL International and President of AOL Paid Services. From 2003 to 2006, Mr. Redling held the position of President of AOL's Access business and Chief Marketing Officer where he was instrumental in transitioning the company from a dial up subscription model to a broadband based web advertising business. Mr. Redling also held the positions of President, Brand Marketing and Senior Vice President, Marketing AOL Service from 1999 to 2002. Prior to joining AOL, Mr. Redling spent 18 years in management positions in the Entertainment and Leisure industries. As Chief Operating Officer for Arnold Palmer Golf Management in Orlando, Florida from 1996 to 1999, he led the development of the first nationally branded chain of golf courses. Prior to joining Palmer Golf, Mr. Redling held a number of executive roles at Six Flags Theme parks from 1981 to 1996. His most recent role at Six Flags was Senior Vice President of Marketing and Entertainment from 1990 to 1996 where he established Six Flags as a nationally recognized entertainment brand combining innovative themed branded attractions with effective national and local marketing.

James D. Brown, Chief Financial Officer & Executive Vice President

Mr. Brown has held the CFO position since December 1999 and was appointed Executive Vice President in April 2005. Prior to joining NutriSystem, Mr. Brown was CFO of ImageMax, Inc., a document management company, from 1997 to 1999, and CFO of LMR Holdings, a holding company for textile component manufacturers, from 1996 to 1997. Mr. Brown was a CPA in the State of New York (license has since lapsed).

Thomas Connerty, Executive Vice President of Program Development & Chief Marketing Officer

Mr. Connerty was appointed Chief Marketing Officer in November 2004 and promoted to Executive Vice President of Program Development in July 2006. Prior to that, he was the Vice President of Direct Marketing at the Nautilus Group where he began working in 2000. He also served as the Vice President of Broadcast for the Home Shopping Network from 1993 to 1996. From 1990 to 1993, Mr. Connerty managed a profit center for Time-Life Video, marketing products through television advertising. He has created over 150 commercials and infomercials.

Bruce Blair, Chief Information Officer

Bruce Blair has served as CIO of NutriSystem since April 2005. Prior to joining NutriSystem, Mr. Blair was the CIO and EVP of Creditek, a Finance and Accounting outsourcing firm that specializes in revenue cycle and cash flow management, from March 2003 to April 2005. Prior to Creditek, Mr. Blair was the President of GovXcel, a leading application provider of software used by municipalities to automate back office functions, from January 2001 to December 2001. Mr. Blair served as CIO and Senior Vice President of Operations at Verticalnet, Inc. from March 1999 to December 2000.

Contact Information

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Safe Harbor Statement: This document includes certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements are based on current expectations of NutriSystem's management and are subject to risks and uncertainties and changes in circumstances. All forward-looking statements included within are based upon information available to NutriSystem as of the date included at the bottom of the page, and it assumes no obligation to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.