

★ ○
MAKE A
BUSINESS
OUT OF MAKING
a difference



THE Little
gym®

ABOUT THIS DOCUMENT

Hello, and thank you for spending some time with us. We are quite flattered that you're interested in learning more about franchising opportunities with The Little Gym. In our business, our owners measure ROI not only in terms of the financial rewards that come from running a successful business, but also by the hundreds of smiling faces they see every day.

The following pages are intended to give you more information about The Little Gym, a sneak peak into the support system that surrounds each and every owner in The Little Gym system, and a little insight into what it takes to become an owner of your own franchise.

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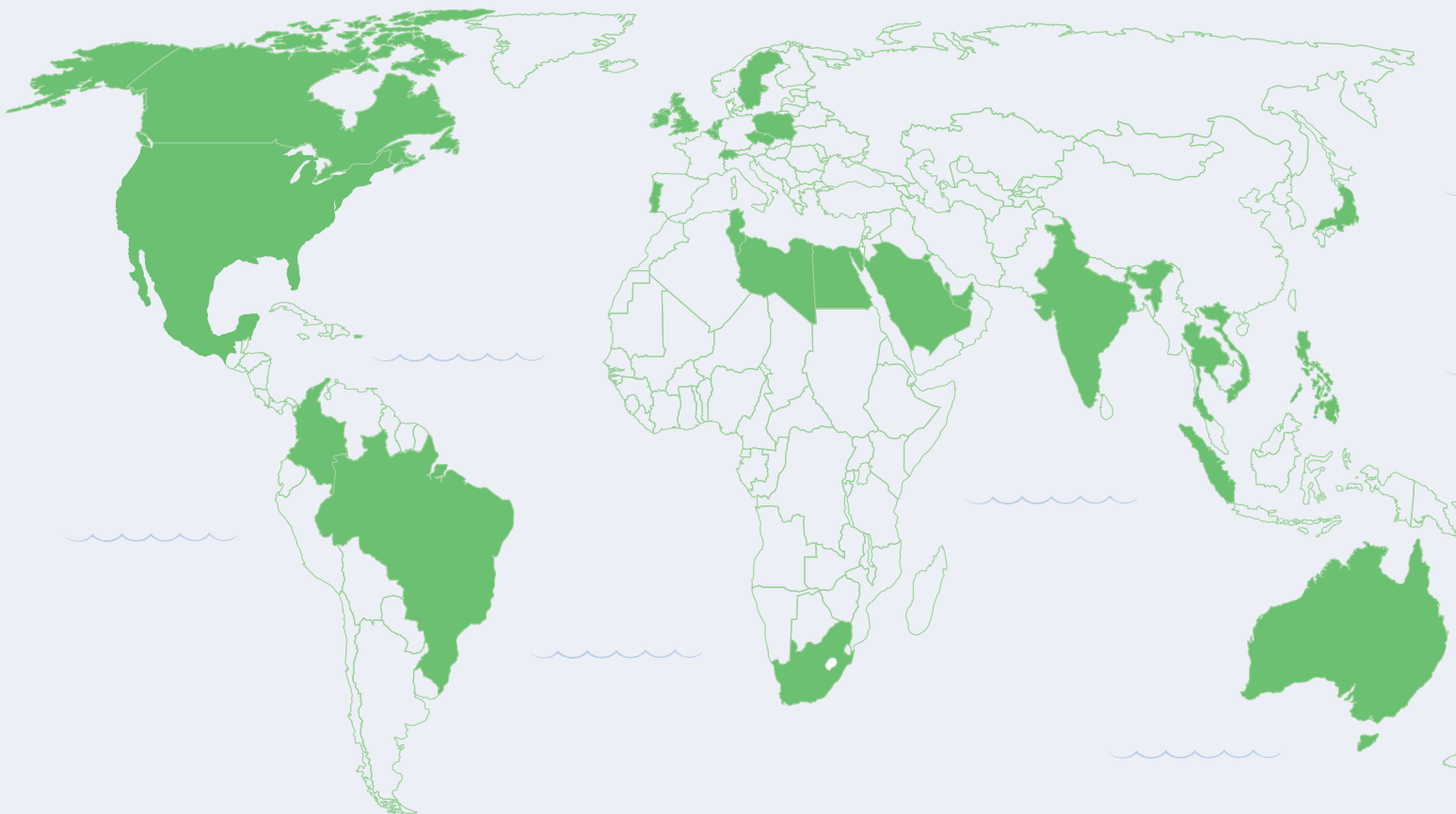


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OUR STORY

With more than 400 locations across the globe, The Little Gym is the world's premier experiential learning and physical development center for kids ages four months through 12 years. Each week, progressively structured classes and a positive learning environment create opportunities for children to try new things and build self-confidence, all with a grin that stretches from ear to ear.

The Little Gym owners are actively involved in a concept that has a 40-year heritage of nurturing happy, confident kids through a range of programs and classes. That means we are creating a fun, rewarding environment for both members and owners all around the globe. Now that's something to smile about!



● The Little Gym empire

A HISTORY OF THE LITTLE GYM

So how did all of this get started? Gymnast, kinesiologist and musician Robin Wes had a unique idea: to give children the chance to build their motor skills as well as their social, emotional, and intellectual skills - all in a fun, magical, non-competitive environment. He opened The Little Gym in 1976 in Bellevue, Washington, and the idea soared.



In 1992, The Little Gym was incorporated for the purpose of franchising Robin's concept. Since then, The Little Gym has grown dramatically; with more than 400 franchises in over 30 countries. Today, we are a growing, thriving business that truly makes a difference in the lives of children across the globe. Our recent expansion into countries such as China, India, Brazil and Australia has truly positioned us as the global leader in our industry. Our owners enjoy the benefits of a stellar support system, global recognition and the joy of knowing that their business is enriching and engaging the lives of children.

From our headquarters in Scottsdale Arizona, to our Australian headquarters in Sydney, our corporate team devotes their talent and energy to helping franchise owners achieve their dreams. Robin Wes remains instrumental (music pun very much intended) to the team, doing what he loves most - composing, all of the proprietary original music used in The Little Gym locations. At The Little Gym International, we truly see ourselves as one big family. This family is not just comprised of the dedicated staff here, but each and every Owner, Gym Director, Program Director and Instructor as well. The entire family (you should see the size of our annual reunions!) works hard to ensure that each and every member, parents and children alike, has an amazing experience every time they set foot in The Little Gym.



WHAT SETS US APART

At The Little Gym, our environment is fun, but our purpose is serious. The Little Gym offers a diverse line-up of programs filled with movement, music, learning and laughter. From week to week and from year to year, our age-appropriate curriculum is designed to facilitate ongoing skill development and maximum fun.

In each program, children develop new skills through a system called Three-Dimensional Learning. Using physical activity as a conduit, here are some of the skills children at The Little Gym develop:



Get Moving! Physical activities that burn all that boundless energy, plus build flexibility and strength, develop balance and coordination, and encourage agility, rhythm and overall fitness to launch a lifetime of healthy habits.



Brain Boost! Designed to expand the mind and develop a love of learning, these exercises foster sustained concentration and decision-making, prepare for or reinforce school lessons, and nurture problem-solving ability and creative expression.



Citizen Kid! These activities teach life skills like sharing, working in a group, patience, manners, listening and taking turns - all skills that translate to a well-adjusted, well-rounded superkid.

Three-Dimensional Learning is evident in all of the classes offered at The Little Gym. The Little Gym programs are offered to children ages four months to 12 years and include the following classes:

- Parent / Child Classes
- Pre-K & Kindergarten Gymnastics
- Grade School Gymnastics
- Dance
- Sports Skills

The Little Gym also offers cool extras like Awesome Birthday Bashes, Parents' Survival Nights and various camps.

THANK YOU, THANK YOU

It's not just the parents who love us!

We strive to ensure that each and every member of The Little Gym has a fantastic experience, but we also do the same for each and every owner. Year after year, The Little Gym International, has been recognized both domestically and internationally as a franchise leader in our industry. While we're proud of every award that we've received, here are a few that make us exceptionally proud:

#1 Children's Fitness Franchise

2019 Entrepreneur Magazine

Top 500 Franchises

2019, 2018, 2017 and 2016 Entrepreneur

Top 50 Franchise Satisfaction Award

2019, 2018, and 2017 Franchise Business Review

Top 200 Franchises Around the World

2018 Entrepreneur Magazine

Best Fitness Franchise

2017 and 2016 FranchiseRankings.com

Top 200 Franchises

2017 Franchise Business Review

Top Personal Service Franchise

2016 Entrepreneur Magazine

Franchising's Fastest-Growing Global Brands

2016 Entrepreneur Magazine



LIFE AS AN OWNER

Now that you know a little more about us, let's talk about our owners. The Little Gym owners come from various backgrounds, but they all share the same goal: to become successful business owners while at the same time making a difference in the lives of children.

The Little Gym owners are active owners. They spend time in their gyms orchestrating their team and their facility into a successful, profitable business. They are truly the key to owning a successful The Little Gym.

Our owners have also shared:

"This is the most rewarding career choice you could ask for. Running a The Little Gym requires a significant investment of money and time but you'll love every minute of it."

Betsy & Ann Williams

Franchise Owners

"The Little Gym is clearly the market leader, and their knowledge of the industry is outstanding. We highly respect and value our relationship with the franchisor."

Matt & Crystal Backowski

Franchise Owners

"We have never looked back since the day we purchased our first territory. This is an honest, moral, well run franchise and worth every penny we invested and every dollar we pay in royalties."

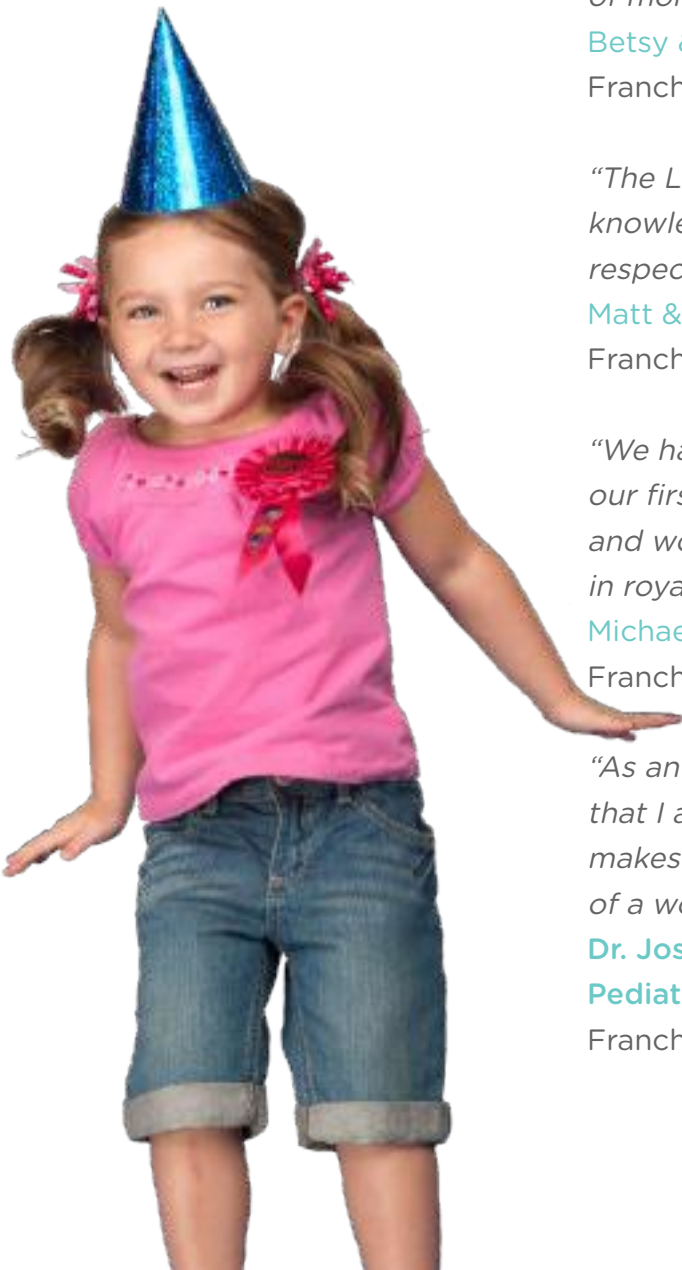
Michael & Jennifer McKeown

Franchise Owners

"As an owner and instructor, it is a great feeling to know that I am making a difference in the children that I teach. It makes me proud to know that I am part of the development of a wonderful human being."

**Dr. Josephine M. Frattallone,
Pediatrician**

Franchise Owner



HOW YOU MAKE MONEY

How do you make money and build a profitable business you can be proud of

Worldwide, The Little Gym continues to thrive and expand with happy and profitable franchisees.

With over 400 locations, the formula for success has evolved over almost half a century and continues to be the world's premier enrichment and physical development centre for children aged 4 months to 12 years. Kids just love it, and this ensures that you as a franchisee can build a profitable business and long-term asset.

Revenue comes into the business in 3 core ways:

- 1. Enrolling children from the ages of 4 months to 12 years.** Approximately 80% of the total revenue generated will come from enrolments. Parents quickly see the benefits and often keep their children engaged in the program for many years, becoming loyal long-term customers. The global enrolment average is almost 400 children per centre. Achieving this alone, will ensure you own a business that sits in a profitable position!
- 2. Special events.** The Little Gym has other activities that contribute to the enhancement of our brand, and of course the remaining 20% of revenue. These activities include Camps, Awesome Birthday Bashes, Parent Survival Nights and even Dance Classes.
- 3. The Pro Shop.** Parents purchase The Little Gym branded merchandise for their children which includes T-shirt's, money boxes, balls, pens and a host of other items.

All of the above is made available to families by paying an annual or lifetime membership fee to your Little Gym.

These 3 main revenue generating areas help you develop a profitable business whilst contributing to the intellectual, physical, and social development of children. It really is a business you can be proud of.

Be in business for yourself, not by yourself

The management team here at The Little Gym Australia and New Zealand provides franchisees with a comprehensive support package and innovative resources to help them succeed. Our role is to ensure you focus on the key drivers that see you build a profitable business.



AN OWNER'S SUPPORT TEAM

The Little Gym provides comprehensive support in the following core departments:

Training

Learning the Ropes

The thought of starting a new business is enough to tie anyone up in knots. But our Training Department is there for you every step of the way. Our instruction will provide a solid foundation and get you off to a great start. We also conduct hands-on training, regional training, real-life in-gym sessions and even online refresher courses.

Pre-Opening Training

In the months before you open, our trainers will prepare you and your key team members for a smooth opening. You'll participate in two comprehensive sessions at our 350 square metre training facility. And you'll also complete a five-day internship where you can practice your skills in a fully operational gym.

Employee Training

Also prior to opening, you'll learn our Instructor Training System which provides the tools you need to train your staff and develop their skills. It takes a team member from beginning Instructor to Master Level Instructor. This proprietary system developed by our training department ensures quality and continuity among The Little Gym franchises.

Ongoing Training

Once your gym is open, we continue to help you grow through regional and local training sessions that offer you and your team fresh innovative ideas and methods to operate your gym.

Consultant Services

How would you like to have skilled professionals help you develop your entrepreneurial muscles, build your confidence and lower your stress? Our Consultant Team will...

- be your lifeline during your pre-opening phase. Your Consultant will guide you through the whole process including finance, real estate, training and marketing.
- be your guide to help fast-track your business growth. Their goal is to ensure you get off on the right foot and ensure that your marketing, operational and financial systems are all running both smoothly and efficiently.
- be your mentor for the long-haul. As your business matures, you will need practical advice and best practices. Our Field Consultants are other current owners whose track records are exceptional and insights are invaluable.

Your Consultant stays in touch to discuss day-to-day operations and issues. They will visit your gym annually for an extensive facility review and hands-on guidance. Best of all, their mentoring continues throughout your ownership.

AN OWNER'S SUPPORT TEAM

Finance

Our top priority is seeing our franchise owners reach their potential. In order to help our owners reach their potential, our Finance Department works with you from day one, providing the financial training and support to start and manage your gym. We guide you through funding options and make lender referrals.

In the pre-opening phase, you'll learn our financial strategies and management techniques. Most importantly, you'll have access to our Pro Forma Business Model, an insightful financial planning tool. This projection tool is designed to help you set and achieve your business goals.

Throughout your ownership, The Little Gym Australia and New Zealand will be a powerful ally, available for one-on-one consultations and to review the financial and analytical tools we provide to operate your gym.



Curriculum Development

No one tops The Little Gym at developing age-appropriate curriculum. Our proprietary non-competitive program allows each child to develop their physical, mental, emotional and social skills at their own pace. And we set every lesson to original music produced by Founder Robin Wes.

Lesson plans and music have been created for every week of every class you'll offer. These lesson plans are the key to establishing your reputation as a distinctive, professional, high quality program. This structured curriculum allows you to give parents an idea of what their children will be doing when they enroll and allows you and your team to easily deliver exceptional classes.

The lesson plans provided by The Little Gym incorporate Learning Units. The entire Season of each class is divided into multi-week Learning Units to provide variety and to emphasise different developmental outcomes. In this way, at the Season's end, kids are well-rounded little people.

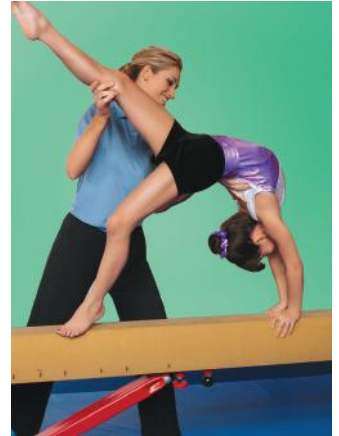
Our Curriculum Department continues to research and develop new programs, music, themes and activities to keep lessons fresh and encourage children to return season after season. You'll receive all the tools you need including curriculum manuals, lesson plans, tutorial skills videos, teaching aids and music downloads. These tools are designed to help you save time and stay focused on building membership, increasing revenues and changing lives.

AN OWNER'S SUPPORT TEAM

Information Technology

The Little Gym Information Technology Department provides startup and ongoing tools and support to all The Little Gym owners. We constantly improve the usability of tools currently available, and create new tools to help your gym run more efficiently.

The IT Department also supports The Little Gym extranet. This online library houses essential information on all aspects of the business, including curriculum, training, marketing and business operations. This is one of the most important resources available to our Owners.



The Little Gym Australia and New Zealand will also support all websites and an e-mail system that provides accounts for all gym owners, and several other innovative, proprietary tools designed to help grow your business.

Human Resources

Hiring is part intuition, part science. And it's a whole lot easier with the expertise compiled in our Operations Manual. The Little Gym Australia and New Zealand is also available to assist with your hiring needs. Detailed job descriptions, interviewing tips, and techniques will help you assemble the greatest team for your business.

Real Estate Services

Once your ownership agreement is complete, your first step is site selection. That's where The Little Gym of Australia and New Zealand comes in. Their knowledge and state-of-the-art research gives you the confidence to know you've selected the best available location for your new enterprise. They'll advise you on your lease, licensing and territory development.

Our team will also advise you during the build-out, helping select qualified vendors and assisting with construction deadlines. They'll acquaint you with our interior design standards as well as the demographic and psychographic data which can affect your choices among our variable site options. To ensure a timely opening, they'll coordinate with our internal departments for equipment ordering. Their goal is to quickly get you up and running to help you achieve early success.

AN OWNER'S SUPPORT TEAM

Marketing

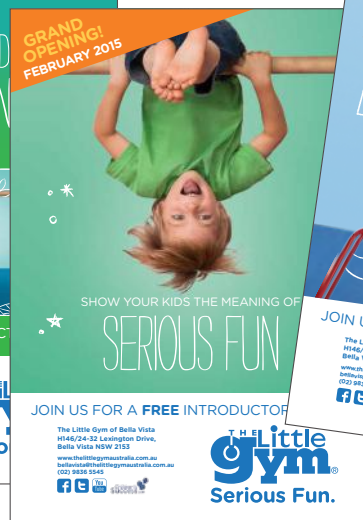
Many new business owners assume that people will flock to their doors once they open them. If it could be that simple! At The Little Gym, our team takes the mystery out of marketing through step-by-step training and access to an abundance of proven materials.

We show you how to conduct a successful grand opening, develop brand awareness in your neighborhood and community, attract new members, and retain existing ones. We have turnkey solutions available in the form of print, public relations, online marketing, direct mail, in-gym marketing and grass roots initiatives. And we are constantly creating new marketing materials and forming new partnerships to assist you in the continued growth of your business.

Our Marketing Department also supports your local efforts by creating awareness for The Little Gym through national advertising, promotions, and public relations.

A sample of our printed marketing materials

Here is just a small sample of the printed pieces available to help you promote your business. All can be custom made to adapt to your territory.

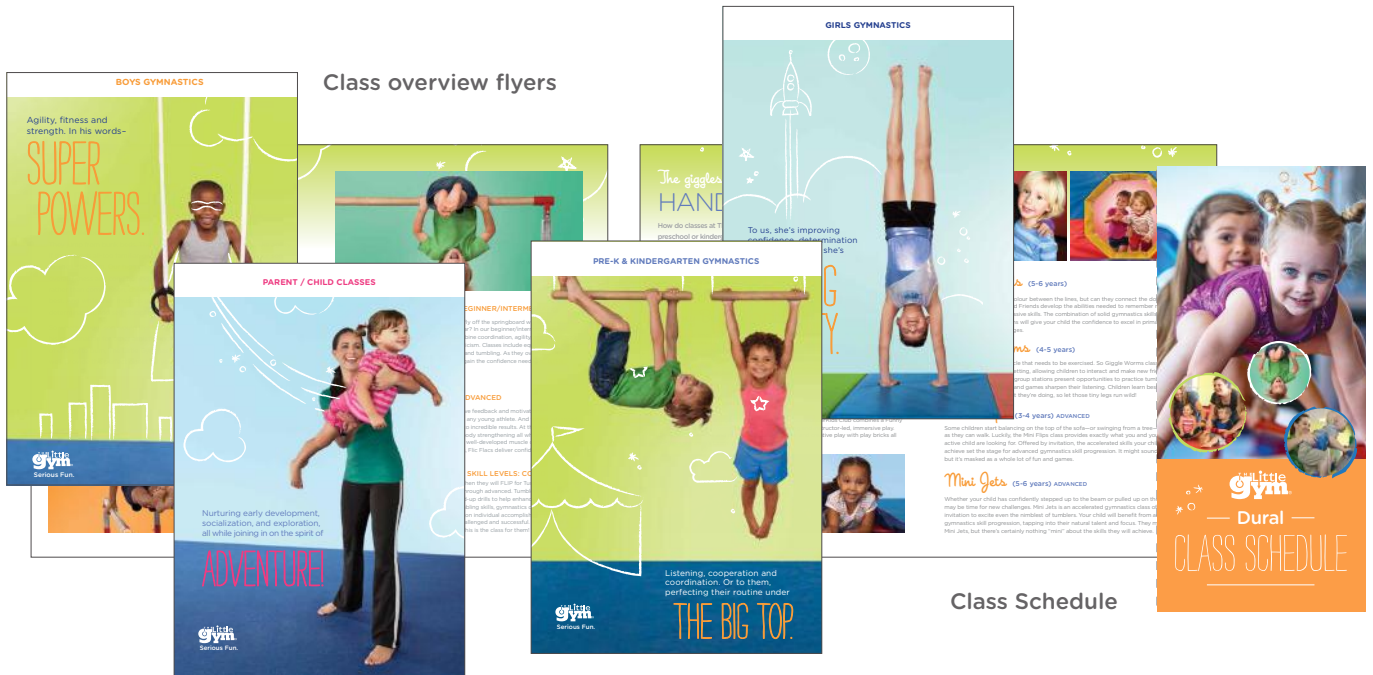


4 week pre-launch campaign



Ceiling hangers

AN OWNER'S SUPPORT TEAM



Class overview flyers

Class Schedule



Miscellaneous promotional flyers



Car decals

We can also assist in branding your wheels!



Shopping Centre Promotions

Take your gym to the people with interactive shopping centre displays



The Pro Shop

The Pro Shop within your gym can not only be a great revenue stream but a wonderful way to promote your gym.

ESTIMATED COSTS

Now that you have a better understanding of The Little Gym model, let's take a look at what it takes financially to own your own gym.

Investing in a business deserves careful consideration. Many owners rely on their personal assets to finance their gym including savings, other investments, lines of credit or home equity loans. Others get financial support from family or friends.

Breakdown of Costs

The cost associated with owning a The Little Gym varies based on many factors. Below you will find the **estimated** cost range to own, open and begin operations for your The Little Gym. These amounts are indicative and can vary depending on preference.

Category	Lower Range
Franchise Fee	\$69,500
Training (Included)	\$12,500
Start-Up Equipment	\$106,000
Computers	\$2,500
Entertainment	\$1,500
Chairs & Tables	\$2,000
Kitchen Items	\$2,500
Software	\$7,500
TLG Equipment Package	\$85,000
TLG Small Items	\$5,000
Inventory Package	\$3,000
Pro Shop Promotional items	\$3,000
Office Supplies	\$7,000
Graphics	\$13,500
Grand Total	\$199,000*

THE NEXT STEP

So, what do you think? A thriving, award-winning business, check. A business where you can't help but smile with your customers, check. The opportunity to make a difference while you make a living, check.

Sound appealing? If so, please call or email us for your own personalised gym tour to experience first hand how this business opportunity could be the one you have been looking for.

In the meantime, check us out at
www.youtube.com/watch?v=tsWMxOHmwYE&t=15s

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THANK YOU

Thank you. We know how busy you are, and truly thank you for taking the time to get to know a little more about The Little Gym. We cant wait to speak to you soon!

Albert Labbad

CEO

The Little Gym Australia & New Zealand

