UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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<tr><td>VLAD KALIKA, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

WEIGHT WATCHERS INTERNATIONAL, INC., DAVID KIRCHHOFF, JAMES CHAMBERS, ANN SARDINI, NICHOLAS HOTCHKIN, RAYMOND DEBBANE, AND ARTAL GROUP, S.A.,

Defendants.</td><td>Civil Action No. ______________

COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

<u>DEMAND FOR JURY TRIAL</u></td></tr>
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Plaintiff Vlad Kalika ("Plaintiff"), individually and on behalf of all other persons similarly situated, by Plaintiff's undersigned attorneys, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and upon information and belief as to all other matters based on the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of Securities and Exchange Commission ("SEC") filings by Weight Watchers International, Inc. ("Weight Watchers" or the "Company"), as well as conference call transcripts and media and analyst reports about the Company. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a securities class action on behalf of all purchasers of the common stock of Weight Watchers between February 14, 2012 and October 30, 2013, inclusive (the "Class Period"). Plaintiff seeks to pursue remedies against Weight Watchers and four of its current and former senior executives under §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), and Rule 10b-5 promulgated thereunder, and against its controlling shareholder and the controlling shareholder's CEO under §20(a) of the Exchange Act.

JURISDICTION AND VENUE

2. Jurisdiction is conferred by §27 of the Exchange Act. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 (17 C.F.R. §240.10b-5) promulgated thereunder. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§1331 and 1337, and §27 of the Exchange Act.

3. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b) as the Company's common stock was traded on the New York Stock Exchange ("NYSE") throughout the Class Period, the Company maintains its corporate headquarters in this District, and the alleged misconduct was transacted in and emanated from this District.

4. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

5. Plaintiff Vlad Kalika, as set forth in the accompanying Certification, which is incorporated by reference herein, purchased Weight Watchers common stock during the Class Period and has been damaged thereby.

6. Defendant Weight Watchers is the world's leading provider of weight management services, operating globally through a network of Company-owned and franchise operations. In fiscal 2012, consumers spent $5 billion on Weight Watchers branded products and services, including meetings conducted by the Company and its franchisees, Internet subscription products sold by WeightWatchers.com, products sold at meetings, licensed products sold in retail channels, magazine subscriptions, and other publications. The Company's common stock was listed on the NYSE, an efficient market, throughout the Class Period, under the ticker symbol "WTW." As of January 31, 2013, the Company had approximately 55 million shares of common stock issued and outstanding.

7. Defendant David Kirchhoff ("Kirchhoff") was the Company's Chief Executive Officer ("CEO") and President from December 31, 2006 until his resignation on July 30, 2013. Kirchhoff also served as a Weight Watchers Director during the same period of time.

8. Defendant James Chambers ("Chambers") was the Company's Chief Operating Officer between January 4, 2013 and August 1, 2013 and has served as the President of Weight Watchers since January 4, 2013 and as the CEO of Weight Watchers since August 1, 2013. Chambers has also served as a Weight Watchers Director since August 1, 2013.

9. Defendant Ann Sardini ("Sardini") served as the Chief Financial Officer ("CFO") of Weight Watchers from the start of the Class Period until her resignation on June 29, 2012.

10. Defendant Nicholas Hotchkin ("Hotchkin") has served as the CFO of Weight Watchers since August 20, 2012.

11. Defendant Artal Group, S.A. is, and was throughout the Class Period, the controlling shareholder of Weight Watchers. Artal Group, S.A. is a private equity company that controls a majority of the voting power of Weight Watchers' outstanding common stock, owning approximately 52% of the Company's outstanding shares of common stock. Artal Group S.A. is a subsidiary of Westend S.A., which is a subsidiary of Stichting Administratiekantoor Westend. In September 1999, Artal Luxembourg, S.A. acquired Weight Watchers from the H.J. Heinz Company. Artal Luxembourg, S.A. is an indirect subsidiary of Artal Group, S.A., which together with its parents and its subsidiaries is referred to in this Complaint as "Artal." Subsequent to Artal's acquisition of Weight Watchers, Artal Luxembourg S.A. transferred ownership of its shares in Weight Watchers to Artal Participations and Management S.A. and Artal Holdings Sp. z o.o., Succursale de Luxembourg, or "Artal Holdings," each also members of Artal. Upon information and belief, throughout the Class Period, Artal Holdings was the record holder of all Weight Watchers shares owned by Artal, and Artal Luxembourg held an irrevocable proxy with respect to a portion of these shares. Currently, Artal Luxembourg, S.A. is the record holder of all Weight Watchers shares owned by Artal.

12. Defendant Raymond Debbane ("Debbane") is, and was throughout the Class Period, the CEO and a Director of Artal Group, S.A. In addition, Debbane is, and was throughout the Class Period, the Chairman of Weight Watchers' Board of Directors. Debbane has been the Chairman of the Company's Board since its acquisition by Artal on September 29, 1999.

13. The Defendants referenced above in ¶¶7-10 are referred to herein as the "Officer Defendants." The Defendants referenced above in ¶¶11-12 are referred to herein as the "Artal Defendants." Weight Watchers, the Officer Defendants, and the Artal Defendants are collectively referred to herein as "Defendants."

14. Because of the Officer Defendants' and Artal Defendants' positions with the Company, they had access to the adverse undisclosed information about the Company's business, operations, operational trends, financial statements, markets and present and future business prospects via access to internal corporate documents (including the Company's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith.

15. It is appropriate to treat the Officer Defendants and Artal Defendants as a group for pleading purposes and to presume that the false, misleading and incomplete information conveyed in the Company's public filings, press releases and other publications as alleged herein are the collective actions of the narrowly defined group of defendants identified above. Each of the above Defendants, by virtue of their high-level positions with the Company and/or control of the Company, directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company at the highest levels and was privy to confidential proprietary information concerning the Company and its business, operations, growth, financial statements, and financial condition, as alleged herein. Said Defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware, or recklessly disregarded, that the false and misleading statements were being issued

regarding the Company, and approved or ratified these statements, in violation of the federal securities laws.

16. As officers and controlling persons of a publicly held company whose shares were, and are, registered with the SEC pursuant to the Exchange Act, and were, and are, traded over the NYSE, and governed by the provisions of the federal securities laws, the Officer Defendants and Artal Defendants each had a duty to promptly disseminate accurate and truthful information with respect to the Company's financial condition and performance, growth, operations, financial statements, business, markets, management, earnings, and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of the Company's publicly traded shares would be based upon truthful and accurate information. The Officer Defendants' and Artal Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

17. The Officer Defendants and Artal Defendants participated in the drafting, preparation, and/or approval of the various public, shareholder and investor reports and other communications complained of herein and were aware of, or recklessly disregarded, the misstatements contained therein and omissions therefrom, and were aware of their materially false and misleading nature. Because of their Board membership and/or executive and managerial positions with Weight Watchers, each of the Officer Defendants and Artal Defendants had access to the adverse undisclosed information about Weight Watchers' business prospects and financial condition and performance as particularized herein and knew, or recklessly disregarded, that these adverse facts rendered the positive representations made by or about Weight Watchers and its business issued or adopted by the Company materially false and misleading.

18. The Officer Defendants and Artal Defendants, because of their positions of control and authority as officers, directors, and/or controlling shareholders of the Company, were able to and did control the content of the various SEC filings, press releases and other public statements pertaining to the Company during the Class Period. Each Officer Defendant and Artal Defendant was provided with copies of the documents alleged herein to be misleading prior to or shortly after their issuance and/or had the ability and/or opportunity to prevent their issuance or cause them to be corrected. Accordingly, each of the Officer Defendants and Artal Defendants is responsible for the accuracy of the public reports and releases detailed herein and is therefore primarily liable for the representations contained therein.

19. Each of the Defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Weight Watchers common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Weight Watchers' business, operations, management and the intrinsic value of Weight Watchers common stock; and (ii) caused Plaintiff and other members of the Class to purchase Weight Watchers common stock at artificially inflated prices.

CLASS ACTION ALLEGATIONS

20. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all purchasers of the common stock of Weight Watchers during the Class Period (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

21. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Weight Watchers common stock was actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds of thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Weight Watchers and/or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

22. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of the federal securities laws that are complained of herein.

23. Plaintiff will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

24. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the Exchange Act was violated by Defendants as alleged herein;

(b) whether statements made by Defendants misrepresented material facts about the business, operations and management of Weight Watchers; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

25. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the

damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

BACKGROUND AND SUMMARY OF THE ACTION

26. In September 1999, Artal acquired Weight Watchers from the H.J. Heinz Company. From that time through the present, Weight Watchers has been controlled by Artal.

27. On February 14, 2012, Weight Watchers announced results for Q4 2011 and full-year 2011, and provided full-year 2012 earnings guidance. The Company provided a 2012 earnings guidance range of between $4.20 and $4.60 per share. In the same release, Weight Watchers announced that it planned to launch a "modified Dutch auction" tender offer the following week for up to $720 million of its common stock with a price range between $72 and $83 per share, for a total of 8.78 million shares, and that it separately had agreed to purchase shares held by Artal at the same price paid in the tender offer so that Artal's percentage ownership interest in the Company after the tender offer and the share repurchase would be substantially equal to its then-current level of 52%.

28. If the tender offer was fully subscribed, the Company would repurchase a total of approximately $1.5 billion of its common stock collectively through the tender offer and Artal repurchase. The Company took on an additional $1.5 billion of debt in order to accomplish this. The program would reduce the total number of outstanding Weight Watcher shares from 74 million to 57 million, a 23% reduction. On February 14, 2012, Weight Watchers common stock was trading at $79 per share.

29. The tender offer closed on March 22, 2012. Earlier that month, Defendants Kirchhoff and Sardini exercised large quantities of options in the $42-53 per share range. On March 16, 2012, they sold large quantities of Weight Watchers shares on the open market for $80-82 per share. On March 22, they also tendered shares to the Company for $82 per share. Kirchhoff received gross

proceeds on shares sold of approximately $6.5 million and Sardini received gross proceeds on shares sold of approximately $4.4 million. On April 9, 2012, per the terms of the tender offer, Artal Holdings sold 9.5 million shares at $82 per share, for total proceeds of $779 million.

30. Shortly after the tender offer closed, the Company reported bad news. On May 2, 2012, the Company announced its results for Q1 2012—the fiscal quarter ending March 31, 2012, just nine days after the tender offer closed—and revised its full-year 2012 earnings guidance that it had previously provided on February 14, 2012. Specifically, the Company announced that it expected to earn $4.60 to $4.80 per share for the year, and although this was an increase from its previous forecast of $4.20 to $4.60 per share, the update included a $.50 to $.55 per share benefit from the recently completed tender offer. Thus, without the benefit from the tender offer, the Company would have missed its EPS guidance significantly – guiding down to the $4.05 to $4.25 or $4.10 to $4.30 per-share range. Kirchhoff obliquely attributed the disappointing results to "execution issues." On this news, Weight Watchers shares plunged 18%, from $76.01 to $62.29.

31. The Defendants would have had visibility into these "execution issues" during the time they were making the tender offer. Specifically, the Officer Defendants knew, or were reckless in not knowing, of these negative developments when they sold their shares into the tender offer on March 22, 2012. The Artal Defendants knew, or were reckless in not knowing, of these negative developments when they sold Artal's shares on April 9, 2012, after the quarter had already closed.

32. On the earnings call after the May 2, 2012 announcement, at least two analysts questioned the timing of the tender offer, suggesting the Company could have bought stock back at a lower price after reporting the quarter.

33. Timothy Green, a financial writer for the stock blog *The Motley Fool*, called the Company's tender offer "the most absurd share buyback program I've seen. Loading up the

company with debt to repurchase shares at an inflated price is a terrible idea, plain and simple." On January 11, 2013, Green analyzed Weight Watchers' financial position at the end of 2011, before the massive buyback. He determined the fair value of Weight Watchers stock at the end of 2011, just prior to the share buyback, was $60 per share. "[O]ne thing is clear: $82 per share certainly wasn't cheap."

34. Green explained the harm of the share buyback inflicted on Weight Watchers' shareholders:

> This is what happens when you overpay for your own shares – you hurt the common shareholder. The people who accepted the tender offer for $82 per share made out like bandits, as the [then] current share price is around $60 per share. Those who stayed saw the real value as well as the market value of their shares fall. This reeks of a desperate attempt to boost the share price which in the end did exactly the opposite.

35. Michael Olson, also a financial writer for *The Motley Fool*, specifically criticized the share buyback as an attempt by Artal to cash out: "Artal Group, a private equity firm, owns 44% of shares, and effectively controls the board. You might argue that last summer's tender offer was a cash-out for its private equity owners, and it wouldn't be unreasonable."

36. The Officer Defendants and the Artal Defendants thus engaged in a "desperate attempt to boost the share price" of Weight Watchers so they could cash out their own holdings, while at the same time omitting material information from the market that they had a duty to disclose.

37. Defendants continued to conceal material information from investors after the May 2, 2012 disclosure of missed earnings. Specifically, Defendants failed to disclose to the market that Weight Watchers was losing customers to weight-loss applications ("apps") that were available for free on smartphones, tablets, and the Internet.

38. An increasing number of free fitness-tracking apps had already flooded the market at the start of the Class Period. The Apple App Store now has over 10,000 mobile fitness apps, such as heart-rate monitors, calorie counters, and instructional exercise apps, many of which can be downloaded for free – in lieu of paying $19 per month for a Weight Watchers subscription. Weight Watchers also has apps for iOS and Android, but they can only be accessed by the Company's paid members, which severely limits their appeal to new customers.

39. When addressing the effect of free weight-loss apps during the Class Period, Kirchhoff dismissed analysts' concerns and reiterated the Company's projections without disclosing the harm that free weight-loss apps were then having on the Company's recruitment efforts.

40. Then, on February 13, 2013, Weight Watchers announced its Q4 2012 financial results. For the fourth quarter, the Company posted a net profit of $58 million, down from $63.7 million in the prior year quarter. Weight Watchers also announced that it expected to earn between $3.50 and $4.00 per share for the year, missing the Thomson Reuters' consensus of $4.75.

41. During an earnings conference call with analysts, that same day, Kirchhoff acknowledged that the damage inflicted on Weight Watchers by free apps had begun at least six months earlier, stating in pertinent part as follows:

> Over the past year, however, there's been an increase in proliferation of free applications, and Google Trends metrics indicate that consumer interest in these apps is up significantly this January. It is now clear that the WeightWatchers.com awareness-driving strategy that has been so successful at driving millions of people in the WeightWatchers.com ***started losing some effectiveness roughly 6 months ago***. We now need to shift gears to leverage the groundswell of people interested in weight loss mobility tools by communicating the full value proposition of Weight Watchers online, and the behavior modification approach on which it's based.[1]

42. In response, the price of Weight Watchers' stock fell 17%, from $54.11 per share to $44.91 per share.

[1] All emphasis is added unless otherwise noted.

43. The February 13, 2013 announcement only partially revealed the competitive pressure that Weight Watchers was then facing from free weight-loss apps, and failed to disclose to investors the full extent of the competitive pressure that the Company was facing from such apps. Indeed, even as the Company narrowed its earnings guidance to between $3.60 and $3.90 per share on May 2, 2013, Kirchhoff assured investors that the Company was seeing a "nice bit of stabilization" in its overall enrollment and recruitment activity.

44. Despite Kirchhoff's reassurance, on August 1, 2013, amid a downgrade of full-year 2013 earnings guidance to only $3.55 to $3.70 per share, investors learned that the "***continued sudden explosion of interest in free apps*** and activity monitors" was causing a "***very tough recruitment environment***." On this news, the price of Weight Watchers common stock declined another $9.04 per share, or over 19%, from a close of $47.03 per share on August 1, 2013 to close at $37.99 per share on August 2, 2013.

45. Finally, on October 30, 2013, Defendants admitted that "***steep declines in recruitment***," caused by a "***wave [of] free apps***," undermined revenues, forcing the Company to indefinitely suspend the regular dividend it had paid to investors since 2006. On this news, the price of Weight Watchers stock fell $7.81 per share, or over 19%, from a close of $39.92 per share on October 30, 2013 to close at $32.11 per share on October 31, 2013.

DEFENDANTS' MATERIALLY FALSE AND MISLEADING CLASS PERIOD STATEMENTS

46. The Class Period starts on February 14, 2012. On that day, after the market closed, Weight Watchers issued a press release announcing its fiscal 2011 results for the fourth quarter and full year, and provided full-year fiscal 2012 earnings guidance. In the press release, Defendant Kirchhoff provided a 2012 earnings guidance range of between $4.20 and $4.60 per fully diluted

share. The press release also announced the Company's tender offer stating in pertinent part as follows:

> The Company also announced today that it plans to launch a "modified Dutch auction" tender offer next week for up to $720.0 million of its common stock with a price range between $72.00 and $83.00 per share and that it separately has agreed to purchase shares held by its controlling shareholder, Artal Holdings Sp. Z o.o., at the same price paid in the tender offer so that Artal's percentage ownership interest in the Company after the tender offer and the share repurchase will be substantially equal to its current level. If the tender offer is fully subscribed, the Company will repurchase a total of approximately $1.5 billion of its common stock collectively through the tender offer and Artal repurchase.

47. In a separate press release issued that same day, the Company provided additional details about the tender offer, and represented that it expected to fund the share purchases in the tender offer and from Artal through new borrowings, stating in pertinent part as follows:

> Weight Watchers International, Inc. (NYSE: WTW) today announced its plan to launch a "modified Dutch auction" tender offer for up to $720,000,000 of its common stock at a price per share not less than $72.00 and not greater than $83.00. This price range represents a 4.3% premium to a 20.3% premium to the year-to-date volume-weighted average price of $69.00 per share for the Company's common stock. The tender offer is expected to commence next week and will remain open for at least 20 business days.
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> A "modified Dutch auction" tender offer allows shareholders to indicate how many shares and at what price within the Company's specified range they wish to tender. Based on the number of shares tendered and the prices specified by the tendering shareholders, the Company will determine the lowest price per share within the range that will enable the Company to purchase $720,000,000 of its common stock (or a lower amount if the offer is not fully subscribed). All shares purchased by the Company in the tender offer will be purchased at the same price. The Company will not purchase stock below a shareholder's indicated price, and in some cases, the Company may actually purchase shares at a price that is above a shareholder's indicated price under the terms of the tender offer. Artal Holdings Sp. Z o.o., Succursale de Luxembourg, the Company's majority shareholder, has agreed not to tender any shares in the tender offer.
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> ***The Company also announced today that it has entered into an agreement to purchase shares from Artal, which owns approximately 52% of the Company's outstanding shares of common stock as of February 13, 2012. Under the terms of this agreement, Artal agreed to sell to the Company a number of shares of common stock so that Artal's percentage ownership interest in the Company's outstanding shares of common stock after the tender offer and such purchase from Artal will***

> ***be substantially equal to its current level. This purchase will be at the same price per share as determined by the Company in the tender offer, such that if the tender offer is fully subscribed, the Company will repurchase a total of approximately $1.5 billion of its common stock collectively through the tender offer and pursuant to the Artal purchase agreement (representing approximately 24.6% to 28.3% of the Company's outstanding shares of common stock as of February 13, 2012).***
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> ***The Company expects to fund the share purchases in the tender offer and from Artal through new borrowings under an amended and extended version of its existing credit facilities that the Company is currently negotiating and which is expected to be in place at least five business days prior to the closing of the tender offer***. The tender offer will not be conditioned upon any minimum number of shares being tendered, but will be subject to the completion of the new borrowings and other customary conditions that will be described in the tender offer documents. The tender offer documents, which will be distributed to shareholders upon commencement of the tender offer, also will contain tendering instructions and a complete explanation of the tender offer's terms and conditions.

48. Later that same day, Weight Watchers held a conference call with analysts and investors to discuss the Company's earnings and operations. During the call, Defendant Kirchhoff reiterated the full-year EPS guidance of $4.20 to $4.60 per share announced by the Company in the press release and provided his basis for the full-year EPS guidance. Defendant Kirchhoff noted a number of operational issues that were affecting the Company during the first quarter of 2012, but nevertheless affirmed a "return to a more normal business growth trajectory" for the rest of the year, stating in pertinent part as follows:

> Guidance. In providing guidance for this year, our forecast reflects the reality of lapping Q1 2011, a period of extremely high enrollment growth in our North American and U.K. businesses, as well as our WeightWatchers.com business.
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> As we passed the hump of Q1 2011, ***we expect to return to a more normal business growth trajectory in Q2 through Q4 of 2012 that better reflects the two underlying strength of our brand and the effort of our strategies***.
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> * * *
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> Overall financial performance. ***Given these volumes forecasts, we are expecting flat revenue growth in Q1 2012, then rising to high single to low double-digit growth for the remainder of the year***.

49. Also during the call, Defendant Kirchhoff dismissed the notion of competition to Weight Watchers from free weight-loss apps, stating in pertinent part as follows:

> **Anand Vankawala** - Avondale Partners
>
> Okay. Then, I guess last, just also on the online business, do you have any thoughts on emerging competition in the online space? We've seen few online startups that have been popping up, that have been just going up in popularity. So just any initiatives that you have in place to combat that?
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> **David Kirchhoff** - President and CEO:
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> ***Yes, of course we have been seeing online start-ups pop up actually for the past 10 years, so this isn't new per se***.
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> ***The first point I would make in terms of structural advantages we have in this proposition is that, first off, we have the only online offering that is apparently worth paying for because the other apps I guess the people who wrote them don't have sufficient confidence in them to think that they're worth very much money. But putting that aside, what I would suggest is that the average person who buys Weight Watchers Online is not buying an online calorie counter. They are not buying any particular app per se. They are buying a proven program with a brand that they trust that they know to work. And the fact that it is supported by apps is what makes for a compelling value proposition. So it's not the application itself. A lot of these online apps that we are now starting to see -- and you know, for example, there's websites like SparkPeople that's now been around for a bunch of years. It really hasn't had any impact that we can discern on our business. Apps that are now popping up on the iTunes store, they are out there but, again, we can't see any discernible impact on our business. I think it's because the value proposition between them is pretty different***.

50. On February 23, 2012, Weight Watchers filed a Form 13e-4 tender offer statement with the SEC.

51. On March 15, 2012, the Company filed a Form 8-K with the SEC, announcing that it had completed an amendment to its existing credit facilities to increase its borrowing capacity up to an additional $1.45 billion to finance the share purchases in its pending tender offer and the previously announced related share repurchase from Artal.

52. In a press release issued the same day, the Company made representations concerning the magnitude of insider selling into the tender offer, stating in pertinent part as follows:

> Additionally, in connection with the tender offer amendment, the Company is reporting that four executive officers of the Company have indicated they expect to tender shares in the tender offer. ***Mr. David P. Kirchhoff, President and Chief Executive Officer and a director of the Company, Mr. Jeffrey A. Fiarman, Executive Vice President, General Counsel and Secretary, and Ms. Melanie Stubbing, President, Europe, have each advised the Company of their intent to tender shares of common stock underlying stock options that represent up to 25% of their share holdings (including shares underlying vested options). In addition, Ms. Ann M. Sardini, who as previously announced will retire as Chief Financial Officer effective as of March 30, 2012, has advised the Company of her intent to tender up to 100% of her current holdings of shares (including shares underlying vested options) in the tender offer***.

53. On March 28, 2012, Weight Watchers announced the final results of its self-tender offer, stating in pertinent part as follows:

> Weight Watchers International, Inc. (NYSE: WTW) today announced the final results of its "modified Dutch auction" tender offer for up to $720.0 million in value of its common stock, which expired at 12:00 midnight, New York City time, on Thursday, March 22, 2012. In accordance with the terms and conditions of the tender offer, the Company has accepted for purchase an aggregate of 8,780,485 shares of its common stock at a purchase price of $82.00 per share, for an aggregate cost of approximately $720.0 million. These shares represent approximately 11.9% of the Company's outstanding shares of common stock as of February 13, 2012.
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> Based on the final count by the depositary for the tender offer, an aggregate of 9,038,999 shares of the Company's common stock were properly tendered and not properly withdrawn at or below a purchase price of $82.00 per share. Because more than $720.0 million in value of common stock was properly tendered and not properly withdrawn, the tender offer was oversubscribed. As a result, pursuant to the terms of the tender offer, shares will be accepted on a pro rata basis, except for tenders of "odd lots", which will be accepted in full. The depositary has informed the Company that, after giving effect to the priority for "odd lots," the final proration factor for the tender offer is approximately 97.14%. The Company will promptly pay for the shares accepted for purchase, and any shares tendered and not purchased will be returned to the tendering shareholders promptly thereafter.
>
> Additionally, on April 6, 2012, the Company expects to purchase 9,498,804 shares of its common stock from Artal Holdings Sp. z o.o., Succursale de Luxembourg, its majority shareholder, at a purchase price of $82.00 per share. The Company previously announced an agreement with Artal to purchase a number of shares of the Company's common stock at the price established by the tender offer so that Artal's percentage ownership interest in the Company's outstanding shares of common stock after the purchase of shares in the tender offer and from Artal will be substantially equal to its current level. As a result of the tender offer and the purchase from Artal, the Company will repurchase 18,279,289 shares of its common stock for

approximately $1.5 billion in the aggregate (representing approximately 24.8% of its outstanding shares of common stock as of February 13, 2012).

54. On April 11, 2012, the Company filed a Form SC-13D/A with the SEC, stating that the Company had repurchased 9.5 million shares of common stock from Artal.

55. The same day, the Company filed a Form SC-13G/A with the SEC clarifying Artal's ownership of 51.76% of Weight Watchers outstanding common stock stating in pertinent part as follows:

> (a) Amount beneficially owned:
>
> As of the date hereof, Artal Holdings Sp. z o.o., Succursale de Luxembourg ("Artal Holdings") is the record owner of 28,749,089 shares of Common Stock. Artal Luxembourg S.A. holds an irrevocable proxy with respect to 15,000,000 of these shares. Artal Holdings is a subsidiary of Artal Luxembourg S.A., which is a subsidiary of Artal International S.C.A., which is managed by its managing partner, Artal International Management S.A., which is a subsidiary of Artal Group S.A., which is a subsidiary of Westend S.A., which is a subsidiary of Stichting Administratiekantoor Westend, whose sole member of the Board is Mr. Pascal Minne. Consequently, each of Artal Group S.A., Artal International S.C.A. and Artal Luxembourg S.A. may be deemed to be the beneficial owner of the shares of Common Stock held of record by Artal Holdings.
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> (b) Percent of class:
>
> Based on the Issuer having 55,538,970 shares of Common Stock outstanding (which, based on information provided by the Issuer, was the number of shares of Common Stock outstanding as of April 9, 2012) as of the date hereof, each of Artal Group S.A., Artal International S.C.A. and Artal Luxembourg S.A. may be deemed to be the beneficial owner of approximately 51.76% of the number of shares of Common Stock outstanding.

56. The statements referenced above in ¶¶ 46, 48 and 49 were each materially false and misleading when made because they failed to disclose the following adverse facts which were known or recklessly disregarded by Defendants:

(a) that the Company was experiencing execution issues which were causing it to miss its internally forecasted financial plan;

(b) that the Company was experiencing a significant drop in its North America and United Kingdom meeting attendance figures;

(c) that the Company was facing increased competition from free weight-loss apps and its enrollment was being negatively impacted;

(d) as a result of the foregoing, Defendants lacked a reasonable basis for their positive statements about the Company, its revenues, earnings, prospects and business.

57. On May 2, 2012, the Company issued a press release announcing its results for the first quarter of 2012 and revised its full-year 2012 earnings guidance. Weight Watchers reported:

- Revenues of $503.5 million, essentially flat versus the prior year period, with total paid weeks up 12.2% versus the prior year period[;]

- Marketing spend up 36.2% versus the prior year period, driven principally by investment behind Weight Watchers Online for men in the United States and awareness building for Weight Watchers Online in Continental Europe[;]

- Internet revenues of $126.9 million, up 38.0% versus the prior year period, with Online paid weeks up 35.4% and end of period active Online subscribers up 32.3% versus the prior year period[; and]

- Successful refinancing of debt and completion of a "modified Dutch auction" tender offer which resulted in the repurchase of 8,780,485 shares of common stock for approximately $720.0 million; following the quarter-end, repurchase by the Company of an additional 9,498,804 shares of common stock from the Company's majority shareholder for approximately $778.9 million[.]

58. Defendant Kirchhoff was quoted in the press release: "While we expected to face difficult comparisons versus a record first quarter in 2011, results in the meetings business were still somewhat softer than our expectations. ***Most of our challenges in the meetings business were attributable to execution issues, which are now in the process of being addressed***." Defendant Kirchhoff acknowledged that the full-year earnings guidance he had provided on February 14 – which was already half-way through the first quarter – could not be achieved. According to Kirchhoff, "We are revising our fiscal 2012 earnings guidance to incorporate the effect of the tender

offer transaction and related share repurchase as well as the impact of trends to date. Our full year earnings guidance range is now between $4.60 and $4.80 per fully diluted share."

59. The same day, Weight Watchers held a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, Defendant Kirchhoff explained why the Company was revising full-year 2012 guidance downward, stating in pertinent part as follows:

> Guidance. ***The extent of our enrollment challenges in Q1 was somewhat worse than we had originally anticipated when we provided guidance on the last call. In particular, it has taken us longer to dig out of the hole we created for ourselves in the small account corporate business in the U.S. Therefore, the impact of Q1 challenges will create pressure on our top-line results, and the remaining quarters of 2012, specifically in our meetings business. For Q2, the flow-through of Q1 softness in the meetings business will result in declining revenue in the mid-single digits.*** Growth in Internet revenues will provide a greater positive impact, which should allow us to achieve total revenue growth for Q2 in the low single digits. ***This coupled with the financial impacts I discussed earlier, translates into operating income being flat-to-down in the low single digits.***
>
> As we move into the second half of this year, volume trends should stabilize in the meetings business, and we will continue to benefit from growing WeightWatchers.com volumes. This, combined with the growing benefit from our price increase, should result in top-line growth in high single digits for the second half of the year. Given this, coupled with the marketing timing I discussed earlier, operating income should therefore accelerate into Q3, and more so in Q4. ***For the full year, we're narrowing and lowering our guidance range of 2012 EPS to $4.60 to $4.80, which includes $0.50 to $0.55 per fully diluted share accretion benefit from our tender offer transaction and related share repurchase. This compares with the previously provided range of $4.20 to $4.60 per fully diluted, which at the time excluded, a then-estimated 2012 accretion benefit of $0.45 to $0.60 per fully diluted share***.

60. In response to this announcement, the price of Weight Watchers common stock plunged 18%, from $76.01 per share on May 2, 2012, to close at $62.29 per share on May 3, 2012, on unusually high trading volume of 6.5 million shares trading.

61. However, Defendants continued to conceal the negative impact that free weight-loss apps were then having on Weight Watchers' business.

62. On August 1, 2012, Weight Watchers issued a press release announcing its results for the second quarter of fiscal 2012 and revised its fiscal 2012 earnings guidance. The Company reported:

- Revenues of $484.8 million, up 2.3% on a constant currency basis versus the prior year period, with total paid weeks up 11.1% versus the prior year period[;]
- Internet revenues of $135.6 million, up 31.0% on a constant currency basis versus the prior year period, with Online paid weeks up 30.2% and end of period active Online subscribers up 26.4% versus the prior year period[; and]
- Following the quarter end, the hiring of a new Chief Financial Officer, Nicholas Hotchkin, who will be joining the Company effective August 20, 2012[.]

63. In the press release, Kirchhoff commented:

> Second quarter 2012 results were in line with our expectations, benefiting from 11% total paid weeks growth in the quarter versus the prior year period. Yet, since June we have seen a weakening in our trends so we are taking a more cautious view of our business for the second half of the year in light of difficult macro-economic trends, particularly in consumer sentiment. Therefore, we are revising our fiscal 2012 earnings guidance to a range of between $4.00 and $4.20 per fully diluted share.

64. On the same day, Weight Watchers held a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, Defendant Kirchhoff downplayed the effect of free weight-loss apps on the Company's profits, claiming that free weight-loss apps were frequently downloaded, but infrequently used, by consumers. Defendant Kirchhoff stated in pertinent part as follows:

> **John Faucher** - JPMorgan
>
> Thanks. Two questions, first off, on the online business, you talked about maybe seeing some other trends in online with some competitors. Are you seeing any shift to some of the free products that are out there with the economic weakness, and do you perceive this as being more of a threat if the economic weakness continues?
>
> * * *
>
> **David Kirchhoff:**

Yes. Both good and fair questions. . . .[S]o ***let me start with the free app. Of course I'm always concerned about anything that's being given away. And there certainly has been a lot of distribution of free mobile applications that help people count calories, and that's typically what they've been. Most of the apps I've seen they've tended to focus on one specific element of the weight loss process. They tend not to have a complete program built around them.***

And what I would say is that when we see people signing up for Weight Watchers online what we hear is that they want to do Weight Watchers the program and the software tools are merely a way of helping them do Weight Watchers. So, their purchase decision isn't so much of comparing our points tracker versus someone else's calorie tracker, it's more a decision of do I want to do Weight Watchers because I know other people that have done Weight Watchers and is it a program that can work for me?

Further to that point what I would argue is that the Weight Watchers program is obviously . . . a much more comprehensive form of behavior change and tools and resources stretching from not just mobile but also including website across. And having a completely full-blown program that is much more comprehensive in nature than what is available in a free app.

Finally, what I would suggest is one of the challenges with free apps is that it is pretty easy to get to someone to download something that's free. It's less clear how long someone is going to actually use it once they download it. So, I wouldn't be surprised if you had a number of people out there that had three or four free weight loss apps on their phone and perhaps weren't even using any of them.

So, what I'm trying to say is that we, like any other competitive threat, we take this seriously and our best way of defending against it is to continue to oppress an aggressive agenda in terms of product and program development and getting people excited about Weight Watchers as a the way of helping them achieve their goals in a way that a free application would have a hard time matching. And so that's kind of our starting point in terms of how we address that particular issue. And I would also point out that a lot of the sort of massive downloads on free apps has been happening even while we were experienced, for example it was going all through 2011 when we were also experiencing a huge amount of sales growth for Weight Watchers online products.

65. On November 5, 2012, the Company issued a press release announcing its results for the third quarter of fiscal 2012 and narrowed its fiscal 2012 earnings guidance. The Company reported:

- Revenues of $430.6 million, up 2.7% on a constant currency basis versus the prior year period, with total paid weeks up 8.8% versus the prior year period[;]

- Internet revenues of $124.2 million, up 24.2% on a constant currency basis versus the prior year period, with Online paid weeks up 23.2% and end of period active Online subscribers up 19.5% versus the prior year period[; and]

- Q3 2012 EPS of $1.20, up 10.5% versus the prior year period EPS of $1.09[.]

66. In the press release, Kirchhoff commented:

> Overall, fiscal 2012 is expected to end very much in line with our prior earnings guidance. Our Q3 2012 financial results were somewhat better than our expectations with continued strength of our WeightWatchers.com business being offset in part by pressure on our North American and UK meetings businesses. Our recent decision to accelerate a few investment areas in preparation for 2013, as well as Hurricane Sandy, will impact our Q4 2012 results. Therefore, we are narrowing our fiscal 2012 earnings guidance to a range of between $4.00 and $4.10 per fully diluted share, reflecting approximately $0.05 per fully diluted share of investment costs pulled forward into the fourth quarter from Q1 2013 as well as an estimated $0.02 to $0.03 per fully diluted share of negative impact from Hurricane Sandy.

67. On the same day, Weight Watchers held a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, Defendant Kirchhoff discussed free weight-loss apps, with what one analyst called a "change of tone", stating in pertinent part as follows:

> [W]e recognize that in an environment where there is pressure and consumer discretionary spend, that the proliferation of so-called free apps has the potential to create additional pressure on our ability to recruit new people. Our plan is to overcome these challenges with major program improvements, as well as new marketing campaigns that allow us to rise above the clutter and noise and to create further differentiation in our offerings versus other alternatives.

68. Yet Kirchhoff's exchange with that analyst sought to dispel concerns investors may have had about the effect of free apps on Weight Watchers' bottom line. The following exchange took place:

> **John A. Faucher** - JPMorgan
>
> Two questions here. The first is, it seems as though there was a slight change in tone in terms of your discussion of the free app issue. Is this something where you've seen something going on in the market where you've got a heightened level of concern here? . . .

David P. Kirchhoff:

> So, in the first question on apps, part of the reason I wanted to proactively bring it up was just because its been kind of a constant part of conversation and dialogue with the investment community, and I wanted to basically be responsive to it. ***Here is my take on apps, is that they have obviously been out there for some period of time. Lots of people are downloading free apps. They are all over the place. There's lots of companies developing free apps. It's like 10 guys and a box of pizza, and you have a free app. What I've seen, and I've spent a lot of time looking closely at them, going out to technology conferences where I've met the people that are running these companies, nice guys, hard workers. I think there's a couple of issues***.
>
> ***First off, there's really not a business model to be found among any of these companies, which I think begs the question of sustainability over the long term. Secondly, frankly, the bigger issue that I see with free apps is an issue that has been vexing across the app space within the broader healthcare area, that you'll hear a lot of people in healthcare complaining about sort of underneath their breath sometimes, and sometimes not underneath their breath, which is people download an app and use them for two weeks and then put it away. The problem that I see with apps is that they're effectively calorie counters, and they're applications that make counting calories a little bit easier, but they're not based on an actual program***.
>
> ***They are not based on a lot of behavior-mod science. There's really not that much there. And I believe that, therefore, from our point of view, we take every competitive challenge seriously. But, from our point of view, I think given what we have going for us and going into next year, we believe that we're going to have a value proposition that is nowhere even close to being in the same place as a lot of these applications, which are much more narrowly defined. But we haven't seen anything different this month versus what we saw six months ago, to answer your question directly***.

69. The statements in ¶¶ 58, 59 and 62-68 were each materially false and misleading when made because they failed to disclose the following adverse facts which were known to, or recklessly disregarded by, Defendants:

(a) that the Company was facing increased competition from free weight-loss apps, which was materially undermining the Company's recruitment efforts;

(b) as a result of increased competition from free weight-loss apps, the Company's enrollment figures were trending significantly downward; and

(c) based on the foregoing, the Company was not on track to achieve the financial results Defendants had led the market to expect at the start of the Class Period.

70. On February 13, 2013, the Company issued a press release announcing its fiscal 2012 results for the fourth quarter and full year and provided full-year fiscal 2013 earnings guidance. The Company reported:

- Revenues of $407.9 million, up 1.7% versus the prior year period, with total paid weeks up 4.5%[;]

- Internet revenues of $117.6 million, up 17.6% versus the prior year period, with Online paid weeks up 18.0% and end of period active Online subscribers up 18.0%[; and]

- EPS of $1.03 for the quarter and full year 2012 EPS of $4.23; excluding a one-time net benefit related to the Company's settlement of its previously disclosed UK self-employment tax litigation, EPS for the quarter was $0.96 and full year 2012 EPS was $4.16[.]

71. In the press release, Kirchhoff commented:

> While 2012 set a Company record for combined global meetings members and global Weight Watchers Online subscribers, we have been disappointed by our recruitment trends thus far in 2013. Our current marketing has not been as effective in this tough economic and increasingly competitive environment. In this context, we are taking appropriate steps to address these near-term challenges while continuing to pursue our long-term growth strategies. We are providing a 2013 full-year guidance range of $3.50 to $4.00 per fully diluted share.

72. Weight Watchers' 2013 full-year guidance range of $3.50 to $4.00 per share widely missed Thomson Reuters' consensus of $4.75 per share.

73. During the February 13, 2013 earnings conference call, Kirchhoff admitted that free weight-loss apps were taking their toll on the Company's online business – and had been for the previous six months stating in pertinent part as follows:

> ***Over the past year, however, there's been an increase in proliferation of free applications***, and Google Trends metrics indicate that consumer interest in these apps is up significantly this January. ***It's now clear that the WeightWatchers.com awareness-driving strategy that has been so successful at driving millions of people in the WeightWatchers.com started losing some effectiveness roughly 6 months***

> ***ago***. We now need to shift gears to leverage the groundswell of people interested in weight loss mobility tools by communicating the full value proposition of Weight Watchers Online, and the behavior modification approach on which it's based.

74. Kirchhoff acknowledged the challenge posed by free apps stating in pertinent part as follows:

> Now I do think that a challenge we're facing right now is clearly, therefore, on trial, driving trial into Weight Watchers, particularly for people who have never used us before. ***And given the context of difficult economic circumstances and the fact that there is these things like free apps and those types of things, I think it is putting additional pressure on us to think of new and better ways to convey our message and market our message and communicate our value proposition***.

75. In response to this disclosure, Stephen D. Simpson, CFA, a financial writer for the Investopedia website, wrote: "I think Weight Watchers has failed to develop compelling new products that add value to the user/client experience. ***I think that could be particularly dangerous in the online business, where dieters can increasingly choose free apps or ad-supported website in lieu of paying $19 a month for a subscription***."

76. On this news, the price of Weight Watchers common stock plummeted 17%, from $54.11 per share on February 13, 2013, to close at $44.91 per share on February 14, 2013, on unusually high trading volume of more than six million shares trading.

77. Despite Defendants' admission that free weight-loss apps were impacting the Company's ability to recruit new customers, Defendants continued to downplay the full negative impact of these competitive pressures. For example, when the Company announced its financial results for the first quarter of 2013 and provided narrower full-year 2013 earnings guidance of between $3.60 and $3.90 per share on May 2, 2013, Kirchhoff assured investors that despite "unexpected drops[] in terms of overall levels of enrollment and recruitment activity" in early February 2013, the Company "***saw a nice bit of stabilization***" toward the end of February and in March that was "a little better than what we were expecting to be the case."

78. On August 1, 2013, the Company announced that Defendant Chambers had been appointed the Company's President and CEO, and that Chambers had also been elected to the Company's Board of Directors. Chambers succeeded Defendant Kirchhoff, whose resignation was effective as of July 30, 2013.

79. Notwithstanding Defendants' statements on May 2, 2013 that the negative recruitment trends were stabilizing, on August 1, 2013, the Company announced in its second quarter 2013 financial results that its quarterly net income was only $64.9 million, a 16.2% decline from the same period the prior year. Quarterly fully-diluted earnings per share had similarly declined 15.0% as compared to the same period the prior year. The Company further disclosed that it was reducing its full-year 2013 earnings guidance to between $3.55 and $3.70 per share. In the earnings call held that evening, Defendant Hotchkin attributed the disappointing progress to the "very tough recruitment environment," which was being negatively affected by the "***continued sudden explosion of interest in free apps and activity monitors***."

80. On this news, the price of Weight Watchers stock declined $9.04 per share, or over 19%, from a close of $47.03 per share on August 1, 2013 to close at $37.99 per share on August 2, 2013, on unusually high trading volume of nearly six million shares trading.

81. Finally, on October 30, 2013, the Company announced its results for the third quarter of fiscal 2013. In its press release, the Company disclosed that year-over-year quarterly revenues were only $393.9 million, or a decline of 8.5%. Moreover, the Company revealed that quarterly net income was only $60.3 million, a 10.5% decrease from the same period the prior year, and that fully-diluted quarterly earnings per share had declined 11.2% from the same period the prior year. Amid these troubling financial results, the Company announced that it had indefinitely suspended its dividend, which it had paid regularly since 2006.

82. Defendant Chambers admitted in that day's investor conference call that "it's clear that our top-line momentum is weak across nearly all our business lines and geographies, ***with steep declines in recruitment being the principal cause***." He explained that "[t]his weakness has accelerated . . . ***as the wave [of] free apps, stealing trial in the category, continues to a[d]versely impact our online recruitments in particular***." Chambers attributed the Company's suspension of the dividend to its desire "to build flexibility on the balance sheet" as the Company responds to recruitment problems.

83. On this news, Weight Watchers' stock price fell $7.81 per share, or over 19%, from a close of $39.92 per share on October 30, 2013 to close at $32.11 per share on October 31, 2013, on unusually high trading volume of more than seven million shares trading.

ADDITIONAL SCIENTER ALLEGATIONS

84. As alleged herein, Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, these Defendants, by virtue of their receipt of information reflecting the true facts regarding Weight Watchers, their control over, and/or receipt and/or modification of Weight Watchers' allegedly materially misleading statements and/or their associations with the Company which made them privy to confidential proprietary information concerning Weight Watchers, participated in the fraudulent scheme alleged herein.

85. Additionally, Defendants were motivated to consciously and/or recklessly make false and misleading statements and omissions in order to allow Defendants Kirchhoff, Sardini, and Artal and other insiders to sell shares of their personally-held Weight Watchers common stock at inflated

prices, yielding proceeds of approximately $796 million during the Class Period, as the following chart demonstrates:

Last Name	First Name	Position	Date	Shares	Price	Proceeds
Basone	Michael	Chief Technology				
		Officer	11/15/12	28,690	54.45	$1,562,171
			05/07/13	3,800	42.07	$159,866
			05/07/13	22,100	40.82	$902,122
			05/07/13	257	42.43	$10,905
				54,847		$2,635,063
Fiarman	Jeffrey	General Counsel	3/16/12	11,275	80.67	$909,554
			3/22/12	4,789	$82.00	$392,698
			04/04/12	141	77.97	$10,994
				16,205		$1,313,246
Kirchhoff	David	Chief Executive				
		Officer/Defendant	3/16/12	300	81.28	$24,384
			3/16/12	61,165	80.68	$4,934,792
			3/22/12	18,272	$82.00	$1,498,304
			04/04/12	538	77.97	$41,948
				80,275		$6,499,428
Sardini	Ann	Chief Financial				
		Officer/Defendant	3/16/12	200	81.29	$16,258
			3/16/12	36,823	80.69	$2,971,248
			3/22/12	17,680	$82.00	$1,449,760
				54,703		$4,437,266
Stubbing	Melanie	President-Europe	3/16/12	8,145	80.69	$657,220
			3/22/12	3,016	$82.00	$247,312
			04/04/12	89	77.97	$6,939
			11/20/12	24,750	55.01	$1,361,498
				36,000		$2,272,969
Westend SA		Beneficial Owner of More than 10% Class/Defendant (Subsidiary Artal Group S.A. is a Defendant)	04/09/12	9,498,804	82.00	$778,901,928
			Total:	**9,740,834**		**$796,059,900**

NO SAFE HARBOR

86. The "Safe Harbor" warnings accompanying Weight Watchers' reportedly forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability. To the extent that projected revenues and earnings were included in the

Company's financial reports prepared in accordance with GAAP, including those filed with the SEC on Form 8-K, they are excluded from the protection of the statutory Safe Harbor. *See* 15 U.S.C. §78u-5(b)(2)(A).

87. Defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer of Weight Watchers who knew that the FLS was false. None of the historic or present tense statements made by Defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by Defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

APPLICATION OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET

88. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the market doctrine, in that, among other things:

(a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

(b) the omissions and misrepresentations were material;

(c) the Company's common stock traded in an open, well-developed, and efficient market at all relevant times;

(d) the misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's common stock; and

(e) Plaintiff and other members of the Class purchased Weight Watchers common stock between the time Defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

89. At all relevant times, the market for Weight Watchers common stock was open, well-regulated, and efficient for the following reasons, among others:

(a) as a regulated issuer, Weight Watchers filed periodic public reports with the SEC; and

(b) Weight Watchers regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts, and other similar reporting services.

90. As a result of these materially false and misleading statements and omissions as set forth above, Weight Watchers common stock traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Weight Watchers common stock relying upon the integrity of the market price of Weight Watchers common stock and market information relating to Weight Watchers, and have been damaged thereby.

91. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. U.S.*, 406 U.S. 128 (1972), because the Class' claims are grounded on Defendants' material omissions. Because this action involves Defendants' failure to disclose material adverse information regarding Weight Watchers' business operations and financial prospects – information that Defendants were obligated to disclose – positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in

making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

LOSS CAUSATION/ECONOMIC LOSS

92. During the Class Period, as detailed herein, Defendants made false and misleading statements and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Weight Watchers common stock and operated as a fraud or deceit on Class Period purchasers of Weight Watchers common stock by misrepresenting the value of the Company's business and prospects as alleged herein.

93. As Defendants' misrepresentations and fraudulent conduct became apparent to the market, the price of Weight Watchers common stock fell precipitously, as the prior artificial inflation was removed from the price. As a result of their purchases of Weight Watchers common stock during the Class Period, Plaintiff and other members of the Class suffered economic loss upon the removal of the inflation from Weight Watchers common stock.

COUNT I

For Violations of §10(b) of the Exchange Act and Rule 10b-5 Against Defendant Weight Watchers and the Officer Defendants

94. Plaintiffs incorporate ¶¶1-93 by reference.

95. During the Class Period, Defendant Weight Watchers and the Officer Defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

96. Defendant Weight Watchers and the Officer Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that they: (a) employed devices, schemes and artifices to defraud;

(b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon Plaintiff and others similarly situated in connection with their purchases of Weight Watchers common stock during the Class Period.

97. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Weight Watchers common stock. Plaintiff and the Class would not have purchased Weight Watchers common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendant Weight Watchers' and the Officer Defendants' misleading statements.

COUNT II

For Violations of §20(a) of the Exchange Act Against All Defendants

98. Plaintiffs incorporate ¶¶1-97 by reference.

99. Defendants acted as controlling persons of Weight Watchers within the meaning of §20(a) of the Exchange Act. By reason of their positions with the Company, and their ownership of Weight Watchers common stock, Defendants had the power and authority to cause Weight Watchers to engage in the wrongful conduct complained of herein.

100. By reason of such conduct, Defendants are liable pursuant to §20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as Class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Class Counsel;

B. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Awarding such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury.

DATED: March 21, 2014

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