Canada Turns to Private Sector to Aid in Medical Marijuana Distribution

Medbox announces increased focus on Canada and new distribution relationship in Michigan

12/19/2012 Hollywood, CA. Medbox, Inc. (OTC Markets: MDBX) (www.medboxinc.com), commented on the fact that Canada's conservative government will soon stop producing and distributing medical marijuana, leaving it up to the private sector to find ways to distribute the drug in a controlled manner.

Canada's Health Minister Leona Aglukkaq made the announcement on Sunday, claiming current regulations "have left the system open to abuse."

Aglukkaq said Canada would no longer produce and distribute marijuana for medical purposes. Instead, companies will be licensed to grow and sell the product at market rates. Thus, Patients with a prescription from a doctor starting in March 2013 will be allowed to purchase a variety of strains of marijuana from licensed producers, who will set prices. Also individuals will no longer be permitted to grow marijuana in their homes for their own personal use, said Aglukkaq.

As a result of the forgoing news, Medbox will be stepping up its efforts in Canada and will be opening up an office in Vancouver British Columbia to assist the private sector in: non-profit entity formation, assistance in zoning approvals and locating spaces for retail and cultivation, and technology sales to assist with inventory control and overall management of dispensing locations. The new office will supplement the company's existing presence in Toronto.

"We are witnessing governments around the world that see the medical benefits of cannabis and are seeking ways to regulate production and distribution of the drug," said Vincent Mehdizadeh, Founder of Medicine Dispensing Systems, a Subsidiary of Medbox, Inc. "The company stands ready, willing, and able to assist the private sector in all aspects of responsible medicine dispensing that it also legally beyond reproach."

In other news, the company signed a distribution agreement with MedTrend, LLC to place a minimum of 15 Medbox systems in the State of Michigan over the course of the next 36 months. The deal, signed last Friday, allows for Medbox to place these systems with the help of MedTrend and guarantees a $500,000 contract fee to be paid to Medbox by Medtrend that is earned upon execution of the agreement. This fee is a guaranteed minimum and is over and above any additional machine placements, consulting, and maintenance fees Medbox will generate from both initial and future placements in the state of Michigan. MedTrend has company affiliates with ties to over 40 tobacco retail locations within the state so according to Medbox the deal was easy to digest by all parties.

"We are pleased to have established this distribution relationship in Michigan as it allows the company to grow at a faster rate and with a partner that has roots in the traditional retail industry in the state", stated Dr. Bruce Bedrick, CEO of Medbox, Inc.

About Medbox, Inc:

Medbox is a leader in the development, sales and service of automated, biometrically controlled dispensing and storage systems for medicine and merchandise. Medbox has offices throughout the world, including

New York, Arizona, Connecticut, Massachusetts, Tokyo, London and Toronto, and has their corporate headquarters in Los Angeles.

Medbox provides their patented systems, software and consulting services to pharmacies, dispensaries, urgent care centers, drug rehab clinics, hospitals, prison systems, hospice facilities, and medical groups worldwide.

Medbox, Inc. is a publicly traded company, and is quoted on the OTC Markets, ticker symbol MDBX.

For more information on Medbox, please contact the Medbox Investor Relations Department at (800) 762-1452 or go online to www.medboxinc.com.