

July 22, 2014



## **Statement from Herbalife in Response to Bill Ackman's Three-Hour Presentation on Nutrition Clubs**

LOS ANGELES--(BUSINESS WIRE)-- Herbalife Ltd. (NYSE:HLF) today issued the following statement in response to Bill Ackman's three-hour presentation on the Company's nutrition clubs:

Herbalife is a 34-year old nutrition company with 7,400 employees worldwide and millions of members. Today, Mr. Ackman highlighted many of the reasons we are proud of our company, our record and the value we bring to members, consumers and communities around the world. His presentation reaffirmed that:

- Herbalife is first and foremost a company with great products that people want.
- There are hundreds of thousands of members and millions more consumers who choose Herbalife for our products and community-based approach to health and wellness.
- There is a comprehensive training system for members who aspire to open their own nutrition club so that they are fully informed of the time, commitment and skills required to do so.

Once again, Bill Ackman has over-promised and under-delivered on his \$1 billion bet against our company. After spending \$50 million, two years and tens of thousands of man-hours, Bill Ackman further demonstrated today that the facts are on our side.

We will continue to focus on our mission of bringing good nutrition and economic opportunities to communities across the globe. We recognize that he is running out of time to make good on his bad bet against Herbalife, with the equivalent of 25.7 million shares in put options that expire on January 17, 2015. Today is evidence that Bill Ackman will not succeed.

To clarify, a couple of points:

- We are proud that our members are required to participate in training before deciding to open a nutrition club. Our training approach – sometimes referred to as a “university” – is similar to the training model that has been deployed by numerous consumer-facing companies.
- Club 100 was a program that contained many of the best elements of nutrition clubs, including education, mentoring and fiscal responsibility. These elements are the cornerstone of our clubs today. Herbalife is proud of our members who use nutrition clubs as an important tool of social support to achieve good

nutrition and a healthy active lifestyle.

- Mr. Ackman's claim about the earnings of Herbalife nutrition clubs is completely false and fabricated. In fact, according to a recent study commission by the Company, 87.5% of nutrition club operators feel good about the money they earn and 92% want to continue with their club.

In a separate release, Herbalife today released the findings from research and analysis conducted by Walter H. A. Vandaele, Ph.D. of Navigant Economics, LLC regarding Herbalife's U.S. business operations. Dr. Vandaele, engaged by the Company to conduct this economic analysis, assessed whether Herbalife's operations appropriately are classified as a beneficial, legitimate Multi-Level Marketing ("MLM") firm.

Dr. Vandaele is an economic expert with significant experience in, among other areas, the regulation and operations of firms in the consumer goods industry. Among his many professional accomplishments, he has previously served as Economic Advisor to the Director, Bureau of Competition and as Assistant Director for Regulatory Evaluation, Bureau of Consumer Protection at the U.S. Federal Trade Commission ("FTC").

Among his numerous determinations, Dr. Vandaele concluded that, "Herbalife's U.S. business operations are consistent with the socially beneficial MLM model and inconsistent with the socially harmful pyramid scheme model."

### **About Herbalife Ltd.**

Herbalife Ltd. (NYSE:HLF) is a global nutrition company that sells weight-management, nutrition and personal care products intended to support a healthy lifestyle. Herbalife products are sold in more than 90 countries to and through a network of independent Members. The company supports the Herbalife Family Foundation and its Casa Herbalife program to help bring good nutrition to children. Herbalife's website contains a significant amount of financial and other information about the company at <http://ir.Herbalife.com>. The company encourages investors to visit its website from time to time, as information is updated and new information is posted.

Herbalife Ltd.

Amy Greene, 213-745-0474

SVP, Investor, Corporate and Government Relations

or

Barbara Henderson, 213-745-0517

SVP, Worldwide Corp. Communications

Source: Herbalife Ltd.