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HERBALIFE INTERNATIONAL OF AMERICA, INC.

**Moderator: Alan Quan
February 25, 2016
5:30 p.m. ET**

Operator: This is Conference #: 24808282

Operator: Good afternoon and thank you for joining the Fourth Quarter and Full Year 2015 Earnings Conference Call for Herbalife Limited. On the call today is Michael Johnson, the Company's Chairman and CEO, the Company's President Des Walsh, John DeSimone, the Company's CFO and Alan Quan, the Company's Vice President, Investor Relations. I would now like to turn the call over to Alan Quan to read the Company's Safe Harbor language.

Alan Quan: Before we begin as a reminder, during this conference call comments may be made that include some forward-looking statements. These statements involve risk and uncertainty and as you know actual results may differ

materially from those discussed or anticipated. We encourage you to refer to today's Earnings release and our SEC filings for a complete discussion of risks associated with these forward-looking statements and our business.

In addition, during this call certain financial performance measures may be discussed that differ from comparable measures contained in our financial statements, prepared in accordance with U.S. Generally Accepted Accounting Principles, referred to by the Securities and Exchange Commission as non-GAAP financial measures.

We believe that these non-GAAP financial measures assist management and investors in evaluating and preparing period-to-period results of operations in a more meaningful and consistent manner. Please refer to the Investor Relations section of our website Herbalife.com to find our press release for this quarter, which contains a reconciliation of these measures.

Additionally, when management makes reference to volume during this conference call, they are referring to volume points. I'll now turn the call over to our Chairman and CEO, Michael Johnson.

Michael Johnson: Thank you, Alan. Good afternoon. We're pleased to report that 2015 finished strongly, returning to volume growth and exceeding the financial expectations that we set out at the start of the year. This is a testament to the fact that Herbalife is well-positioned in a growing worldwide market for nutrition, health and wellness, and of course, to the hard work and dedication of our members and employees.

These results confirm our belief that we're on the right path for continued, sustainable growth. So, let me take a moment and recap some of the highlights for the Fourth Quarter.

Total worldwide volume points grew 5 percent compared to the fourth quarter of 2014. This significantly exceeds the high-end of our guidance which was 1.5 percent growth. This result also reflects the first time in five quarters that we've reported year-over-year volume point growth.

Our net sales in quarter four were \$1.1 billion, up 9.7 percent on a local currency basis versus the fourth quarter of 2014. In terms of profitability, adjusted EPS for the quarter was \$1.19 per diluted share. Again, this significantly exceeded the high-end of our guidance of \$0.95 per diluted share.

We continued this quarter to demonstrate the sustainability of our business and our members resolve to succeed through specific market challenges. For instance, in Mexico, it was up four percent in quarter four on a volume point basis compared to the same period last year, and that's despite the impact of the new 16 percent VAT that was imposed in quarter three.

Additionally, full year reported net sales were \$4.5 billion, up 4.7 percent in local currency and adjusted EPS was \$5 per diluted share. With approximately 80 percent of our volume generated outside the U.S., currency exchange rates continued to impact our reported results. This is the case for all companies doing business globally. John will provide greater details about currency later in this call.

In early 2015, we continued to undertake bold and important changes to our marketing plan with the overwhelming support of our member leaders. Our members and we recognize these changes were positive and a necessary evolution in the long-term health and sustainability of our Company and our members businesses.

While these enhancements may not have been easy in the short-term, I'm happy to report our shared conviction was well-founded, evidenced by the fact that in 2015 the number of sales leaders now qualifying under our new cumulative qualification process rose to 76 percent, compared to 48 percent in 2014. Furthermore, the number of active sales leaders was up five percent for the full year versus the prior year.

The number of new orders per month was also up to 2.2 million in 2015 versus 2.1 million in 2014. Lastly, during this transitional year of change our sales leader retention rate stood at 54.2 percent and remained level with

2014's record rate, while the absolute number of retained leaders increased 5.4 percent, which is a record number.

As demand for our products and member services grow we continue to enhance and strengthen our distribution network. By investing last year in our infrastructure, we were able to support the increasing number of orders our members now place online and by mobile phone. This investment to better enable our members and customers to order anytime and that their convenience goes hand-in-hand with our opening to more product to excess points and making payment options easier.

While our performance last quarter was strong we are most excited about the unique opportunities that lie ahead. What an inflection point in health and wellness worldwide. First, there are the macro trends, our population is getting older. By 2030, it is estimated that 1 billion people will be over 65 years of age, which is an increase of 70 percent from the 585 million in 2014. This group of individuals is actively searching for answers on how to lead a healthier life and our members and Herbalife are well positioned with our nutrition products, education and personalized coaching to meet their needs.

Additionally, nations are struggling with rising health care costs. From 2002 to 2020, health spending in OECD countries is expected to more than triple to \$10 trillion, and the growing obesity epidemic is contributing to these costs.

For example, in 2014 a McKinsey Global Institute report stated that the annual global costs of obesity had risen to \$2 trillion. And just last month, the Milkin Institute reported that Southeast Asia faces a \$6 billion a year funding gap to address the regions under-nutrition and obesity. From Los Angeles to Beijing, Governments and corporations are looking for ways to reduce spiraling, obesity-lead healthcare costs. And again, our members are well-positioned to help people lead more healthy lifestyles and thereby attract more customers to Herbalife.

Encouragingly, many consumers are now fighting back and this is another reason we believe we are well-positioned to help and prosper from these macro trends. Consumers are seeking better ways to take care of themselves,

actively trying to make better nutrition choices, lifestyle changes and taking greater responsibility for maintaining good health.

Here are some interesting indicators that support our confidence. The global market for meal replacement and protein supplement products, a market in which our Formula 1 is Number 1 is expected to further grow from \$9.6 billion in 2015 to \$12 billion in 2020. The healthy aging market is projected to be worth nearly \$192 billion in 2019, up from \$122 billion in 2013.

One of our countries largest global fruit producers reported 60 percent of 2014 frozen fruit sales went into smoothies. That's up from 21 percent in 2006 and the sale of blenders in the U.S. is up 103 percent since 2009. All of this data points to a consumer base that is changing their eating habits and taking their nutrition and health more seriously and are moving towards us.

At the same time, that interest in health is growing, we believe more and more people also value freedom to earn an income, on their own terms, which is an opportunity we're very proud to offer. One group that represents this independent streak is millennials. By 2025, this group will represent 75 percent of the overall workforce in the U.S. and that's up from 33 percent today. They lean towards starting their own businesses, working flexible hours and fulfilling a sense of purpose. These are all characteristics that can make them remarkably successful in a person-to-person nutrition business like ours.

In a demonstration of our commitment to stay ahead in this exciting and evolving field of nutrition and health, we recently hired accomplished physician public health official and global executive Dr. John Agwunobi, in the newly-created role of Chief Health and Nutrition Officer.

Dr. Agwunobi will spearhead the integration of our nutrition philosophy, science and member education into our product development process while seeking to simplify the language of nutrition for Herbalife members and their customers. He will be working closely with our team of scientists and our 33 PhD's and will also be providing leadership to our Herbalife Nutrition Institute and our Advisory Boards. Additionally, Dr. Agwunobi will work

with governments; academics and other thought leaders to help them better understand the promise and results of our distributed health platform.

As Assistant Secretary of Health for the Department of Health and Human Services, Dr. Agwunobi worked closely with our Board Member and 17th U.S. Surgeon General, Dr. Richard Carmona and shares his passion for public health. Like Dr. Carmona, he sees the positive impact and the unique potential that Herbalife's distributed health platform and income opportunity can offer for the long-term health of communities around the world.

Our members' ability to focus on our customers needs and to provide them with one-on-one nutrition and wellness support means Herbalife is extremely well-positioned at the intersection between the world's chronic health burden and the rising consumer focus on health goals. This creates a great opportunity for us to drive positive health results through a choice of products that address peoples broadening health goals and an experienced, personalized to their needs through our members.

Turning to our products, whether it's our great tasting Formula 1 protein-based shakes, our sports nutrition, our boosters and beverages or our outer skincare, we offer a varied, appealing and life-stage appropriate product range. We continued in 2015 to expand our top brands and introduce new products across all our regions.

Greater interest in our product is leading to new choices and consumption opportunities. For example, we launched 13 new product lines in 47 markets of dealing to local taste and preference. That's half of our markets benefiting from a new product line in 2015. These new products included our first Formula 1 meal soup, Nutrisoup launched in October in Brazil. This savory, warm chicken and vegetable meal soup can be enjoyed for lunch or dinner and we're excited to see it rank already number six among our products in the Brazilian market.

Our new sports hydration product CR7 Drive is now available in 31 markets. In Mexico, we launched a powdered form of our targeted calcium supplement XTRA-CAL, which benefits bone health. People can add this nutrition

booster to their daily shakes at home or in a nutrition club. Since its launch, sales are up 50 percent for this highly-beneficial, targeted nutrition product.

To really help someone stick to a health goal, a lot of focus has to be on personalization, coaching and results. And that's where our members add unique value over off-the-shelf products. Herbalife members offer a high-touch person-to-person model to share and personalize the product and nutrition education to one specific need. Think of them as nutrition and wellness personal assistants. Moreover, members also provide the emotional, social and community support that is essential to achieving results and committing to your nutrition and wellness every day.

We plan to explore this value with greater rigor because the more we can learn about how healthy habits, positive attitudes, wise lifestyle choices and economic opportunities spread through and benefit our communities, the more it will help us provide the right training and make the right investment in our member-based model.

So as you can hear, we are pleased with the results of Q4 but we are even more energized about the future. The opportunities are numerous and we believe we are ready to meet the demands customers have for nutrition products around the globe.

Now let me turn it over to John DeSimone.

John DeSimone: Thank you Michael. Today I will start by reviewing the Company's Fourth Quarter 2015 reported and adjusted results, including key market highlights. I will then discuss Full Year 2015 results, followed by First Quarter and Full Year 2016 guidance.

For the Fourth Quarter 2015, volume points grew five percent compared to the prior year period, with approximately three-quarters of our markets experiencing volume growth during the quarter. The five percent growth in volume was 350 basis points above the high-end of our guidance. With approximately 100 to 150 basis points of the growth being a result of Q4 price increases in India and Indonesia that we believe had the effect of pulling some volume forward from Q1 2016.

Worldwide net sales in the Fourth Quarter were \$1.1 billion, down 3.1 percent on a reported basis compared to the same period in 2014, primarily due to the continuing, unfavorable impact of foreign currency. On a constant currency basis, worldwide net sales were up 9.7 percent in total or 8.5 percent adjusted for Venezuela.

Adjusted EPS of \$1.19 per diluted share came in above the high-end of our guidance range of 85 to 95 cents. Reported EPS of 98 cents per diluted share compared to \$1.21 per diluted share for the same period last year. Currency movements had an adverse impact of 30 cents on our Fourth Quarter adjusted EPS compared to last year's Fourth Quarter.

Like many global companies, currency translation continues to have a significant impact on our reported results, the expectations of which are included in our guidance and that I will address in more depth later in the call.

As Michael stated earlier, the key take away from our Fourth Quarter is that we returned to volume point growth, meeting the expectations that we'd communicated at the start of the year. We saw sequential improvement in volume point trends in many of our key markets, as members cycle through the marketing plan and business changes.

2015 sales leader retention was 54.2 percent, level with 2014's record rate. This was despite the impact of the marketing plan changes implemented in 2014, which included the automatic upgrade of approximately 30,000 members who met the new, reduced sales leader qualification, many of whom would not have otherwise qualified.

This imposed a one-time drag on our sales leader retention rates in 2015. We are very encouraged by the continued, positive impact that we believe consumption-based business methods are having on our member metrics.

Worldwide, active new members' excluding China was up 16.7 percent in the quarter, compared to the prior year Fourth Quarter and up 8.3 percent for the full year. *[The highlighted text should have been stated as follows:*

"Worldwide, active new members' excluding China was up 3.2 percent in the

quarter, compared to the prior year Fourth quarter and up 3.4 percent for the full year.”] We continue to see broad-based improvement in active new member numbers and are optimistic about this positive trend and its impact in our business.

Moving on to our market highlights. The U.S. has shown sequential volume point trend improvement throughout the year, improving from year-over-year decline in the first three quarters of 2015, to being essentially flat in the Fourth Quarter compared to the Fourth Quarter of 2014. We continue to be encouraged by the improved levels of new member engagement in the U.S. with new members up 15 percent and active new members up 71 percent compared to the same quarter 2014. *[The highlighted text should have been stated as follows: “active new members up 30.7 percent compared to the same quarter 2014.”]*

Mexico was also a highlight in the quarter as volume was up four percent compared to the prior year period, despite the imposition of a 16 percent VAT on many of our products. Notwithstanding this positive trend in the quarter, we expect the 16 percent VAT increase to have a lingering impact on sales until the changes are annualized in the third quarter of 2016. The impact of this is included in our guidance.

With respect to the trend of active new sales members in Mexico, it improved sequentially in Q4 and throughout the year and was up 32 percent in the Fourth Quarter compared to the Fourth Quarter of 2014. *[The highlighted text should have been stated as follows: “With respect to the trend of active new sale members in Mexico, it improved sequentially in Q4 and throughout the year and was up 34.1 percent in the Fourth Quarter compared to the Fourth Quarter of 2014.”]*

China continues to demonstrate strong business performance and fundamentals through its focus on customer’s daily consumption and the continued promotion of a healthy active lifestyle. In the Fourth Quarter, China's volume grew 30 percent compared to the prior year period.

Turning to EMEA, as an early adopter of the marketing plan enhancements the region continues to perform well. For the Fourth Quarter, volume points in EMEA grew 14 percent and active new members were up 44 percent, [*The highlighted text should have been stated as follows: “active new members were up 17.7 percent”*], both compared to the prior year period. Although volume points in Russia were flat for the quarter, local currency net sales in Russia increased 14.6 percent.

For the quarter, volume points for the Asia-Pacific region grew two percent compared to the prior year period, despite Korea volume declining 31 percent compared to last year’s Fourth Quarter. Excluding Korea, active new members in Asia-Pacific were up 35 percent, [*The highlighted text should have been stated as follows: “Excluding Korea, active new members in Asia-Pacific were up 30.4 percent,”*] demonstrating the continual engagement of new members in the region. Fourth quarter volume points in Brazil were down 10 percent as macroeconomic headwinds continued to be a challenge.

Returning to our financial highlights for the Fourth Quarter, as previously covered, Fourth Quarter adjusted earnings was \$1.19 per diluted share, which was above the high-end of our guidance of \$0.95 and compared to an adjusted \$1.41 per diluted share for the Fourth Quarter of 2014.

On a reported basis, Fourth Quarter net income was \$84.5 million or \$0.98 per diluted share, compared to \$103.3 million or \$1.21 per diluted share for the same period in 2014. Our reported and adjusted results were meaningfully impacted by the strengthening of the dollar compared to the prior year period. Fourth Quarter 2015 net income and diluted EPS were negatively impacted by \$26 million and \$0.30 per diluted share respectively due to the impact of currency headwinds.

Our reported EPS includes additional items we consider to be outside of normal Company operations, where we believe will be useful to investors when analyzing period-over-period comparisons of our results. These adjustments are detailed in today’s press release.

Reported gross margin for the fourth quarter increased by approximately 76 basis points versus the prior year period. Gross margins benefited approximately 190 basis points from price increases, country mix and lower inventory reserves, partially offset by the unfavorable currency impact of approximately 122 basis points.

For the fourth quarter and excluding non-GAAP items, SG&A was 41 percent of net sales, excluding China member payments and non-GAAP items. SG&A as a percentage of net sales was 30.5 percent which is an increase of approximately 200 basis points compared to the prior year period. This is due partially to higher employee bonus expense in 2015 compared with 2014 and from the timing of sales events.

As stated in our last quarters Earnings call, it was approximately \$6 million in event expenses that were shifted from the Third Quarter to the Fourth Quarter in 2015. Cash flow from operations for the Fourth Quarter was \$135.5 million up more than 200 percent compared to the \$61.9 million in the same period a year ago.

Our adjusted effective tax rate for the Fourth Quarter of 26.3 percent was lower than our guidance range and 70 basis points higher than our tax rate from the Fourth Quarter of 2014. In both cases, this was primarily due to changes in country mix of earnings and net benefits from discrete events.

Now turning to our Full-Year 2015 results. Worldwide volume points declined two percent compared to 2014 but the trend sequentially improved during the second-half of the year. We believe that the impact from our marketing plan changes have cycled through the majority of our markets. And despite being a year of transition, more than half of our markets experienced volume point growth in 2015. Full-Year 2015 worldwide net sales were \$4.5 billion which represents a 9.9 percent decrease compared to 2014, largely due to the adverse impact of currency.

On a constant currency basis, worldwide net sales were up 4.7 percent in total or 2.7 percent adjusted for Venezuela compared to 2014, with over 60 percent of our markets experiencing local currency net sales growth.

Adjusted earnings for 2015 were \$5 per diluted share, compared to \$5.93 per diluted share for 2014. On a reported basis, Full Year net income grew 9.8 percent to \$339 million or \$3.97 per diluted share, compared to \$309 million or \$3.40 per diluted share for 2014. Net income and diluted EPS were negatively impacted by \$137.7 million or \$1.57 per diluted share respectively from currency fluctuations. Full year cash flow from operations was \$628.7 million which represented a 23 percent increase from 2014. And at the end of 2015 we had \$889.8 million in cash.

Now onto guidance for the First Quarter and Full Year 2016. Full Year 2016 adjusted diluted EPS guidance includes a currency headwind of approximately \$0.80 per diluted share compared to 2015, which includes an additional \$0.30 adverse impact from currency compared to the initial guidance provided a quarter ago. This incremental \$0.30 headwind from currency resulted in a \$0.30 reduction in our adjusted EPS guidance range for the full year, compared to the guidance provided a quarter ago. 2016 adjusted diluted EPS is now estimated to be within the range of \$4.05 to \$4.50. The 2016 currency adjusted diluted EPS range is \$4.85 to \$5.30.

Volume points for the first quarter are estimated to be within a range of down 1.5 percent to up 1.5 percent. Our full year volume point guidance for 2016 remains unchanged from previous guidance on an absolute value basis, which translates to a growth rate and the expected range of 1.5 to 4.5 percent compared to 2015. We continue to expect net sales to be adversely impacted by currency headwinds in the First Quarter and we estimate a decline of 6 percent to 3 percent in net sales.

For currency adjusted net sales, we estimate an increase of 2.5 to 5.5 percent. We have adjusted full year net sales guidance to reflect the ongoing impact of currency, country mix and better than expected results from the Fourth Quarter of 2015 and are now guiding down 0.5 percent to growth of 2.5 percent. On a constant currency basis, full year adjusted net sales guidance is 5.5 to 8.5 percent.

Consistent with our historical practice, we are using the average closing exchange rates of the first three weeks of January for all currency

assumptions, except Venezuela. Adjusted diluted EPS guidance for the First Quarter is estimated in a range of \$0.97 to \$1.07. The EPS guidance includes an unfavorable impact from currency exchange rates of approximately \$0.27 per diluted share compared to the first quarter of 2015.

Our Capital Expenditures for the First Quarter are estimated to be in a range of \$25 to \$35 million and for the full year, we estimate a range of \$105 million to \$135 million, of which \$23 million is planned for the ongoing development of our manufacturing plant in China and \$20 million is planned for the upgrade of our Oracle system.

Lastly, our effective tax rate guidance is in the range of 28 percent to 30 percent for the First Quarter and Full Year 2016. This ends my prepared comments. I will now turn it back over to Michael for some additional remarks before taking questions. Thank you.

Michael Johnson: Thanks, John. I also wanted to share today that we filed updated disclosures in our 10-K and I'd like to read you an important excerpt. The Company is currently in discussions with the FTC regarding a potential resolution of these matters. A possible range of outcomes include the filing by the FTC of a contested civil complaint or further discussions leading to a settlement, which could include monetary penalties and other relief or the closure of these matters without action.

For almost two years the Company has been cooperating with the investigation. At this time, it is difficult to predict the timing and the likely outcome of these matters. Moreover, no assurances can be given that the outcome of these matters will not have a material adverse impact on a Company's business operations, its financial condition or its results of operations.

At the present time, the Company is unable to estimate a range of potential loss, if any, relating to these matters. We cannot comment on the scope, duration or the outcome of the investigation at this time. We will provide updates when appropriate to do so.

OK, let's get on to the Q&A.

Operator: At this time ladies and gentlemen, if you would like to ask a question, press star then the number one on your telephone keypad. Again, for any questions, that is star then the number one. We'll pause for just a brief moment to compile the Q&A roster.

Your first question is from the line of Tim Ramey with Pivotal Research.

Michael Johnson: Hi, Tim.

Tim Ramey: Congratulations. You know, as I kind of put the numbers in my model, the thing that was sort of screaming out was inflection point and that's not inconsistent with what you've been telling us all year. I think you told us that the Forth Quarter would likely be an inflection point in volumes. And so all that feels really good however the 1Q volume guidance doesn't really show a continuation of that. How should we reconcile those two thoughts?

John DeSimone: Yes, as I put in my prepared comments Tim, so we had two markets in the Fourth Quarter that had a price increase that had the effect of changing the timing of sales from what would have been Q1 of 2016 into Q4 of 2015, that was India and Indonesia, somewhere about 15 to 20 million volume points. So without that impact, Q4 would have been around a 3.5 percent growth and we would have added in Q1 to our guidance another 150 basis points, so that would have put it on par. So that's primarily the difference.

There's other little things, so Venezuela had a really significant price increase last March, which put a lot of volume into Q1 last year. And so there's a handful of other things but the core difference is the timing of price increases in Indonesia and India.

Tim Ramey: But in just sort of rough and around terms, do you feel like there has been an inflection point that the changes in the compensation system that you implemented now, sort have worked their way through and are having positive benefits for the business? I guess I'd love to hear reiterate that.

John DeSimone: So I agree with most of that. I mean, I don't know if I'd define it as an inflection point but I think its on-track and maybe slightly better in Q4 than

we had expected. I think the real benefit in Q4, excluding the price increases in the two markets that I mentioned, came in Mexico which really adapted really well to the 16 percent VAT, a little better than we had expected. But the core of what you said is accurate, which is most of the markets have cycled through the impact of the marketing change.

We not completely there. Remember, we instituted it in February of last year so March was the first month of all those changes, so we've got a couple months left in Q1 before we completely cycle through it. But clearly in our results from all that you can see that most markets have adapted and cycled through it. I won't say all so we still have a challenging career, but outside of that I think most markets have adapted.

Tim Ramey: Congrats.

John DeSimone: Thank you.

Operator: Our next question is from the line of (Anna Glaskin) from SunTrust.

(Anna Glaskin): Yes, I'm on for Mike. So just looking at your update on volume growth, if you could just clarify and give more color on what you mean by it's absolutely unchanged – is that like the translation is really the impact there?

Male: Yes, sure. So, we didn't change the absolute value of the amount of volume points we expect to do next year. But because we beat Q4, it translated to a slightly lower growth rate...

(Anna Glaskin): Right.

Male: ...and the reason we didn't roll that forward is because some of the beat in Q4 was a result of timing differences that pulled away from Q1.

(Anna Glaskin): OK, great. And then just one more, is there anything that surprised you guys positive or negative, as far as the global rollout of the 12 month qualifying period?

Male: You know, there were nuances here or there that may have surprised us, but overall on a broad scale, we were able to predict pretty well the impact and I

think you can tell that by our performance and how it improved from Q2 to Q3 and then further improve from to Q3 to Q4. The thing of note is in Q4, the volume point trends in all six regions were better than they were in Q3, so no, there were no major surprises.

(Anna Glaskin): OK, thank you very much.

Operator: Again, ladies and gentlemen, if you would like to ask a question, press star then the number one on your telephone keypad. Again, if you would like to ask a question, that is star then the number one. We'll pause for just a brief moment.

We do have a question from the line of Meredith Adler with Barclays Capital.

Meredith Adler: I was wondering if you could talk a little bit about expenses. As you see volume points do better, will you be pulling back on some of the things that you were most conservative about? I think I heard that you won't be combining extravaganzas in the U.S. this coming year like you did last year. Are there other things you're doing or are you pacing it out as the volume point growth accelerates?

Male: So we've been pretty prudent on the cost side through the marketing plan changes and we'll continue to make sure that volume is there before we add back expenses. But let me correct, I don't think we combined the extravaganzas in the U.S. as a cost savings measure, that was more of a business decision that we think is better for our members.

But, if you look at margins next year, there's really two things impacting margins. One is, there's a mix issue 2016 over 2015 of about 50 basis points. And then it's really currency. So outside of that, we're not getting a lot of leverage because we are expecting to reinvest next year as we see growth, but we want to do it after we see the growth.

Meredith Adler: OK. And then, if you maybe could talk about Korea. I don't know whether you expected the results you've got or were you disappointed and what are the plans to fix it or is it as mature as it's going to be?

Des Walsh: Yes, hi Meredith, this is Des. So look, we always knew that Korea was a different animal because obviously in Korea with the cumulative effect of both the worldwide marketing plan change that we had obviously had a lot of experience with in other markets. And then the fact that the Korean marketing plan is unique to itself and therefore there was a further modification there.

So I think certainly when you have the cumulative effect of that, it had an impact possibly a little beyond what we expected, but we are vigorously engaged with our distributor leadership there, in terms of the same transition that we successfully accomplished in other markets.

Meredith Adler: OK, great. And then I have another question that I don't know if you're comfortable asking – answering, but this discussion with the FTC, can you just say anything about when it started?

Male: So you were right. There's nothing else we can say other than what we've disclosed in our 10-K.

Meredith Adler: All right, I had to ask. Thank you.

Male: I don't think we have anymore questions queued in.

Michael Johnson: All right, so light on questions today. Listen, we were incredibly pleased with the performance in 2015, especially the ending in the strong Fourth Quarter that we had. You know as we look to 2016 we are confident that the positive macro trends, coupled with our execution of the growth strategy will continue to position us for success. We've got a lot of really, really good things going in the marketplace.

We're pretty excited about it, we're excited about our members, I want to say thank you to them of course for their passion and their hard work and especially the teamwork from our employees working with our members to support our customers, to change their lives and to build frankly a better distributed health platform than just about anybody out there. So, I say thank you very much, look forward to seeing you all next quarter. Thank you.

Operator: Ladies and gentlemen, this does conclude today's conference call, you may now disconnect.

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