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HERBALIFE LTD. ANNOUNCES RECORD THIRD QUARTER 2011 RESULTS AND RAISES 2011 EARNINGS GUIDANCE

- **Third quarter net sales increased 30.0 percent on volume growth of 23.4 percent compared to the prior year period.**
- **Third quarter fully diluted EPS of \$0.87 increased 45.0 percent compared to the \$0.60 adjusted fully diluted EPS¹ from prior year period.**
- **Initial FY'12 EPS guidance in a range of \$3.25 to \$3.45.**
- **Repurchased 2.8 million shares for \$150 million during the third quarter.**

LOS ANGELES, October 31, 2011 – Herbalife Ltd. (NYSE: HLF) today reported that third quarter net sales increased 30.0 percent and local currency net sales increased 24.1 percent compared to the same time period in 2010. Net income for the quarter of \$108.0 million, or \$0.87 per diluted share compares to 2010 third quarter adjusted net income and adjusted EPS of \$75.7 million and \$0.60, respectively.

“Our business has never been stronger,” said Michael O. Johnson, the company’s chairman and CEO. “In the third quarter Herbalife saw the highest volume point growth rate of the past five years as we eclipsed the one-billion volume point mark for the first time in the company’s history.”

For the quarter ended September 30, 2011, the company generated cash flow from operations of \$143.0 million, an increase of 42.3 percent compared to the third quarter 2010, paid dividends of \$23.5 million, invested \$16.9 million in capital expenditures and repurchased \$150.0 million in common shares outstanding related to our share repurchase program.

¹ See Schedule A – “Reconciliation of Non-GAAP Financial Measures” for more detail.

Third Quarter 2011 Regional Key Metrics^{2,3,4}

Regional Volume Point and Average Active Sales Leader Metrics

| Region | Volume Points (Mil) | | Average Active Sales Leaders | |
|-------------------------|---------------------|--------------|------------------------------|--------------|
| | 3Q'11 | Yr/Yr % Chg | 3Q'11 | Yr/Yr % Chg |
| North America | 252.9 | 12.2% | 58,897 | 15.3% |
| Asia Pacific | 261.2 | 36.2% | 51,644 | 38.5% |
| EMEA | 132.4 | 15.8% | 39,227 | 16.7% |
| Mexico | 180.6 | 23.5% | 49,772 | 25.9% |
| South & Central America | 149.7 | 39.5% | 35,993 | 21.8% |
| China | 40.3 | 2.3% | 9,533 | 26.3% |
| Worldwide Total | 1017.1 | 23.4% | 236,191 | 23.6% |

| | Volume Points (Mil) | | Average Active Sales Leaders | |
|------------------------|---------------------|--------------|------------------------------|--------------|
| | 3Q'11 | Yr/Yr % Chg | 3Q'11 | Yr/Yr % Chg |
| Emerging Markets | 544.5 | 26.9% | 134,467 | 26.4% |
| Established Markets | 472.6 | 19.5% | 109,339 | 19.3% |
| Worldwide Total | 1017.1 | 23.4% | 236,191 | 23.6% |

² “Emerging markets” are defined herein as those countries that the World Bank categorized as having “low” or “medium” GDP per capita, while “Established markets” are defined as those countries categorized by the World Bank as having “high” GDP per capita.

³ Supplemental tables that include additional business metrics can be found at <http://www.ir.herbalife.com>

⁴ Worldwide Average Active Sales Leaders may not equal the sum of the Average Active Sales Leaders in each region due to the calculation being an average of Sales Leaders active in a period, not a summation, and the fact that some sales leaders are active in more than one region but are counted only once in the worldwide amount.



Updated 2011 Guidance

Given the recent volatility in foreign currency exchange rates for many of the company's key markets, guidance provided is reflective of the average exchange rates for the first four weeks of October. The negative EPS impact included in the guidance as a result of the change in foreign exchange rates since June 30, 2011 is approximately \$0.10 - \$0.12 per quarter.

Based on current business trends and foreign currency rates, the company's fourth quarter, fiscal 2011 and fiscal 2012 guidance is provided below.

| | Three Months Ending December 31, 2011 | | Twelve Months Ending December 31, 2011 | |
|-----------------------------|--|-------------|---|-------------|
| | <u>Low</u> | <u>High</u> | <u>Low</u> | <u>High</u> |
| Volume Point Growth vs 2010 | 17.0% | 19.0% | 19.7% | 20.2% |
| Net Sales Growth vs 2010 | 13.0% | 15.0% | 24.5% | 25.0% |
| Diluted EPS | \$0.68 | \$0.72 | \$3.14 | \$3.18 |
| Cap Ex (\$ millions) | \$25.0 | \$30.0 | \$85.0 | \$90.0 |
| Effective Tax Rate | 28.2% | 29.2% | 27.3% | 28.3% |

2012 Guidance

| | Twelve Months Ending December 31, 2012 | |
|-----------------------------|---|-------------|
| | <u>Low</u> | <u>High</u> |
| Volume Point Growth vs 2011 | 8.0% | 10.0% |
| Net Sales Growth vs 2011 | 8.0% | 10.0% |
| Diluted EPS | \$3.25 | \$3.45 |
| Cap Ex (\$ millions) | \$105.0 | \$115.0 |
| Effective Tax Rate | 27.0% | 29.0% |

Announces Quarterly Dividend

The company reported today that its board of directors has approved a dividend of \$0.20 per share to shareholders of record effective November 14, 2011 payable on November 28, 2011.



Third Quarter Earnings Conference Call

Herbalife Ltd. (NYSE:HLF) senior management will host an investor conference call to discuss its recent financial results and provide an update on current business trends on Tuesday, November 1, 2011 at 8 a.m. PDT (11 a.m. EDT).

The dial-in number for this conference call for domestic callers is (877) 317-1296 and (706) 634-5671 for international callers (conference ID 15135181). Live audio of the conference call will be simultaneously webcast in the investor relations section of the company's website at <http://ir.herbalife.com>.

An audio replay will be available following the completion of the conference call in MP3 format or by dialing (855) 859-2056 for domestic callers or (404) 537-3406 for international callers (conference ID 15135181). The webcast of the teleconference will be archived and available on Herbalife's website.

About Herbalife Ltd.

Herbalife Ltd. (NYSE:HLF) is a global network marketing company that sells weight-management, nutrition, and personal care products intended to support a healthy lifestyle. Herbalife products are sold in 78 countries through a network of approximately 2.5 million independent distributors. 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 information about Herbalife, including financial and other information for investors 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.



FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect” or “anticipate” and any other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, among others, the following:

- any collateral impact resulting from the ongoing worldwide financial “crisis,” including the availability of liquidity to us, our customers and our suppliers or the willingness of our customers to purchase products in a difficult economic environment;
- our relationship with, and our ability to influence the actions of, our distributors;
- improper action by our employees or distributors in violation of applicable law;
- adverse publicity associated with our products or network marketing organization;
- changing consumer preferences and demands;
- our reliance upon, or the loss or departure of any member of, our senior management team which could negatively impact our distributor relations and operating results;
- the competitive nature of our business;
- regulatory matters governing our products, including potential governmental or regulatory actions concerning the safety or efficacy of our products and network marketing program, including the direct selling market in which we operate;
- legal challenges to our network marketing program;
- risks associated with operating internationally and the effect of economic factors, including foreign exchange, inflation, disruptions or conflicts with our third party importers, pricing and currency devaluation risks, especially in countries such as Venezuela;
- uncertainties relating to the application of transfer pricing, duties, value added taxes, and other tax regulations, and changes thereto;
- uncertainties relating to interpretation and enforcement of legislation in China governing direct selling;
- our inability to obtain the necessary licenses to expand our direct selling business in China;
- adverse changes in the Chinese economy, Chinese legal system or Chinese governmental policies;
- our dependence on increased penetration of existing markets;
- contractual limitations on our ability to expand our business;
- our reliance on our information technology infrastructure and outside manufacturers;
- the sufficiency of trademarks and other intellectual property rights;
- product concentration;
- changes in tax laws, treaties or regulations, or their interpretation;
- taxation relating to our distributors;
- product liability claims; and
- whether we will purchase any of our shares in the open markets or otherwise.

We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.



RESULTS OF OPERATIONS:

| Herbalife Ltd. Condensed Consolidated Statements of Income (In thousands, except per share amounts) (Unaudited) | | | | |
|--|-----------------------|--------------------------|-----------------------|-------------------------------|
| | Quarter Ended | | Nine Months Ended | |
| | 9/30/2011 | 9/30/2010 ⁽³⁾ | 9/30/2011 | 9/30/2010 ⁽³⁾ |
| North America | \$ 180,735 | \$ 155,532 | \$ 532,894 | \$ 473,228 |
| Mexico | 112,979 | 83,498 | 330,738 | 236,265 |
| South and Central America | 143,659 | 95,030 | 399,066 | 269,156 |
| EMEA | 147,670 | 121,221 | 463,624 | 387,598 |
| Asia Pacific | 255,169 | 181,555 | 691,575 | 494,418 |
| China | 55,006 | 51,595 | 152,071 | 135,205 |
| Worldwide net sales | <u>895,218</u> | <u>688,431</u> | <u>2,569,968</u> | <u>1,995,870</u> |
| Cost of Sales | <u>175,308</u> | <u>133,265</u> | <u>509,124</u> | <u>410,298 ⁽¹⁾</u> |
| Gross Profit | 719,910 | 555,166 | 2,060,844 | 1,585,572 |
| Royalty Overrides | 290,842 | 224,061 | 844,451 | 656,160 |
| SGA | <u>277,721</u> | <u>230,150</u> | <u>788,472</u> | <u>648,143 ⁽¹⁾</u> |
| Operating Income | 151,347 | 100,955 | 427,921 | 281,269 |
| Interest Expense - net | <u>345</u> | <u>2,192</u> | <u>3,848</u> | <u>6,291</u> |
| Income before income taxes | 151,002 | 98,763 | 424,073 | 274,978 |
| Income Taxes | 42,980 | 19,879 | 116,852 | 62,048 ⁽¹⁾ |
| Net Income | <u><u>108,022</u></u> | <u><u>78,884</u></u> | <u><u>307,221</u></u> | <u><u>212,930</u></u> |
| Basic Shares ⁽²⁾ | 116,975 | 118,442 | 118,059 | 119,286 |
| Diluted Shares ⁽²⁾ | 124,275 | 125,613 | 125,889 | 126,216 |
| Basic EPS ⁽²⁾ | <u>\$ 0.92</u> | <u>\$ 0.67</u> | <u>\$ 2.60</u> | <u>\$ 1.79</u> |
| Diluted EPS ⁽²⁾ | <u>\$ 0.87</u> | <u>\$ 0.63</u> | <u>\$ 2.44</u> | <u>\$ 1.69</u> |
| Dividends declared per share | <u>\$ 0.20</u> | <u>\$ 0.13</u> | <u>\$ 0.53</u> | <u>\$ 0.33</u> |

⁽¹⁾ Includes impact of items related to adoption of highly-inflationary accounting in Venezuela that are further discussed in Schedule A – "Reconciliation of Non-GAAP Financial Measures".

⁽²⁾ All share count and per share amounts have been adjusted to reflect the two-for-one stock split.

⁽³⁾ During the second quarter of 2011, the Company changed its method of accounting for share-based compensation tax benefits. Prior periods have been adjusted to reflect this change. See Note 2 of the quarterly report on Form 10-Q for the quarter ended September 30, 2011.



| Herbalife Ltd. Condensed Consolidated Balance Sheets (In thousands) (Unaudited) | | |
|--|------------------------|---------------------------------------|
| | Sep 30, <u>2011</u> | Dec 31, <u>2010</u> ⁽¹⁾ |
| ASSETS | | |
| Current Assets: | | |
| Cash & cash equivalents | \$ 261,521 | \$ 190,550 |
| Receivables, net | 112,475 | 85,612 |
| Inventories | 222,501 | 182,467 |
| Prepaid expenses and other current assets | 93,715 | 93,963 |
| Deferred income taxes | 43,662 | 42,994 |
| Total Current Assets | <u>733,874</u> | <u>595,586</u> |
| Property and equipment, net | 182,772 | 177,427 |
| Deferred compensation plan assets | 19,063 | 18,536 |
| Deferred financing cost, net | 5,091 | 998 |
| Other assets | 29,833 | 25,880 |
| Marketing related intangibles and other and other intangible assets, net | 311,935 | 310,894 |
| Goodwill | 105,488 | 102,899 |
| Total Assets | <u>\$ 1,388,056</u> | <u>\$ 1,232,220</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 61,857 | \$ 43,784 |
| Royalty Overrides | 190,697 | 162,141 |
| Accrued compensation | 69,646 | 69,376 |
| Accrued expenses | 145,150 | 141,867 |
| Current portion of long term debt | 1,762 | 3,120 |
| Advance sales deposits | 60,129 | 35,145 |
| Income taxes payable | 21,304 | 15,383 |
| Total Current Liabilities | <u>550,545</u> | <u>470,816</u> |
| Non-current liabilities | | |
| Long-term debt, net of current portion | 220,298 | 175,046 |
| Deferred compensation | 22,290 | 20,167 |
| Deferred income taxes | 55,844 | 55,572 |
| Other non-current liabilities | 22,600 | 23,407 |
| Total Liabilities | <u>871,577</u> | <u>745,008</u> |
| Contingencies | | |
| Shareholders' equity: | | |
| Common shares | 116 | 118 |
| Additional paid in capital | 280,515 | 248,693 |
| Accumulated other comprehensive loss | (36,012) | (27,285) |
| Retained earnings | 271,860 | 265,686 |
| Total Shareholders' Equity | <u>516,479</u> | <u>487,212</u> |
| Total Liabilities and Shareholders' Equity | <u>\$ 1,388,056</u> | <u>\$ 1,232,220</u> |

⁽¹⁾ During the second quarter of 2011, the Company changed its method of accounting for share-based compensation tax benefits. Prior periods have been adjusted to reflect this change. See Note 2 of the quarterly report on Form 10-Q for the quarter ended September 30, 2011.



Herbalife Ltd.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

| | Nine Months Ended | |
|--|-------------------|--------------------------|
| | 9/30/2011 | 9/30/2010 ⁽¹⁾ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 307,221 | \$ 212,930 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 54,440 | 51,755 |
| Excess tax benefits from share-based payment arrangements | (24,030) | (6,572) |
| Share-based compensation expenses | 17,244 | 16,870 |
| Amortization of discount and deferred financing costs | 721 | 374 |
| Deferred income taxes | (7,000) | (16,989) |
| Unrealized foreign exchange transaction loss (gain) | 8,324 | (7,536) |
| Write-off of deferred financing costs | 914 | — |
| Foreign exchange loss from adoption of highly inflationary accounting in Venezuela | — | 15,131 |
| Other | 1,383 | 2,911 |
| Changes in operating assets and liabilities: | | |
| Receivables | (31,834) | (13,965) |
| Inventories | (51,649) | (32,921) |
| Prepaid expenses and other current assets | (3,733) | 5,744 |
| Other assets | (4,742) | (2,328) |
| Accounts payable | 19,484 | 12,852 |
| Royalty overrides | 33,851 | 3,601 |
| Accrued expenses and accrued compensation | 7,579 | 11,622 |
| Advance sales deposits | 27,416 | 32,399 |
| Income taxes payable | 35,914 | (16,955) |
| Deferred compensation plan liability | 2,123 | 2,198 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>393,626</u> | <u>271,121</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property | (61,514) | (42,199) |
| Proceeds from sale of property | 213 | 64 |
| Deferred compensation plan assets | (527) | (371) |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(61,828)</u> | <u>(42,506)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (62,177) | (38,934) |
| Borrowings from long-term debt | 791,700 | 338,000 |
| Principal payments on long-term debt | (747,896) | (379,465) |
| Deferred financing costs | (5,728) | — |
| Share repurchases | (268,795) | (106,163) |
| Excess tax benefits from share-based payment arrangements | 24,030 | 6,572 |
| Proceeds from exercise of stock options and sale of stock under employee stock purchase plan | 15,947 | 11,521 |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(252,919)</u> | <u>(168,469)</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | <u>(7,908)</u> | <u>(17,457)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>70,971</u> | <u>42,689</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | <u>190,550</u> | <u>150,801</u> |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>261,521</u> | <u>193,490</u> |
| CASH PAID DURING THE PERIOD | | |
| Interest paid | <u>\$ 6,457</u> | <u>\$ 7,195</u> |
| Income taxes paid | <u>\$ 88,079</u> | <u>\$ 84,120</u> |

⁽¹⁾ During the second quarter of 2011, the Company changed its method of accounting for share-based compensation tax benefits. Prior periods have been adjusted to reflect this change. See Note 2 of the quarterly report on Form 10-Q for the quarter ended September 30, 2011.



SUPPLEMENTAL INFORMATION

SCHEDULE A: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (unaudited), (Dollars in Thousand, Except Per Share Data)

In addition to its reported results, the Company has included in the tables below adjusted results that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, can provide useful supplemental information for investor in analyzing period to period comparisons of the Company’s results.

The following is a reconciliation of net income and diluted earnings per share, presented and reported in accordance with U.S. generally accepted accounting principles, to net income adjusted for certain items:

Herbalife Ltd.
Supplemental Schedule
Non-GAAP Financial Measures
(In thousands, except per share amount)
(Unaudited)

| | Quarter Ended 9/30/2011 | | |
|----------------------------|-------------------------|------------|------------------------|
| | Reported (GAAP) | Adjustment | Adjusted (Non-GAAP) |
| Net Sales | 895,218 | | 895,218 |
| Cost of Sales | 175,308 | | 175,308 |
| Gross Profit | 719,910 | - | 719,910 |
| Royalty Overrides | 290,842 | | 290,842 |
| SGA | 277,721 | | 277,721 |
| Operating Income | 151,347 | - | 151,347 |
| Interest Expense - net | 345 | | 345 |
| Income before income taxes | 151,002 | - | 151,002 |
| Income Taxes | 42,980 | | 42,980 |
| Net Income | 108,022 | - | 108,022 |
| Diluted EPS | \$ 0.87 | \$ - | \$ 0.87 |

Herbalife Ltd.
Supplemental Schedule
Non-GAAP Financial Measures
(In thousands, except per share amount)
(Unaudited)

| | Quarter Ended 9/30/2010 | | |
|----------------------------|-----------------------------------|----------------------|------------------------|
| | Reported (GAAP) ⁽²⁾ | Adjusting Items | Adjusted (Non-GAAP) |
| Net Sales | \$ 688,431 | | \$ 688,431 |
| Cost of Sales | 133,265 | | 133,265 |
| Gross Profit | 555,166 | - | 555,166 |
| Royalty Overrides | 224,061 | | 224,061 |
| SGA | 230,150 | | 230,150 |
| Operating Income | 100,955 | - | 100,955 |
| Interest Expense - net | 2,192 | | 2,192 |
| Income before income taxes | 98,763 | - | 98,763 |
| Income Taxes | 19,879 | 3,228 ⁽³⁾ | 23,107 |
| Net Income | \$ 78,884 | (3,228) | \$ 75,656 |
| Diluted EPS ⁽¹⁾ | \$ 0.63 | \$ (0.03) | \$ 0.60 |

⁽¹⁾ Diluted EPS has been adjusted to reflect the two-for-one stock split.

⁽²⁾ During the second quarter of 2011, the Company changed its method of accounting for share-based compensation tax benefits. Prior periods have been adjusted to reflect this change. See Note 2 of the quarterly report on Form 10-Q for the quarter ended September 30, 2011.

⁽³⁾ Tax benefit from an international tax audit settlement.

Herbalife Ltd.
Supplemental Schedule
Non-GAAP Financial Measures
(In thousands, except per share amount)
(Unaudited)

| | Nine Months Ended 9/30/2011 | | |
|----------------------------|-----------------------------|-----------------------------|------------------------|
| | Reported (GAAP) | Adjustment | Adjusted (Non-GAAP) |
| Net Sales | 2,569,968 | | 2,569,968 |
| Cost of Sales | 509,124 | | 509,124 |
| Gross Profit | <u>2,060,844</u> | - | <u>2,060,844</u> |
| Royalty Overrides | 844,451 | | 844,451 |
| SGA | <u>788,472</u> | | <u>788,472</u> |
| Operating Income | 427,921 | - | 427,921 |
| Interest Expense - net | <u>3,848</u> | <u>(914)</u> ⁽¹⁾ | <u>2,934</u> |
| Income before income taxes | 424,073 | 914 | 424,987 |
| Income Taxes | <u>116,852</u> | <u>214</u> ⁽¹⁾ | <u>117,066</u> |
| Net Income | <u>307,221</u> | <u>700</u> | <u>307,921</u> |
| Diluted EPS | <u>\$ 2.44</u> | <u>\$ 0.01</u> | <u>\$ 2.45</u> |

⁽¹⁾ Write-off of unamortized deferred financing costs resulting from the debt refinancing arrangement in March 2011.

Herbalife Ltd.
Supplemental Schedule
Non-GAAP Financial Measures
(In thousands, except per share amount)
(Unaudited)

| | Nine Months Ended 9/30/2010 | | |
|----------------------------|-----------------------------------|-----------------------------------|------------------------|
| | Reported (GAAP) ⁽⁵⁾ | Adjusting Items | Adjusted (Non-GAAP) |
| Net Sales | \$ 1,995,870 | | \$ 1,995,870 |
| Cost of Sales | <u>410,298</u> | <u>\$ (12,715)</u> ⁽¹⁾ | <u>397,583</u> |
| Gross Profit | 1,585,572 | 12,715 | 1,598,287 |
| Royalty Overrides | 656,160 | | 656,160 |
| SGA | <u>648,143</u> | <u>(11,390)</u> ⁽²⁾ | <u>636,753</u> |
| Operating Income | 281,269 | 24,105 | 305,374 |
| Interest Expense - net | <u>6,291</u> | | <u>6,291</u> |
| Income before income taxes | 274,978 | 24,105 | 299,083 |
| Income Taxes | <u>62,048</u> | <u>17,680</u> ⁽³⁾ | <u>79,728</u> |
| Net Income | <u>\$ 212,930</u> | <u>\$ 6,425</u> | <u>\$ 219,355</u> |
| Diluted EPS ⁽⁴⁾ | <u>\$ 1.69</u> | <u>\$ 0.05</u> | <u>\$ 1.74</u> |

⁽¹⁾ Incremental U.S. dollar costs of 2009 imports in Venezuela which were recorded at the unfavorable market exchange rate and were not devalued based on 2010 exchange rates but rather recorded at their historical dollar costs as products were sold

⁽²⁾ Includes \$15,131 foreign exchange loss related to remeasurement of Venezuela's monetary assets and liabilities resulting from adoption of highly inflationary accounting and \$3,741 foreign exchange gain resulting from receipt of U.S. dollar approved by CADIVI at the official exchange rate relating to 2009 product importations which were previously registered with CADIVI

⁽³⁾ Includes \$14,452 favorable income taxes related to Venezuela becoming highly inflationary and \$3,228 tax benefit from an international income tax audit settlement.

⁽⁴⁾ Diluted EPS has been adjusted to reflect the two-for-one stock split.

⁽⁵⁾ During the second quarter of 2011, the Company changed its method of accounting for share-based compensation tax benefits. Prior periods have been adjusted to reflect this change. See Note 2 of the quarterly report on Form 10-Q for the quarter ended September 30, 2011.



The following is a reconciliation of total long-term debt to net debt:

| | <u>9/30/2011</u> | <u>12/31/10</u> |
|--|--------------------|--------------------|
| Total long-term debt (current and long-term portion) | \$ 222,060 | \$ 178,166 |
| Less: Cash and cash equivalents | 261,521 | 190,550 |
| Net debt | <u>\$ (39,461)</u> | <u>\$ (12,384)</u> |