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# Herbalife Announces Results of Study on Distributors and End Users in the U.S.

***Study Finds That 3.3% of U.S. Adults, or 7.9 Million, Have Purchased Herbalife Products for Personal Use within Past Three Months***

***Company Appoints New Vice President of Consumer & Distributor Insights***

LOS ANGELES--(BUSINESS WIRE)-- Herbalife Ltd. (NYSE:HLF) today released the results of a study conducted to determine the penetration of Herbalife distributors and end users in the U.S. Herbalife engaged Nielsen, a leading global provider of information and insights into what consumers watch and buy, to conduct the research.

Conducted online during April and May of 2013, the survey was completed without intervention from Herbalife and the Company's sponsorship was not disclosed. The survey was conducted among a nationally representative sample of entirely adults, aged 18 and over in the U.S., and balanced by key demographic indicators from the U.S. census, including age, gender, race, personal income and geographic region. With a sample size of 10,525 consumers, the survey had a margin of error of +/- 0.96%.

According to the research, 3.3% of the general population reported that they had purchased Herbalife products within the past three months, indicating that Herbalife currently has approximately 7.9 million customers when projected to the total U.S. adult population. Herbalife customers would include their distributor network, which totaled approximately 550,000 in the U.S. as of the end of the first quarter 2013.<sup>1</sup>

"This survey, conducted by one of the world's most respected research organizations, confirms what we at Herbalife already know to be true: that Herbalife's products have a broad consumer base here in the U.S. – nearly 8 million in the last three months – and that the majority of individuals that purchase Herbalife products do so for personal consumption,"<sup>1</sup> stated Michael O. Johnson, Herbalife's chairman and CEO. "Many of the national polls sponsored by major news organizations during the recent presidential election relied on sample sizes of 800 to 1,000 participants. Importantly, in this research, the sample size of more than 10,000 consumers and the corresponding very low margin of error give this survey strong credibility. Throughout our 33-year history, Herbalife has been committed to having a positive impact on the lives and health of our consumers while addressing global public health concerns: weight management and nutrition. We look forward to continuing to create meaningful results and value for all Herbalife stakeholders."

Additional findings from the market research include<sup>2</sup>:

- Past three month purchasers also claim to purchase Herbalife at a mean rate of every 2.2 months.

- Weight Management is the most commonly purchased type of Herbalife product for personal use, with 95 percent of past three month Herbalife purchasers claiming to have bought this type of product.

Johnson concluded, “We believe the results of this study substantiate our belief that many of those who attack our model lack a clear understanding of the direct selling industry, and Herbalife in particular. Meanwhile, Herbalife continues to deliver record results in sales and profitability as our independent distributors go deeper into existing markets, developing more customers using our nutrition products every day.”

### **Herbalife Names Vice President of Consumer & Distributor Insights**

Herbalife also announced today that it has appointed Monica Wood as Vice President, Consumer & Distributor Insights. In this role, Ms. Wood will help advance Herbalife’s commitment to ongoing, in-depth market research.

Ms. Wood joins Herbalife from MWA, LLC, where she was an advisor to research agencies and corporate departments across the financial services, pharmaceutical and consumer sectors to develop best-in-class practices, training programs and consultancy skills across marketing research, consumer insights and data analytics. Prior to her role at MWA, LLC, from 2005 to 2009 Ms. Wood held a number of marketing and research positions at Novartis International AG, a Swiss multinational pharmaceutical company, which ranked number two in sales among the worldwide industry in 2010. Ms. Wood most recently held the position Vice President of Global Marketing Services at the company from 2007 to 2009. Earlier in her career, Ms. Wood also held consumer insights, commercial analytics and strategic planning positions at Toys “R” Us, Inc., Edelman Public Relations, Wyeth and the Campbell Soup Company.

Ms. Wood received a BS in Education from the University of Florida, and an MBA in Marketing from the University of Miami (Florida).

### **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 over 80 countries through and to a network of 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**

*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:*

- the resignation of our former independent registered public accounting firm, its withdrawal of its audit reports with respect to certain of our historical financial statements, and any difficulties we encounter engaging a successor accounting firm;
- any collateral impact resulting from the ongoing worldwide financial environment 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, including our ability to comfort the marketplace and regulators regarding our compliance with applicable laws;
- 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;
- whether we will purchase any of our shares in the open markets or otherwise; and
- share price volatility related to, among other things, speculative trading and certain traders shorting our common shares.

*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.*

<sup>1</sup> The Nielsen study found that 87 percent of the 349 respondents (out of 10,525 total respondents) who purchased Herbalife products for personal use in the past three months self-reported that they did not purchase it from the company as a distributor.

<sup>2</sup> Data collected among 349 respondents (out of 10,525 total respondents) who claim to have purchased Herbalife products for personal use in the past three months.

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Source: Herbalife Ltd.