

FAQS

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Herbalife Facts and Figures

What are Herbalife's financial trends?

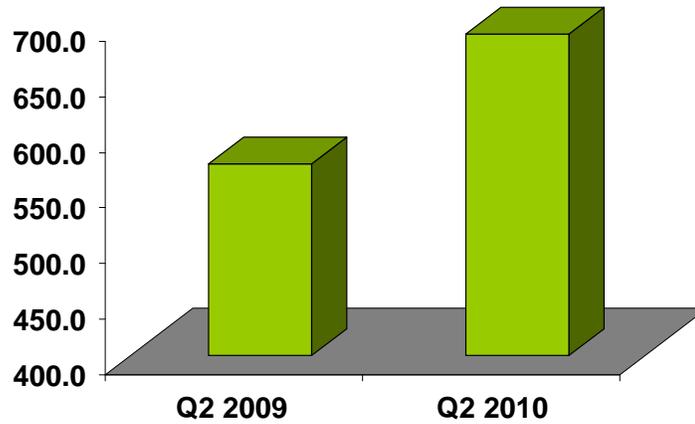
Dollars in Millions, Except Per Share Data:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Income	\$ 191.5	\$ 221.2	\$ 203.3
Other	79.3	51.8	81.8
Cash Flow from Operations	270.8	273.0	285.1
Capital Expenditures	(49.0)	(106.8)	(60.1)
Free Cash Flow	\$ 221.8	\$ 166.2	\$ 225.0
EBITDA	\$ 354.2	\$ 387.7	\$ 358.7
EBITDA per share	\$ 4.87	\$ 5.90	\$ 5.68
EV/EBITDA	7.8x	4.1x	7.1x

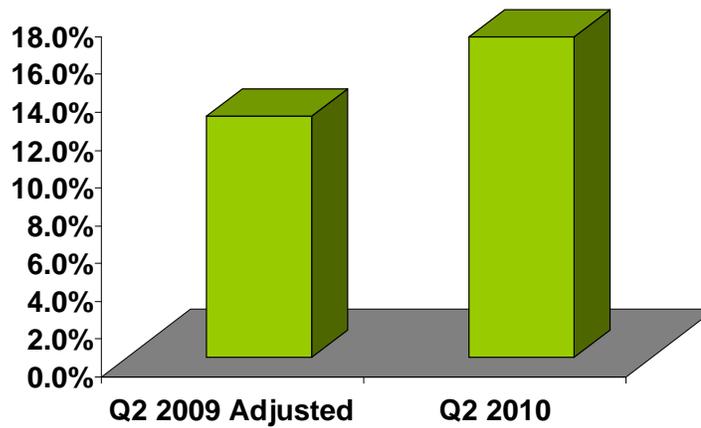
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What are Herbalife's recent quarterly net sales highlights?
Dollars in Millions:



What are Herbalife's recent quarterly operating income highlights?
Dollars in Millions:



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What is Herbalife's product mix?
Based on FY09 YTD:

% of 2Q'10
Net Sales*:



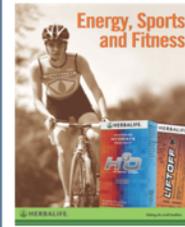
62.5%

Category is largely "functional foods".
Formula 1 = 29% of sales



23.2%

Condition specific products - heart health, digestive, etc.



4.4%

Support a "healthy active lifestyle"



4.5%

Opportunity for regional product development

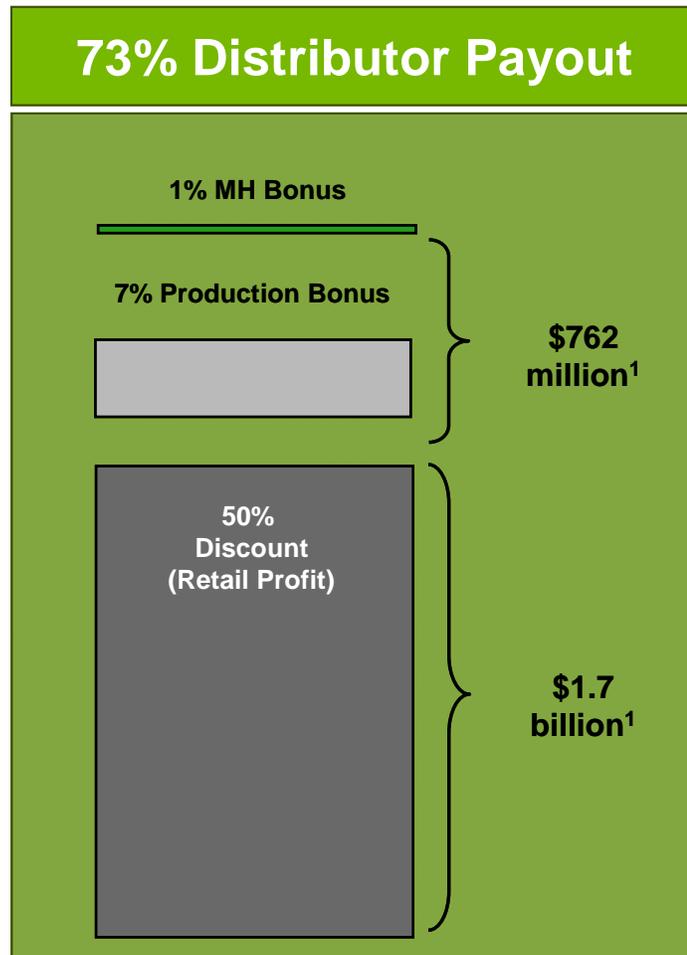


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What are typical distributor earnings?

73% of Retail Sales are paid out to distributors (does not include China)



(1) Actual results referenced in Herbalife's 2009 10K, not including China.

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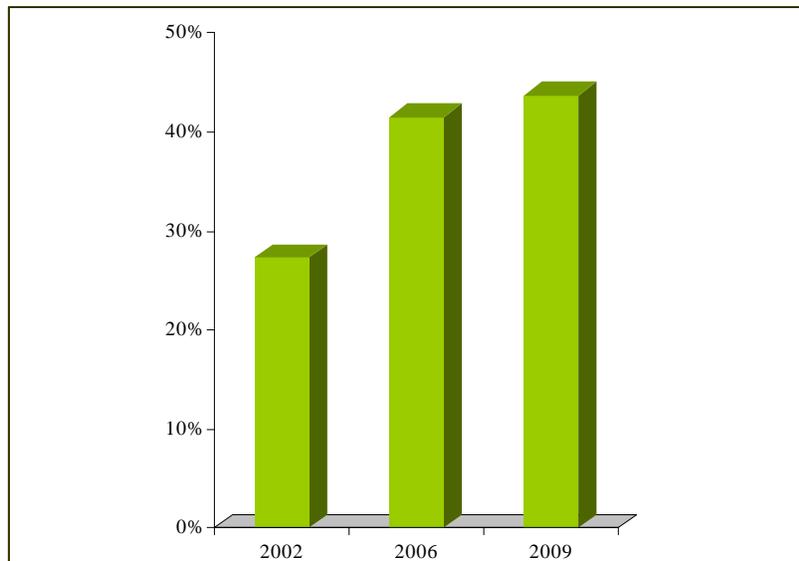
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What is average gross compensation of U.S. supervisors in 2008?
 (The amounts below are in addition to and do not include profits earned on the resale of product to consumers or other Distributors.)

ACTIVE LEADERS			
Earning Level	% of Total Leaders	% of Active Leaders	Average Earnings (USD)
President's Team	0.2%	0.5%	\$ 475,789
Millionaire Team	0.7%	1.6%	\$ 80,983
GET	2.2%	5.1%	\$ 17,785
World Team	2.7%	6.4%	\$ 4,479
Supervisor	36.4%	86.4%	\$ 440
Total	42.2%	100.0%	\$ 5,245

What is Herbalife's supervisor retention?

2009 Annual Sales Leader Retention - 43%



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What is Herbalife?

Herbalife is a global nutrition company. Our products are sold exclusively through Herbalife independent distributors who conduct business in over 70 countries.

In 2009, the company reported annual revenues of \$2.3 billion.

What happened to Herbalife's founder?

Mark Hughes, who founded the company in 1980, died in 2000 of an accidental overdose of prescription medicine and alcohol.

Why have your senior executives sold some of their stock? Do they lack confidence in the company?

As common with most public companies, some executives receive company stock as part of their compensation package. In compliance with NYSE regulations, members of our executive team have pre-set plans that trigger buys or sells at various stock prices. They cannot change these points once the plan has begun.

Isn't Herbalife just a pyramid or Ponzi scheme?

No. Herbalife is not a pyramid or Ponzi scheme. Ponzi schemes are set up to fraudulently generate money for people at the top of a pyramid-shaped organizational structure.

These schemes depend on a constant inflow of new participants to contribute money to the longer-term participants in the pyramid's structure. Such schemes stay afloat only as long as new members continue to come in and give money to earlier arrivals. Sooner or later, such frauds collapse when they can no longer persuade new victims to keep giving money.

Pyramid or Ponzi schemes are illegal, while multilevel or network marketing organizations such as Herbalife are carefully regulated and legal business structures that involve the sales of real products of value to consumers.

Herbalife distributors sell our products to customers and to their distributors whom they have previously recruited. Depending on the level of product sales a distributor achieves each month, they become eligible for volume price discounts on the products they buy from Herbalife. Higher volume translates to lower product prices, allowing them to make more money and encouraging them to find other customers who may want to buy and in turn sell Herbalife products.

Is Herbalife a cult?

No. Herbalife is an international, publicly-traded, for-profit company that depends on a network of independent business people who distribute and sell its products and recruit new distributors and customers through a network of relationships.

Herbalife works hard to support its distributors' success in many ways and to encourage their continued enthusiasm and investment of time and energy in

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supporting its products. The perception of Herbalife as a cult comes from an incorrect media report in the 1990s linking the company to Scientology.

Social media links:

www.facebook.com/herbalife

www.youtube.com/herbalife

www.twitter.com/herbalifehq

www.discovergoodnutrition.com

PRODUCTS

How are Herbalife products developed?

Herbalife's R&D organization combines the experience of our own product development specialists with a team of highly accomplished consulting scientists. We conduct product development, ingredient testing and development of the process for food commercialization at our Product and Science Center and Herbalife Innovation and Manufacturing facility in Los Angeles, with support from select ingredient suppliers and manufacturing partners.

Herbalife uses a stage-gate product development process to take new products from ideation to stable commercial manufacturing. Research operations include: scientific monitoring of the industry for product and ingredient advancements; formulation development with extensive use of prototyping; sensory and clinical testing; and product testing to assess product efficacy, uniformity and stability.

In the course of product design and development, Herbalife researches the functionality and chemistry of botanical, vitamin, mineral and food ingredients; techniques and forms for combining ingredients to provide an acceptable product experience for the consumer; process techniques for the successful, uniform and reliable conversion of ingredients into the desired finished product; and clinical studies of ingredient or product efficacy.

Do you manufacture your own products? How does Herbalife guarantee quality control and quality assurance of its products?

Herbalife owns two of its own manufacturing facilities, in Lake Forest, Calif. and Suzhou, China. In addition, we use manufacturers in the United States, Europe, South America and Asia. Our goal is to continue to expand company-owned manufacturing capabilities while also partnering with select high quality manufacturers.

What government entities regulate Herbalife products?

Within the United States, the Food and Drug Administration (FDA) regulates our conventional foods, dietary supplements and cosmetics under the Food, Drug and Cosmetic Act, as amended. Herbalife products contain ingredients either already recognized as safe or otherwise specifically permitted.

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All of our products sold in the United States are labeled according to FDA regulations and must be manufactured in accordance with established quality standards by vendors, which are periodically inspected and audited by Herbalife in accordance with the company's written quality assurance procedures. All Herbalife food and supplement products, as well as its facilities, are subject to FDA inspection and enforcement authority at all times.

Outside of the United States, we comply with and are regulated by the various ministries of health and food standards agencies in the additional 72 countries where we do business.

Herbalife must submit notifications to the FDA about every dietary supplement making structure/function claims. Herbalife must also report to the FDA all serious adverse events associated with its dietary supplements.

Do Herbalife products contain lead?

Herbalife products include natural ingredients that may contain trace minerals. Many natural and processed foods including dairy products, chocolate and vegetables as well as products made with natural ingredients, contain extremely small amounts of lead that by today's highly sensitive analytical methods can be detected but are insignificant in posing any risk to consumers. Our products fall within FDA guidelines for the amount of lead that consumers can safely ingest through their daily diet, and specific limits on lead content in the daily diet from all sources. Herbalife products do not contain levels of lead that would require labeling under California Proposition 65 disclosure requirement. We also follow the United States Pharmacopeia (USP) levels for lead. In other parts of the world, our products are also in compliance with all regulatory requirements governing lead limits in our products.

What is California Proposition 65?

Prop 65 is a consumer labeling law that applies only in California. It says that under certain circumstances, a product label needs to include a disclosure about the presence of any of approximately 800 listed chemicals, including lead. For many chemicals, it is the most conservative public disclosure obligation in the world.

How are your products backed by science?

We believe that science has to be at the foundation of all of our products. We also support scientific advancements - Herbalife has generously donated funds to establish the Mark Hughes Cellular and Molecular Nutrition Laboratory and the Mark Hughes Human Performance Laboratory at the Center for Human Nutrition at the University of California, Los Angeles (UCLA)* to further enable breakthrough research in nutrition, natural products and botanicals and their effects on human health.

The company also awarded a research grant to the National Center for Natural Products Research at the University of Mississippi School of Pharmacy. The grant allows NCNPR scientists to identify and study the

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biologically active chemicals found in botanicals, which may be used in the development of future dietary supplements and skin care products for Herbalife.

Three clinical studies have been completed that show the effectiveness of Formula 1 protein shake, and one study using Niteworks was completed.

The Formula 1 studies, conducted at University of California, Los Angeles; University of Ulm, Germany; and Seoul University National Hospital, Korea, showed that using Formula 1 meal replacements twice a day led to effective weight loss. Individuals in the studies who had certain weight-related conditions showed improvement in those conditions as a result of using Formula 1 shakes for weight loss.

What is the Nutrition Advisory Board?

Herbalife is proud to be associated with leading experts around the world in the fields of nutrition and health who educate and train Herbalife independent distributors on the principles of nutrition, physical activity and healthy lifestyle.

Does the company conduct any product studies?

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The studies in Germany and Korea were conducted by members of our Nutrition Advisory Board, Drs. Marion Flechtner-Mors and Belong Cho, respectively. The results of the UCLA study were published in Nutrition Journal (August 2008); the Korea results appeared in The International Journal of Clinical Practice (February 2009); and the Ulm study was published in Diabetes/Metabolism Research and Reviews (June 2010).

A clinical study using Niteworks showed avid cyclists over the age of 50 had an improvement in their performance after taking arginine supplements for three weeks. The study was published in Journal of the International Society of Sports Nutrition

Do Herbalife products cause liver disease?

No. Two articles appeared in the October 2007 issue of Journal of Hepatology allegedly associating Herbalife products to liver disease. No product or specific ingredient was identified although the articles theorized that our products could contain toxic substances that could be causative. In fact, extensive testing of our products has repeatedly shown that none of the substances mentioned in the articles were in any of the products, with the

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exception of green tea, which is present in some products at nutritional levels commonly consumed throughout the world. Detailed reviews by 25 governments found no reason to take any regulatory action.

We have submitted a rebuttal to the journal. Herbalife is sometimes wrongly thought to be a medicinal herb company when, in fact, none of our products are sold or marketed for treating, curing or mitigating disease anywhere in the world.

If your products are so good, why aren't they available in stores?

Today, many shoppers prefer the higher level of personalized care afforded by direct sales. Although direct selling has been around for thousands of years, and network marketing is over 50 years old, they are still being hailed as the wave of the future. This is because they combine a personalized approach and the power of free enterprise with the dynamics of people working together to help each other succeed. Herbalife has led the way for 30 years in direct-sales network marketing. For information on the Direct Selling Association, visit www.dsa.org.

How does a Herbalife shake compare to a typical US breakfast of latte and muffin?

Latte & Muffin = 1,040 calories

WHITE CHOCOLATE MOCHA LATTE
(16 oz.)
Calories: 500
Fat: 22g (14g saturated)
Carbohydrates: 63g
Protein: 15g
Fiber: 0g
Sugar: 54g
Cholesterol: 55mg
Sodium: 240mg

\$5.15

LARGE BANANA CHIP MUFFIN
Calories: 540
Fat: 24g (7g saturated)
Carbohydrates: 74g
Fiber: 2g
Sugar: 38g
Cholesterol: 55mg
Sodium: 410mg



Formula 1 Healthy Meal = 228 calories

FORMULA 1 HEALTHY MEAL (1 serving Formula 1,
8 oz. of nonfat milk and 1 oz. of strawberries)
Calories: 228
Fat: 1g (.3g saturated)
Carbohydrates: 30g
Protein: 18g
Fiber: 3g
Sugar: 21g
Cholesterol: 5mg
Sodium: 266mg

\$1.43



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BUSINESS OPPORTUNITY

How do Herbalife's independent distributors make money?

Independent distributors purchase products from the company to sell to their own customers. In multi-level marketing, earnings are derived from an individual's retail sales and, after they have reached the level of supervisor, from the sales of distributors they may have recruited. Herbalife offers customers a 30-day money-back guarantee on the purchase of its products.

Aren't your independent distributors employees?

No. Herbalife's 2 million distributors are not company employees; they are independent business people. All of our products are sold exclusively through our distributors.

Distributors must adhere to strict company policies and legal requirements in each country that regulates product information, sales techniques, advertising, lead generation, social media and many related issues.

What do you do about unsavory business practices?

Herbalife is absolutely committed to upholding the very highest ethical standards so that our employees, distributors and their customers can have total confidence in dealing with our company. We have an Ethics & Business Practices department to review issues regarding distributor behavior and to take disciplinary action where warranted.

How do your distributors sell your products?

There are many methods of selling used by our distributors, such as talking to people, party planning, nutrition clubs and weight-loss challenges.

BRAND

Why does Herbalife sponsor sports teams?

The company sponsors activities that associate our brand with a healthy, active lifestyle and offer an opportunity for what we call "distributor activation" – a way for our independent distributors to offer sample products and develop customer leads, such as staffing a booth at a game or event.

What are your major sponsorships?

In 2010, we are sponsoring a diverse group of over 150 athletic teams and events. These include soccer teams including FC Barcelona and Leo Messi, the Los Angeles Galaxy Major League Soccer, and American Youth Soccer Organization (AYSO) We also sponsor badminton champ Saina Nehwal and boxing champion MC Mary Kom in India.

What about David Beckham – you sponsor him, right? Is he a distributor? Does he take your products?

Herbalife is the Official Nutrition Company and Presenting Sponsor of the LA Galaxy, not a sponsor of team captain David Beckham. Herbalife products are available to all LA Galaxy players and staff in their training room. We do

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not know whether or not David Beckham takes our products and he is not a distributor.

Are all of your sponsorships paid for by the company or do your distributors sponsor events as well?

While the company sponsors major events, many of our distributors around the world support local events as well.

IMAGE

What type of corporate social responsibility program do you have?

Our corporate social responsibility program is best summed up by the company value of “do the right thing” and includes corporate governance; business ethics; product safety and quality; commitment to our employees; commitment to our communities, and; environmental responsibility.

Do you have a community outreach or philanthropy program?

Yes. The Herbalife Family Foundation is a 501(c)(3), non-profit corporation dedicated to improving children’s lives through its Casa Herbalife program by helping organizations provide healthy nutrition to children at risk. Additionally, the foundation responds to help provide aid to victims of natural disasters. We also support other programs in our communities such as the Union Rescue Mission on LA’s Skid Row.

Are employees and distributors involved in your philanthropy program?

Yes. Our Casa Herbalife programs are supported by donations, financially and in volunteer hours, from Herbalife independent distributors and employees.

Do you have any wellness programs for employees?

Yes. In 2005 we introduced our employee wellness program to help educate and motivate our employees and we continue to build upon this program each year. We also encourage participation on Team Herbalife in events that have an opportunity for corporate teams. Men’s Fitness magazine voted Herbalife “one of the top 15 fittest companies in America.” The program was also awarded the Direct Selling Association’s 2008 Success Award.

Does the company share its values among its employees?

Yes. All of our employees are empowered by the company’s vision, mission and values.

* Title for identification purposes only. The University of California does not endorse specific products or services as a matter of policy.

The AYSO name, marks and all associated trademarks and logotypes are owned by the American Youth Soccer Organization (AYSO).