BLIC

Equity Research

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HLF	\$38
12 month target Upside	\$55 45%
	45%
BUY	
52 week range	\$37 - \$84
Market Cap (m)	\$3,518

BTIG Consumer Staples

HERBALIFE LTD

Stock Trades on Sentiment; However, on Valuation/ Fundamentals, It's Undervalued; Initiate at Buy/\$55 tgt

Great industry dynamics & strong business model, but this is not the current focus as stock continues to trade on sentiment, not fundamentals. Importantly, we're confident Herbalife isn't a pyramid scheme. However, we believe the stock will continue to trade on sentiment, so we'd approach with caution despite significant upside potential. Initiate with Buy.

- ► Trades on sentiment, but shouldn't get worse. On a fundamental view, this is an attractive business -- great margins, asset light, continued strong recruitment trends. That is clearly not the investor focus short-term, however, and stock can move 15%+ if an activist shareholder simply indicates he might say something.
- Not a pyramid scheme but unclear if/when overhang removed. Civil Investigative Demand (CID) from FTC in March is a request for info, not an inquiry, & we believe a negative ruling is unlikely. Distributors get no fees for recruiting, minimal start-up cost (<\$100), most income is sales to consumers, & liberal return policy. Still, nothing requires FTC to decide quickly, in keeping with past precedent, or at all, so overhang remains.
- ► US slowdown may continue if not just due to policy changes. New policies still being implemented globally, leading to a redux in 4Q & F15 guidance. US softness last 2 Qs (avg -2% organic vs 10% for 8 Qs prior) was blamed on these changes but may also reflect a shift in morale due to headlines and/or increased compliance hurdles. If either of these is at play, the declines in US organic could accelerate. We account for this with -4% organic in F15.
- ▶ Valuation: 50% Relative/50% DCF yields a \$55 price target

Estimates											
	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	FY15 E
Sales	1,124	1,219	1,214	1,269	4,825	1,263	1,306	1,256	1,187	5,012	5,004
Gross Margin (%)	79.9%	79.7%	80.4%	81.4%	80.4%	80.1%	80.3%	80.3%	81.4%	80.5%	80.5%
EBIT (Adj.)	194	204	205	198	800	222	210	188	174	794	718
Diluted EPS (Adj.)	1.27	1.41	1.41	1.28	5.37	1.50	1.55	1.45	1.33	5.84	5.61
Net Income	119	143	142	124	528	75	120	11	115	320	478

Source: BTIG Research Estimates and Company Documents (\$ in millions, except per share amount)

Adjusted values exclude one-time items.



The Key Debate

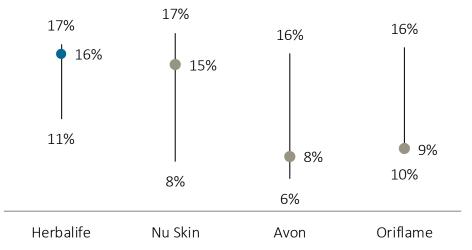
When Will Fundamentals Come Back in Vogue

Great industry dynamics, as obesity and health care drive consumers to improve their lifestyles/diets. Business model also strong & asset light, with more than double the margins of some MLM peers. Sales Leader growth remains robust and steps being taken (in our view) to reduce risk of FTC action & improve retention rates.

Industry dynamics are great. Health & Wellness has strong industry dynamics and demographic support. Current trends toward obesity & increasing health care concerns are making consumers more mindful of lifestyle and diet. Herbalife caters to this trend, not just with its products but also the *de facto* support groups created with nutrition clubs, fit clubs etc. From a demographic perspective, we don't see this changing in the foreseeable future. If anything, the Millennial generation is more concerned with health & wellness than those prior and once they control a larger portion of investor spend we would expect industry trends (already growing high-single-digits) to further accelerate.

Business model is strong. Benchmarking against peers, we believe Herbalife's business model stands out with peer-leading, less volatile margins. Although we don't model any increase beyond F15, we think upside potential exists on margin expansion.

Peer-leading margins. One reasons (which detractors criticize, we think unfairly) is that unlike other MLMs, Herbalife doesn't publish an expensive brochure, so cost of marketing (word of mouth) is not a cost *per se* but a reduction of revenues, given higher rewards Sales Leaders are eligible for when downlines sell.

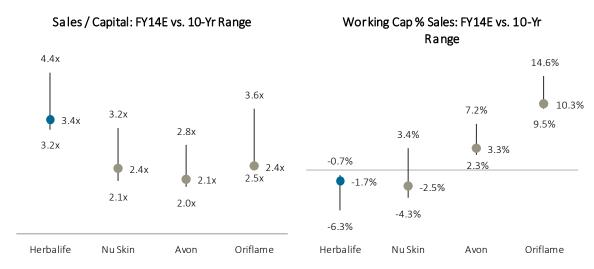


Operating Margin: FY14E vs. 10-Yr Range

Source: Company reports, BTIG Research Estimates.

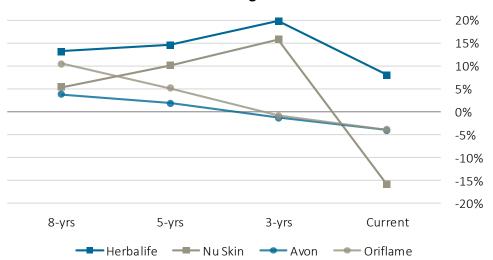
Asset Light. Although Herbalife is investing heavily in its "Seed to Feed" program (to increase self-manufacturing, research, & distribution capabilities), it remains an asset light, and more efficient model v peers. Current efficiency levels are also near the bottom-end of 10-year historical range, leaving room for improvement/upside.





Source: Company reports, BTIG Research Estimates.

Sales Leader Growth remains strong. Given industry dynamics, it's not surprising that Sales Leader Growth overall remains strong, but we've been surprised to see how little disruption there's been in North American Sales Leaders. Although productivity is down, Active Sales Leaders has continued to climb upwards (last 2Qs being the exception) despite headline noise & increased compliance burden.



Sales Leader: Average Annual Growth

Source: Company reports, BTIG Research Estimates. Note: HLF measures sales leaders only while peer metrics represent total sales force

Retention should improve. We believe initiatives on Sales Leader qualification (lowering 12-month volume point target, instituting first order limits) can further improve retention & keep average annual growth above peers. Making it easier to qualify incentivizes new members to build slow; & sustainably. Herbalife has already had success with the transition in Russia, where retention for first time sales leaders increased from <50% to ~75%.</p>

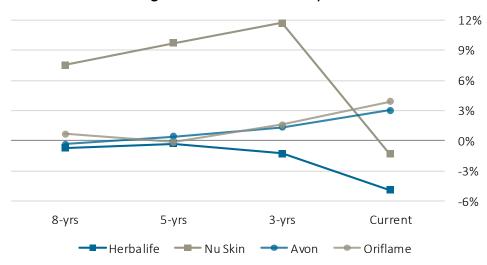
Margins rarely a topic with Herbalife but could be an opportunity. Herbalife recently disclosed they will self-manufacture 65% of products by F16 vs 40% now. They've also



mentioned plans to invest in better packaging & promoting of products, collaborating with doctors and scientists and stressing science. It's possible Herbalife will reinvest margin benefits of self-manufacturing. However, this recent data point arouses our suspicion that there's hidden margin opportunity that could provide cushion if US results get weaker and/or are weak longer than anticipated. Herbalife has mentioned net source/supply chain savings initiatives in the past, but to the best of our knowledge, they've never had a formal cost savings program, nor have they performed a deep analysis of potential savings. Therefore, potentially all areas of cost cutting historically focused on by HPC companies are still available.

Concerns on fundamentals:

Productivity has been in a protracted decline. Herbalife's productivity is on pace to decline for the 4th straight year and has already declined for 4 of the last 6. Our model assumes steady declines through F18.



Average Sales Force Productivity Growth

Source: Company reports, BTIG Research estimates.

- Historical price increases may not continue. Herbalife has averaged ~4% annually since 2007, contributing ~30% of annual organic growth. Any slowdown could disrupt peer-leading organic growth.
- Active Sales reps which have continued trending up, could inflect. The streak of 4 straight years with +DD sales rep growth is likely to end in F14, and this slowdown may not be temporary. Overall, we're surprised the bad press hasn't led to more disruption, but coupled with execution risk on retention improvement efforts, a continued slowdown in sales force growth could permanently lower growth.
- ► After a steady climb, margins have deteriorated over the last 2 quarters, in conjunction with the U.S. slowdown. If sales force productivity continues to decline, we could see margins deteriorate further.



Pyramid Scheme	Herbalife
*Income mainly based on # of people you recruit/rewards unrelated to product sales to end users	*income based entirely on sales – either yours or downlines'; Members are not paid for sponsoring other Members
*Required to buy lots of inventory/volume requirements	*no requirement to purchase beyond start up pack (<\$100)
*Deceptive earnings claims	* <u>clear earnings claims</u>
*Must buy unwanted stuff to be in good standing	*Base level of sales to graduate to Sales Leader, but can be regained if lost
* Fee to join , most quit w/l a year & lose \$	Only fee is start up kit (money-back gurantee), hard to <i>lose</i> \$ especially as >70% of Members are "single level," purchasing products for own consumption
*High churn	Churn low given amount of internal consumption & recent initiatives reduce

What and When Will FTC Decide?

Distributors get no fees for recruiting, only cost is the Member start-up kit (<\$100, moneyback guarantee), the vast majority of the income opportunity is for product sales, there's little to no incentive for inventory loading, & Herbalife has a very liberal return policy. As a result, we're confident Herbalife does not violate <u>current</u> FTC rules. There is, however, nothing preventing the FTC from making rules stricter & this could require significant costs for Herbalife to comply. We believe this possibility is remote (if Herbalife is deemed a pyramid scheme, so too would a swathe of the direct selling industry) but government policy is impossible to predict.

Herbalife vocal about its confidence any FTC action will be limited. To the best of our knowledge, Herbalife isn't involved in settlement negotiations with regulators, yet they're confident enough they won't be charged with significant wrongdoing that they have made this opinion very public, often stated and presented as fact. It's unclear what is driving this confidence, but perhaps the same process informing our own.

"Pyramid Scheme" – Defined (As Currently Written). The Federal Trade Commission (FTC) considers a company a pyramid scheme if "the real way to make money isn't by selling that product but by recruiting other people to pay money for the right to sell that product." The FTC Act also prohibits "deceptive and misleading practices," which don't make typical earnings clear. We understand multi-level marketing defense attorneys typically advise clients that 80% or more of enterprise money should be directly related to sales of products or servicing of customers.

Overhang unlikely to be lifted near-term. Unfortunately, the FTC has no time limit for making a decision, nor does it necessarily need to make one. In any case, the high profile of this case (external pressures from activists, politicians, media, etc) is likely to extend the process beyond historical averages. As a result, even though the CID was announced 8+ months ago (more than a year post-controversy), ruling may still be far away. For reference, it took 12 months after announcing an investigation for the FTC to reach a settlement BurnLounge, and a further 3 years to get a court judgment for monetary relief. For reference, BurnLounge was a much smaller company and (in our opinion) a more straightforward case with less external scrutiny.



Debates Within the Debate...

the logic we've heard:

→Herbalife has a high level of internal sales (~71% of distributors buy for own use only)

ightarrowPyramid scheme rep income stream largely from transactions other than sales to customers

- \rightarrow When a distributor buys for own use, technically this is a sale to a distributor, not a customer
- \rightarrow Herbalife must be a pyramid scheme

We disagree.

Internal sales are, in our opinion, a sale to an end consumer/customer. In order to be classified as a pyramid scheme, a significant portion of a distributor's income opportunity must be from recruiting (or taken to the extreme, anything other than sales to customers). While some believe Herbalife's high level of internal sales should be classified as "sales to distributors", not "sales to consumers," this is a purely semantic argument in our view. We think the FTC is unlikely to crack down on internal sales, as in essence, the consumer/distributor is a distributor in name only.

	Tota	ıl Member Di	stribution	Sales Le	aders with D	ownline Distri	bution
	Mer	nbers		Avg. Payment	Mer	nbers	Average Gross
Sales Level	Total #	% of Total	Defined Opportunity for Members	from Herbalife	Total #	% of Total	Payment (\$000s)
	e-Level 409 78 butors		Wholesale pricing on products for self-	>250K	0.2	0.3%	\$666.7
Distributors		78%	consumption; sell to non-Members. Company does not pay for these	100K - 250K	0.5	0.7	148.4
			rewards	50K - 100K	0.6	0.8	69.6
			Single-Level Distributor benefits;	25K - 50K	1.2	1.7	35.5
Members with a Downline	45	9	wholesale commissions on downline purchases made directly from Herbalife	10K - 25K	2.1	3.0	15.6
Downine			(~\$105 on avg)	5K - 10K	2.7	3.8	7.1
				1K - 5K	11.9	16.7	2.2
Sales Leaders with	72	14	Single & Members with Downline benefits; Multi-level comp on downline	1 - 1K	40.1	56.1	0.3
Downline	12	14	sales including royalties & bonuses	0	12.1	16.9	
Total Members	525	100%		Total	71.5	100.0%	\$5.4

Source: Company website.

In reality, they are a customer purchasing a product directly from Herbalife for their own use and receiving a "distributor" discount. We will concede there's some inventory build at fitness clubs. We can neither track nor estimate this, but believe it's below any worrisome threshold. Furthermore, BurnLounge provides precedent (summary <u>here</u>, full Appeals Court opinion <u>here</u>) suggesting internal consumption is a valid measure of consumer demand.

the logic we've heard:

- →churn is high, with ~70% of Distributors dropping out within a year
- →distributors churn when they lose money
- ightarrowmost Herbalife distributors lose money
- →Herbalife must be a pyramid scheme

We disagree.

Churn in this business does not imply distributors have "lost" money. Although we understand churn is something the FTC looks at when examining potential pyramid schemes, we aren't concerned. According to Herbalife documents and our math, 80%+ of distributors purchase for own consumption only (the 78% Herbalife states are single-level, no downline, plus a portion of the distributors who have downlines but aren't sales leaders and don't qualify for discounts). These "distributors" are likely to drop out within a year, yet "only" 67% do and, in our view, this is not really dropping out, since buying discounted product & then deactivating was the intention all along. Even if an



individual were pressured to buy, a very liberal return policy makes it virtually impossible for these distributors to lose money.

Other Protections

Disclosure re: potential income easily available. Herbalife provides clear, accurate, and timely disclosures to prospective Members regarding potential income and provides realistic expectations of the business opportunity and the effort required to succeed at all levels. While past compensation disclosures didn't include information on the number of single-level members (see the 2002 disclosure <u>here</u>), they've always included transparency on the average gross earning opportunity for Active distributors/sales leaders. Transparency has increased further since a vocal short seller began making headlines about Herbalife (see <u>here</u> for the 2013 report vs. <u>here</u> for the 2011 report).

No minimum purchases, low start-up costs, everything refundable. In its "Gold Standard," Herbalife states there is no requirement to purchase sales or business tools to become a distributor other than the <\$100 Member Pack. Distributors are also not required to buy minimum volume amounts. A discount is awarded at any purchase level, while sales leaders must maintain their status to retain their 50% discount on all products.

Modifying Biz to Prep for Possible FTC Actions

HLF making changes to biz, we believe anticipating possible rule changes. Herbalife has been introducing additional member training, compliance functionality, & better disclosure regarding income opportunity to better product its members but also, we believe, in anticipation of any potential rule changes the FTC could make. As a result of these, business has temporarily slowed but Herbalife is retaining more reps than at any time during its history. Our model takes a conservative view and assumes sustained declines in sales leader growth, until ending flat by F18. We believe there is upside potential as we have confidence in the recent rep retention initiatives to sufficiently maintain sales force while attracting new reps.

Sales leader qualification at 4K vs 5K slows growth but helps retention. As stated above, we believe the FTC at least looks at churn when making its decisions, so reducing churn is not a bad thing, even if that churn wasn't a result of distributor losses (as we've discussed). In an effort to reduce churn, Herbalife has amended the 5K qualification for the 12-month route & now requires only 4K volume points for sales leader qualification over the same time period. The historical qualification thresholds for the 1-month route and 2-month routes were 4K & 2.5K volume points in their respective timeframes. The new rules simplify qualifications as volume point requirement is identical now, regardless of whether a distributor qualifies over a period of one month or 12. This encourages a slower ramp in the member's business (a key factor hitting US sales which will be discussed in the next section – see page 10) but it is increasing retention.

First order limitations also help retention/reduce short-term growth. Herbalife also initiated first order limits in Russia, China and parts of EMEA to slow distributor ramp, with the intention of reducing churn. First order limits will be rolled out globally to



nearly all markets by March 2015, after proof of concept in Russia was obtained (retention rates from 50% to ~75%).

All sales leaders now order directly from HLF, reducing potential risk. Sales leaders could historically buy from other distributors, and while we see nothing inherently wrong with this, at its most extreme reading, these sales would not be considered sales to customers, but rather sales to distributors (see our discussion of internal sales on page 6 as we believe the same principals apply). In our view, eliminating any payments to distributors for sources other than direct sales to consumers is smart. We don't believe this has been a material factor in the U.S. slowing (the same amount of product is still order theoretically, just from the company instead of fellow distributors).

Liberal return policy further liberalized. Under <u>current return policies</u>, it appears difficult to incur losses in any way other than negligence, in our opinion, as any/all product can be returned for any/all reasons by any/all distributors within 12 months of ordering (and Herbalife pays shipping). We'd concede there's potential for prior payments to be "clawed back" if members of a Sales Leader's downline return product, but Sales Leaders are but a small percentage of the "distributor" base and this is not a "loss" *per se*, only the eradication of a gain.

Current Return Policy

→ Member Pack is fully refundable within 90-days if Membership is canceled for any reason

→all unopened product 100% refundable plus shipping costs for any returns within 12 months, if Membership canceled for any reason

- ► All products can be sold, if not to a consumer then back to Herbalife. Even the Member Pack is 100% refundable if a distributor decides not to pursue the earnings opportunity within 3 months of purchasing. All else is refundable up to a year. As a result, a distributor could potentially "lose" the \$60/\$95 charged for the Member Kit if it does not cancel its membership within the 3-month window (note the Member Kit doesn't even need to be sent back, facilitating refund process). Still, this is a product with value and therefore not a total loss.
- Even open merchandise refundable, albeit must be within 30 days. Herbalife's website clearly states they have a 30-day money-back guarantee. If dissatisfied with any opened purchases, one needs to simply return the unused portion within 30 days to receive a full refund. So yes, customers may end up paying for products they don't like if the value of the product return does not justify return shipping. The same, however, is true of product purchased in bricks and mortar stores, as consumers here ascribe a value to effort necessary to return the product. As a result, this is hardly unique to Herbalife

More compliance training introduced to ensure distributor conformity. Herbalife has moved to *mandatory* compliance training for members joining Herbalife for its business opportunity. In addition, once distributors become Sales Leaders, they're required to complete a formal company training program prior to royalty eligibility. This training includes the key do's and don'ts of direct selling. Further, all members who want to open a nutrition club are required to complete a formal company training in 2014, Herbalife now requires annual recertification training as part of the requalification of sales leaders.



Risks to FTC's CID

On the flip side, nothing prevents a rule change & overhang may remain. Although we're confident Herbalife does not fit the FTC's current definition of pyramid scheme, nothing prevents the FTC from making current rules stricter & there may be political incentive to do so given amount of scrutiny on Herbalife specifically & MLMs generally. If rules are changed, it's unlikely Herbalife or others could be fined for past actions that breach the new policy. Still, amending business to comply with new rules could incur significant costs. Although we believe this possibility is remote (if Herbalife is deemed a pyramid scheme, so too would a swathe of direct selling companies - there are 200+ registered members of the Direct Selling Associates and an additional amount of nonmembers...recall, Avon is no longer a part of this association).

Other risks to our confidence Herbalife will not be ruled a Pyramid Scheme: (1) FTC leadership has changed significantly since 2012 (3 of 5 commissioners appointed since then); (2) in 2012, the FTC prosecuted Fortune High Tech Marketing and banned it from MLM, the first such action in over a decade; (3) This is the first time we've seen organized protests from distributors, the first time letters have come from members of Congress, and the first time a large activist hedge fund has advanced a fraud thesis; (4) prior, we would have expressed a similar level of confidence that FTC would investigated Herbalife and obviously that did happen. We don't know what goes on behind closed doors, even less what influences government agencies, so it's possible the fact pattern is different and/or historic interpretation of law will not hold.

The Other Debates

Is U.S. Slowdown a Blip, or the Beginning?

We fear that the US slowdown we've seen the last 2 Qs (average of -1% organic growth vs 12.5% for the 8 Qs prior) has been caused not just by the changes Herbalife has made to its policies (and called out by the company), but also due to a negative shift in representative morale. If we're right and this is partially a morale issue due to the very public nature of the debate on Herbalife, it's something which could potentially snowball creating bigger declines for longer than Herbalife or the market are currently anticipating.

Changes to biz are temporarily slowing sales, according to management. The U.S. business has slowed meaningfully over the past 2Qs after holding up surprisingly well the prior 8 quarters, we think because the debate has been waged in the public sphere. We say surprisingly because when distributor morale is negatively impacted, a pronounced drop in sales often follows. Given the very public nature of the debate, one can assume that many if not most of Herbalife's "real" distributors (our classification of the 17% of distributors who are sales leaders with a downline) are likely to have heard about the debate and could theoretically become less likely to recruit if the future of the company is in question. The increased compliance function may also scare some away from becoming a distributor.

We fear some slowing is rep morale, which can snowball. The pattern that sometimes emerges is: lower morale \rightarrow lower distributor sales \rightarrow higher distributor turnover/lower distributor recruiting \rightarrow lower sales \rightarrow repeat. As a result, a simple



change in morale can have very meaningful impact on the distributor base. It's unclear to us how much of the uptick in US distributor declines during Jun/Sept-Os is due to changed policies (which hurt the short-term but protect the health of the business) versus changes in morale, which can have repercussions that are more lasting. The change in morale could be due to the public debate but it could also be due to the sheer force of recent changes which have to some extent changed the rules of the game and require distributors to adapt their business models, a process that can take time. **Note:** *one of the many million dollar questions to which we will never have an answer is, did Ackman think Herbalife distributors would freeze as the news hit headlines? We suspect he did and was as surprised as we were that the US slowdown was delayed by ~2 years since he brought Herbalife into the public debate.*

We're likely to see rough US results for at least the next 2Qs. Even if the slowdown is 100% due to changed policies (we find this hard to believe), there would likely still be another 2Qs of weakness in the U.S. before we'll see a return to growth on easier comps. The increased focus on Compliance is likely to make distributors more cautious (and therefore less effective...or perhaps less likely to choose Herbalife over other MLMs) and this aspect would perpetuate beyond the four quarters necessary to rebase the business. We don't believe this is in consensus expectations, adding to any potential downside from rep morale related impacts. Herbalife thus far has only discussed the redux to Dec-Q and F15 expectations.

Three-Day Trial Packs just launching in US after Europe success may help. Best practices continue to expand to new markets, even though daily consumption has been a topic of conversation for as long as we can remember. The newest incarnation (for the US – it has already launched in Europe with great success) is a 3-day supply of Formula One shake and Total Control for \$11.95. Like nutrition clubs, these trial packs increase the addressable audience that can buy products and removes the barriers to consumer adoption. The US launch has been very successful thus far, exceeding initial forecasts and we would expect further global rollout of this initiative to follow.

Daily Nutrition / Nutrition Clubs should continue to help as well. Herbalife has been talking about Daily Nutrition/Nutrition Clubs for as long as we can remember, a trend started in Mexico that has since expanded to an increasing number of markets, with a certain degree of localization in each region. Herbalife has long said that daily consumption / nutrition clubs both help attract customers who otherwise could not afford the product & support existing users. Best practices continue to evolve with the latest Healthy Active Lifestyle initiative, which may bring additional consumers into the clubs (more of a health focus than weight loss) by expanding the addressable audience.



Herbalife Executive Team



Michael O. Johnson (59), Chairman & CEO



Des Walsh (57), President Source: Company filings.

Named CEO in 2003 & Chairman in 2007.

Responsibility for Distributor-

facing functions.



Joined Herbalife in November 2007



Richard Goudis (52), COO

Responsible for infrastructure, operations, HR & IT.

Guidance

Guidance for fourth quarter FY'14 includes an unfavorable impact from currency rates of approximately \$0.31 compared to the prior year, inclusive of approximately \$0.22 from Venezuela. Guidance for FY'15 includes a currency headwind of approximately \$0.66, including approximately \$0.45 from Venezuela. Based on current business trends the company's fourth quarter fiscal 2014 and full year fiscal 2015 guidance is as follows:

	Three Mon <u>Decembe</u>		Twelve Mor <u>Decembe</u>	
	Low	<u>High</u>	Low	<u>High</u>
Volume Point Growth vs 2013, ex. VZ	0.0%	3.0%	5.0%	6.0%
Volume Point Growth vs 2013	(3.0%)	0.0%	2.7%	3.5%
Net Sales Growth vs 2013	(8.0%)	(5.0%)	3.5%	4.3%
Currency Adjusted Net Sales Growth vs 2013	1.0%	4.0%	NA	NA
Diluted EPS, excluding items	\$1.30	\$1.40	\$5.80	\$5.90
Currency Adjusted EPS	\$1.61	\$1.71	NA	NA
Cap Ex (\$ millions)	\$52.0	\$62.0	\$170.0	\$180.0
Effective Tax Rate	27.0%	29.0%	27.5%	29.5%
			Twelve Mor	nths Ending
			<u>Decembe</u>	<u>r 31, 2015</u>
			Low	<u>High</u>
Volume Point Growth vs 2014			0.0%	3.0%
Net Sales Growth vs 2014			(1.0%)	2.0%
Currency Adjusted Net Sales Growth vs 2014			3.0%	6.0%
Diluted EPS, excluding items			\$5.45	\$5.75
Currency Adjusted EPS			\$6.10	\$6.40
Cap Ex (\$ millions)			\$145.0	\$165.0
Effective Tax Rate			27.0%	29.0%
Free Cash Flow (\$ millions)			\$470.0	\$500.0

Note: guidance excludes impact of expenses related to legal and advisory services, expenses related to FTC inquiry, and impact of non-cash interest costs on Convertible



Notes and expenses incurred related to effort to recover costs related to reaudits last year. Forward guidance based on average daily exchange rates of first two weeks of October. Included in guidance is use of GAAP rate for Venezuela of 50 to 1 for balance of year & all 2015 and excludes potential impact of future devaluation of Venezuelan Bolivar and future repatriation, if any, of existing cash balances in Venezuela.

Risks

- Elevated volatility due to changes in investor sentiment
- Increased regulatory scrutiny
- ▶ Change in regulatory landscape leading to business model changes
- ▶ Further declines in sales leader recruitment
- Inability to take pricing at historic levels
- Continued negative publicity via high-profile short-seller
- Negative headwinds from VEN

Valuation

Stock not always tied to fundamentals but rather debate. The stock can move 15% in a day, easily, if an activist investor merely indicates he will (at a future point) say something about Herbalife. Any rumors (false or otherwise) about pending FTC action would also cause an unpredictable move. From a pure valuation perspective, our stress tests suggest it's tough to see much downside in most scenarios. In our view, current market implied valuation suggests a meaningfully higher discount rate (10%+) than we use for peers, a -1.5% terminal growth rate and sustained 20bp margin declines to get back to today's trading levels.

50% Relative / 50% DCF valuation yields a \$55 price target.

- \$67 relative value assumes multiple of 12x our NTM EPS estimate of \$5.70
- \$49 DCF value assumes flat medium-term organic growth (off LTM-201\$5.09bn revenues) and average operating margin of 14-15% (off ~16% LTM-2014 EBIT margin)

At \$39/sha1re, we believe market discounting -LSD topline & ~14-15% op margin.



THESIS

Thesis. Great industry dynamics & strong business model but this is not the current focus as stock continues to trade on sentiment, not fundamentals. Importantly, we're confident Herbalife isn't a pyramid scheme, we believe the stock will continue to trade on sentiment, there's sufficient on valuation that even with no clear catalyst, stock looks attractive. We rate Herbalife **Buy** with a **\$55 price target**.

Key Debates:

- 1) When will fundamental s come back in vogue? On a fundamental view, this is a very attractive business -- great margins, asset light, continued strong recruitment trends. But that is clearly not the investor focus in the short-term, as the stock can move 15% if an activist shareholder simply indicates he *might* say something.
- 2) Pyramid scheme or not? Not a pyramid scheme but unclear if/when overhang removed. Civil Investigative Demand (CID) from FTC in March is a request for info, not an inquiry, & we believe a negative ruling is unlikely. Distributors get no fees for recruiting, minimal start-up cost (<\$100), most income is sales to consumers, & liberal return policy. Still, nothing requires FTC to decide quickly, in keeping with past precedent, or at all, so overhang remain.</p>
- 3) Is the 2Q U.S. slowdown a blip or the beginning? 2Q/3Q US slowdown may be beginning, not policy changes. New policies still being implemented globally, leading to a redux in 4Q & F15 guidance. US softness last 2 Qs (avg -2% organic vs 10% for 8 Qs prior) was blamed on these changes but may also reflect a shift in morale due to headlines and/or increased compliance hurdles. If either of these is at play, we're likely to see bigger declines for longer than the company or market anticipates.
- 4) How do you value a stock that trades on sentiment? Short answer, you don't. But even stress testing model by assuming down 1% organic and ~25bp margin contraction p.a beyond F14, it's tough to see downside from current levels.

Positives/Opportunities:

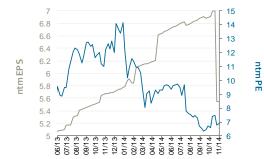
- "healthy active lifestyle" augments daily consumption methods
- continued global expansion of nutrition clubs
- successful record of R&D
- High level of internal consumption
- UK still growing 20% despite being there for ~30 years
- Significant FCF (although buybacks still restricted)
- FTC could offer a (positive) ruling on pyramid scheme

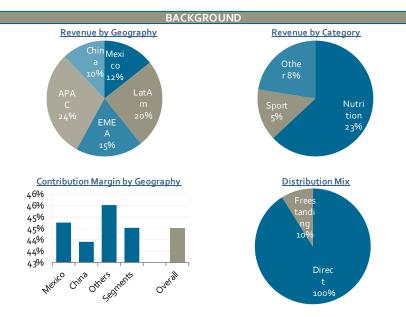
- Negatives/Risks:
- Stock not always tied to fundamentals but rather debate
- Debate around legality of MLMs
- Cost/distraction of responding to accusations
- FTC Civil Investigative Demand (CID) could take years
- Investigation could be impacting US sales trends
- Tough to assess health of channel/channel inventories
- Sales force recruitment/retention
- Fx exposure as 70% (?) of volume outside US
- · Regulatory oversight on formulation, mfg, labeling, mktg

VALUATION

On fundamentals, it's a great biz, but stock trades mostly on sentiment. Still, you would need to assume significantly higher discount rate than peers, -ve terminal growth and declining margins beyond F14 in our DCF to get to today's levels. On that, we rate Herbalife a **Buy** with a **\$55 price target**.







Business Mix: Direct seller of weight management and nutritional supplements as well as energy, sports & fitness and personal/skincare products. Business has changed overtime, with increased focus today on Weight Management / meal replacement products at ~64% of the biz vs. ~45% a decade ago. Herbalife wants to capitalize on the global health and wellness trend, and McKinsey and Euromonitor both estimate ~7% growth p.a. through 2017, at which point it will be a \$1 trillion industry.

Geography: Well-diversified , and China's share of revenues have doubled since 2009 while Herbalife has decreased dependence on North America. Herbalife is selling now in 91 countries, with plans to open more in 2014

Ownership: Carl Icahn is Long, Bill Ackman is (vocally) short. One of the most volatile names in HPC, with 42% short interest as a % of float.

Input costs/Fx: Largest exposures = soybeans, dairy products, plastics & transportation related costs. HLF uses long-term supply contracts and supply chain savings to help offset volatlity. Fx was a 1pt headwind in CY13, but with Venezuela playing a bigger role this year we expect 4.5% headwind for CY14.

M&A: Acquisitions have focused mostly on facilities to improve self-manufacturing or innovation capabilities. Winston-Salem, NC (2012) and Micelle Labs in Lake Forest, CA (2009). We don't expect Herbalife to be active in M&A going forward.

Source: Company Reports, Bloomberg, Euromonitor International (EM participation and category growth rates are both expressed in retail sales dollars), BTIG Research estimates.



						Sto	ock Per	formar	nce	EF	s		NTN	1 Multi	ples			Hist	orical	Multi	ples				Ot	her		
						ΥT	ſD	LT	M	Mome	entum		P/E		EV/E	BITDA		P/E		E	V/EBITC	A	DEBT	Yie	lds	S	entimer	nt
	Market Cap (USD m's)	RATING	Current Price	Target	Return	ΥΤ D Δ	v. Sector	LTM Return	v. Sector	EPS 6mo A	Exp EPS Gr	Current P/E	PE / Growth	P/E v Hist	EV/EBITDA	v. History	AVG	Ŧ	ROW	AVG	Ŧ	гом	ND/EBITDA	FCF YId	Div Yld	% Buy	% Sell	14D RSI
HPC						-7%		-1%		-5%	8%	18x	2.2x	8%	11x	13%	17x	24x	8x	10x	10x	6x	1.7x	5%	2%	11	11%	57
BEV	¢170.020	Neutral	C 00			1%	20/	14%	4.0/	-3%	8%	19x	2.7x	22%	13x	25%	16x	22x	8x	10x	10x	6x	2.5x	4%	2%	11	16%	61
ABI BB	\$179,839	Neutral	€ 89	¢10	C 40/	-2%	-2%	18%	4%	-2%	6%	20x	3.2x	21%	12x	30%	16x	21x	5x	9x	9x	3x	2.5x	6%	2%	50%		59
AVP	\$4,303	Buy	\$10	\$16	64%	-15%	-8%	-41%	-40%	-9%	7%	11x	1.7x	-36%	7x	-28%	18x	26x	9x	9x	9x	3x	4.4x	12%	2%	33%		32
BEI GY	\$21,712	Buy	€ 69	€80	17%	-4%	4%	-6%	-5%	-2%	8%	25x	3.2x	10%	15x	19%	23x	29x	14x	13x	13x	8x	-1.6x	1%	1%		22%	68
BF/B	\$19,994	Buy	\$94	\$102	10%	19%	18%	27%	13%	2%	10%	27x	2.8x	35%	18x	35%	20x	28x	12x	13x	13x	9x	0.5x	3%	1%		17%	65
CARLB DC	\$13,470	Buy	kr.517	DKK708	38%	-10%	-11%	-9%	-23%	-9%	7%	13x	1.9x	-4%	9x	7%	14x	22x	5x	8x	8x	5x	2.6x	3%	1%	26%		51
CHD	\$9,930	Buy	\$74	\$84	15%	4%	12%	15%	16%	-1%	10%	23x	2.2x	25%	13x	30%	18x	24x	12x	10x	10x	8x	0.9x	5%	2%		13%	66
CL	\$61,948	Buy	\$68	\$75	12%	-1%	7%	7%	7%	-5%	9%	22x	2.4x	7%	14x	23%	20x	39x	13x	11x	11x	8x	1.2x	4%	2%	26%		60
CLX	\$13,040	Neutral	\$101	4	/	-5%	2%	12%	13%	-1%	7%	22x	3.3x	23%	13x	26%	18x	29x	11x	10x	10x	8x	1.6x	5%	3%	10%		60
СОТҮ	\$6,805	Buy	\$19	\$23	20%	-2%	6%	25%	26%	2%	9%	21x	2.3x	13%	11x	19%	19x	22x	16x	10x	10x	8x	8.4x	4%	0%	50%		69
DGE LN	\$74,916	Buy	1,905p	2,042p	10%	-7%	-8%	-3%	-18%	-10%	5%	19x	3.9x	24%	15x	23%	15x	19x	10x	12x	12x	9x	2.3x	2%	3%		18%	71
EL	\$27,344	Buy	\$72	\$85	19%	-11%	-4%	0%	1%	-8%	11%	23x	2.1x	15%	12x	20%	20x	26x	10x	10x	10x	5x	0.0x	4%	1%	60%		37
ENR	\$7,732	Neutral	\$125			-7%	1%	21%	21%	-5%	6%	17x	2.9x	30%	10x	24%	13x	20x	5x	8x	8x	6x	1.8x	7%	2%	53%		57
HEIA NA	\$44,076	Neutral	€61			3%	2%	21%	6%	4%	12%	18x	1.5x	25%	10x	23%	15x	19x	8x	8x	8x	5x	2.7x	5%	2%		17%	63
HEN3 GY	\$43,030	Neutral	€83			-7%	0%	3%	4%	1%	8%	18x	2.3x	20%	11x	20%	15x	19x	8x	9x	9x	6x	-0.3x	4%	1%	49%	10%	68
HLF	\$3,518	Buy	\$38	\$55	45%	-27%	-20%	-43%	-42%	-22%		7x		-45%	6x	-21%	13x	21x	4x	7x	7x	0x	1.8x	13%	2%	57%	0%	38
JAH	\$8,597	Buy	\$67	\$78	16%	-2%	5%	22%	23%	0%	12%	15x	1.2x	35%	11x	41%	11x	17x	3x	8x	8x	5x	5.4x	4%	0%	82%	6%	69
КМВ	\$42,311	Neutral	\$114			6%	13%	13%	14%	-7%	7%	19x	2.5x	28%	11x	23%	14x	19x	10x	9x	9x	7x	1.3x	5%	3%	14%	5%	68
NUS	\$2,329	Neutral	\$39			-40%	-33%	-65%	-64%	-39%	17%	9x	0.6x	-32%	5x	-28%	14x	23x	5x	7x	7x	4x	0.0x		1%	60%	10%	33
NWL	\$9,619	Buy	\$35	\$38	9%	-8%	0%	22%	22%	2%	10%	16x	1.6x	20%	11x	34%	14x	22x	4x	9x	9x	5x	2.5x	5%	2%	83%	0%	62
OR FP	\$92,752	Neutral	€132			-6%	1%	7%	8%	0%	8%	22x	2.7x	7%	14x	5%	21x	26x	13x	14x	14x	9x	-0.2x	4%	2%	40%	21%	69
ORI SS	\$1,017	Neutral	SEK138			-21%	-13%	-32%	-31%	1%		12x		-17%	8x	-23%	14x	20x	7x	10x	10x	6x	2.2x	6%	4%	29%	12%	58
PG	\$237,651	Buy	\$88	\$92	8%	-1%	6%	7%	8%	-4%	9%	20x	2.3x	5%	13x	19%	19x	34x	11x	11x	11x	8x	1.2x	5%	3%	45%	6%	57
RB/ LN	\$58,855	Neutral	5,230p			2%	9%	11%	11%	-1%	4%	19x	5.2x	16%	15x	20%	17x	22x	1x	12x	12x	9x	0.8x	5%	3%	32%	23%	58
RI FP	\$30,555	Neutral	€92			2%	1%	6%	-8%	-1%	11%	18x	1.7x	18%	13x	10%	15x	19x	8x	12x	12x	7x	3.7x	3%		44%	19%	63
SAB LN	\$88,967	Neutral	3,525p			-3%	-4%	11%	-3%	-5%	7%	21x	2.8x	28%	15x	37%	16x	22x	8x	11x	11x	6x	2.3x	4%	2%	29%	21%	56
ТАР	\$14,328	Neutral	\$76			5%	4%	45%	30%	0%	5%	18x	3.8x	27%	12x	32%	14x	24x	10x	9x	9x	7x	3.2x	7%	2%	50%	0%	63
ULVR LN	\$120,369	Buy	2,616p	3,116p	23%	3%	11%	9%	10%	-1%	8%	19x	2.5x	30%	12x	20%	15x	20x	3x	10x	10x	7x	1.1x	4%	4%	23%	35%	61
	\$1.2trillion				22%	-5%	0%	4%	0%	-5%	8%	18x	2.5x	12%	12x	16%	16x	23x	8x	10x	10x	6x	1.9x	5%	2%	42%	13%	59

Source: Company Reports, Bloomberg, BTIG Research estimates. Note: Upside includes projected dividend Note: All prices in document are of November 18, 2014



HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
\$ millions	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E		FY16 E	FY17 E	FY18 E
Income Statement																					
Net revenues	\$2,734	\$3,455	\$4,072	\$1,124	\$1,219	\$1,214	\$1,269	\$4,825	\$1,263	\$1,306	\$1,256	\$1,187	\$5,012	\$1,272	\$1,295	\$1,244	\$1,193	\$5,004	\$5,026	\$5,020	\$4,996
Cost of goods sold	546	680	813	226	247	238	236	947	251	257	247	220	976	253	255	245	222	975	979	978	973
Gross profit	2,188	2,774	3,260	898	972	975	1,033	3,878	1,011	1,049	1,009	966	4,035	1,019	1,040	999	972	4,029	4,047	4,042	4,023
Selling & admin expenses	876	1,075	1,260	340	389	397	454	1,580	408	448	457	436	1,749	429	464	471	456	1,821	1,828	1,825	1,817
Royalty overrides	900	1,138	1,339	364	380	373	381	1,498	382	391	364	356	1,492	385	387	360	358	1,490	1,497	1,495	1,488
Other operating expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<u>0</u>	<u>0</u>	<u>0</u>	0
EBIT (underlying)	412	562	661	194	204	205	198	800	222	210	188	174	794	205	188	167	158	718	723	722	718
Memo item: EBITDA	480	634	736	214	225	225	219	885	243	234	212	198	888	231	217	197	187	832	856	869	877
	-24	0	0	-25	-12	-12	-16	-65	-95	-14	-160	0	-269	0	0	0	0	0002	0	0	0
Non-recurring items Restructuring charges	-24	0	0	-25	-12	-12	0	0	-95	-14	0	0	-269	0	0	0	0	0	0	0	0
Gain (loss) on sale of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
	388	562	661	169	192	192	182	735	128	196	28	174	526	205	188	167	158	<u>0</u> 718	723	722	718
Operating profit (rptd)																					
Interest expense	-10	-9	-17	-7	-8	-7	-6	-27	-12	-15	-14	-14	-55	-13	-13	-12	-12	-50	-43	-35	-27
Interest income	2	7	6	1	2	2	3	8	3	3	4	4	14	4	4	4	4	15	15	15	15
Other income, net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary items	<u>0</u>	-1	0	0	0	0	0	0	<u>-9</u>	<u>-9</u>	<u>-20</u>	0	-38	<u>0</u>	0	0	<u>0</u>	0	0	0	0
Profit before tax	380	560	651	164	187	187	179	717	109	175	-2	164	446	196	179	159	150	683	695	702	707
Income tax	90	148	174	45	44	45	55	189	35	55	-13	49	126	59	54	48	45	205	209	211	212
Net income	291	412	477	119	143	142	124	528	75	120	11	115	320	137	125	111	105	478	487	492	495
Minority interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0
Income avail to common	291	412	477	119	143	142	124	528	75	120	11	115	320	137	125	111	105	478	487	492	495
Diluted share count	125	124	117	108	107	108	107	108	101	91	86	86	91	86	85	85	85	85	84	82	81
E.P.S. (reported)	\$2.33	\$3.31	\$4.06	\$1.10	\$1.34	\$1.32	\$1.15	\$4.91	\$0.74	\$1.31	\$0.13	\$1.33	\$3.51	\$1.60	\$1.47	\$1.31	\$1.24	\$5.61	\$5.81	\$5.97	\$6.10
E.P.S. (underlying)	\$2.39	\$3.32	\$4.06	\$1.27	\$1.41	\$1.41	\$1.28	\$5.37	\$1.50	\$1.55	\$1.45	\$1.33	\$5.84	\$1.60	\$1.47	\$1.31	\$1.24	\$5.61	\$5.81	\$5.97	\$6.10
HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
HERBALIFE Inc Statement Ratios	Dec-10 FY10 A	Dec-11 FY11 A	Dec-12 FY12 A	Mar-13 1Q13 A	Jun-13 2Q13 A	Sep-13 3Q13 A	Dec-13 4Q13 A	Dec-13 FY13 A	Mar-14 1Q14 A	Jun-14 2Q14 A	Sep-14 3Q14 A	Dec-14 4Q14 E	Dec-14 FY14 E	Mar-15 1Q15 E	Jun-15 2Q15 E	Sep-15 3Q15 E	Dec-15 4Q15 E	Dec-15 FY15 E	Dec-16 FY16 E	Dec-17 FY17 E	Dec-18 FY18 E
Inc Statement Ratios																					
Inc Statement Ratios Growth Analysis (%)	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
Inc Statement Ratios Growth Analysis (%) Net revenues	FY10 A 17.6%	FY11 A 26.3%	FY12 A	1Q13 A 16.5%	2Q13 A 18.1%	3Q13 A 19.3%	4Q13 A 19.8%	FY13 A 18.5%	1Q14 A 12.4%	2Q14 A 7.1%	3Q14 A 3.5%	4Q14 E -6.5%	FY14 E 3.9%	1Q15 E 0.8%	2Q15 E -0.9%	3Q15 E -1.0%	4Q15 E 0.6%	FY15 E -0.2%	FY16 E	FY17 E	FY18 E
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit	FY10 A 17.6% 19.0%	FY11 A 26.3% 26.8%	FY12 A 17.9% 17.5%	1Q13 A 16.5% 16.9%	2Q13 A 18.1% 17.4%	3Q13 A 19.3% 19.6%	4Q13 A 19.8% 21.8%	FY13 A 18.5% 19.0%	1Q14 A 12.4% 12.7%	2Q14 A 7.1% 7.9%	3Q14 A 3.5% 3.5%	4Q14 E -6.5% -6.5%	FY14 E 3.9% 4.1%	1Q15 E 0.8% 0.8%	2Q15 E -0.9% -0.9%	3Q15 E -1.0% -1.0%	4Q15 E 0.6% 0.6%	FY15 E -0.2% -0.1%	FY16 E 0.4% 0.4%	FY17 E -0.1% -0.1%	FY18 E -0.5% -0.5%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying)	FY10 A 17.6% 19.0% 35.1%	FY11 A 26.3% 26.8% 36.6%	FY12 A 17.9% 17.5% 17.6%	1Q13 A 16.5% 16.9% 25.6%	2Q13 A 18.1% 17.4% 9.2%	3Q13 A 19.3% 19.6% 27.2%	4Q13 A 19.8% 21.8% 23.9%	FY13 A 18.5% 19.0% 20.9%	1Q14 A 12.4% 12.7% 14.8%	2Q14 A 7.1% 7.9% 3.0%	3Q14 A 3.5% 3.5% -8.1%	4Q14 E -6.5% -6.5% -12.0%	FY14 E 3.9% 4.1% -0.7%	1Q15 E 0.8% 0.8% -7.7%	2Q15 E -0.9% -0.9% -10.4%	3Q15 E -1.0% -1.0% -11.1%	4Q15 E 0.6% 0.6% -9.5%	FY15 E -0.2% -0.1% -9.6%	FY16 E 0.4% 0.4% 0.6%	FY17 E -0.1% -0.1%	-0.5% -0.5% -0.5%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income	FY10 A 17.6% 19.0% 35.1% 42.9%	FY11 A 26.3% 26.8% 36.6% 41.9%	FY12 A 17.9% 17.5% 17.6% 15.8%	1Q13 A 16.5% 16.9% 25.6% 9.9%	2Q13 A 18.1% 17.4% 9.2% 7.3%	3Q13 A 19.3% 19.6% 27.2% 20.5%	4Q13 A 19.8% 21.8% 23.9% 4.8%	FY13 A 18.5% 19.0% 20.9% 10.5%	1Q14 A 12.4% 12.7% 14.8% -37.2%	2Q14 A 7.1% 7.9% 3.0% -16.5%	3Q14 A 3.5% 3.5% -8.1% -92.1%	4Q14 E -6.5% -6.5% -12.0% -7.1%	FY14 E 3.9% 4.1% -0.7% -39.3%	1Q15 E 0.8% 0.8% -7.7% 83.6%	2Q15 E -0.9% -0.9% -10.4% 5.0%	3Q15 E -1.0% -1.1% 892.0%	4Q15 E 0.6% 0.6% -9.5% -8.8%	FY15 E -0.2% -0.1% -9.6% 49.4%	FY16 E 0.4% 0.6% 1.7%	FY17 E -0.1% -0.1% -0.1% 1.0%	FY18 E -0.5% -0.5% -0.5% 0.7%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported)	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1%	3Q15 E -1.0% -11.1% 892.0% 905.7%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7%	FY16 E 0.4% 0.6% 1.7% 3.5%	FY17 E -0.1% -0.1% 1.0% 2.7%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying)	FY10 A 17.6% 19.0% 35.1% 42.9%	FY11 A 26.3% 26.8% 36.6% 41.9%	FY12 A 17.9% 17.5% 17.6% 15.8%	1Q13 A 16.5% 16.9% 25.6% 9.9%	2Q13 A 18.1% 17.4% 9.2% 7.3%	3Q13 A 19.3% 19.6% 27.2% 20.5%	4Q13 A 19.8% 21.8% 23.9% 4.8%	FY13 A 18.5% 19.0% 20.9% 10.5%	1Q14 A 12.4% 12.7% 14.8% -37.2%	2Q14 A 7.1% 7.9% 3.0% -16.5%	3Q14 A 3.5% 3.5% -8.1% -92.1%	4Q14 E -6.5% -6.5% -12.0% -7.1%	FY14 E 3.9% 4.1% -0.7% -39.3%	1Q15 E 0.8% 0.8% -7.7% 83.6%	2Q15 E -0.9% -0.9% -10.4% 5.0%	3Q15 E -1.0% -1.1% 892.0%	4Q15 E 0.6% 0.6% -9.5% -8.8%	FY15 E -0.2% -0.1% -9.6% 49.4%	FY16 E 0.4% 0.6% 1.7%	FY17 E -0.1% -0.1% -0.1% 1.0%	FY18 E -0.5% -0.5% -0.5% 0.7%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%)	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6% 22.3%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 9.9%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 2.8%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2%	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9%	FY16 E 0.4% 0.6% 1.7% 3.5% 3.5%	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7%	FY18 E -0.5% -0.5% 0.7% 2.2% 2.2%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6% 22.3% 80.0%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 9.9% 80.3%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 2.8% 80.3%	4Q14 E -6.5% -12.0% -7.1% 15.5% 4.0% 81.4%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3%	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% 80.3%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5%	FY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5%	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7% 80.5%	FY18 E -0.5% -0.5% 0.7% 2.2% 2.2% 80.5%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying)	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6% 22.3%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 9.9%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 2.8%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2%	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9%	FY16 E 0.4% 0.6% 1.7% 3.5% 3.5%	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7%	FY18 E -0.5% -0.5% 0.7% 2.2% 2.2%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps)	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6% 22.3% 80.0% 16.2%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1%	3Q14 A 3.5% 3.5% -8.1% -92.1% 2.8% 80.3% 15.0%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0% 81.4% 14.7%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5% 15.8%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5%	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% 80.3% 13.4%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4% 13.2%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3%	FY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4%	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4%	FY18 E -0.5% -0.5% 0.7% 2.2% 2.2% 80.5% 14.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp	FY12 A 17.9% 17.5% 17.6% 22.6% 22.3% 80.0% 16.2% -27 bp	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 79.9% 17.2% 23 bp	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 21.8% 79.7% 16.7% -53 bp	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18.bp	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32 bp	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% -3.7% -32.7%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 80.3% 16.1% 58 bp	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% -90.1% 80.3% 15.0% -4 bp	4Q14 E -6.5% -6.5% -7.1% 15.5% 81.4% 14.7% 0 bp	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5% 15.8% 15.bp	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% 80.3% 14.5% 0 bp	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% - 80.3% 13.4% 0 bp	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 81.4% 13.2% 0 bp	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% -3.9% 80.5% 14.3% 0 bp	FY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4% 0 bp	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 2.2% 80.5% 14.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps)	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6% 22.3% 80.0% 16.2%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1%	3Q14 A 3.5% 3.5% -8.1% -92.1% 2.8% 80.3% 15.0%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0% 81.4% 14.7%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5% 15.8%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5%	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% 80.3% 13.4%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4% 13.2%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3%	FY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4%	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4%	FY18 E -0.5% -0.5% 0.7% 2.2% 2.2% 80.5% 14.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp	FY12 A 17.9% 17.5% 17.6% 22.6% 22.3% 80.0% 16.2% -27 bp	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 79.9% 17.2% 23 bp	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -53 bp -137 bp	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 9.9% 80.3% 16.1% 58 bp -64 bp	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 2.8% 80.3% 15.0% -4 bp -189 bp	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 8.8% 1.5.8% 15.8% 15 bp -73 bp	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp	4Q15 E 0.6% 0.6% -9.5% -7.1% -7.1% 81.4% 13.2% 0 bp -147 bp	PY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp	PY16 E 0.4% 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 80.5% 14.4% 0 bp
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin A (bps) Gross profit margin delta EBIT margin delta	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 122 bp	FY12 A 17.9% 17.5% 17.6% 22.6% 22.3% 80.0% 16.2% -27 bp	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 79.9% 17.2% 23 bp	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -53 bp -137 bp 20.3%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 135 bp 135 bp 135 bp	FY13 A 18.5% 19.0% 20.9% 0.5% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% -3.7% -32.7%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 80.3% 16.1% 58 bp	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% -90.1% 80.3% 15.0% -4 bp	4Q14 E -6.5% -6.5% -7.1% 15.5% 81.4% 14.7% 0 bp	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5% 15.8% 15.8% 15 bp -73 bp	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% 80.3% 13.4% 80.3% -153 bp -153 bp	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 81.4% 13.2% 0 bp -147 bp 18.6%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% -80.5% 14.3% 0 bp -150 bp	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5%	FY17 E -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4% 0 bp	FY18 E -0.5% -0.5% -0.5% -0.5% 2.2% 2.2% 80.5% 14.4% 0 bp 0 bp 0 bp
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expense	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 122 bp 19.7% 31.1%	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp -27 bp -3 bp	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -137 bp -137 bp 20.3% 31.9%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 18.6% 35.8%	FY13 A 18.5% 19.0% 20.9% 20.7% 32.1% 80.4% 16.6% 32.bp 34.bp 19.6% 32.8%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 37 bp 19.9% 32.3%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 9.9% 80.3% 16.1% 58 bp -64 bp -19.7% 34.3%	3Q14 A 3.5% 3.5% -8.1% -92.1% 2.8% 2.8% 80.3% 15.0% -189 bp -189 bp -189 bp	4Q14 E -6.5% -6.5% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp -92 bp 18.6% 36.7%	FY14 E 3.9% 4.1% -0.7% -28.4% 8.8% 80.5% 15.8% 15.8% 15.bp -73 bp -73 bp 19.5% 34.9%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp -19.9% 33.7%	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0bp -154 bp -154 bp 19.7% 35.9%	3Q15 E -1.0% -1.0% -1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp 19.7% 37.9%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4% 13.2% 0 bp -147 bp -147 bp 18.6% 38.2%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 	PY17 E -0.1% -0.1% -0.1% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5% 36.4%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 80.5% 14.4% 0 bp 0 bp 0 bp 19.5% 36.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin A (bps) Gross profit margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 122 bp	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0%	1Q13 A 16.5% 16.9% 25.6% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -53 bp -137 bp 20.3%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 135 bp 135 bp 135 bp	FY13 A 18.5% 19.0% 20.9% 0.5% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 19.9%	2014 A 7.1% 7.9% 3.0% -16.5% 9.9% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp	3Q14 A 3.5% 3.5% 3.5% -8.1% -92.1% 2.8% 2.8% 80.3% 15.0% -4 bp -189 bp	4Q14 E -6.5% -6.5% -12.0% -7.1% 4.0% 81.4% 14.7% 0 bp -92 bp -92 bp	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5% 15.8% 15.8% 15 bp -73 bp	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp -19.9%	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp	3Q15 E -1.0% -1.0% -11.1% 892.0% 905.7% -9.8% 80.3% 13.4% 80.3% -153 bp -153 bp	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 81.4% 13.2% 0 bp -147 bp 18.6%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% -80.5% 14.3% 0 bp -150 bp	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5%	FY18 E -0.5% -0.5% -0.5% -0.5% 2.2% 2.2% 80.5% 14.4% 0 bp 0 bp 0 bp
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expense	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 122 bp 19.7% 31.1%	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp -27 bp -3 bp -20.0% 30.9%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -137 bp -137 bp 20.3% 31.9%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 18.6% 35.8%	FY13 A 18.5% 19.0% 20.9% 20.7% 32.1% 80.4% 16.6% 32.bp 34.bp 19.6% 32.8%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 37 bp 19.9% 32.3%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 9.9% 80.3% 16.1% 58 bp -64 bp -19.7% 34.3%	3Q14 A 3.5% 3.5% -8.1% -92.1% 2.8% 2.8% 80.3% 15.0% -189 bp -189 bp -189 bp	4Q14 E -6.5% -6.5% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp -92 bp 18.6% 36.7%	FY14 E 3.9% 4.1% -0.7% -28.4% 8.8% 80.5% 15.8% 15.8% 15.bp -73 bp -73 bp 19.5% 34.9%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp -19.9% 33.7%	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0bp -154 bp -154 bp 19.7% 35.9%	3Q15 E -1.0% -1.0% -1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp 19.7% 37.9%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4% 13.2% 0 bp -147 bp -147 bp 18.6% 38.2%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 	PY17 E -0.1% -0.1% -0.1% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5% 36.4%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 80.5% 14.4% 0 bp 0 bp 0 bp 19.5% 36.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta Cost Analysis (%) Selling, gen & admin expense: Royalty overrides	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 122 bp 19.7% 31.1%	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp -27 bp -3 bp -20.0% 30.9%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -137 bp -137 bp 20.3% 31.9%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 18.6% 35.8%	FY13 A 18.5% 19.0% 20.9% 20.7% 32.1% 80.4% 16.6% 32.bp 34.bp 19.6% 32.8%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 37 bp 19.9% 32.3%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 9.9% 80.3% 16.1% 58 bp -64 bp -19.7% 34.3%	3Q14 A 3.5% 3.5% -8.1% -92.1% 2.8% 2.8% 80.3% 15.0% -189 bp -189 bp -189 bp	4Q14 E -6.5% -6.5% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp -92 bp 18.6% 36.7%	FY14 E 3.9% 4.1% -0.7% -28.4% 2.8.4% 8.8% 80.5% 15.8% 15.8% 15.8% 15.9% 34.9%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp -19.9% 33.7%	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0bp -154 bp -154 bp 19.7% 35.9%	3Q15 E -1.0% -1.0% -1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp 19.7% 37.9%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4% 13.2% 0 bp -147 bp -147 bp 18.6% 38.2%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 	PY17 E -0.1% -0.1% -0.1% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5% 36.4%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 2.2% 80.5% 14.4% 0 bp 0 bp
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta E	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9%	FY12 A 17.9% 17.5% 17.6% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9%	1Q13 A 16.5% 16.9% 25.6% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 32.4%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -53 bp -137 bp 20.3% 31.9% 31.1%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7% 30.8%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 18.6% 35.8% 30.0%	FY13 A 18.5% 19.0% 20.9% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6% 32.8% 31.0%	1Q14 A 12.4% 12.7% 14.8% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1% 58 bp -64 bp -99% 34.3% 29.9%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 2.8% 2.8% 15.0% -189 bp -189 bp -19.7% 36.4% 29.0%	4Q14 E -6.5% -6.5% -7.1% 15.5% 4.0% 81.4% 14.7% -0 bp -92 bp -92 bp -18.6% 36.7% 30.0%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 8.8% 80.5% 15.8% 15.8% 15.bp -73 bp 19.5% 34.9% 29.8%	1Q15 E 0.8% 0.8% -7.7% 83.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 30.2%	2015 E -0.9% -0.9% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp -19.7% 35.9% 29.9%	3Q15 E -1.0% -1.0% -1.1% 892.0% 905.7% 9.9.8% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp -19.7% 37.9% 29.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% -7.1% 81.4% 13.2% 0 bp -147 bp -147 bp -147 bp	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp 19.5% 36.4% 29.8%	PY16 E 0.4% 0.6% 1.7% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp 1 bp 19.5% 36.4% 29.8%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 80.5% 14.4% 0 bp 0 bp 0 bp 19.5% 36.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Scelling, gen & admin expensee Royalty overrides Interest Rates & Taxes (%) Interest rate on debt Interest yield on cash	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9% 4.5%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9%	FY12 A 17.9% 17.5% 17.6% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9% 4.8%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 32.4% 3.7%	2Q13 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 16.7% 6 79.7% 16.7% 16.7% 20.3% 31.9% 31.1%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 104 bp 19.6% 32.7% 30.8%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 135 bp 52 bp 135.8% 30.0% 2.4%	FY13 A 18.5% 19.0% 20.9% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6% 32.8% 31.0%	1Q14 A 12.4% 12.7% 14.8% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 9 19.9% 32.3% 30.2% 3.6%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp 19.7% 34.3% 29.9%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 2.8% 80.3% 15.0% -4 bp -189 bp -189 bp -19.7% 36.4% 29.0% -1.1	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp -92 bp -92 bp -93 b	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 80.5% 15.8% 15.8% 15.5% 15.5% 15.5% 34.9% 29.8%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 30.2% 3.1%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% 80.3% 14.5% 0 bp -154 bp 19.7% 35.9% 29.9% 3.1%	3Q15 E -1.0% -1.0% -1.1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp -19.7% 3.7.9% 29.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 81.4% 13.2% 0 bp -147 bp 18.6% 38.2% 30.0% 3.1%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp 19.5% 36.4% 29.8%	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 80.5% 14.4% 0 bp 1 bp 1 bp 19.5% 36.4% 29.8%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 2.2% 80.5% 14.4% 0 bp 0 bp 0 bp 19.5% 36.4% 29.8% 2.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expense: Royalty overrides Interest Rates & Taxes (%) Interest rate on debt Interest yield on cash Reported tax rate	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9% 1.3% 23.6%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9% 4.7% 3.3% 26.4%	FY12 A 17.9% 17.5% 17.6% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9% 4.8% 2.1% 26.7%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 30.3% 3.7% 1.1% 27.3%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% 16.7% 20.3% 31.9% 31.9% 31.9% 1.0% 23.4%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 32.7.4% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7% 32.7% 32.7% 32.7% 0.9% 24.3%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 18.6% 35.8% 35.8% 12.6% 12.6% 12.6% 12.6% 12.6% 12.6% 12.6% 12.6% 13.5% 13.5% 13.5% 14.6% 14	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6% 32.8% 32.8% 31.0% 1.2% 26.4%	1Q14 A 12.4% 12.7% 14.8% -37.2% 18.1% 80.1% 17.6% 22 bp 37 bp 9 19.9% 32.3% 30.2% 10% 3.6% 1.0% 31.8%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp 19.7% 34.3% 23.2% 1.1% 31.6%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 20.1% 80.3% 15.0% -4 bp -189 bp -189 bp -19.7% 36.4% 36.4% 2.3% 636.7%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp - 92 bp - 18.6% 36.7% 36.7% 36.7% 3.1% 2.3%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 8.8% 80.5% 15.8% 15.8% 15 bp -73 bp 19.5% 34.9% 29.8% 1.7% 28.3%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 33.7% 33.2% 3.1% 2.3%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp 19.7% 35.9% 29.9% 23.1% 2.3% 30.0%	3Q15 E -1.0% -1.0% -1.1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp -153 bp -19.7% 37.9% 37.9% 37.9% 37.9% 3.1% 2.3% 3.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 13.2% 0 bp -147 bp 18.6% 38.2% 30.0%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% - 80.5% 14.3% 0 bp -150 bp - 19.5% 36.4% 29.8% 2.4% 30.0%	PY16 E 0.4% 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8% 3.2% 2.4% 30.0%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5% 36.4% 29.8% 3.2% 2.4% 30.0%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 80.5% 14.4% 0 bp 0 bp 19.5% 36.4% 2.3% 2.4% 3.3%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expenset Royalty overrides Interest Rates & Taxes (%) Interest rate on debt Interest yield on cash Reported tax rate	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9% 1.3% 2.3.6% 2.3.6% 26.5%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9% 4.7% 3.3% 26.4% 26.4% 26.3%	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9% 32.9% 4.8% 2.1% 26.7% 26.7%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 32.4% 1.1% 2.7.3% 2.7.1%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 28.4% 79.7% 16.7% -137 bp -137 bp -137 bp -0.3% 31.1% 31.1% 1.0% 23.4% 23.9%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7% 30.8% 0.9% 24.3% 24.3%	4Q13 A 19.8% 21.8% 23.9% 4.8% 23.9% 21.9% 21.9% 81.4% 15.6% 30.0% 35.8% 30.0% 4.2.4% 1.2% 31.0% 29.6%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32.bp 34.bp 19.6% 32.8% 31.0% 2.8% 31.0% 2.8% 2.8% 3.7% 1.2% 2.6.4% 2.6.4%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 19.9% 32.3% 30.2% 	2014 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp -0 19.7% 34.3% 29.9% 3.2% 1.1% 31.6% 28.6%	3Q14 A 3.5% 3.5% 3.5% -8.1% -92.1% 2.8% 80.3% 15.0% 80.3% 15.0% 19.7% 36.4% 29.0% 3.1% 2.3% 636.7% 29.8%	4Q14 E -6.5% -6.5% -12.0% -7.1% 4.0% 81.4% 14.7% 0 bp -92 bp -18.6% 36.7% 30.0% 30.0% 30.0%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% -28.4% 8.8% -28.4% -15.5% -73 bp -73 bp -19.5% 34.9% 29.8% -28.3% 29.3%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 30.2% 3.1% 2.3% 30.0% 30.0%	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp -154 bp -154 bp -154 bp -1,54 bp -	3Q15 E -1.0% -1.0% 905.7% 995.7% 995.7% 998% 80.3% 13.4% 0 bp -153 bp -153 bp -153 bp -153 bp -153,7% 29.0% 3.1% 2.3% 3.0% 30.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 81.4% 13.2% 0 bp -147 bp 18.6% 38.2% 30.0% 30.0% 30.0%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp -155 bp -19.5% 36.4% 29.8% 2.4% 3.2% 2.4% 30.0%	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8% 3.2% 2.4% 3.0% 30.0%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 80.5% 14.4% 0 bp 19.5% 36.4% 29.8% 3.2% 2.4% 3.0% 30.0%	FY18 E -0.5% -0.5% -0.5% -0.5% 2.2% 2.2% 80.5% 14.4%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expenset Royalty overrides Interest Rates & Taxes (%) Interest rate on debt Interest yield on cash Reported tax rate Effective tax rate Tax on exceptional items	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9% 1.3% 23.6%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9% 4.7% 3.3% 26.4%	FY12 A 17.9% 17.5% 17.6% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9% 4.8% 2.1% 26.7%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 30.3% 3.7% 1.1% 27.3%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% 16.7% 20.3% 31.9% 31.9% 31.9% 1.0% 23.4%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 32.7.4% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7% 32.7% 32.7% 32.7% 0.9% 24.3%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 52 bp 18.6% 35.8% 35.8% 12.6% 12.6% 12.6% 12.6% 12.6% 12.6% 12.6% 13.5% 13	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6% 32.8% 32.8% 31.0% 1.2% 26.4%	1Q14 A 12.4% 12.7% 14.8% -37.2% 18.1% 80.1% 17.6% 22 bp 37 bp 9 19.9% 32.3% 30.2% 10% 3.6% 1.0% 31.8%	2Q14 A 7.1% 7.9% 3.0% -16.5% -1.9% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp 19.7% 34.3% 23.2% 1.1% 31.6%	3Q14 A 3.5% 3.5% -8.1% -92.1% -90.1% 20.1% 80.3% 15.0% -4 bp -189 bp -189 bp -19.7% 36.4% 36.4% 2.3% 636.7%	4Q14 E -6.5% -6.5% -12.0% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp - 92 bp - 18.6% 36.7% 36.7% 36.7% 3.1% 2.3%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% 8.8% 80.5% 15.8% 15.8% 15 bp -73 bp 19.5% 34.9% 29.8% 1.7% 28.3%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 33.7% 33.2% 3.1% 2.3%	2Q15 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp 19.7% 35.9% 29.9% 23.1% 2.3% 30.0%	3Q15 E -1.0% -1.0% -1.1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 0 bp -153 bp -153 bp -153 bp -19.7% 37.9% 37.9% 37.9% 37.9% 3.1% 2.3% 3.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 13.2% 0 bp -147 bp 18.6% 38.2% 30.0%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% - 80.5% 14.3% 0 bp -150 bp - 19.5% 36.4% 29.8% 2.4% 30.0%	PY16 E 0.4% 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8% 3.2% 2.4% 30.0%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5% 36.4% 29.8% 3.2% 2.4% 30.0%	FY18 E -0.5% -0.5% -0.5% 0.7% 2.2% 80.5% 14.4% 0 bp 0 bp 19.5% 36.4% 2.3% 2.4% 3.3%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin A (bps) Gross profit margin delta EBIT margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expense: Royalty overrides Interest Rates & Taxes (%) Interest Rates & Taxes (%) Interest rate on debt Interest yield on cash Reported tax rate Effective tax rate Tax on exceptional items Dividend Policy	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 96 bp 95 bp 20.0% 32.0% 32.0% 32.9% 4.5% 1.3% 23.6% 26.5% 72.8%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9% 4.7% 3.3% 26.4% 26.8% 5.9%	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9% 4.8% 2.1% 26.7% 26.7% 0.0%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 32.4% 3.7% 1.1% 27.3% 27.3%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 79.7% 16.7% -137 bp -137 bp 20.3% 31.9% 31.1% 2.3.% 2.3.% 2.3.% 32.2%	3Q13 A 19.3% 19.6% 27.2% 20.5% 20.5% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7% 30.8% 2.8% 0.9% 24.3% 19.4%	4Q13 A 19.8% 21.8% 23.9% 4.8% 9.7% 21.9% 81.4% 15.6% 135 bp 135 bp 135 bp 135 bp 135 bp 2.4% 35.8% 30.0% 2.4% 1.4.8%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32 bp 34 bp 19.6% 32.8% 31.0% 2.3.7% 1.2% 26.4% 22.9%	1Q14 A 12.4% 12.7% 14.8% -37.2% 18.1% 80.1% 17.6% 22 bp 37 bp 19.9% 32.3% 30.2% 1.0% 31.8% 28.9% 25.7%	2Q14 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp 19.7% 34.3% 29.9% 31.1% 31.6% 28.6% 5.8%	3Q14 A 3.5% 3.5% -8.1% -92.1% 2.8% 80.3% 15.0% -4 bp -189 bp 19.7% 36.4% 29.0% 3.1% 2.3% 636.67% 29.8% 36.8%	4Q14 E -6.5% -6.5% -7.1% 15.5% 4.0% 81.4% 14.7% 0 bp -92 bp - 18.6% 36.7% 30.0% 3.1% 2.3% 30.0% 30.0%	FY14 E 3.9% 4.1% -0.7% -39.3% 2.8.4% 8.8% 80.5% 15.8% 15.8% 15.8% 15.8% 15.8% 15.8% 4.2% 4.2% 1.7% 28.3% 29.3% 24.6%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 30.2% 3.1% 2.3% 30.0% 30.0% 30.0%	2015 E -0.9% -0.9% 5.0% 12.1% -5.2% 80.3% 14.5% 9 -0 bp -154 bp -154 bp -154 bp -19.7% 35.9% 29.9% 3.1% 2.3% 30.0%	3Q15 E -1.0% -1.0% -1.1% 892.0% 905.7% -9.8% 80.3% 13.4% 80.3% 13.4% 0 bp -153 bp -153 bp -19.7% 37.9% 29.0% 3.1% 2.3% 30.0% 30.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 13.2% 0 bp -147 bp 18.6% 38.2% 30.0% 30.0% 30.0%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp -150 bp -19.5% 36.4% 29.8% 3.2% 2.4% 30.0%	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8% 3.2% 2.4% 3.0% 3.0%	PY17 E -0.1% -0.1% -0.1% 2.7% 2.7% 2.7% 80.5% 14.4% 0 bp 1 bp 19.5% 36.4% 29.8% 3.2% 2.4% 3.0% 3.0%	FY18 E -0.5% -0.5% -0.5% -0.5% 2.2% 2.2% 2.2%
Inc Statement Ratios Growth Analysis (%) Net revenues Gross profit EBIT (underlying) Net income E.P.S. (reported) E.P.S. (underlying) Profitability (%) Gross profit margin EBIT margin (underlying) Margin Δ (bps) Gross profit margin delta EBIT margin delta EBIT margin delta Cost Analysis (%) Cost of goods sold Selling, gen & admin expenset Royalty overrides Interest Rates & Taxes (%) Interest rate on debt Interest yield on cash Reported tax rate Effective tax rate Tax on exceptional items	FY10 A 17.6% 19.0% 35.1% 42.9% 44.8% 45.4% 80.0% 15.1% 96 bp 195 bp 20.0% 32.0% 32.9% 1.3% 2.3.6% 2.3.6% 26.5%	FY11 A 26.3% 26.8% 36.6% 41.9% 42.1% 39.2% 80.3% 16.3% 29 bp 122 bp 19.7% 31.1% 32.9% 4.7% 3.3% 26.4% 26.4% 26.3%	FY12 A 17.9% 17.5% 17.5% 15.8% 22.6% 22.3% 80.0% 16.2% -27 bp -3 bp 20.0% 30.9% 32.9% 32.9% 4.8% 2.1% 26.7% 26.7%	1Q13 A 16.5% 16.9% 25.6% 9.9% 24.4% 43.7% 79.9% 17.2% 23 bp 124 bp 20.1% 30.3% 32.4% 1.1% 2.7.3% 2.7.1%	2013 A 18.1% 17.4% 9.2% 7.3% 21.8% 28.4% 28.4% 79.7% 16.7% -137 bp -137 bp -137 bp -0.3% 31.1% 31.1% 1.0% 23.4% 23.9%	3Q13 A 19.3% 19.6% 27.2% 20.5% 27.1% 36.1% 80.4% 16.9% 18 bp 104 bp 19.6% 32.7% 30.8% 0.9% 24.3% 24.3%	4Q13 A 19.8% 21.8% 23.9% 4.8% 23.9% 21.9% 21.9% 81.4% 15.6% 30.0% 35.8% 30.0% 4.2.4% 1.2% 31.0% 29.6%	FY13 A 18.5% 19.0% 20.9% 10.5% 20.7% 32.1% 80.4% 16.6% 32.bp 34.bp 19.6% 32.8% 31.0% 2.8% 31.0% 2.8% 2.8% 3.7% 1.2% 2.6.4% 2.6.4%	1Q14 A 12.4% 12.7% 14.8% -37.2% -32.7% 18.1% 80.1% 17.6% 22 bp 37 bp 19.9% 32.3% 30.2% 	2014 A 7.1% 7.9% 3.0% -16.5% 9.9% 80.3% 16.1% 58 bp -64 bp -64 bp -0 19.7% 34.3% 29.9% 3.2% 1.1% 31.6% 28.6%	3Q14 A 3.5% 3.5% 3.5% -8.1% -92.1% 2.8% 80.3% 15.0% 80.3% 15.0% 19.7% 36.4% 29.0% 3.1% 2.3% 636.7% 29.8%	4Q14 E -6.5% -6.5% -12.0% -7.1% 4.0% 81.4% 14.7% 0 bp -92 bp -18.6% 36.7% 30.0% 30.0% 30.0%	FY14 E 3.9% 4.1% -0.7% -39.3% -28.4% 8.8% -28.4% 8.8% -28.4% -15.5% -73 bp -73 bp -19.5% 34.9% 29.8% -28.3% 29.3%	1Q15 E 0.8% 0.8% -7.7% 83.6% 115.6% 6.4% 80.1% 16.1% 0 bp -147 bp 19.9% 33.7% 30.2% 3.1% 2.3% 30.0% 30.0%	2015 E -0.9% -0.9% -10.4% 5.0% 12.1% -5.2% 80.3% 14.5% 0 bp -154 bp -154 bp -154 bp -19.7% 35.9% 29.9% 3.1% 2.3% 3.0%	3Q15 E -1.0% -1.0% 905.7% 995.7% 995.7% 998% 80.3% 13.4% 0 bp -153 bp -153 bp -153 bp -153 bp -153,7% 29.0% 3.1% 2.3% 3.0% 30.0%	4Q15 E 0.6% 0.6% -9.5% -8.8% -7.1% 81.4% 13.2% 0 bp -147 bp 18.6% 38.2% 30.0% 30.0% 30.0%	FY15 E -0.2% -0.1% -9.6% 49.4% 59.7% -3.9% 80.5% 14.3% 0 bp -150 bp -150 bp -155 bp -19.5% 36.4% 29.8% 2.4% 3.2% 2.4% 30.0%	PY16 E 0.4% 0.6% 1.7% 3.5% 3.5% 80.5% 14.4% 0 bp 3 bp 19.5% 36.4% 29.8% 3.2% 2.4% 3.0%	PY17 E -0.1% -0.1% -0.1% 1.0% 2.7% 80.5% 14.4% 0 bp 19.5% 36.4% 29.8% 3.2% 2.4% 3.0% 30.0%	FY18 E -0.5% -0.5% -0.5% -0.5% 2.2% 2.2% 80.5% 14.4%



HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
\$ millions	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
Balance Sheet																					
Cash & cash equivalents	\$191	\$259	\$334	\$722	\$850	\$893	\$973	\$973	\$1,262	\$774	\$678	\$641	\$641	\$687	\$699	\$671	\$644	\$644	\$646	\$644	\$640
Accounts receivable	86	90	116	112	111	110	100	100	119	104	101	94	94	120	103	100	94	94	95	94	94
Inventories	182	248	339	334	331	348	351	351	325	343	368	328	328	327	340	364	330	330	331	330	328
Other current assets	<u>137</u>	<u>173</u>	<u>175</u>	<u>177</u>	212	<u>229</u>	<u>219</u>	<u>219</u>	<u>231</u>	<u>274</u>	<u>290</u>	<u>286</u>	<u>286</u>	<u>286</u>	<u>286</u>	<u>285</u>	<u>285</u>	<u>285</u>	<u>286</u>	<u>286</u>	<u>285</u>
Current assets	596	769	964	1,346	1,504	1,579	1,643	1,643	1,936	1,495	1,437	1,348	1,348	1,420	1,428	1,420	1,354	1,354	1,358	1,354	1,346
Net property, plant, & equip	177	194	243	247	255	268	319	319	346	363	359	386	386	419	437	442	464	464	523	568	601
Goodwill & intangible assets	414	417	417	417	416	416	416	416	416	416	416	416	416	416	416	416	416	416	416	416	416
Deferred assets	20	25	32	32	31	31	32	32	54	53	51	51	51	51	51	51	51	51	51	51	51
Other non-current assets Non-current assets	<u>26</u> 637	<u>41</u> 677	<u>49</u> 740	48 743	<u>47</u> 750	<u>49</u> 765	<u>64</u> 831	<u>64</u> 831	<u>104</u> 920	<u>108</u> 941	<u>102</u> 928	<u>102</u> 955	<u>102</u> 955	<u>102</u> 988	<u>102</u> 1,006	<u>102</u> 1,011	<u>102</u> 1,033	<u>102</u> 1,033	<u>102</u> 1,092	<u>102</u> 1,137	<u>102</u> 1,170
	1,232	1,446	1,704	2,089	2,254	2,343	2,474	2,474	2,857	2,436	2,364	2,303	2,303	2,408	2,434	2,431	2,387	2,387	2,450	2,491	2,516
Total assets								,			,										
Short-term debt	3	2	56	63	69	75	81	81	88	94 474	100	0	0	0	0	0	0	0	0	0	0
Accounts payable Royalty overrides	255 162	286 198	352 243	341 222	387 236	424 253	462 267	462 267	439 260	253	452 258	439 250	439 250	454 262	483 251	460 255	454 251	454 251	455 252	453 251	450 249
Other current liabilities	51	63	65	71	100	116	112	112	116	121	118	105	105	117	120	117	105	105	105	105	104
Current liabilities	471	549	717	697	792	868	922	922	902	942	928	794	794	833	854	832	810	810	812	809	804
Long-term debt	175	202	431	913	894	875	850	850	1,761	1,744	1,728	1,696	1,696	1,666	1,588	1,534	1,465	1,465	1,221	954	670
Deferred tax liabilities	76	96	92	913	93	100	103	103	1,761	1,744	68	1,696	68	68	1,588	1,554	68	68	68	68	68
Other non-current liabs	23	39	43	45	41	45	47	47	48	51	62	62	62	62	62	62	62	62	62	62	62
Non-current liabilities	274	337	566	1,049	1,028	1,020	1,000	1,000	1,913	1,897	1,857	1,825	1,825	1,796	1,717	1,663	1,595	1,595	1,350	1,083	799
Capital	257	408	304	299	306	305	324	324	424	399	407	407	407	407	407	407	407	407	407	407	407
Retained earnings	257	306	148	85	172	178	247	247	-359	-780	-769	-663	-663	-519	-386	-262	-166	-166	340	850	1,364
Treasury stock	0	0	0	0	0	0	0	0	0	0	0	0	0	-50	-100	-150	-200	-200	-400	-600	-800
Reserves & other items	-27	-38	-32	-42	-44	-27	-20	-20	-22	-23	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59	-59
			101	2.42	434	456	551	551	42	-404	-421	-315	-315	-221	-137	-64	-18	-18	288	598	912
Shareholders' equity	487	676	421	343	434	450	221	221	72	+0+	-421	-515	010								
Shareholders' equity Total liabs & equity	487 1,232	676 1,562	421	2,089	2,254	2,343	2,474	2,474	2,857	2,436	2,364	2,303	2,303	2,408	2,434	2,431	2,387	2,387	2,450	2,491	2,516
												_				2,431 Sep-15					2,516 Dec-18
Total liabs & equity	1,232	1,562	1,704	2,089	2,254	2,343	2,474	2,474	2,857	2,436	2,364	2,303	2,303	2,408	2,434	, .	2,387	2,387	2,450	2,491	,
Total liabs & equity HERBALIFE	1,232 Dec-10	1,562 Dec-11	1,704 Dec-12	2,089 Mar-13	2,254 Jun-13	2,343 Sep-13	2,474 Dec-13	2,474 Dec-13	2,857 Mar-14	2,436 Jun-14	2,364 Sep-14	2,303 Dec-14	2,303 Dec-14	2,408 Mar-15	2,434 Jun-15	Sep-15	2,387 Dec-15	2,387 Dec-15	2,450 Dec-16	2,491 Dec-17	Dec-18
Total liabs & equity HERBALIFE Balance Sheet Ratios	1,232 Dec-10	1,562 Dec-11	1,704 Dec-12	2,089 Mar-13	2,254 Jun-13	2,343 Sep-13	2,474 Dec-13	2,474 Dec-13	2,857 Mar-14	2,436 Jun-14	2,364 Sep-14	2,303 Dec-14	2,303 Dec-14	2,408 Mar-15	2,434 Jun-15	Sep-15	2,387 Dec-15	2,387 Dec-15	2,450 Dec-16	2,491 Dec-17	Dec-18 FY18 E
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle	1,232 Dec-10 FY10 A	1,562 Dec-11 FY11 A	1,704 Dec-12 FY12 A	2,089 Mar-13 1Q13 A	2,254 Jun-13 2Q13 A	2,343 Sep-13 3Q13 A	2,474 Dec-13 4Q13 A	2,474 Dec-13 FY13 A	2,857 Mar-14 1Q14 A	2,436 Jun-14 2Q14 A	2,364 Sep-14 3Q14 A	2,303 Dec-14 4Q14 E	2,303 Dec-14 FY14 E	2,408 Mar-15 1Q15 E	2,434 Jun-15 2Q15 E	Sep-15	2,387 Dec-15 4Q15 E	2,387 Dec-15 FY15 E	2,450 Dec-16 FY16 E	2,491 Dec-17 FY17 E	Dec-18 FY18 E
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days	1,232 Dec-10 FY10 A 11 122 65	1,562 Dec-11 FY11 A 9 133 60	1,704 Dec-12 FY12 A 10 152 62	2,089 Mar-13 1Q13 A 9 135 55	2,254 2Q13 A 2Q13 A 8 122 56	2,343 Sep-13 3Q13 A 8 133 61	2,474 Dec-13 4Q13 A 7 136 61	2,474 Dec-13 FY13 A 8 135 67	2,857 Mar-14 1Q14 A 9 118 61	2,436 Jun-14 2Q14 A 7 122 61	2,364 Sep-14 3Q14 A 77 136 59	2,303 Dec-14 4Q14 E 7 136 61	2,303 Dec-14 FY14 E 7 123 59	2,408 Mar-15 1Q15 E 9 118 61	2,434 Jun-15 2Q15 E 7 7 122 61	Sep-15 3Q15 E 7 136 59	2,387 Dec-15 4Q15 E 7 136 61	2,387 Dec-15 FY15 E 77 124 59	2,450 Dec-16 FY16 E 7 123 59	2,491 Dec-17 FY17 E 7 123 59	Dec-18 FY18 E 7 123 59
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides	1,232 Dec-10 FY10 A 111 122 65 <u>66</u>	1,562 Dec-11 FY11 A 9 133 60 <u>63</u>	1,704 Dec-12 FY12 A 10 152 62 66	2,089 Mar-13 1Q13 A 9 1355 555 56	2,254 Jun-13 2Q13 A 8 3 122 56 557	2,343 Sep-13 3Q13 A 8 133 61 62	2,474 Dec-13 4Q13 A 7 136 61 61 <u>64</u>	2,474 Dec-13 FY13 A 8 135 67 67 65	2,857 Mar-14 1Q14 A 9 118 61 62	2,436 Jun-14 2Q14 A 7 7 122 61 59	2,364 Sep-14 3Q14 A 7 1366 599 65	2,303 Dec-14 4Q14 E 7 136 61 64	2,303 Dec-14 FY14 E 7 123 59 <u>61</u>	2,408 Mar-15 1Q15 E 9 1118 61 61 62	2,434 Jun-15 2Q15 E 7 7 122 61 59	Sep-15 3Q15 E 7 136 59 <u>65</u>	2,387 Dec-15 4Q15 E 7 136 61 61 64	2,387 Dec-15 FY15 E 7 124 59 <u>61</u>	2,450 Dec-16 FY16 E 7 123 59 <u>61</u>	2,491 Dec-17 FY17 E 7 123 59 <u>61</u>	Dec-18 FY18 E 7 123 59 <u>61</u>
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days	1,232 Dec-10 FY10 A 11 122 65	1,562 Dec-11 FY11 A 9 133 60	1,704 Dec-12 FY12 A 10 152 62	2,089 Mar-13 1Q13 A 9 135 55	2,254 2Q13 A 2Q13 A 8 122 56	2,343 Sep-13 3Q13 A 8 133 61	2,474 Dec-13 4Q13 A 7 136 61	2,474 Dec-13 FY13 A 8 135 67	2,857 Mar-14 1Q14 A 9 118 61	2,436 Jun-14 2Q14 A 7 122 61	2,364 Sep-14 3Q14 A 77 136 59	2,303 Dec-14 4Q14 E 7 136 61	2,303 Dec-14 FY14 E 7 123 59	2,408 Mar-15 1Q15 E 9 118 61	2,434 Jun-15 2Q15 E 7 7 122 61	Sep-15 3Q15 E 7 136 59	2,387 Dec-15 4Q15 E 7 136 61	2,387 Dec-15 FY15 E 77 124 59	2,450 Dec-16 FY16 E 7 123 59	2,491 Dec-17 FY17 E 7 123 59	Dec-18 FY18 E 7 123 59 <u>61</u>
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2	1,562 Dec-11 FY11 A 9 133 60 <u>63</u> 19	1,704 Dec-12 FY12 A 10 152 62 66 35	2,089 Mar-13 1Q13 A 9 135 55 <u>56</u> 34	2,254 Jun-13 2Q13 A 8 122 56 57 18	2,343 Sep-13 3Q13 A 8 133 61 <u>62</u> 19	2,474 Dec-13 4Q13 A 7 136 61 <u>64</u> 18	2,474 Dec-13 FY13 A 8 135 67 <u>65</u> 11	2,857 Mar-14 1Q14 A 9 9 1118 61 <u>62</u> 4	2,436 Jun-14 2Q14 A 7 122 61 <u>59</u> 9	2,364 Sep-14 3Q14 A 7 136 59 <u>65</u> 20	2,303 Dec-14 4Q14 E 7 136 61 64 18	2,303 Dec-14 FY14 E 7 123 59 <u>61</u> 10	2,408 Mar-15 1Q15 E 9 1118 61 62 4	2,434 Jun-15 2Q15 E 7 122 61 <u>59</u> 9	Sep-15 3Q15 E 7 136 59 <u>65</u> 20	2,387 Dec-15 4Q15 E 7 136 61 64 18	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 10	2,450 Dec-16 FY16 E 7 123 59 <u>61</u> 10	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10	Dec-18 FY18 E 7 123 59 <u>61</u> 10
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash)	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405	1,562 Dec-11 FY11 A 9 133 60 <u>63</u> 19 \$510	1,704 Dec-12 FY12 A 10 152 62 <u>66</u> 35 \$630	2,089 Mar-13 1Q13 A 9 135 55 <u>56</u> 34 \$624	2,254 Jun-13 2Q13 A 8 122 56 57 18 4 \$654	2,343 Sep-13 3Q13 A 8 133 61 62 19 \$686	2,474 Dec-13 4Q13 A 7 136 61 <u>64</u> 18 \$670	2,474 Dec-13 FY13 A 8 135 67 <u>65</u> 111 \$670	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 \$674	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 \$721	2,364 Sep-14 3Q14 A 7 136 59 65 200 \$759	2,303 Dec-14 4Q14 E 7 136 61 64 18 \$708	2,303 Dec-14 FY14 E 7 123 59 <u>61</u> 10 \$708	2,408 Mar-15 1Q15 E 9 118 61 62 4 4 \$733	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 \$729	Sep-15 3Q15 E 7 136 59 65 20 \$749	2,387 Dec-15 4Q15 E 7 136 61 64 18 	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 100 \$710	2,450 Dec-16 FY16 E 7 123 59 <u>61</u> 10 \$712	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 \$710	Dec-18 FY18 E 7 123 59 <u>61</u> 10 \$706
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405 <u>468</u>	1,562 Dec-11 FY11 A 9 133 60 <u>63</u> 19 \$510 <u>547</u>	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 \$630 <u>661</u>	2,089 Mar-13 1Q13 A 9 135 55 56 34 34 \$624 634	2,254 Jun-13 2Q13 A 8 122 56 57 18 \$654 723	2,343 Sep-13 3Q13 A 8 133 61 62 19 \$686 793	2,474 Dec-13 4Q13 A 7 136 61 64 18 \$670 841	2,474 Dec-13 FY13 A 8 135 67 <u>65</u> 111 \$670 <u>841</u>	2,857 Mar-14 1Q14 A 9 118 61 62 4 4 \$674 814	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 \$721 849	2,364 Sep-14 3Q14 A 7 136 59 65 20 \$759 828	2,303 Dec-14 4Q14 E 7 136 61 64 18 \$708 794	2,303 Dec-14 FY14 E 7 123 59 61 10 \$708 794	2,408 Mar-15 1Q15 E 9 9 118 61 62 4 4 \$733 833	2,434 Jun-15 2Q15 E 7 122 61 59 9 9 \$729 854	Sep-15 3Q15 E 7 136 59 65 20 \$749 832	2,387 Dec-15 4Q15 E 7 136 61 64 18 \$710 810	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 10 \$710 <u>810</u>	2,450 Dec-16 FY16 E 7 123 59 <u>61</u> 10 \$712 <u>812</u>	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 \$710 <u>809</u>	Dec-18 FY18 E 7 123 59 <u>61</u> 10 \$706 <u>804</u>
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405 <u>468</u> -63	1,562 Dec-11 FY11 A 9 9 133 60 63 19 510 \$510 547 -37	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 661 -30	2,089 Mar-13 1Q13 A 9 135 55 <u>56</u> 34 \$624 634 -11	2,254 Jun-13 2Q13 A 8 8 8 122 556 57 18 \$654 \$654 723 -69	2,343 Sep-13 3Q13 A 8 133 61 62 19 5686 793 -107	2,474 Dec-13 4Q13 A 7 136 61 64 18 \$670 841 -171	2,474 Dec-13 FY13 A 8 8 135 67 65 11 \$ 67 65 11 \$ \$ 67 65 11 \$ \$ 67 65 11 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2,857 Mar-14 1Q14 A 9 9 1118 61 62 4 4 \$674 814 -140	2,436 Jun-14 2Q14 A 7 122 61 59 9 9 \$721 849 -127	2,364 Sep-14 3Q14 A 7 136 59 65 20 \$759 828 -69	2,303 Dec-14 4Q14 E 7 7 7 136 61 64 18 8 8 708 794 -86	2,303 Dec-14 FY14 E 7 7 7 123 59 6 <u>1</u> 10 \$708 \$708 <u>794</u> -86	2,408 Mar-15 1Q15 E 9 118 61 62 4 5733 833 -100	2,434 Jun-15 2Q15 E 7 7 7 122 61 59 9 9 9 \$729 \$729 854 -126	Sep-15 3Q15 E 7 136 59 65 20 \$749 832 -83	2,387 Dec-15 4Q15 E 7 7 136 61 64 18 8 8 10 \$710 810 -100	2,387 Dec-15 FY15 E 7 7 124 59 <u>61</u> 10 5710 \$710 810 -100	2,450 Dec-16 FY16 E 7 123 59 <u>61</u> 10 \$712 <u>812</u> -100	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 \$ \$710 <u>809</u> -99	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalby overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working Capital Working Capital Working Capital Working Capital	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405 <u>468</u>	1,562 Dec-11 FY11 A 9 133 60 <u>63</u> 19 \$510 <u>547</u>	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 \$630 <u>661</u>	2,089 Mar-13 1Q13 A 9 135 55 56 34 34 \$624 634	2,254 Jun-13 2Q13 A 8 122 56 57 18 \$654 723	2,343 Sep-13 3Q13 A 8 133 61 62 19 \$686 793	2,474 Dec-13 4Q13 A 7 136 61 64 18 \$670 841	2,474 Dec-13 FY13 A 8 135 67 <u>65</u> 111 \$670 <u>841</u>	2,857 Mar-14 1Q14 A 9 118 61 62 4 4 \$674 814	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 \$721 849	2,364 Sep-14 3Q14 A 7 136 59 65 20 \$759 828	2,303 Dec-14 4Q14 E 7 136 61 64 18 \$708 794	2,303 Dec-14 FY14 E 7 123 59 61 10 \$708 794	2,408 Mar-15 1Q15 E 9 9 118 61 62 4 4 \$733 833	2,434 Jun-15 2Q15 E 7 122 61 59 9 9 \$729 854	Sep-15 3Q15 E 7 136 59 65 20 \$749 832	2,387 Dec-15 4Q15 E 7 136 61 64 18 \$710 810	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 10 \$710 <u>810</u>	2,450 Dec-16 FY16 E 7 123 59 <u>61</u> 10 \$712 <u>812</u>	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 \$710 <u>809</u>	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working capital Working capital Working capital Working capital % of sales Capital Structure	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405 <u>468</u> -63 -2.3%	1,562 Dec-11 FY11 A 9 133 60 <u>63</u> 19 \$510 \$47 -37 -1.1%	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 661 -30 -0.7%	2,089 Mar-13 1Q13 A 9 135 55 56 34 (\$624 634 -11 -0.2%	2,254 Jun-13 2Q13 A 8 122 56 57 18 \$654 723 -69 -1.4%	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 5686 793 -107 -2.2%	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 \$670 841 -171 -3.4%	2,474 Dec-13 FY13 A 8 135 67 65 11 11 \$670 841 -171 -3.5%	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 \$674 814 -140 -2.8%	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 \$721 849 -127 -2.4%	2,364 Sep-14 3Q14 A 7 7 1366 59 65 200 \$759 828 \$759 828 -69 -1.4%	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 \$708 \$708 \$708 794 -86 -1.8%	2,303 Dec-14 FY14 E 7 123 59 61 10 \$708 \$708 794 -86 -1.7%	2,408 Mar-15 1Q15 E 9 118 61 62 4 5733 833 -100 -2.0%	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 8 54 -126 -2.4%	Sep-15 3Q15 E 7 136 59 65 20 \$749 832 -83 -1.7%	2,387 Dec-15 4Q15 E 7 136 61 64 18 \$710 \$710 \$710 \$100 -100 -2.1%	2,387 Dec-15 FY15 E 7 124 59 61 10 \$710 \$10 \$710 810 -100 -2.0%	2,450 Dec-16 FY16 E 7 123 59 61 100 \$712 812 -100 -2.0%	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 \$710 <u>809</u> -99 -2.0%	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0%
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working capital Working capital Working capital Storting capital % of sales Capital Structure Short-term debt	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 \$405 <u>468</u> -63 -2.3% \$3	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5 510 547 -37 -1.1% \$2	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 661 -30 -0.7% \$56	2,089 Mar-13 1Q13 A 9 135 55 <u>56</u> 34 (634 -11 -0.2% \$63	2,254 Jun-13 2Q13 A 8 8 1222 566 57 18 \$654 \$654 723 -69 -1.4% \$69	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 9 (\$686 \$686 \$686 \$693 793 -107 -2.2% \$75	2,474 Dec-13 4Q13 A 7 7 136 61 61 64 18 8 8 41 -171 -3.4% \$81	2,474 Dec-13 FY13 A 8 135 67 65 11 \$670 841 -171 -3.5% \$81	2,857 Mar-14 1Q14 A 9 9 1118 61 62 4 4 \$674 814 -140 -2.8% \$88	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 \$721 \$721 849 -127 -2.4% \$94	2,364 Sep-14 3014 A 7 7 136 59 65 20 20 \$759 828 8-69 -1.4% \$100	2,303 Dec-14 4Q14 E 7 7 136 61 61 64 18 5708 \$708 \$709 4 -386 -1.8%	2,303 Dec-14 FY14 E 7 7 123 59 <u>61</u> 10 \$708 \$708 \$794 -86 -1.7%	2,408 Mar-15 1Q15 E 9 1118 61 62 4 4 \$733 833 -100 -2.0% \$0	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 \$729 \$54 -126 -2.4%	Sep-15 3Q15 E 7 136 59 65 20 \$749 832 -83 -1.7% \$0	2,387 Dec-15 4Q15 E 7 7 136 61 61 64 18 8 10 \$710 \$710 9100 -2.1%	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 10 \$710 <u>810</u> -100 -2.0% \$0	2,450 Dec-16 FY16 E 7 123 59 61 10 \$712 \$12 \$12 -100 -2.0% \$0	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 \$710 <u>809</u> -99 -2.0% \$0	Dec-18 FY18 E 7 123 59 <u>61</u> 10 10 \$706 <u>804</u> -98 -2.0% \$0
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 \$405 <u>468</u> <u>-63</u> -2.3% \$3 <u>175</u>	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5510 547 -37 -1.1% \$ \$ 202 202	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 661 -30 -0.7% \$56 431	2,089 Mar-13 1Q13 A 9 9 135 55 56 34 4 (34 (34 (34 (34 (34 (34 (34 (34 (34 (34 (34 (34) (34) (34) (34) (34) (35) (36) (2,254 Jun-13 2Q13 A 8 8 122 556 57 718 8 5654 723 -69 -1.4% \$659 \$69	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 9 6 \$686 793 -107 -2.2% \$75 875	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 8 5670 841 -171 -3.4% \$81 850	2,474 Dec-13 FY13 A 8 135 67 65 111 \$ \$670 <u>841</u> -171 -3.5% \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 \$674 814 -140 -2.8% \$88 1,761	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 9 9 9 9 9 9 9 4 4 594 -127 -2.4%	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 20 4 5759 828 -69 -1.4% 5100 1,728	2,303 Dec-14 4Q14 E 7 7 136 61 64 4 8 8 708 794 -1.8% -1.8% \$0 1,696	2,303 Dec-14 FY14 E 7 123 59 61 10 3 5708 794 -866 -1.7% \$ \$ 0 1,696	2,408 Mar-15 1Q15 E 9 118 61 62 4 \$733 833 -100 -2.0% \$0 1,666	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Sep-15 3Q15 E 7 7 136 59 65 5 20 \$749 832 -83 -1.7% \$0 1,534	2,387 Dec-15 4Q15 E 7 7 136 61 64 4 8 8 0 5710 810 -100 -2.1% \$0 1,465	2,387 Pec-15 FY15 E 7 124 59 <u>61</u> 10 \$710 <u>810</u> .100 .2.0% \$0 <u>1,465</u>	2,450 Dec-16 FY16 E 7 123 59 61 10 2,712 812 -100 -2.0% \$ 0 1,221	2,491 Dec-17 FY17 E 7 123 59 61 10 809 -99 -2.0% \$0 954	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0% \$0 \$0 670
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working Capital % of sales Capital Structure Short-term debt Long-term debt Total debt	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405 <u>468</u> <u>-63</u> -2.3% <u>\$33</u> <u>175</u> 178	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5510 547 -37 -1.1% \$ \$ 202 202 204	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 661 -30 -0.7% \$56 431 488	2,089 Mar-13 1Q13 A 9 135 55 56 34 4 634 -11 -0.2% \$63 913 975	2,254 Jun-13 2Q13 A 8 8 122 556 57 718 \$ 654 723 -69 -1.4% \$ 69 -1.4% \$ 69 894 963	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 6 6 6 6 8 6 8 6 8 6 8 7 93 -107 -2.2% \$75 <u>875</u> 950	2,474 Dec-13 4Q13 A 7 7 136 61 64 4 18 \$ \$ 670 841 -171 -3.4% \$ \$ 81 850 931	2,474 Dec-13 FY13 A 8 135 67 65 111 \$ \$670 <u>841</u> -171 -3.5% \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 \$674 814 -140 -2.8% \$88 <u>1,761</u> 1,848	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 9 9 9 4 5721 849 -127 -2.4% \$94 1,744 1,838	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 20 4 5759 828 -69 -1.4% \$100 1,728 1,828	2,303 Dec-14 4Q14 E 7 7 136 61 64 4 8 8 708 794 -386 -1.8% \$0 1,696 1,696	2,303 Dec-14 FY14 E 7 123 59 61 10 3 5708 794 -866 -1.7% \$ 0 1,696 1,696 1,696	2,408 Mar-15 1Q15 E 9 118 61 62 4 \$733 833 -100 -2.0% \$0 <u>1,666</u> 1,666	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Sep-15 3Q15 E 7 7 136 59 65 20 20 \$749 832 -83 -1.7% \$0 1,534 1,534	2,387 Dec-15 4Q15 E 7 7 136 61 64 4 8 8 0 -100 -2.1% \$0 1,465 1,465	2,387 Pec-15 FY15 E 7 124 59 <u>61</u> 10 \$710 <u>810</u> -100 -2.0% \$0 <u>1,465</u> 1,465	2,450 Dec-16 FY16 E 7 123 59 61 10 2,712 812 -100 -2.0% \$ 0 1,221 1,221	2,491 Dec-17 FY17 E 7 123 59 61 10 809 -99 -2.0% \$0 <u>954</u> 954	Dec-18 FY18 E 7 123 59 61 100 \$706 804 -98 -2.0% \$0 670 670
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Long-term debt Total debt Other non-current liabs	1,232 Dec-10 FY10 A 111 122 65 66 2 2 \$405 468 -63 -2.3% \$3 <u>175</u> 178 23	1,562 Dec-11 FY11 A 9 133 60 633 19 (5510 547 -37 -1.1% (52 202 204 39	1,704 Dec-12 FY12 A 10 152 62 66 35 \$630 <u>661</u> -30 -0.7% \$566 <u>431</u> 488 43	2,089 Mar-13 1Q13 A 9 135 55 56 34 (35) (35) (35) (35) (35) (36)	2,254 Jun-13 2Q13 A 8 8 122 56 56 57 18 4 4 5654 723 -69 -1.4% 6 569 894 963 41	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 9 5686 793 -107 -2.2% \$755 8755 8755 9550 45	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 5670 841 -171 -3.4% \$81 850 931 47	2,474 Dec-13 FY13 A 8 135 67 65 111 	2,857 Mar-14 1Q14 A 9 9 1118 61 62 4 4 4 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 48	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 5721 849 -127 -2.4% \$94 1,744 1,838 51	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 0 4 5759 828 -69 -1.4% 5 1,278 1,828 62	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 5708 794 -386 -1.8% \$708 -3.8% 500 1,696 1,696 62	2,303 Dec-14 FY14 E 7 123 59 61 10 5 5 7 94 -86 -1.7% \$ 0 <u>1,696</u> 1,696 62	2,408 Mar-15 1Q15 E 9 118 61 62 4 4 \$733 833 -100 -2.0% \$00 <u>1,666</u> 1,666 62	2,434 Jun-15 2Q15 E 7 7 122 61 9 9 9 9 5 729 854 -126 -2.4% \$ 0 1.588 1,588 1,588	Sep-15 3Q15 E 7 7 136 59 65 220 832 -83 -1.7% \$0 <u>1.534</u> 1,534 62	2,387 Dec-15 4Q15 E 7 136 61 64 18 5710 810 -100 -2.1% \$0 1,465 1,465 62	2,387 Pec-15 FY15 E 7 124 59 61 10 -100 -2.0% 50 1,465 1,465 62	2,450 Dec-16 FY16 E 7 123 59 <u>61</u> 100 -2.0% \$712 <u>812</u> -100 -2.0% \$0 <u>1,221</u> 1,221 62	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 100 809 -99 -2.0% 80 <u>954</u> 954 62	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0% \$0 670 670 670 670
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Long-term debt Total debt Other non-current liabs Shareholders' equity	1,232 Dec-10 FY10 A 111 122 65 66 2 2 405 468 -63 -2.3% 3 175 178 23 487	1,562 Dec-11 FY11 A 9 133 60 633 9 (510) 547 -37 -1.1% (52) 202 204 39 676	1,704 Dec-12 FY12 A 10 152 62 66 35 - - - - - - - - - - - - -	2,089 Mar-13 1Q13 A 9 135 55 56 34 4 (634 -11 -0.2% (634 -11 -0.2% (633 913 975 45 343	2,254 Jun-13 2Q13 A 8 8 122 56 57 18 4 4 5 65 4 723 -69 -1.4% 9 69 -1.4% 9 894 963 41 434	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 9 5686 793 -107 -2.2% 575 875 950 45 456	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 5670 841 -171 -3.4% \$ \$ \$ \$ \$ 9 31 47 551	2,474 Pec-13 FY13 A 8 135 67 55 11 4 \$670 841 -171 -3.5% 8 \$81 850 931 47 551	2,857 Mar-14 1Q14 A 9 9 1118 61 62 4 4 4 4 4 4 4 5674 814 -140 -2.8% \$88 1,761 1,848 48 48	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 4 5721 849 -127 -2.4% 9 4 4 1,744 1,838 51 -404	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 7 828 -69 -1.4% 5 1,728 1,828 62 -421	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 5708 794 -86 -1.8% 794 -86 -1.8% 0 \$ \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2,303 Dec-14 FY14 E 7 123 59 61 10 4 5708 794 -86 -1.7% \$ 0 1,696 1,696 62 -315	2,408 Mar-15 1Q15 E 9 1118 61 62 4 4 4 5733 833 -100 -2.0% 50 1,666 1,666 62 -221	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 9 5729 854 -126 -2.4% 0 50 1,588 1,588 1,588 62 -137	Sep-15 3Q15 E 7 7 136 59 65 20 20 832 -20 832 -83 -1.7% \$0 1,534 1,534 62 62 -64	2,387 Dec-15 4Q15 E 7 136 61 64 18 5710 810 -100 -2.1% \$ 0 \$ 0 1,465 1,465 62 -18	2,387 Pec-15 FY15 E 7 124 59 61 10 -100 -2.0% \$0 1,465 1,465 62 -18	2,450 Dec-16 FY16 E 7 123 59 61 10 2,712 812 -100 -2.0% \$ \$ 0 1,221 1,221 1,221 62 288	2,491 Dec-17 FY17 E 7 123 59 61 10 2 59 61 10 809 -99 -2.0% 8 5 9 5 4 5 5 8 7 7 10 8 8 9 5 9 5 7 5 8 8	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0% \$00 670 670 670 62 912
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Long-term debt Total debt Other non-current liabs Shareholders' equity Total capital	1,232 Dec-10 FY10 A 111 122 65 66 2 2 405 468 -63 -2.3% 3 175 178 23 487 689 	1,562 Dec-11 FY11 A 9 133 60 633 9 9 5510 547 -37 -1.1% \$ 2 202 204 39 676 919	1,704 Dec-12 FY12 A 10 152 62 66 35 - - - - - - - - - - - - -	2,089 Mar-13 1Q13 A 9 135 55 56 34 4 (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (634 -11 -0.2% (635) (635) (63	2,254 Jun-13 2Q13 A 8 8 122 56 57 18 4 4 6 5 6 9 -1.4% 9 6 9 8 9 4 9 6 9 8 9 4 1 4 3 4 3 4 1 4 3 4 5 6 5 7 1 8 1 2 5 6 1 2 5 6 1 2 5 6 1 2 5 6 1 2 5 6 1 2 5 6 1 2 5 6 1 2 5 6 1 2 3 1 8 1 2 5 6 1 2 5 6 1 2 3 1 2 5 6 1 2 3 1 4 4 3 2 3 2 3 1 4 4 3 4 1 4 1 4 3 4 1 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 9 \$686 793 -107 -2.2% \$685 793 -107 -2.2% \$755	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 8 5670 841 -171 -3.4% \$ \$ \$ \$ \$ 9 31 47 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2,474 Pec-13 FY13 A 8 135 67 55 11 4 \$670 841 -171 -3.5% 8 \$81 850 931 47 551 1,530	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 4 4 4 814 -140 -2.8% \$88 <u>1,761</u> 1,848 48 42 1,938	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 4 5721 849 -127 -2.4% 2 594 1,744 1,838 51 -404 1,485	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 0 4 5 9 828 -69 -1.4% 5 1,228 1,828 62 -421 1,469	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 794 -86 -1.8% 794 -86 1,696 62 -315 1,442	2,303 Dec-14 FY14 E 7 123 59 61 10 5 7 94 -86 -1.7% 5 0 1,696 1,696 6 2 -315 1,442	2,408 Mar-15 1Q15 E 9 1118 61 62 4 4 4 5733 833 -100 -2.0% 50 1,666 1,666 62 -221 1,507	2,434 Jun-15 2Q15 E 7 7 122 61 9 9 9 9 4 7 29 854 -126 -2.4% 0 0 0 1,588 1,588 1,588 62 -137 1,512	Sep-15 3Q15 E 7 7 136 59 65 20 20 832 -83 -1.7% 50 1,534 1,534 62 -64 1,531	2,387 Dec-15 4Q15 E 7 136 61 64 18 (5710 810 -100 -2.1% (\$ 0 \$ 0 1,465 1,465 62 -18 1,509 1,509	2,387 Pec-15 FY15 E 7 124 59 61 10 -100 -2.0% \$ 0 1,465 1,465 62 -18 1,509	2,450 Dec-16 FY16 E 7 123 59 61 10 2,712 812 -100 -2.0% \$ \$ 0 1,221 1,221 1,221 62 288 1,571	2,491 Dec-17 FY17 E 7 123 59 61 10 809 -99 -2.0% \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0% \$00 670 670 670 670 62 912 1,644
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Total debt Other non-current liabs Shareholders' equity Total capital	1,232 Dec-10 FY10 A 111 122 65 66 2 2 405 468 -63 -2.3% 3 175 178 23 487 689 25.9%	1,562 Dec-11 FY11 A 9 133 60 633 19 \$510 547 -37 -1.1% \$2 202 204 39 676 919 22.2%	1,704 Dec-12 FY12 A 10 152 62 66 35 - - - - - - - - - - - - -	2,089 Mar-13 1Q13 A 9 135 55 56 34 4 634 -11 -0.2% 634 -11 -0.2% 563 913 975 45 343 1,363 71.6%	2,254 Jun-13 2Q13 A 8 122 56 57 18 \$654 723 -69 -1.4% \$654 963 894 963 41 434 1,438 67.0%	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 9 5686 793 -107 -2.2% 575 875 875 950 455 1,451 65.5%	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 8 5670 841 -171 -3.4% \$810 850 931 47 551 1,530 60.9%	2,474 Pec-13 FY13 A 8 135 67 <u>65</u> 11 1 \$ \$ 67 <u>6</u> 5 11 -171 -3.5% \$ 81 <u>\$</u> 81 <u>\$</u> 81 <u>\$</u> 81 -171 -3.5% <u>\$</u> 81 <u>\$</u> 81 -171 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 <u>\$</u> 5 -17 -17 -17 -17 -17 -17 -17 -17	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 4 4 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 48 42 1,938 95.3%	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 9 5721 849 -127 -2.4% 4 9 9 4 1,744 1,838 51 -404 1,485 123.7%	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 20 20 20 20 20 20 20 20 20	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 5708 794 -86 -1.8% 5708 794 -86 -1.8% 50 1,696 62 -315 1,442 117.6%	2,303 Dec-14 FY14 E 7 123 59 61 10 5 708 794 -86 -1.7% \$ 0 1,696 62 -315 1,442 117.6%	2,408 Mar-15 1Q15 E 9 118 61 62 4 4 5733 833 -100 -2.0% \$0 1,666 1,666 62 -221 1,507 110.6%	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 9 5729 854 -126 -2.4% 0 1,588 1,588 1,588 62 -137 1,512 105.0%	Sep-15 3Q15 E 7 7 136 59 65 20 20 832 -83 -1.7% \$0 1,534 1,534 62 -64 1,531 100.2%	2,387 Dec-15 4Q15 E 7 7 136 61 64 18 8 10 -100 -2.1% \$710 810 -100 -2.1% \$0 1,465 1,465 62 -18 1,509 97.1%	2,387 Pec-15 FY15 E 7 124 59 <u>61</u> 10 -100 -2.0% \$ 0 <u>1,465</u> 1,465 62 -18 <u>1,509</u> 97.1%	2,450 Dec-16 FY16 E 7 123 59 61 10 5712 812 -100 -2.0% \$ 0 1,221 1,221 1,221 62 288 1,571 77.8%	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 809 -99 -2.0% \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Dec-18 FY18 E 7 123 59 61 100 \$706 804 -98 -2.0% \$00 6700 6700 6700 622 912 1,644
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Total debt Other non-current liabs Shareholders' equity Total debt % total capital	1,232 Dec-10 FY10 A 111 122 65 66 2 2 468 -63 -2.3% 3 175 178 23 487 689 25.9% 7.0%	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5510 547 -37 -1.1% \$ 202 202 202 202 203 9 9 676 919 22.2% 7.5%	1,704 Dec-12 FY12 A 10 152 62 66 35 661 -30 -0.7% \$630 661 -30 -0.7% \$56 431 488 43 421 951 51.3% 8.2%	2,089 Mar-13 1Q13 A 9 135 55 56 34 4 634 -11 -0.2% \$63 913 975 45 343 1,363 71.6% 16.1%	2,254 Jun-13 2Q13 A 8 8 1222 56 57 18 \$654 723 -69 -1.4% \$654 723 -69 -1.4% \$69 894 963 41 434 1,438 67.0% 17.4%	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 \$686 793 -107 -2.2% \$75 875 875 875 950 950 456 (1,451) 65.5% 18.4%	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 5670 841 -171 -3.4% \$81 850 931 437 551 1,530 60.9% 19.2%	2,474 Dec-13 FY13 A 8 135 67 65 11 3 5670 841 -1711 -3.5% \$811 850 931 47 7 551 1,530 60.9% 20.2%	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 <u>48</u> 42 1,938 95.3% 25.0%	2,436 Jun-14 2Q14 A 7 7 122 61 599 9 5721 849 -127 -2.4% 4 1,744 1,838 51 4,044 1,485 123.7% 14.8%	2,364 Sep-14 3014 A 7 7 136 59 65 20 5759 828 -69 -1.4% \$100 <u>1,728</u> 1,828 62 -421 1,469 124.4% 13.5%	2,303 Dec-14 4Q14 E 7 7 136 61 64 164 5708 794 -86 -1.8% 500 <u>1.696</u> 1,696 1,696 1,696 1,696 1,695 1,442 117.6% 13.5%	2,303 Dec-14 FY14 E 7 123 59 61 10 \$708 794 -86 -1.7% \$00 <u>1,696</u> 1,696 1,696 1,696 1,696 1,696 1,696 1,442 117.6% 12.8%	2,408 Mar-15 1Q15 E 9 118 61 62 4 4 5733 833 -100 -2.0% 50 1,666 1,666 1,666 62 -221 1,507 110.6% 13.5%	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 854 -126 -2.4% 50 1,588 1,588 1,588 1,588 1,512 105.0% 13.5%	Sep-15 3Q15 E 7 7 136 59 65 50 20 20 5749 832 -83 -1.7% 50 1.534 1.534 1.534 1.531 100.2% 13.5%	2,387 Dec-15 4Q15 E 7 136 61 64 18 5710 810 -100 -2.1% 50 1.465 1.465 1.465 62 -18 1.509 97.1% 13.5%	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 10 5710 810 -100 -2.0% 8 1,465 1,465 1,465 62 -188 1,509 97.1% 12.9%	2,450 Dec-16 FY16 E 7 123 59 61 10 5712 812 -100 -2.0% \$ 0 1,221 1,221 1,221 62 288 1,571 77.8% 12.8%	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 809 -99 -2.0% \$0 <u>954</u> 954 62 598 1,614 59.1% 12.8%	Dec-18 FY18 E 7 123 55 61 10 10 \$706 802 -98 -2.0% \$0 670 670 670 670 670 670 670 670 672 912 1,644 40.8%
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Rovalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Total debt Other non-current liabs Shareholders' equity Total capital Cotal capital Cabital Structure (active) Shareholders' equity Total capital Cash on B/S as % sales Net debt	1,232 Dec-10 FY10 A 111 122 65 66 2 2 468 -63 -2.3% \$33 <u>175</u> 178 23 487 689 25.9% 7.0% -\$12	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5510 547 -37 -1.1% 52 202 204 39 676 676 919 922.2% 7.5% -\$55	1,704 Dec-12 FY12 A 10 152 62 66 35 (661 -30 -0.7% \$630 661 -30 -0.7% \$431 488 431 488 43 421 951 51.3% 8.2% \$154	2,089 Mar-13 1Q13 A 9 135 55 56 34 634 -11 -0.2% \$63 913 975 45 343 1,363 71.6% 16.1% \$253	2,254 Jun-13 2Q13 A 8 8 122 56 57 18 \$654 723 -69 -1.4% \$654 9.894 9.63 41 434 434 1,438 67.0% 17.4% \$113	2,343 Sep-13 3Q13 A 8 133 61 62 19 \$686 793 -107 -2.2% \$75 875 875 950 456 1456 1,451 65.5% 18.4% \$58	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 \$ \$ 670 841 -171 -3.4% \$ \$ 81 850 931 47 551 1,530 60.9% 19.2% -\$42	2,474 Dec-13 FY13 A 8 135 67 65 11 4 \$670 841 -171 -3.5% \$81 850 931 47 551 1,530 60.9% 20.2% -\$42	2,857 Mar-14 1014 A 9 9 118 61 62 4 4 4 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 48 42 1,938 95.3% 25.0% \$586	2,436 Jun-14 2014 A 7 7 122 61 59 9 9 59 59 59 4 -127 -2.4% \$94 1,744 1,838 51 -404 -404 -404 1,485 123.7%	2,364 Sep-14 3014 A 7 7 136 59 65 20 5759 828 -69 -1.4% \$100 1,728 1,828 62 -421 1,469 124.4% 13.5% \$1,150	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 5708 794 -86 -1.8% 50 1.696 1.696 1.696 62 -315 1.442 117.6% 13.5% \$1,055	2,303 Dec-14 FY14 E 7 123 59 61 10 \$ 708 794 -86 -1.7% \$ 0 1,696 1,696 1,696 1,696 2,-315 1,442 117.6% 12.8% \$,1,055	2,408 Mar-15 1Q15 E 9 9 118 61 62 4 4 5733 833 -100 -2.0% 50 1,666 1,666 1,666 1,666 2-221 1,507 110.6% 13.5% \$980	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 854 -126 -2.4% 50 <u>1,588</u> 1,588 1,588 62 -137 1,512 105.0% 13.5% \$889	Sep-15 3Q15 E 3Q15 E 7 136 59 65 20 20 20 \$749 832 -83 -1.7% \$0 1,534 1,534 62 -64 1,531 100.2% 13.5% \$862 362	2,387 Dec-15 4Q15 E 7 7 136 64 18 (5710 810 -100 -2.1% \$ 50 <u>1,465</u> 1,465 62 -18 1,505 97.1% 13.5% \$821	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 100 5710 810 -100 -2.0% 8 0 <u>1,465</u> 1,465 1,465 62 -38 <u>1,509</u> 97.1% 12.9% \$821	2,450 Pcc-16 FY16 E 7 123 59 61 100 \$ \$ 712 812 -100 -2.0% \$ \$ 0 1,221 1,221 1,221 62 288 1,571 77.8% 12.8% \$576	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 809 -99 -2.0% \$0 <u>954</u> 954 62 598 1,614 59.1% 12.8% \$311	Dec-18 FY18 E 7 123 55 61 10 5706 804 -98 -2.0% 50 670 670 670 670 670 670 670 672 912 1,644 40.8%
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Rovalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Total debt Other non-current liabs Shareholders' equity Total capital Cash on B/S as % sales Net debt % total capital	1,232 Dec-10 FY10 A 111 122 65 66 2 2 468 -63 -2.3% 3 175 178 23 487 689 25.9% 7.0%	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5510 547 -37 -1.1% \$ 202 202 202 202 203 9 9 676 919 22.2% 7.5%	1,704 Dec-12 FY12 A 10 152 62 66 35 661 -30 -0.7% \$630 661 -30 -0.7% \$56 431 488 43 421 951 51.3% 8.2%	2,089 Mar-13 1Q13 A 9 135 55 56 34 4 634 -11 -0.2% \$63 913 975 45 343 1,363 71.6% 16.1%	2,254 Jun-13 2Q13 A 8 8 1222 56 57 18 \$654 723 -69 -1.4% \$654 723 -69 -1.4% \$69 894 963 41 434 1,438 67.0% 17.4%	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 \$686 793 -107 -2.2% \$75 875 875 875 950 950 456 (1,451) 65.5% 18.4%	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 5670 841 -171 -3.4% \$81 850 931 437 551 1,530 60.9% 19.2%	2,474 Dec-13 FY13 A 8 135 67 65 11 3 5670 841 -1711 -3.5% \$811 850 931 47 7 551 1,530 60.9% 20.2%	2,857 Mar-14 1Q14 A 9 9 118 61 62 4 4 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 <u>48</u> 42 1,938 95.3% 25.0%	2,436 Jun-14 2Q14 A 7 7 122 61 599 9 5721 849 -127 -2.4% 4 1,744 1,838 51 4,044 1,485 123.7% 14.8%	2,364 Sep-14 3014 A 7 7 136 59 65 20 5759 828 -69 -1.4% \$100 <u>1,728</u> 1,828 62 -421 1,469 124.4% 13.5%	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 5708 794 -86 -1.8% 50 1.696 1.696 1.696 62 -315 1.442 117.6% 13.5% \$1,055	2,303 Dec-14 FY14 E 7 123 59 61 10 \$708 794 -86 -1.7% \$00 <u>1,696</u> 1,696 1,696 1,696 1,696 1,696 1,696 1,442 117.6% 12.8%	2,408 Mar-15 1Q15 E 9 118 61 62 4 7733 833 -100 -2.0% 500 <u>1,666</u> 1,666 62 -221 1,507 110.6% 13.5%	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 854 -126 -2.4% 50 1,588 1,588 1,588 1,588 1,512 105.0% 13.5%	Sep-15 3Q15 E 7 7 136 59 65 50 20 20 5749 832 -83 -1.7% 50 1.534 1.534 1.534 1.531 100.2% 13.5%	2,387 Dec-15 4Q15 E 7 136 61 64 18 5710 810 -100 -2.1% 50 1.465 1.465 1.465 62 -18 1.509 97.1% 13.5%	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 10 5710 810 -100 -2.0% 8 1,465 1,465 1,465 62 -188 1,509 97.1% 12.9%	2,450 Dec-16 FY16 E 7 123 59 61 10 5712 812 -100 -2.0% \$ 0 1,221 1,221 1,221 62 288 1,571 77.8% 12.8%	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 809 -99 -2.0% \$0 <u>954</u> 954 62 598 1,614 59.1% 12.8%	Dec-18 FY18 E 7 123 59 61 10 10 \$706 804 -98 -2.0% \$0 670 670 670 670 670 670 672 912 1,644 40.8% \$31
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Total debt Other non-current liabs Shareholders' equity Total capital Cash on B/S as % sales Net debt Net debt Notal capital	1,232 Dec-10 FY10 A 111 122 65 <u>66</u> 2 2 \$405 <u>468</u> -63 -2.3% <u>3</u> <u>175</u> 178 23 <u>487</u> <u>689</u> 25.9% 7.0% -\$12 0.0%	1,562 Dec-11 FY11 A 9 1133 600 633 19 \$510 547 -37 -1.1% \$22 202 204 39 676 919 22.2% 7.5% 0.0%	1,704 Dec-12 FY12 A 10 152 62 66 35 5630 661 -30 -0.7% \$566 431 488 43 421 951 51.3% 8.2% \$154 25.0%	2,089 Mar-13 1Q13 A 9 9 135 55 56 34 4 (34 -0.2% (563 913 975 45 343 1,363 71.6% 16.1% \$253 39.5%	2,254 Jun-13 2Q13 A 8 122 566 57 18 \$654 723 -69 -1.4% \$659 894 963 41 434 1,438 67.0% 17.4% \$113 19.2%	2,343 Sep-13 3Q13 A 8 8 133 61 62 19 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2,474 Dec-13 4Q13 A 7 7 136 61 64 4 18 \$ \$ 60 841 -171 -3.4% \$ \$ 81 850 931 47 551 1,530 60.9% 19,2% -\$42 0.0%	2,474 Dec-13 FY13 A 8 135 67 51 11 - \$670 841 -171 -3.5% 8 581 850 931 47 5551 1,530 60.9% 20.2% -\$42 0.0%	2,857 Mar-14 1Q14 A 9 9 1118 61 62 4 4 4 - 4 - 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 48 42 1,938 95.3% 25.0% \$586 86.7%	2,436 Jun-14 2Q14 A 7 7 122 61 59 9 9 3 721 849 -127 -2.4% \$94 1,744 1,838 51 1,744 1,838 51 1,23.7% \$1064 149.5%	2,364 Sep-14 3Q14 A 7 7 136 59 65 20 20 20 20 20 20 20 20 20 20	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 \$708 794 -86 -1.8% \$0 1.696 1,696 62 -315 1,696 62 -315 1,696 62 117.6% \$1,055 131.6%	2,303 Dec-14 FY14 E 7 123 59 61 10 \$708 794 -866 -1.7% \$0 1,696 1,696 62 -315 1,442 117.6% \$1,055 131.6%	2,408 Mar-15 1Q15 E 9 9 118 61 62 4 4 \$733 833 -100 -2.0% \$00 <u>1,666</u> 1,666 62 -221 1,507 110.6% 13.5% \$980 119.4%	2,434 Jun-15 2Q15 E 7 7 122 61 9 9 9 5729 854 -126 -2.4% 50 <u>1,588</u> 1,588 62 -137 1,512 105.0% 13.5% \$889 109.3%	Sep-15 3Q15 E 7 7 136 59 65 20 20 \$749 832 -83 -1.7% \$0 <u>1.534</u> 1,534 62 -64 1,531 100.3% \$862 100.3%	2,387 Dec-15 4Q15 E 7 7 136 61 64 18 5710 810 -100 -2.1% \$0 1.465 1,465 62 -18 1,509 97.1% \$821 97.1%	2,387 Pec-15 FY15 E 7 124 59 61 10 -100 -2.0% 501 <u>1,465</u> 1,465 62 -18 1,509 97.1% 12.9%	2,450 Dec-16 FY16 E 7 123 59 61 10 2,712 812 -100 -2.0% 50 1,221 1,221 62 288 1,571 77.8% 12.8% 5576 62.2%	2,491 Dec-17 FY17 E 7 123 59 61 10 \$710 809 -99 -2.0% \$0 954 954 62 598 1,614 59.1% 12.8% \$311 32.0%	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0% \$0 670 670 670 670 62 912 1,644 40.8% \$31 3.0%
Total liabs & equity HERBALIFE Balance Sheet Ratios Net Trading Cycle Receivables days Inventory days Payable days Royalty overrides Net trading cycle Working Capital Current assets (ex-cash) Non-interest bearing liabs Working Capital Working capital % of sales Capital Structure Short-term debt Total debt Other non-current liabs Shareholders' equity Total capital Cash on B/S as % sales Net debt % total capital	1,232 Dec-10 FY10 A 111 122 65 66 2 2 468 -63 -2.3% \$33 <u>175</u> 178 23 487 689 25.9% 7.0% -\$12	1,562 Dec-11 FY11 A 9 9 133 60 63 19 5510 547 -37 -1.1% 52 202 204 39 676 676 919 922.2% 7.5% -\$55	1,704 Dec-12 FY12 A 10 152 62 66 35 (661 -30 -0.7% \$630 661 -30 -0.7% \$431 488 431 488 43 421 951 51.3% 8.2% \$154	2,089 Mar-13 1Q13 A 9 135 55 56 34 634 -11 -0.2% \$63 913 975 45 343 1,363 71.6% 16.1% \$253	2,254 Jun-13 2Q13 A 8 8 122 56 57 18 \$654 723 -69 -1.4% \$654 9.894 9.63 41 434 434 1,438 67.0% 17.4% \$113	2,343 Sep-13 3Q13 A 8 133 61 62 19 \$686 793 -107 -2.2% \$75 875 875 950 456 1456 1,451 65.5% 18.4% \$58	2,474 Dec-13 4Q13 A 7 7 136 61 64 18 \$ \$ 670 841 -171 -3.4% \$ \$ 81 850 931 47 551 1,530 60.9% 19.2% -\$42	2,474 Dec-13 FY13 A 8 135 67 65 11 4 \$670 841 -171 -3.5% \$81 850 931 47 551 1,530 60.9% 20.2% -\$42	2,857 Mar-14 1014 A 9 9 118 61 62 4 4 4 5674 814 -140 -2.8% \$88 <u>1,761</u> 1,848 48 42 1,938 95.3% 25.0% \$586	2,436 Jun-14 2014 A 7 7 122 61 59 9 9 59 59 59 4 -127 -2.4% \$94 1,744 1,838 51 -404 -404 -404 1,485 123.7%	2,364 Sep-14 3014 A 7 7 136 59 65 20 5759 828 -69 -1.4% \$100 1,728 1,828 62 -421 1,469 124.4% 13.5% \$1,150	2,303 Dec-14 4Q14 E 7 7 136 61 64 18 5708 794 -86 -1.8% 50 1.696 1.696 1.696 62 -315 1.442 117.6% 13.5% \$1,055	2,303 Dec-14 FY14 E 7 123 59 61 10 \$ 708 794 -86 -1.7% \$ 0 1,696 1,696 1,696 1,696 2,-315 1,442 117.6% \$2,35	2,408 Mar-15 1Q15 E 9 118 61 62 4 5733 833 -100 -2.0% \$00 <u>1,666</u> 1,666 1,666 62 -221 1,507 110.6% \$980	2,434 Jun-15 2Q15 E 7 7 122 61 59 9 9 854 -126 -2.4% 50 <u>1,588</u> 1,588 1,588 62 -137 1,512 105.0% 13.5% \$889	Sep-15 3Q15 E 3Q15 E 7 136 59 65 20 20 20 \$749 832 -83 -1.7% \$0 1,534 1,534 62 -64 1,531 100.2% 13.5% \$862 362	2,387 Dec-15 4Q15 E 7 136 64 18 (5710 810 -100 -2.1% \$0 <u>1,465</u> 1,465 62 -18 1,505 97.1% 13.5% \$821	2,387 Dec-15 FY15 E 7 124 59 <u>61</u> 100 5710 810 -100 -2.0% 8 0 <u>1,465</u> 1,465 1,465 62 -38 <u>1,509</u> 97.1% 12.9% \$821	2,450 Pcc-16 FY16 E 7 123 59 61 100 \$ \$ 712 812 -100 -2.0% \$ \$ 0 1,221 1,221 1,221 62 288 1,571 77.8% 12.8% \$576	2,491 Dec-17 FY17 E 7 123 59 <u>61</u> 10 809 -99 -2.0% \$0 <u>954</u> 954 62 598 1,614 59.1% 12.8% \$311	Dec-18 FY18 E 7 123 59 61 10 \$706 804 -98 -2.0% \$0 670 670 670 670 670 672 912 1,644 40.8% \$31



HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
\$ millions	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E		1Q15 E	2Q15 E	3Q15 E	4Q15 E		FY16 E	FY17 E	FY18 E
Cash Flow Statement																					
Net income	\$291	\$413	\$477	\$119	\$143	\$142	\$124	\$528	\$75	\$120	\$11	\$115	\$320	\$137	\$125	\$111	\$105	\$478	\$487	\$492	\$495
Depreciation	. 69	. 72	74	21	. 21	21	. 22	. 85	21	23	24	. 24	. 93	26	. 28	30	30	. 114	133	147	158
Restructuring, net of cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stock-based compensation	7	-3	-2	7	8	9	-11	14	8	9	14	-9	21	7	8	12	-8	19	19	19	19
Deferred income taxes	-25	-13	-9	-4	-4	0	-17	-25	-2	-6	-51	0	-59	0	0	0	0	0	0	0	0
Pension benefits contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other items	11	14	4	10	16	-7	20	39	112	12	160	0	284	<u>0</u>	0	0	<u>0</u>	0	0	0	0
Operating cash flow	352	482	545	154	184	166	137	640	214	158	158	130	659	170	162	153	126	611	639	658	672
Accounts receivable	-8	-10	-28	3	-4	2	8	9	-18	17	-4	7	1	-26	17	3	5	-1	0	0	1
Inventories	-32	-85	-82	-2	-13	-6	-20	-40	14	-17	-56	39	-19	1	-13	-24	34	-2	-1	1	2
Accounts payable	38	44	56	-11	59	26	22	97	-6	36	-2	-13	15	15	29	-23	-6	14	1	-2	-3
Royalty overrides	16	44	42	-21	19	16	15	29	-4	-8	16	-8	-4	12	-11	4	-4	1	1	-1	-2
Other curr assets, net of liabs	14	34	35	14	-32	22	34	38	-9	-29	-10	-9	-56	12	4	<u>-3</u>	-12	<u>1</u>	-1	<u>0</u>	<u>1</u>
Net working investment	28	28	23	-16	30	60	59	133	-23	-1	-56	17	-64	14	26	-42	17	14	-1	-1	-1
Cash from operations	380	509	568	138	214	226	196	773	191	157	102	146	596	184	188	111	143	625	638	657	671
Capital expenditures	-68	-90	-122	-25	-31	-36	-55	-147	-59	-47	-34	-52	-192	-59	-47	-34	-52	-192	-192	-192	-191
Acquisitions of businesses	-08	-30	-122	-23	-51	-30	0	-147	-59	-47	-34	-52	-192	-55	-47	-34	-52	-192	-192	-192	-191
Disposals of assets	-1	-2	-3	0	0	0	-4	-4	-3	-4	-4	0	-12	0	0	0	0	0	0	0	0
Cash from investing	-69	-92	-125	-25	-31	-36	-59	-151	-62	-51	-39	-52	-203	-59	-47	-34	-52	-192	-192	-192	-191
	-72	20	280	488	-13	-12	-19	444	1,102	-19	-19	-132	933	-29	-79	-54	-68	-230	-244	-267	-284
Issuance (repay) debt Capital increase	-72	50	41	400	-15	-12	-19	17	-117	-19	-19	-152	-114	-29	-79	-54	0	-230	-244	-207	-284
Treasury stock	-160	-322	-557	-164	-1	-110	-31	-306	-695	-583	-2	0	-1,278	-50	-50	-50	-50	-200	-200	-200	-200
Dividends	-160		-135	-164	-1	-110	-31	-123	-695		0	0		-50	-50	-50	-50			-200	
Cash from financing	-254	<u>-85</u> -338	-135	293	- <u>-51</u> -45	-156	- <u>50</u> -62	31	260	<u>0</u> -597	-21	-132	- <u>30</u> -490	-79	-129	-104	-118	<u>0</u> -430	<u>0</u> -444	-467	<u>0</u> -484
-						-130	-02			-597											
Net effect of exchange rates	-17	-11	3	-17 389	-11 127	43	80	-13 639	-100 289	-488	-137 -95	0 -38	-235 -332	0	0 12	-27	0 -27	0	0	-2	0
Change in cash		68	75				_					_		46							-4
Beginning cash on B/S	151	191	259	334	722	850	893	334	973	1,262	774	678	973	641	687	699	671	641	644	646	644
Ending cash on B/S	191	259	334	722	850	893	973	973	1,262	774	678	641	641	687	699	671	644	644	646	644	640
HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
Cash Flow Ratios	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
Earnings Quality																					
OCF / net income (underlying	119%	117%	114%	112%	122%	109%	100%	111%	141%	112%	126%	113%	124%	124%	129%	137%	121%	128%	131%	134%	136%
CFO / net income	128%	123%	119%	100%	142%	148%	143%	134%	126%	111%	82%	127%	112%	135%	149%	99%	137%	131%	131%	134%	136%
FCF / net income	105%	101%	94%	82%	121%	125%	103%	108%	87%	78%	54%	83%	76%	92%	112%	69%	87%	91%	92%	95%	97%
Investment Rates																					
NWI % sales	1.0%	0.8%	0.6%	-1.5%	2.5%	4.9%	4.7%	2.8%	-1.8%	-0.1%	-4.5%	1.4%	-1.3%	1.1%	2.0%	-3.4%	1.4%	0.3%	0.0%	0.0%	0.0%
Capex % sales	-2.5%	-2.6%	-3.0%	-2.2%	-2.6%	-2.9%	-4.3%	-3.0%	-4.6%	-3.6%	-2.7%	-4.3%	-3.8%	-4.6%	-3.6%	-2.7%	-4.3%	-3.8%	-3.8%	-3.8%	-3.8%
Cash on B/S % sales	7.0%	7.5%	8.2%	16.1%	17.4%	18.4%	19.2%	20.2%	25.0%	14.8%	13.5%	13.5%	12.8%	13.5%	13.5%	13.5%	13.5%	12.9%	12.8%	12.8%	12.8%
Fixed Assets Analysis																					
Capex / depreciation	99%	126%	163%	119%	146%	171%	256%	173%	275%	200%	141%	213%	205%	226%	164%	115%	174%	168%	145%	130%	121%
Depreciation % fixed assets	38.6%	38.7%	34.1%	34.3%	34.0%	32.0%	29.4%	30.2%	25.6%	26.5%	27.0%	27.0%	26.5%	27.0%	27.0%	27.0%	27.0%	26.8%	26.9%	27.0%	27.1%
Sales / net pp&e	15.4x	18.6x	18.7x	18.4x	19.4x	18.6x	17.3x	17.2x	15.2x	14.7x	13.9x	12.7x	14.2x	12.6x	12.1x	11.3x	10.5x	11.8x	10.2x	9.2x	8.5x
Free Cash Flow																					
Operating cash flow	\$352	\$482	\$545	\$154	\$184	\$166	\$137	\$640	\$214	\$158	\$158	\$130	\$659	\$170	\$162	\$153	\$126	\$611	\$639	\$658	\$672
Net working investment	28	28	23	-16	30	60	59	133	-23	-1	-56	17	-64	14	26	-42	17	14	-1	-1	-1
Capital expenditures	-68	-90	-122	-25	-31	-36	-55	-147	-59	-47	-34	-52	-192	-59	-47	-34	-52	-192	-192	-192	-191
Free cash flow	312	419	446	113	183	190	141	626	132	110	67	95	404	125	141	76	91	434	446	465	480
Dividend payments	-54	-85	-135	-31	-31	-31	-30	-123	-30	0	0	0	-30	0	0	0	0	0	0	0	0
Share repurchases	-54 -160	-83	-133	-51	-51	-110	-30	-125	-695	-583	0	0	-1,278	-50	-50	-50	-50	-200	-200	-200	-200
Cash available for debt repa	<u>-160</u> 99	<u>-322</u> 12	-246	-164 -83	<u>-1</u> 150	49	<u>-31</u> 80	<u>-306</u> 196	-593	-583	67	95	-1,278	-50	<u>-50</u> 91	<u>-50</u> 26	<u>-50</u> 41	234	246	265	280
· · · · · · · · · · · · · · · · · · ·	53	12	-240	-03	10	43	80	190	-333	-4/3	07	55	-905	13	51	20	41	234	240	205	200
Share Repurchase	Ć1E0	ć202	ćr po	¢102	ćo	¢100	éar	¢200	¢coc.	¢5.01	ćo	¢0	¢1.2C7	¢50	ć. r.o.	ć.c.o	ć.c.o	ć202	ć202	ć202	ć a ca
Cost of shares repurchased	\$150	\$308	\$528	\$162	\$0	\$109	\$25	\$296	\$686	\$581	\$0	\$0	\$1,267	\$50	\$50	\$50	\$50	\$200	\$200	\$200	\$200
Number of shares repurchase	<u>2.9</u>	<u>5.5</u>	<u>11.0</u>	<u>4.0</u>	<u>0.0</u>	<u>1.7</u>	<u>0.3</u>	<u>6.0</u>	<u>9.9</u>	<u>9.8</u>	<u>0.0</u>	0.0	<u>19.7</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.7</u>	<u>3.1</u>	<u>2.8</u>	<u>2.6</u>	2.4
Avg price shares repurchase	\$52.3	\$55.9	\$47.8	\$40.6	\$0.0	\$63.9	\$74.0	\$49.0	\$69.0	\$59.4	\$60.6	\$61.8	\$64.3	\$63.0	\$64.3	\$65.6	\$66.9	\$64.9	\$70.3	\$76.1	\$82.3



HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
\$ millions	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
Revenue Build-Up																					
Net revenues	\$2,734	\$3,455	\$4,072	\$1,124	\$1,219	\$1,214	\$1,269	\$4,825	\$1,263	\$1,306	\$1,256	\$1,187	\$5,012	\$1,272	\$1,295	\$1,244	\$1,193	\$5,004	\$5,026	\$5,020	\$4,996
% reported	17.6%	26.3%	17.9%	16.5%	18.1%	19.3%	19.8%	18.5%	12.4%	7.1%	3.5%	-6.5%	3.9%	0.8%	-0.9%	-1.0%	0.6%	-0.2%	0.4%	-0.1%	-0.5%
% volume	13.9%	21.3%	20.4%	13.4%	13.5%	12.8%	12.7%	13.1%	9.2%	4.9%	0.3%	-3.0%	2.7%	1.6%	1.1%	0.7%	0.0%	0.8%	0.1%	-0.5%	-0.8%
% pricing	3.5%	1.5%	2.2%	4.1%	3.9%	7.7%	9.4%	6.3%	7.7%	5.9%	6.0%	3.3%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% organic	17.4%	22.8%	22.6%	17.5%	17.4%	20.5%	22.0%	19.4%	16.9%	10.8%	6.3%	0.4%	8.4%	1.6%	1.1%	0.7%	0.0%	0.8%	0.1%	-0.5%	-0.8%
% currency	0.2%	3.5%	-4.7%	-1.0%	0.7%	-1.2%	-2.2%	-0.9%	-4.5%	-3.7%	-2.8%	-7.0%	-4.5%	-2.0%	-3.1%	-2.4%	0.0%	-1.9%	0.0%	0.0%	0.0%
% acquisitions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue Breakout																					
North America	\$614	\$699	\$841	\$221	\$248	\$229	\$210	\$908	\$248	\$251	\$223	\$208	\$930	\$234	\$245	\$217	\$202	\$897	\$868	\$847	\$831
Mexico	334	437	496	133	146	141	143	562	143	149	144	139	574	136	135	136	136	542	530	517	504
South & Central America	390	554	689	220	222	241	290	973	245	203	205	208	861	236	202	208	206	853	839	820	798
Europe, ME, Africa	528	615	628	170	186	182	198	735	211	227	204	212	855	223	244	233	244	944	1,001	1,025	1,027
Asia-Pacific	683	939	1,140	312	299	284	280	1,175	280	306	298	278	1,162	290	280	261	256	1,087	1,093	1,093	1,089
China	184	211	279	68	118	137	148	472	136	170	181	142	629	154	189	189	150	681	694	718	747
Total revenues	2,734	3,455	4,072	1,124	1,219	1,214	1,269	4,825	1,263	1,306	1,256	1,187	5,012	1,272	1,295	1,244	1,193	5,004	5,026	5,020	4,996
Reported Growth																					
North America	16.1%	13.8%	20.4%	5.1%	10.2%	9.5%	6.7%	7.9%	11.9%	1.2%	-2.3%	-0.9%	2.5%	-5.7%	-2.3%	-3.1%	-3.2%	-3.6%	-3.2%	-2.4%	-1.9%
Mexico	27.0%	30.8%	13.5%	13.5%	21.9%	10.8%	8.0%	13.4%	7.4%	2.1%	1.9%	-2.6%	2.1%	-4.9%	-9.5%	-5.4%	-2.1%	-5.5%	-2.3%	-2.4%	-2.5%
South & Central America	6.4%	42.0%	24.2%	32.7%	45.7%	44.0%	42.8%	41.3%	11.4%	-8.5%	-14.9%	-28.5%	-11.6%	-3.5%	-0.5%	1.4%	-0.7%	-0.9%	-1.6%	-2.4%	-2.7%
Europe, ME, Africa	4.7%	16.6%	2.1%	10.1%	15.3%	23.2%	20.0%	17.1%	24.5%	22.0%	12.5%	7.1%	16.2%	5.4%	7.3%	14.1%	15.3%	10.4%	6.1%	2.4%	0.2%
Asia-Pacific	34.2%	37.3%	21.4%	19.9%	0.9%	-1.5%	-5.3%	3.0%	-10.0%	2.4%	4.9%	-0.7%	-1.0%	3.4%	-8.5%	-12.5%	-7.8%	-6.5%	0.6%	-0.1%	-0.3%
China	21.1%	14.3%	32.1%	20.2%	53.3%	76.5%	121.2%	69.3%	98.5%	43.9%	32.6%	-4.2%	33.4%	13.4%	11.1%	4.3%	5.1%	8.3%	1.8%	3.5%	4.0%
Reported growth	17.6%	26.3%	17.9%	16.5%	18.1%	19.3%	19.8%	18.5%	12.4%	7.1%	3.5%	-6.5%	3.9%	0.8%	-0.9%	-1.0%	0.6%	-0.2%	0.4%	-0.1%	-0.5%
Constant Currency Grow	t FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4014 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
-																					-1.9%
North America	15.8%	13.6%	20.5% 20.4%	5.1%	10.2% 12.4%	9.6%	6.9%	8.0%	12.1%	1.3%	-2.2%	-0.9%	2.6%	-5.7%	-2.3%	-3.1%	-3.2%	-3.6%	-3.2%	-2.4%	
Mexico	19.2%	28.6%		10.5%		8.7%	8.6%	10.0%	12.4%	6.5%	3.5%	1.1%	5.8%	-3.0%	-5.8%	-2.7%	-2.1%	-3.4%	-2.2%	-2.4%	-2.5%
South & Central America	18.5%	36.7%	33.4%	40.5%	50.4%	53.2%	51.4%	49.0%	24.2%	7.6%	-1.1%	-7.4%	4.8%	-2.0%	4.1%	4.9%	-0.8%	1.4%	-1.6%	-2.4%	-2.7%
Europe, ME, Africa	7.1%	12.2%	9.6%	10.1%	15.4%	21.0%	18.8%	16.3%	26.3%	21.4%	15.2%	16.0%	19.6%	13.8%	15.9%	19.6%	15.3%	16.1%	6.1%	2.4%	0.3%
Asia-Pacific	26.6%	32.2%	26.0%	20.1%	0.8%	1.1%	-1.4%	4.7%	-5.0%	2.9%	2.0%	0.9%	0.1%	3.8%	-5.5%	-9.5%	-7.8%	-4.8%	0.6%	-0.1%	-0.3%
China	20.0%	9.1%	29.1%	18.5%	49.0%	70.3%	115.5%	64.7%	94.8%	45.7%	33.5%	-3.5%	33.9%	13.8%	9.4%	3.7%	5.1%	7.8%	1.9%	3.5%	4.0%
Constant currency growth	17.4%	22.8%	22.6%	17.5%	17.4%	20.5%	22.0%	19.4%	16.9%	10.8%	6.3%	0.4%	8.4%	1.6%	1.1%	0.7%	0.0%	0.8%	0.1%	-0.5%	-0.8%
Organic Growth																					
North America	15.8%	13.6%	20.5%	5.1%	10.2%	9.6%	6.9%	8.0%	12.1%	1.3%	-2.2%	-0.9%	2.6%	-5.7%	-2.3%	-3.1%	-3.2%	-3.6%	-3.2%	-2.4%	-1.9%
Mexico	19.2%	28.6%	20.4%	10.5%	12.4%	8.7%	8.6%	10.0%	12.4%	6.5%	3.5%	1.1%	5.8%	-3.0%	-5.8%	-2.7%	-2.1%	-3.4%	-2.2%	-2.4%	-2.5%
South & Central America	18.5%	36.7%	33.4%	40.5%	50.4%	53.2%	51.4%	49.0%	24.2%	7.6%	-1.1%	-7.4%	4.8%	-2.0%	4.1%	4.9%	-0.8%	1.4%	-1.6%	-2.4%	-2.7%
Europe, ME, Africa	7.1%	12.2%	9.6%	10.1%	15.4%	21.0%	18.8%	16.3%	26.3%	21.4%	15.2%	16.0%	19.6%	13.8%	15.9%	19.6%	15.3%	16.1%	6.1%	2.4%	0.3%
Asia-Pacific	26.6%	32.2%	26.0%	20.1%	0.8%	1.1%	-1.4%	4.7%	-5.0%	2.9%	2.0%	0.9%	0.1%	3.8%	-5.5%	-9.5%	-7.8%	-4.8%	0.6%	-0.1%	-0.3%
China	20.0%	9.1%	29.1%	18.5%	49.0%	70.3%	115.5%	64.7%	94.8%	45.7%	33.5%	-3.5%	33.9%	13.8%	9.4%	3.7%	5.1%	7.8%	1.9%	3.5%	4.0%
Organic growth	17.4%	22.8%	22.6%	17.5%	17.4%	20.5%	22.0%	19.4%	16.9%	10.8%	6.3%	0.4%	8.4%	1.6%	1.1%	0.7%	0.0%	0.8%	0.1%	-0.5%	-0.8%
Volume Points	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2014 A	3Q14 A	4Q14 E	FY14 E	1015 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
North America	889	987	1,158	309	340	314	287	1,250	337	336	303	278	1,253	317	328	294	269	1,208	1,169	1,141	1,119
Mexico	563	705	815	206	220	219	287	864	220	231	219	278	881	214	218	294	209	851	832	811	791
	427		740			219		864 966		231			881	214	218	213	206	851	832	811 844	822
South & Central America		570		220	223		279		228		204	228									
Europe, ME, Africa	487	545	603	161	179	174	184	698	202	219	199	211	831	230	253	238	244	965	1,024	1,049	1,051
Asia-Pacific	724	962	1,198	320	317	296	292	1,226	302	320	305	293	1,220	313	303	275	270	1,161	1,169	1,168	1,164
China	144	154	206	48	86	97	103	334	91	119	121	102	432	104	130	125	107	466	474	491	511
	3,233	3,922	4,720	1,264	1,365	1,346	1,363	5,338	1,380	1,431	1,350	1,323	5,484	1,401	1,447	1,359	1,322	5,530	5,533	5,504	5,458
Volume points																					
Volume growth																					1.00/
	13.9%	11.1%	17.3%	3.6%	11.4%	9.3%	7.5%	8.0%	8.9%	-1.2%	-3.5%	-3.1%	0.3%	-5.7%	-2.3%	-3.1%	-3.2%	-3.6%	-3.2%	-2.4%	-1.9%
Volume Growth	13.9% 14.1%	11.1% 25.1%	17.3% 15.7%	3.6%	11.4% 7.8%	9.3% 3.9%	7.5% 4.7%	8.0% 6.0%	8.9% 6.7%	-1.2% 5.2%	-3.5% -0.3%	-3.1% -3.6%	0.3% 1.9%	-5.7% -3.0%	-2.3% -5.8%	-3.1% -2.7%	-3.2% -2.1%	-3.6% -3.4%	-3.2% -2.2%	-2.4% -2.4%	
Volume Growth North America																					-2.5%
Volume Growth North America Mexico	14.1%	25.1%	15.7%	7.8%	7.8%	3.9%	4.7%	6.0%	6.7%	5.2%	-0.3%	-3.6%	1.9%	-3.0%	-5.8%	-2.7%	-2.1%	-3.4%	-2.2%	-2.4%	-2.5% -2.7%
Volume Growth North America Mexico South & Central America	14.1% 3.8%	25.1% 33.3%	15.7% 29.9%	7.8% 33.5%	7.8% 33.1%	3.9% 31.8%	4.7% 25.2%	6.0% 30.5%	6.7% 3.6%	5.2% -7.3%	-0.3% -16.6%	-3.6% -18.1%	1.9% -10.3%	-3.0% -2.0%	-5.8% 4.1%	-2.7% 4.9%	-2.1% -0.8%	-3.4% 1.4%	-2.2% -1.6%	-2.4% -2.4%	-1.9% -2.5% -2.7% 0.3% -0.3%
Volume Growth North America Mexico South & Central America Europe, ME, Africa	14.1% 3.8% 4.3%	25.1% 33.3% 12.0%	15.7% 29.9% 10.6%	7.8% 33.5% 10.6%	7.8% 33.1% 16.1%	3.9% 31.8% 19.2%	4.7% 25.2% 17.4%	6.0% 30.5% 15.9%	6.7% 3.6% 25.4%	5.2% -7.3% 22.0%	-0.3% -16.6% 14.7%	-3.6% -18.1% 15.0%	1.9% -10.3% 19.1%	-3.0% -2.0% 13.8%	-5.8% 4.1% 15.9%	-2.7% 4.9% 19.6%	-2.1% -0.8% 15.3%	-3.4% 1.4% 16.1%	-2.2% -1.6% 6.1%	-2.4% -2.4% 2.4%	-2.5% -2.7% 0.3%

Source: BTIG Research Estimates



HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
Active Sales Leaders ('000		FY11 A	FY12 A	1Q13 A	2Q13 A				1014 A	2014 A	3Q14 A	4Q14 E		1015 E			4Q15 E		FY16 E	FY17 E	FY18
Sales Leaders Growth									İ					i i							
North America	13.9%	15.1%	16.4%	9.3%	9.8%	9.2%	8.1%	9.1%	8.6%	4.8%	4.2%	4.0%	5.4%	2.1%	-0.7%	-3.1%	-2.7%	-1.1%	-1.9%	-1.0%	-0.69
Mexico	10.2%	25.2%	20.9%	14.3%	12.5%	7.5%	7.6%	10.3%	5.6%	2.7%	3.6%	0.9%	3.1%	5.8%	4.2%	0.7%	0.6%	2.8%	0.5%	0.3%	0.29
South & Central America	3.2%	21.2%	28.7%	28.2%	30.1%	29.1%	29.1%	29.1%	18.9%	13.8%	7.1%	-1.3%	9.0%	5.6%	5.7%	2.8%	2.2%	4.1%	1.4%	0.6%	0.29
Europe, ME, Africa	2.9%	15.1%	14.2%	11.5%	11.7%	13.1%	13.9%	12.6%	17.4%	18.1%	17.6%	15.1%	17.0%	18.3%	16.3%	13.4%	11.8%	14.8%	8.3%	4.5%	2.39
Asia-Pacific	25.8%	34.3%	31.2%	23.3%	15.4%	9.7%	6.1%	13.1%	4.3%	5.8%	5.2%	4.7%	5.0%	8.6%	4.3%	2.4%	1.9%	4.2%	1.1%	0.4%	0.29
China	15.7%	28.7%	32.6%	24.5%	17.8%	25.1%	38.7%	26.7%	40.3%	32.9%	23.1%	9.9%	25.0%	13.2%	-0.5%	-5.7%	-4.4%	0.2%	-2.4%	-0.9%	-0.39
Sales leaders growth	11.5%	22.4%	22.2%	17.7%	15.4%	13.3%	13.1%	14.7%	11.1%	9.4%	7.8%	4.4%	8.0%	8.2%	5.4%	2.4%	2.2%	4.5%	1.6%	0.9%	0.59
Productivity																					
North America	18.0	17.4	17.5	4.5	4.7	4.2	3.9	17.3	4.5	4.4	3.9	3.6	16.5	4.2	4.4	3.9	3.6	16.1	15.9	15.7	15.
Mexico	14.8	14.8	14.1	3.4	3.5	3.4	3.3	13.6	3.5	3.6	3.3	3.1	13.4	3.2	3.2	3.2	3.1	12.6	12.3	12.0	11.
South & Central America	14.8	16.3	16.5	4.2	4.1	4.1	4.2	16.6	3.7	3.3	3.2	3.5	13.7	3.4	3.3	3.2	3.4	13.3	12.9	12.6	12.
Europe, ME, Africa	14.5	14.1	13.7	3.5	3.7	3.4	3.4	14.1	3.7	3.9	3.3	3.4	14.3	3.6	3.8	3.5	3.5	14.5	14.2	13.9	13.
Asia-Pacific	20.2	20.0	18.9	4.7	4.5	4.1	4.0	17.1	4.2	4.3	4.0	3.8	16.2	4.0	3.9	3.5	3.4	14.8	14.8	14.7	14.
China	21.1	17.4	17.6	4.0	6.1	6.1	5.9	22.5	5.5	6.3	6.2	5.3	23.4	5.5	7.0	6.8	5.9	25.1	26.2	27.4	28.
Sales leader productivity	17.4	17.3	17.0	4.3	4.4	4.1	4.0	16.7	4.2	4.2	3.8	3.7	15.9	3.9	4.0	3.8	3.6	15.4	15.1	14.9	14.
Productivity Growth																					
North America	0.1%	-3.5%	0.8%	-5.3%	1.5%	0.0%	-0.5%	-1.0%	0.3%	-5.8%	-7.4%	-6.9%	-4.8%	-7.7%	-1.6%	0.0%	-0.5%	-2.5%	-1.4%	-1.4%	-1.49
Mexico	3.5%	-0.1%	-4.3%	-5.7%	-4.1%	-3.4%	-2.7%	-3.9%	1.1%	2.4%	-3.8%	-4.5%	-1.2%	-8.3%	-9.6%	-3.4%	-2.7%	-6.0%	-2.7%	-2.7%	-2.79
South & Central America	0.6%	10.0%	0.9%	4.1%	2.3%	2.1%	-3.0%	1.0%	-12.8%	-18.6%	-22.2%	-17.1%	-17.7%	-7.3%	-1.5%	2.1%	-3.0%	-2.6%	-2.9%	-2.9%	-2.99
Europe, ME, Africa	1.4%	-2.7%	-3.2%	-0.9%	3.9%	5.5%	3.1%	2.9%	6.8%	3.3%	-2.5%	-0.2%	1.8%	-3.8%	-0.4%	5.5%	3.1%	1.1%	-2.0%	-2.0%	-2.09
Asia-Pacific	0.8%	-1.0%	-5.1%	-5.2%	-12.5%	-11.7%	-9.5%	-9.5%	-9.5%	-4.5%	-2.2%	-4.4%	-5.2%	-4.4%	-9.4%	-11.7%	-9.5%	-8.6%	-0.5%	-0.5%	-0.59
China	8.1%	-17.1%	1.1%	-6.5%	26.4%	36.3%	46.7%	27.6%	36.4%	3.8%	0.7%	-9.7%	3.7%	0.6%	10.0%	10.0%	10.0%	7.6%	4.4%	4.4%	4.49
Productivity growth	2.2%	-0.9%	-1.5%	-3.7%	-1.6%	-0.4%	-0.3%	-1.4%	-1.8%	-4.1%	-6.9%	-7.0%	-4.9%	-6.1%	-4.1%	-1.7%	-2.2%	-3.5%	-1.5%	-1.4%	-1.39
Pricing	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18
North America	1.9%	2.5%	3.2%	1.5%	-1.2%	0.3%	-0.6%	0.0%	3.2%	2.5%	1.3%	2.2%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.09
Mexico	5.1%	3.5%	4.7%	2.7%	4.6%	4.8%	3.9%	4.0%	5.7%	1.3%	3.8%	4.7%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.09
South & Central America	14.7%	3.4%	3.5%	7.0%	17.3%	21.4%	26.2%	18.5%	20.6%	14.9%	15.5%	10.7%	15.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.09
Europe, ME, Africa	2.8%	0.2%	-1.0%	-0.5%	-0.7%	1.8%	1.3%	0.4%	0.9%	-0.6%	0.5%	1.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0
Asia-Pacific	-0.2%	-0.7%	1.4%	3.2%	-0.2%	4.2%	2.6%	2.4%	0.6%	1.9%	-0.8%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0
China	-5.0%	2.4%	-5.0%	2.1%	0.1%	-0.3%	12.1%	2.9%	3.4%	7.7%	9.6%	-2.8%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0
Pricing	3.5%	1.5%	2.2%	4.1%	3.9%	7.7%	9.4%	6.3%	7.7%	5.9%	6.0%	3.3%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.09
Currency																					
North America	0.3%	0.2%	-0.1%	0.0%	0.0%	-0.1%	-0.2%	-0.1%	-0.2%	-0.1%	-0.1%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0
Mexico	7.8%	2.2%	-6.9%	3.0%	9.5%	2.1%	-0.7%	3.4%	-5.0%	-4.4%	-1.6%	-3.6%	-3.7%	-1.9%	-3.7%	-2.7%	0.0%	-2.1%	0.0%	0.0%	0.0
South & Central America	-12.1%	5.3%	-9.2%	-7.8%	-4.7%	-9.2%	-8.6%	-7.7%	-12.8%	-16.1%	-13.8%	-21.1%	-16.3%	-1.4%	-4.6%	-3.5%	0.1%	-2.3%	0.0%	0.0%	0.0
Europe, ME, Africa	-2.4%	4.4%	-7.5%	0.0%	-0.1%	2.2%	1.2%	0.8%	-1.8%	0.6%	-2.7%	-8.8%	-3.3%	-8.4%	-8.6%	-5.5%	0.0%	-5.7%	0.0%	0.0%	0.0
Asia-Pacific	7.6%	5.1%	-4.6%	-0.2%	0.1%	-2.6%	-3.8%	-1.7%	-5.0%	-0.5%	2.9%	-1.6%	-1.2%	-0.3%	-3.1%	-3.0%	0.0%	-1.7%	0.0%	0.0%	0.0
China	1.1%	5.2%	3.0%	1.7%	4.3%	6.2%	5.7%	4.6%	3.7%	-1.8%	-0.9%	-0.7%	-0.4%	-0.4%	1.6%	0.6%	0.0%	0.5%	0.0%	0.0%	0.09

Source: BTIG Research Estimates



HERBALIFE	Dec-10	Dec-11	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Dec-16	Dec-17	Dec-18
\$ millions	FY10 A	FY11 A	FY12 A	1Q13 A	2Q13 A	3Q13 A	4Q13 A	FY13 A	1Q14 A	2Q14 A	3Q14 A	4Q14 E	FY14 E	1Q15 E	2Q15 E	3Q15 E	4Q15 E	FY15 E	FY16 E	FY17 E	FY18 E
Revenue by Region																					
United States	\$595	\$677	\$817	\$216	\$242	\$224	\$200	\$881	\$234	\$245	\$218	\$208	\$906	\$234	\$245	\$217	\$202	\$897	\$868	\$847	\$831
Mexico	334	437	496	133	146	141	143	562	143	149	144	139	574	136	135	136	136	542	530	517	504
China	184	211	279	69	118	137	148	472	136	170	181	142	629	154	189	189	150	681	694	718	747
Others	1,620	2,130	2,481	706	714	712	778	2,910	750	743	713	697	2,902	749	726	702	706	2,883	2,934	2,937	2,914
Total revenues	2,734	3,455	4,072	1,124	1,219	1,214	1,269	4,825	1,263	1,306	1,256	1,187	5,012	1,272	1,295	1,244	1,193	5,004	5,026	5,020	4,996
Contributing Profit (Und	erlying)																				
United States	\$257	\$286	\$360	\$95	\$100	\$91	\$80	\$365	\$101	\$102	\$90	\$82	\$375	\$98	\$99	\$87	\$78	\$362	\$351	\$342	\$336
Mexico	132	191	206	59	64	65	64	252	61	64	64	61	251	57	57	60	59	232	227	221	215
China	78	90	127	29	53	62	64	207	63	72	75	60	269	70	78	76	62	285	290	300	312
Others	722	973	1,106	320	323	324	358	1,325	343	340	321	315	1,320	335	325	310	312	1,282	1,305	1,306	1,296
Segment operating profit	1,188	1,540	1,798	502	539	541	566	2,149	568	577	551	519	2,215	560	559	532	510	2,161	2,172	2,170	2,159
Corporate expenses	-776	-978	-1,136	-309	-335	-336	-368	-1,349	-346	-367	-363	-344	-1,420	-355	-371	-365	-352	-1,443	-1,450	-1,448	-1,441
EBIT (underlying)	412	562	661	194	204	205	198	800	222	210	188	174	794	205	188	167	158	718	723	722	718
Underlying EBIT (from I/S)	412	562	661	194	204	205	198	800	222	210	188	174	794	205	188	167	158	718	723	722	718
Contribution Margin																					
United States	43.2%	42.3%	44.0%	43.8%	41.2%	40.6%	40.3%	41.5%	43.0%	41.6%	41.3%	39.5%	41.4%	42.0%	40.6%	40.3%	38.5%	40.4%	40.4%	40.4%	40.4%
Mexico	39.4%	43.7%	41.4%	44.1%	44.0%	46.1%	44.8%	44.8%	43.0%	43.1%	44.7%	44.0%	43.7%	42.0%	42.1%	43.7%	43.0%	42.7%	42.7%	42.7%	42.7%
China	42.1%	42.5%	45.5%	42.5%	44.6%	45.1%	43.0%	43.9%	46.2%	42.0%	41.2%	42.2%	42.7%	45.2%	41.0%	40.2%	41.2%	41.8%	41.8%	41.8%	41.8%
Others	44.5%	45.7%	44.6%	45.3%	45.3%	45.4%	46.0%	45.5%	45.8%	45.8%	45.1%	45.2%	45.5%	44.8%	44.8%	44.1%	44.2%	44.5%	44.5%	44.5%	44.5%
Segment operating profit	43.4%	44.6%	44.1%	44.7%	44.2%	44.6%	44.6%	44.5%	45.0%	44.2%	43.8%	43.7%	44.2%	44.0%	43.2%	42.8%	42.7%	43.2%	43.2%	43.2%	43.2%
Corporate expenses	-28.4%	-28.3%	-27.9%	-27.5%	-27.5%	-27.7%	-29.0%	-28.0%	-27.4%	-28.1%	-28.9%	-29.0%	-28.3%	-27.9%	-28.6%	-29.4%	-29.5%	-28.8%	-28.8%	-28.8%	-28.8%
EBIT (underlying)	15.1%	16.3%	16.2%	17.2%	16.7%	16.9%	15.6%	16.6%	17.6%	16.1%	15.0%	14.7%	15.9%	16.1%	14.5%	13.4%	13.2%	14.3%	14.4%	14.4%	14.4%
Margin Improvement																					
United States	-295 bp	-87 bp	171 bp	-285 bp	-175 bp	-429 bp	-129 bp	-255 bp	-81 bp	43 bp	78 bp	-80 bp	-5 bp	-100 bp	-100 bp	-100 bp	-100 bp	-99 bp	0 bp	0 bp	0 bp
Mexico	19 bp	431 bp	-230 bp	660 bp	295 bp	305 bp	-260 bp	331 bp	-107 bp	-82 bp	-142 bp	-80 bp	-104 bp	-100 bp	-100 bp	-100 bp	-100 bp	-99 bp	0 bp	0 bp	0 bp
China	721 bp	37 bp	295 bp	-216 bp	-199 bp	-55 bp	-172 bp	-154 bp	376 bp	-254 bp	-386 bp	-80 bp	-118 bp	-100 bp	-100 bp	-100 bp	-100 bp	-95 bp	-1 bp	0 bp	0 bp
Others	123 bp	116 bp	-111 bp	90 bp	-27 bp	121 bp	186 bp	94 bp	46 bp	51 bp	-33 bp	<u>-80 bp</u>	-5 bp	-100 bp	<u>-100 bp</u>	-100 bp	-100 bp	-100 bp	<u>0 bp</u>	0 bp	0 bp
Segment operating profit	53 bp	114 bp	-44 bp	65 bp	-31 bp	26 bp	96 bp	39 bp	29 bp	-3 bp	-73 bp	-92 bp	-34 bp	-97 bp	-104 bp	-103 bp	-97 bp	-100 bp	3 bp	1 bp	0 bp
Corporate expenses	141 bp	g d e	41 bp	59 bp	-107 bp	78 bp	-43 bp	-5 bp	8 bp	-62 bp	-115 bp	0 bp	-39 bp	-50 bp	-50 bp	-50 bp	-50 bp	-50 bp	0 bp	ad 0	0 bp
EBIT (underlying)	195 bp	122 bp	-3 bp	124 bp	-138 bp	105 bp	53 bp	34 bp	37 bp	-65 bp	-189 bp	-92 bp	-73 bp	-147 bp	-154 bp	-153 bp	-147 bp	-150 bp	3 bp	1 bp	0 bp

Source: BTIG Research Estimates



Appendix

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I, April Scee, hereby certify that the views about the companies and securities discussed in this report are accurately expressed and that I have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report.

I, Abhinav Kapur, hereby certify that the views about the companies and securities discussed in this report are accurately expressed and that I have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report.

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