



**HERBALIFE®**

# Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this press release are “forward-looking statements.” All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words, “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect,” or “anticipate” and any other similar words.

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

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

Additional factors that could cause actual results to differ materially from our forward-looking statements are set forth in this presentation. We do not intend, and undertake no obligation, to update any forward-looking statement.

Presentation contains certain non-GAAP measures. Please see the investor relations section of our website ([www.ir.herblaiife.com](http://www.ir.herblaiife.com)) for a reconciliation of non-GAAP measures.

# Rich Goudis

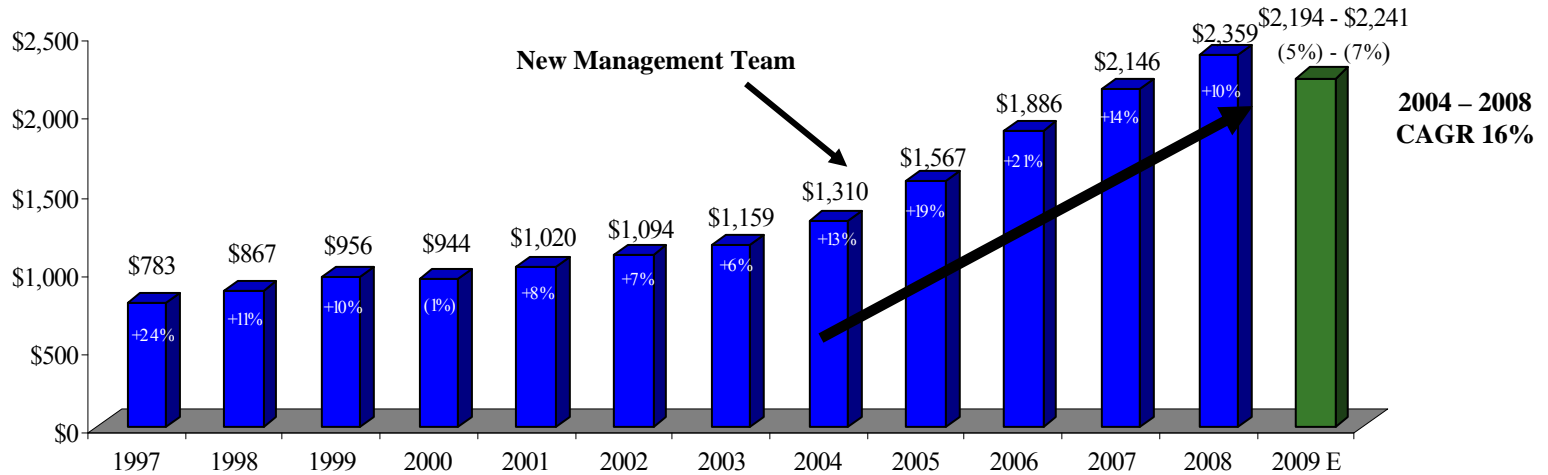
Chief Financial Officer

# Why Herbalife?

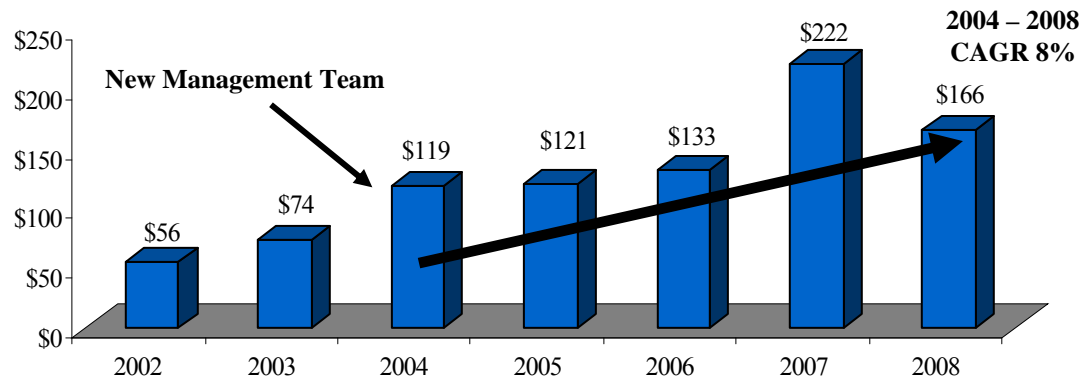
- **Successful financial track record, driven by positive global mega trends**
- **Balanced financial strength**
  - Strong cash flow
  - High variable cost model
  - Strong balance sheet
- **Compelling distribution channel for consultative products and emerging markets**
- **Geographic diversification throughout 70 markets**
  - 79% of revenues from international markets
- **Commitment to shareholder value**
  - Disciplined capital allocation
    - 2008 ROIC of 44.2% vs. 9.2% for the S&P 500 consumer staples companies
  - Free cash flow used to accelerate returns to shareholders
    - Share repurchase program – \$503 million shares repurchased (18% of shares outstanding) since May 2007
    - Cash dividend program – 5%-plus current yield
- **Proven & committed management team to produce top and bottom line growth**

# A Track Record of Growth

*Net Sales \$ in MM (Y/Y growth)*

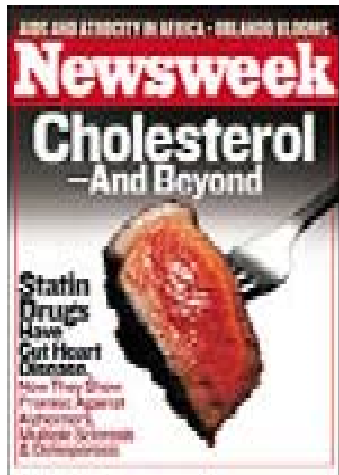
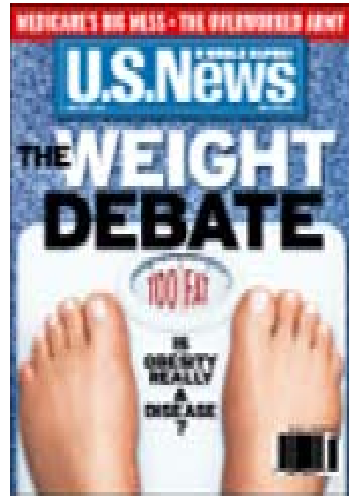
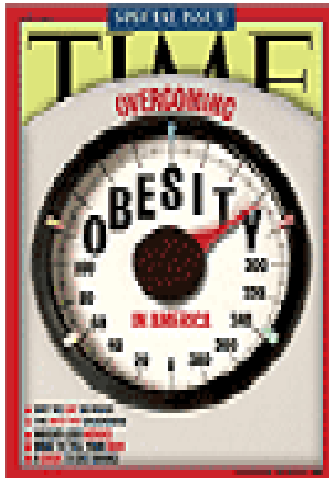


*Free Cash Flow \$ in MM (Y/Y growth)*

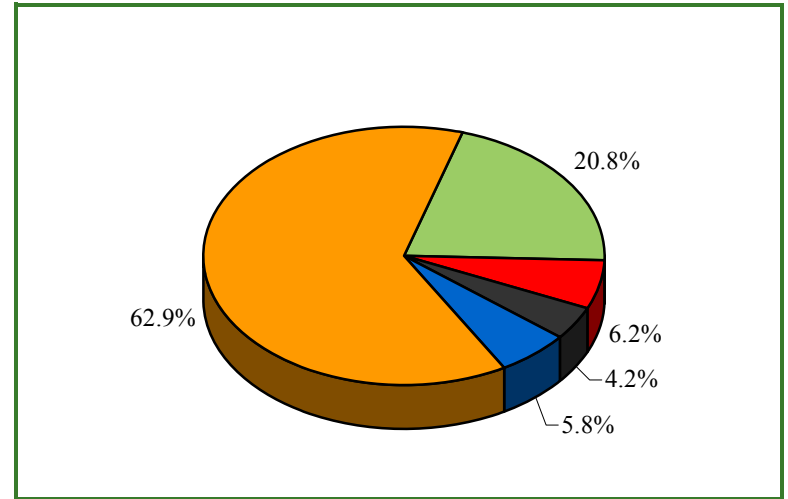


Estimates based on management's guidance presented in a press release dated 2/24/2009. Excludes certain one-time items.

# Why Now? Intersection of Health & Wealth



*Net Sales Product Category*



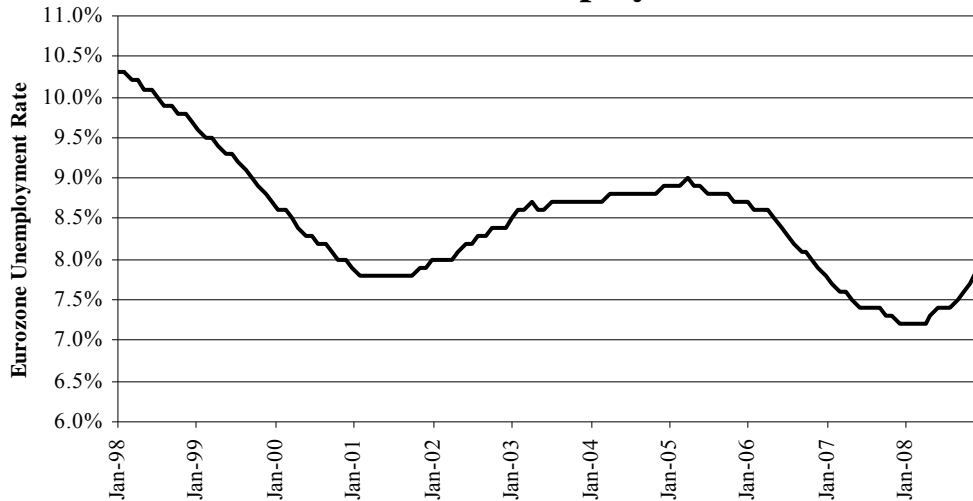
Product Category	2008	Y/Y % Chg
<b>Weight Management</b>	\$ 1,485	9.2%
<b>Targeted Nutrition</b>	492	13.5%
<b>Outer Nutrition</b>	147	1.7%
<b>Energy &amp; Fitness</b>	100	10.3%
<b>Lit, Promo and Other</b>	136	14.9%
<b>Total</b>	<u>\$ 2,359</u>	<u>9.9%</u>

# Why Now? Intersection of Health & Wealth

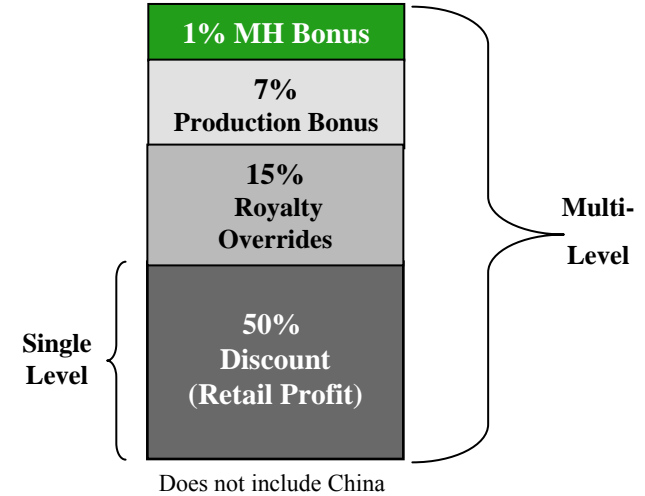
## U.S. Unemployment



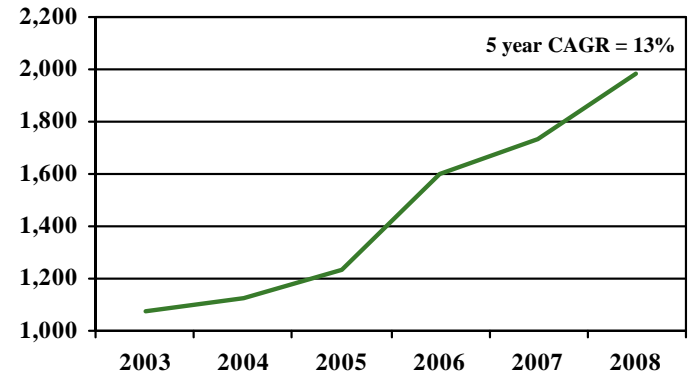
## Eurozone Unemployment



## 73% DISTRIBUTOR PAYOUT



## Distributor Growth



# Herbalife's Healthy Meal – Value Proposition

**Latte & Muffin = 1,040 calories**      **Formula 1 Healthy Meal = 228 calories**


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

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





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


## Breakfast/Lunch Alternatives



+301%



+349%

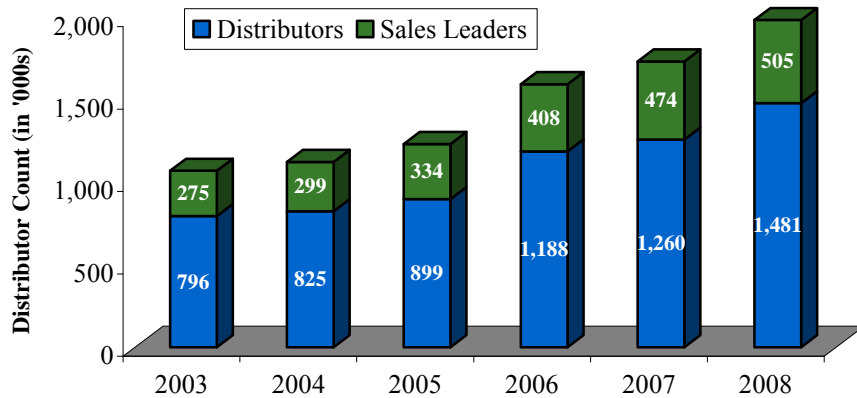


+627%

	Approximate Retail Price	% Premium to HLF
Herbalife Formula 1 Shake with 8 oz. Milk and 1 oz. of Strawberries	\$1.43	
McDonald's Egg McMuffin® Meal	\$3.89	272%
Starbucks 12 oz. Latte and Banana Muffin	\$4.30	301%
McDonald's Quarter Pounder w/Cheese® Meal	\$4.99	349%
Denny's All American Slam® Breakfast	\$8.97	627%

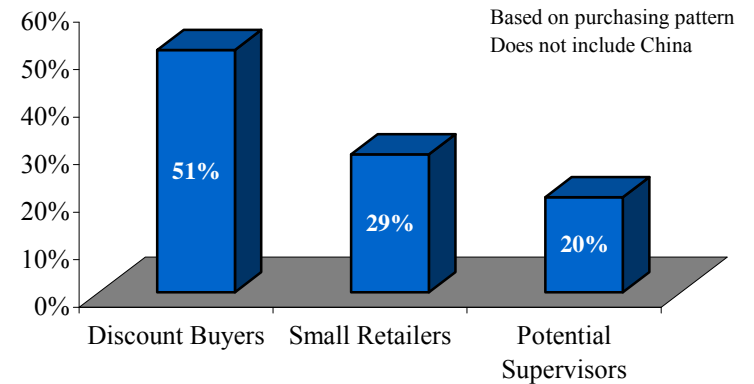
# Distributor Facts – Recruiting, Retailing & Retention

## Distributor Composition

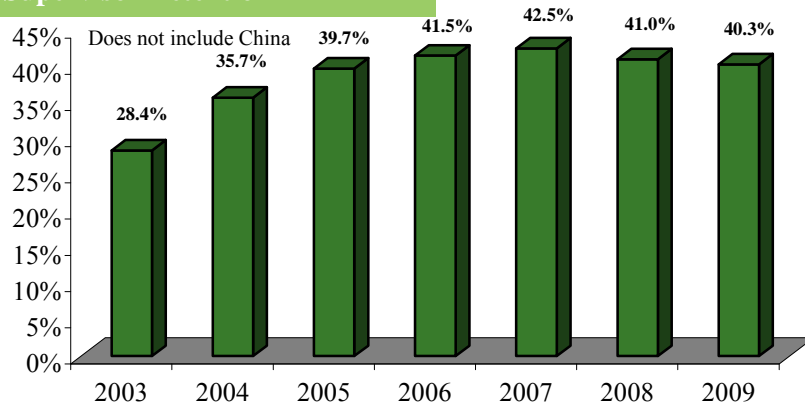


## Retailing:

### Distributor Order Stats (12 months ended 12/31/08)

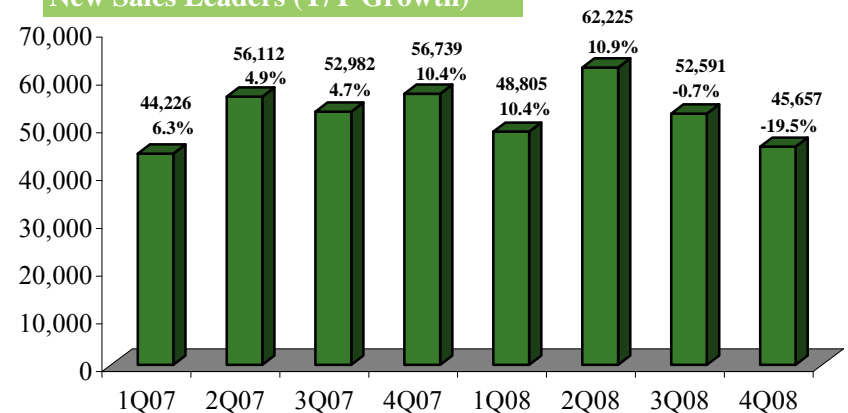


## Retention: Supervisor Retention



## Recruiting:

### New Sales Leaders (Y/Y Growth)



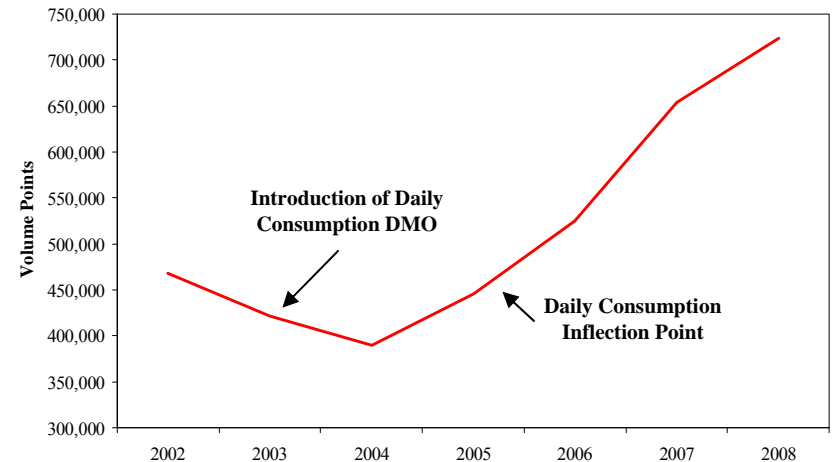
Note: Retention is measured annually after the January re-qualification

# Volume Trends for Key Markets

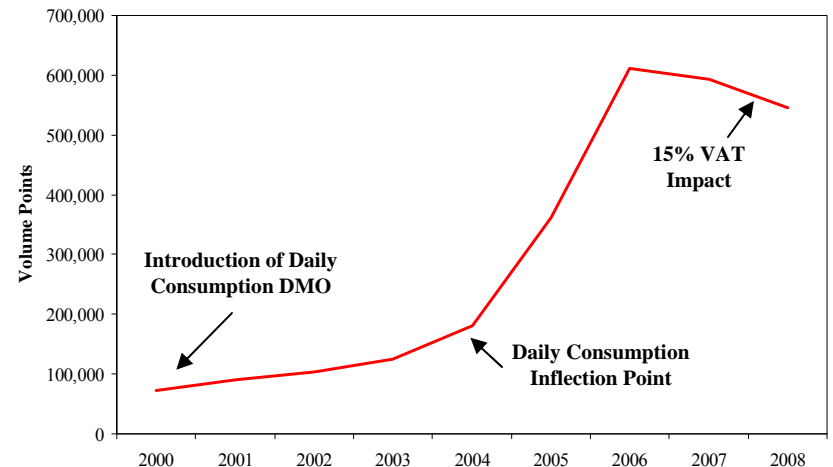
## Fourth Quarter 2008

Volume Point Market Rank	Country	Volume Point Y/Y % Change	New Supervisor Growth
<i>Markets Growing</i>			
3	Brazil	13%	2%
4	Taiwan	16%	13%
5	China	48%	35%
6	Korea	37%	39%
7	Italy	3%	-3%
9	Russia	23%	28%
10	Malaysia	39%	27%
<i>Markets Declining</i>			
1	U.S.A.	-4%	-11%
2	Mexico	-23%	-49%
8	Venezuela	-57%	-68%

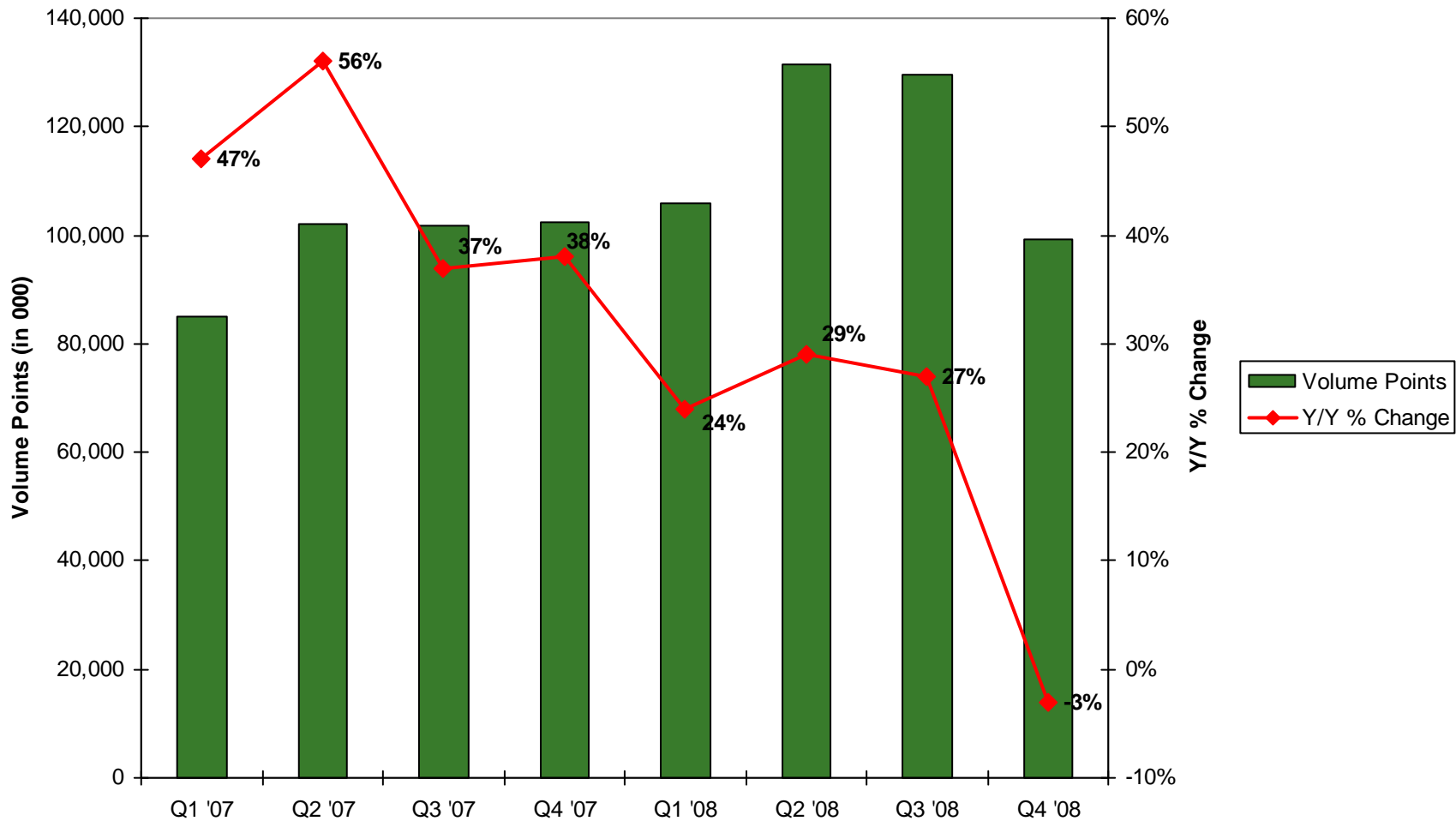
## U.S.A. - #1 Volume Point Market



## Mexico - #2 Volume Point Market



# U.S.A. Volume Points – Latino Market



- During Q4 '08 supervisor ordering was up 12%
- During Q4 '08 supervisor average order size was down 13%

# Activation and Engagement of Distributors

## U.S.A

- “Why Herbalife, Why Now” tour featuring our CEO visited 7 cities in 12 days – more than 13,000 people in attendance, including new prospective distributors
- Latino future President’s team meeting
- Doctors tour featuring Dr. Luigi Gratton
- 2008 Honors in Los Angeles
- VP/Capita = 2.38

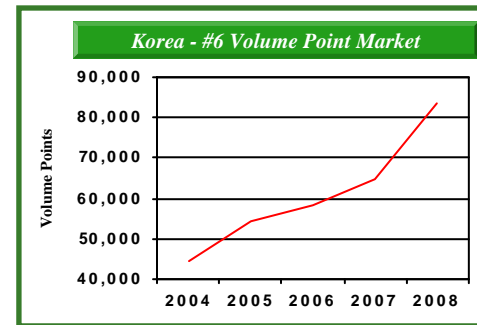
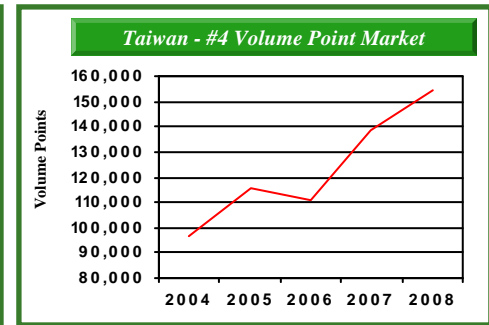
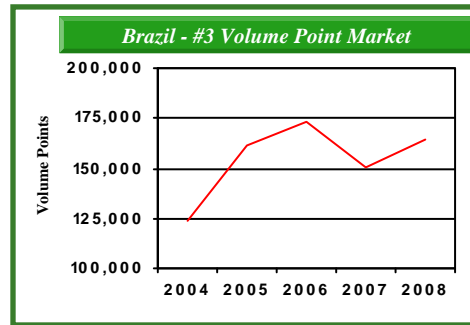
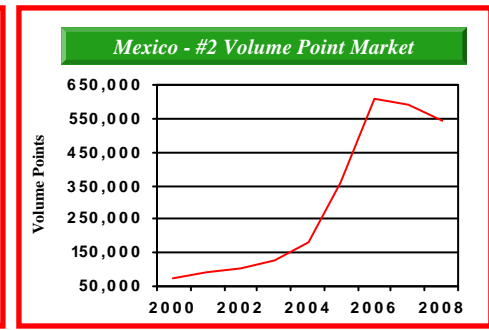
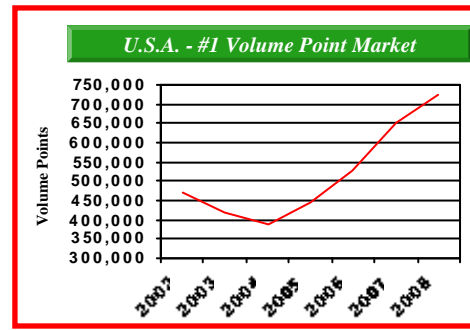
## Mexico

- President’s team tour – visited 15 cities with in excess of 17,000 distributors in attendance
- Future President’s team meeting
- In March, a 4 city “Why Herbalife, Why Now” tour with our CEO will take place. We anticipate 20,000 distributors and potential distributors in attendance
- VP/Capita = 5.12

# Conversion to Daily Consumption

## Fourth Quarter 2008

Volume Point Market Rank	Country	Volume Points (MM)	Volume Point Y/Y % Change
1	U.S.A.	158.1	-4%
2	Mexico	112.9	-23%
3	Brazil	44.8	13%
4	Taiwan	42.2	16%
5	China	31.6	48%
6	Korea	22.2	37%
7	Italy	20.3	3%
8	Venezuela	12.3	-57%
9	Russia	11.6	23%
10	Malaysia	10.6	39%



# Transformation will Enable Increased Penetration of Existing Markets and Entry into New Markets

- **Key under-penetrated markets**

- China
- Russia
- Brazil
- Eastern Europe
- Turkey
- Portugal
- Argentina

- **New markets 2009 & beyond**

- Vietnam
- Paraguay
- Uruguay
- African continent
- Middle East

Top 10 Markets	LTM VP / Capita
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China	0.09
Japan	0.37
France	0.64
Brazil	0.86
Korea	1.69
Italy	1.52
USA	2.38
Venezuela	2.62
Mexico	5.12
Taiwan	6.73
<b>Company Average <sup>1</sup></b>	<b>1.07</b>

Iceland (Top per Capita Country)	19.97
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Note: <sup>1</sup> Excludes China and India

# Herbalife Performance Summary

(Dollars and Volume Points in Millions, Except Per Share Data)

	2004 <sup>(1)</sup>	2005 <sup>(2)</sup>	2006 <sup>(3)</sup>	2007	2008
<b>Volume Points</b>	<b>1,678</b>	<b>2,010</b>	<b>2,434</b>	<b>2,688</b>	<b>2,778</b>
<b>Y/Y Growth</b>	<b>8%</b>	<b>20%</b>	<b>21%</b>	<b>10%</b>	<b>3%</b>
<b>Net Sales</b>	<b>\$ 1,310</b>	<b>\$ 1,567</b>	<b>\$ 1,886</b>	<b>\$ 2,146</b>	<b>\$ 2,359</b>
<b>Y/Y Growth</b>	<b>13%</b>	<b>19%</b>	<b>21%</b>	<b>14%</b>	<b>10%</b>
<b>Operating Margin<sup>(5)</sup></b>	<b>10.6%</b>	<b>13.7%</b>	<b>14.0%</b>	<b>14.7%</b>	<b>14.4%</b>
<b>EPS<sup>(5)</sup></b>	<b>\$ 0.87</b>	<b>\$ 1.52</b>	<b>\$ 2.06</b>	<b>\$ 2.71</b>	<b>\$ 3.53</b>
<b>Y/Y Growth</b>	<b>26%</b>	<b>75%</b>	<b>36%</b>	<b>32%</b>	<b>31%</b>
<b>Sales Leaders</b>	<b>299,128</b>	<b>334,358</b>	<b>408,343</b>	<b>473,846</b>	<b>505,094</b>
<b>Y/Y Growth</b>	<b>9%</b>	<b>12%</b>	<b>22%</b>	<b>16%</b>	<b>7%</b>
<b>Retention<sup>(4)</sup></b>	<b>36%</b>	<b>40%</b>	<b>42%</b>	<b>43%</b>	<b>41%</b>

(1) Excludes \$40.6 million in cash recapitalization expenses

(2) Excludes \$10.5 million in cash recapitalization expenses

(3) Excludes \$16.6 million in cash recapitalization expenses

(4) Measured annually after January re-qualification

(5) Excludes certain one-time items

# Strong Cash Flow and Balance Sheet

(Dollars in Millions)

	2004 <sup>(1)</sup>	2005 <sup>(2)</sup>	2006 <sup>(3)</sup>	2007	2008
<b>Net Income</b>	\$ 54.9	\$ 103.6	\$ 159.7	\$ 191.5	\$ 221.2
<b>Other</b>	94.4	50.3	40.3	79.3	51.8
<b>Cash Flow from Operations</b>	149.3	153.9	200.0	270.8	273.0
<b>Capital Expenditures <sup>(4)</sup></b>	(30.3)	(32.6)	(66.9)	(49.0)	(106.8)
<b>Free Cash Flow</b>	\$ 119.0	\$ 121.3	\$ 133.1	\$ 221.8	\$ 166.2
<b>Total Debt (Due 2012/2013)</b>	\$ 486.2	\$ 263.1	\$ 185.4	\$ 365.2	\$ 351.6
<b>Total Debt / LTM EBITDA <sup>(5)</sup></b>	2.7x	1.1x	0.6x	1.0x	0.9x
<b>Net Debt</b>	\$ 284.0	\$ 175.0	\$ 31.0	\$ 175.0	\$ 200.8
<b>Net Debt / LTM EBITDA <sup>(5)</sup></b>	1.6x	0.7x	0.1x	0.5x	0.5x

<sup>(1)</sup> Excludes \$40.6 million in cash recapitalization expenses

<sup>(2)</sup> Excludes \$10.5 million in cash recapitalization expenses

<sup>(3)</sup> Excludes \$16.6 million in cash recapitalization expenses

<sup>(4)</sup> In FY06 - includes \$7.5 million in TI allowances that will be amortized over the life of a new facility lease

<sup>(5)</sup> Excludes certain one-time items

# Earnings Guidance

	<u>November 3, 2008</u>	<u>February 24, 2009</u>
<b>Volume Points (Growth vs. Prior Yr.)</b>	<b>4% to 5%</b>	<b>-1% to +1%</b>
<b>EPS</b>	<b>\$3.00 - \$3.20</b>	<b>\$2.90 - \$3.10</b>

<u>Risks</u>		<u>Opportunities</u>
<\$0.00 - \$0.33>	Volume (-3% to +5%)	\$0.00 - \$0.55
<\$0.00 - \$0.30>	Additional Foreign Exchange Changes (+/- 5%)	\$0.00 - \$0.30
-	Additional Cost Savings	\$0.00 - \$0.25
-	No Management Bonus Below 90% EPS Target	\$0.00 - \$0.20

# Consistently Delivering Results

	<b>Company's Initial Guidance</b>	<b>Company's Reported FY Actual/Guidance</b>
<b>2005 EPS</b>	<b>\$1.10 - \$1.15</b>	<b>\$1.52A ✓</b>
<b>2006 EPS</b>	<b>\$1.80 - \$1.85</b>	<b>\$2.06A ✓</b>
<b>2007 EPS</b>	<b>\$2.40 - \$2.47</b>	<b>\$2.71A ✓</b>
<b>2008 EPS</b>	<b>\$3.17 - \$3.23</b>	<b>\$3.53A ✓</b>
<b>2009 EPS</b>	<b>\$3.00 - \$3.20</b>	<b>\$2.90 - \$3.10G?</b>

Management's guidance was presented in a press release dated 2/24/2009 and excludes certain one-time items. FY09 guidance excludes the impact of expenses expected to be incurred relating to the company's restructuring initiatives and the impact from an expected Q1 tax settlement with a foreign government.



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